



# Woods Hole, Martha's Vineyard and Nantucket Steamship Authority

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## **RESPONSES TO THE PUBLIC COMMENTS RECEIVED REGARDING THE PRELIMINARY REPORT ON THE FEASIBILITY OF PROVIDING FREIGHT SERVICE BETWEEN NEW BEDFORD AND MARTHA'S VINEYARD**

March 2, 2017

In April 2016, copies of the staff's Preliminary Report on the Feasibility of Providing Freight Service between New Bedford and Martha's Vineyard (the "Preliminary Report") were sent to appropriate public officials of all of the municipalities that could be affected by a freight ferry service between New Bedford and Martha's Vineyard and posted on the SSA's website (as well as on the homepage of the Town of Falmouth's website) along with a letter asking those public officials and members of the public to email their comments and suggestions to the SSA. In response to its request, the SSA received a total of three emails about the Preliminary Report. Copies of those emails were attached to Staff Summary #GM-672, dated July 14, 2016, and the staff is now taking the opportunity to respond to them.

### **I. Potential Freight Ferry Terminal Facilities in New Bedford.**

In the Preliminary Report, the staff questioned whether there are any suitable locations on the New Bedford waterfront that could be made available to accommodate a freight ferry service without huge investment. The staff also stated that, if the SSA were to provide the service, they would prefer that the SSA use the New Bedford State Pier, but that there were several obstacles to using the Pier for a freight ferry service, including the fact that it would need substantial repairs in order for freight trucks to be able to be loaded on and off of the existing transfer bridge that is located on the north side of the Pier. Finally, the staff noted that they were aware of only three other possible locations in New Bedford Harbor that might be able to be used as a freight ferry terminal – (1) the New Bedford Marine Commercial Terminal, although a new slip with a transfer bridge and dolphins would first have to be constructed there; (2) AGM Marine Contractors' facility on Fish Island; and (3) Packer Marine's facility on Herman Melville Boulevard.

In a letter dated April 25, 2016, New Bedford Mayor Jonathan F. Mitchell expressed his gratitude for the staff's Preliminary Report and confirmed that the Port of New Bedford is interested in developing certain freight opportunities out of New Bedford Harbor that make sense for the SSA, the Port of New Bedford, and the City of New Bedford. In that same letter, however, Mayor Mitchell cautioned that any investment in the port's facilities or infrastructure needs to be consistent with the City's planning efforts, as described in the recently released *New Bedford Waterfront Framework Plan* (the "Plan"), and he noted that these efforts include the City's plan to establish areas of public accommodation and expanded ferry service on the State Pier. Mayor Mitchell also observed that certain cargoes, such as municipal solid waste from the Islands, would be incompatible with those plans.

The *New Bedford Waterfront Framework Plan*, which was issued in March 2016, proposes "a reimaged State Pier" that will be "a new center for the waterfront tourism experience" at the geographic heart of New Bedford's diverse waterfront. Describing how recent streetscape and crossing improvements already have enhanced the pedestrian realm at the State Pier, the Plan "imagines strategic changes to the downtown side of State Pier to attract more visitors to the site." (Plan, at p. 52). These changes include:

- providing a flexible-use public space at the southwest corner of the Pier;
- constructing a new "gateway" building, located midway on the southern edge of the pier, to house a relocated fish auction, fish market, welcome center, retail store and visitor services;
- constructing a cluster of a few commercial buildings for retail stores and restaurants on the northwest corner of the Pier; and
- providing space for recreational boating along the northern edge of the Pier.

(Plan, at pp. 52-59).

While the Plan envisions "maintaining existing ferry and marine industrial operations" at the State Pier (Plan, at p. 60), it does not propose any enlargement of the area on the Pier that is currently being used (and will continue to be used) for SeaStreak's passenger ferry operations. (Plan, at p. 56). Indeed, the Plan suggests that the Cuttyhunk Ferry might also operate from the same location on the Pier where SeaStreak will continue provide its passenger ferry service. (Plan, at pp. 62, 65). Thus, as described in the Plan, the reimaged State Pier will not accommodate a ferry service for vehicles as well as passengers, let alone a ferry service for freight trucks between New Bedford and Martha's Vineyard.<sup>1</sup>

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<sup>1</sup> Despite the Plan's vision for the State Pier, on August 18, 2016, the New Bedford City Council adopted a motion requesting that the Governor, Legislature, Seaport Economic Council and the SSA "look into the feasibility of installing a ferry service for cargo, vehicles, etc. at the State Pier," saying that "there is already an existing port at that location, this ferry service would not only lessen the congestion that exists at Woods Hole, but would provide an economic boom [sic] to New Bedford."

Nevertheless, Mayor Mitchell agreed with the staff's observation in the Preliminary Report that it is worth exploring whether facilities in the planned South Terminal Area or Northern Waterfront District of New Bedford Harbor might be able to be developed to suit the needs of freight haulers. Accordingly, on September 1, 2016, SSA General Manager Wayne C. Lamson and SSA General Counsel Steven M. Sayers met with Mayor Mitchell, New Bedford Harbor Development Commission Executive Director Edward C. Anthes-Washburn (who is also the New Bedford Port Council member), and New Bedford Authority Member Moira E. Tierney to discuss whether there are any other possible facilities within the port might be suitable and available to accommodate a freight ferry service between New Bedford and Martha's Vineyard.

