

**MINUTES
OF THE
WOODS HOLE, MARTHA'S VINEYARD
AND NANTUCKET STEAMSHIP AUTHORITY**

The Meeting in Public Session

April 29, 2022

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority met on April 29, 2022, beginning at 10:31 a.m. in the first-floor conference room of the Authority's administrative offices, 228 Palmer Avenue, Falmouth, Massachusetts. All five (5) Members were present and participated via Zoom videoconferencing: Chair Moira E. Tierney of New Bedford; Vice Chair Robert F. Ranney of Nantucket; Secretary Robert R. Jones of Barnstable; James M. Malkin of Dukes County; and Peter J. Jeffrey of Falmouth.

The following members of management were present: General Manager Robert B. Davis; General Counsel Terence G. Kenneally; Treasurer/Comptroller Mark K. Rozum; and Communications Director Sean F. Driscoll.

Video and Audio Recording of Today's Meeting:

Ms. Tierney announced Mr. Driscoll was making an audio and video recording of the meeting; Dave Creed (representing the *Nantucket Current*) and Rich Saltzberg (representing the *Martha's Vineyard Times*) indicated they were making audio recordings of the meeting.

Request for Licensing of a Freight Truck
Transportation Service between New Bedford and Nantucket:

Mr. Davis said, on March 24, 2022, 41 North Offshore LLC (41N) submitted a proposal in support of its request for a license agreement with the Authority to operate a tug and barge freight service pilot program between New Bedford and Nantucket. 41N is proposing a pilot program to determine the feasibility of offering a tug and barge freight service between New Bedford and Nantucket. 41N has partnered with the United Parcel Service (UPS) for the pilot, with UPS engaged as the initial seed customer. The pilot would run from over a five (5)-month period from mid-May 2022 until mid-October 2022 and consist of up to seventy (70) round trips, each trip carrying an average of three (3) tractor-trailer-equivalent units. Loading and off-loading in New Bedford would occur at the Fish Island Terminal, located on Fish Island in New Bedford Harbor, and on Nantucket at the Authority's Nantucket Terminal.

Mr. Kenneally reviewed the proposal and noted that the Authority's projections were that, if the truck spaces were backfilled by passenger vehicles on the Authority's vessels, the effect would be essentially revenue-neutral for the Authority. Mr. Kenneally said staff reviewed the financial information provided by 41N and their proposal and felt it was appropriate. The company does a lot of business with the Authority through its current barging operations and there was not a concern that the company could not perform the work. Rather, it was a matter of assessing what the impacts to the Authority would be, he said.

Mr. Malkin noted a discrepancy between the cost figures provided to the Members earlier and those provided today; Mr. Davis said the original figures showed only the cost of the truck itself, while the current figures factored in the drive-on/drive-off service revenue.

Mr. Malkin said the lost revenue was likely to be made up by increased passenger vehicle traffic and asked if the people of Nantucket had been consulted regarding the effects of that; Mr. Ranney said the concerns of the island are mostly operational and said the vehicles that would come in place of the trucks would come either way so he did not feel it was a concern.

Mr. Jones said he had no problems with the proposal but did have concerns about the approximately \$200,000 loss of revenue that may or may not be made up. He said he did not know why the agreement was not a license fee instead of a wharfage fee and that the Authority could be recouping more from the service than it was. He also said the Authority needed to be sure this decision was consistent with the Request for Proposal that it had issued for off-Cape freight service, as it could make those considerations more difficult.

Mr. Davis said the Authority's wharfage policy mostly applies to aggregate brought by barge, which means the tonnage charges do not contemplate a drive-on/drive-off situation. Therefore, the fee is based on the length of the vessel and tug. Additionally, the tariff was last updated in 1989, so there may need to be some adjustment there regardless of the decision.

Mr. Malkin asked Mr. Jones if his concern was on the agreement on a go-forward basis and if striking the word "pilot" from the agreement would satisfy him; Mr. Jones said he had no problem with the word but was nonetheless concerned about the precedent set going forward and that, like other licensees, the payments should be set as a percentage of the business. He said the Authority needs to look after its own pocketbook because the ratepayers, in the end, suffer.

Mr. Jeffrey said he agreed with the concerns moving forward but that the license right now was to address an extraordinary circumstance for this year, and that changing the terms of the license too much may create a “poison pill” that would create devastating economic impact to Nantucket. He agreed that staff should look at the tariff and reassess the wharfage fees going forward.

Mr. Ranney said he agreed and that, given how the situation unfolded, the Authority may not be facing this same request next year. He said he suspected that UPS would find out that traveling by barge is more difficult than it anticipated but looking at the tariffs made sense.

Mr. Kenneally noted that Article 18 of the license agreement stated unequivocally that the license ran only to October 18, 2022, so any further activity would require renegotiation.

Mr. Davis noted that the Board would need to consider at a future date whether or not to include this barge activity in the calculations for next year’s bulk freight allocations, which are based on the prior year’s activity.

Mr. Davis also reminded the Members about the concerns of Mark H. Rees, the Fairhaven representative to the Port Council, regarding the traffic going through Fairhaven and not New Bedford.

IT WAS VOTED – upon a motion by Mr. Ranney, seconded by Mr. Malkin – to authorize the general manager to execute a license agreement with 41North to operate a licensed freight service between New Bedford and Nantucket from May 17, 2022, to October 19, 2022, but only if 41N agrees to the terms and conditions of the Authority’s proposed license agreement, including the payment of an appropriate and reasonable dockage fees, as recommended in Staff Summary #GM-771, dated April 27, 2022.

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
Ms. Tierney	10 %	
Mr. Ranney	35 %	
Mr. Jones	10 %	
Mr. Malkin	35 %	
Mr. Jeffrey	10 %	
TOTAL	100 %	0 %

Public Comment:

Mr. Saltzberg asked for clarification on whether the word “pilot” had been stricken from the agreement; Mr. Driscoll indicated it had not.

At 11:01 a.m., Ms. Tierney indicated she would accept a motion to adjourn.

IT WAS VOTED – upon a motion by Mr. Jeffrey, seconded by Mr. Ranney – to adjourn the meeting in public session.

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
Ms. Tierney	10 %	
Mr. Ranney	35 %	
Mr. Jones	10 %	
Mr. Malkin	35 %	
Mr. Jeffrey	10 %	_____
TOTAL	100 %	0 %

ROBERT R. JONES, Board Secretary

**Documents and Exhibits Used at the
April 29, 2022, Meeting in Public Session of the
Woods Hole, Martha's Vineyard and Nantucket Steamship Authority**

1. April 29, 2022, Meeting Agenda, posted April 26, 2022.
2. Video and audio recording announcement.
3. Statement regarding remote access to the meeting.
4. Staff Summary #GM-771, 41 North LLC's Request for Licensing of Freight Truck Transportation Service between New Bedford and Nantucket, dated April 27, 2022.