At that meeting, the staff was informed that the City (through the Harbor Development Commission) is exploring the possibility of developing a multi-modal transportation facility in the Northern Waterfront District of New Bedford Harbor and that it already has a sufficient amount of federal funds to prepare a feasibility study for it. After the feasibility study is completed, the City plans to apply to the United States Department of Transportation (DOT) for a Transportation Investment Generating Economy Recovery (TIGER) Grant to help fund the construction of the facility.<sup>2</sup> The City also is willing to allow the facility to be used for providing freight ferry service between New Bedford and Martha's Vineyard, although that will not be one of the facility's principal purposes.

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<sup>2</sup> DOT uses the TIGER Grant program to invest in road, rail, transit and port projects that promise to achieve national objectives. Applicants for TIGER Grants must detail the benefits their projects will deliver for five long-term outcomes: safety, economic competitiveness, state of good repair, quality of life, and environmental sustainability. DOT also evaluates projects on innovation, partnerships, project readiness, benefit cost analysis, and cost share.

TIGER can fund port and freight rail projects that play a critical role in the nation's ability to move freight, but have limited sources of federal funds, by providing capital funding directly to any public entity, including municipalities, counties, port authorities, tribal governments, MPOs, or others. This is in contrast to traditional federal programs which provide funding to very specific groups of applicants, mostly state DOTs and transit agencies. This flexibility allows TIGER and DOT's traditional partners at the state and local levels to work directly with a host of entities that own, operate and maintain much of the nation's transportation infrastructure, but otherwise cannot turn to the federal government for support.

While TIGER can fund projects that have a local match as low as twenty percent of the total project costs, TIGER projects have historically achieved, on average, co-investment of 3.5 dollars (including other federal, state, local, private and philanthropic funds) for every TIGER dollar invested.

## **II. The Staff's Proposed Potential Model for the Service.**

In the Preliminary Report, the staff described in detail a potential model for providing the service that the staff believes has the greatest chance of success over the long term. In short, after funding for the construction, operation and maintenance of a suitable freight ferry terminal in New Bedford is secured, as well as annual funding for the additional cost of the service itself, the staff recommended that a private operator provide the service in accordance with the following parameters:

1. The freight vessel would make two round trips a day on weekdays (excluding holidays) during approximately a 22-week summer season, with the potential to also operate the service, if the SSA chooses, on weekends and holidays.
2. The SSA would provide reservation and ticketing services for the freight service, and will integrate reservations for travel on the New Bedford route into its existing reservations system so that customers traveling to and from Martha's Vineyard can make reservations in one direction by way of New Bedford and in the other direction by way of Woods Hole.
3. The first daily one-way trip from New Bedford to Martha's Vineyard would be designated as a "hazardous cargo" trip, and customers traveling between New Bedford and Martha's Vineyard with their vehicles (both trucks and automobiles) would be able to make reservations on that route the same way they are able to make reservations on the SSA's other freight trips.
4. Customers traveling with their automobiles would also be allowed to travel standby on the freight trips between New Bedford and Martha's Vineyard in the same manner that they are able to travel standby on the SSA's other freight trips.
5. Freight shippers would be allowed to ship their trucks between New Bedford and Martha's Vineyard without their drivers if the SSA is assured that each "driverless" truck on the vessel is physically met at the ferry terminal by its driver when the vessel arrives there so that the truck can be immediately driven off the vessel.
6. The New Bedford freight service would be provided on a summer-seasonal basis for an initial three-year period, with the potential to extend the operating season if the SSA so chooses.
7. The SSA would establish the same rates of fare for the New Bedford route as it establishes for the Woods Hole route.

On April 29, 2016, A.J. Clarke of J P Noonan Transportation emailed the SSA saying that his gut reaction was that the proposed model for the service would not work on a voluntary basis because of the additional time required to make these trips. Mr. Clarke continued:

Any situation that increases time required will result in reduced productivity of the trucks involved and increase costs by a factor of this extra time resulting in increased cost to the ultimate consumer of these products, or island residents. I feel that the reduced productivity will require additional trucks to continue with the same level of service.

The staff agrees with Mr. Clarke that it will take more time for a freight truck to travel entirely by ferry between New Bedford and Martha's Vineyard (2-½ hours via Quick's Hole) than it currently takes for a truck to drive from New Bedford to Woods Hole (1 hour) and then take the ferry from there to Martha's Vineyard (45 minutes). See Preliminary Report, at p. 5. However, freight shippers who travel entirely by ferry between New Bedford and Martha's Vineyard will benefit from a reduction in their trucks' fuel and maintenance costs, and their increased labor costs for the additional 45-minutes spent by their drivers might be mitigated for shippers carrying non-hazardous freight if they are allowed to ship their trucks back and forth between New Bedford and Martha's Vineyard without their drivers. See Preliminary Report, at p. 33. Therefore, provided that the New Bedford-Martha's Vineyard freight ferry service is operated in accordance with the parameters recommended by the staff in their Preliminary Report, the staff does not believe that there is a sufficient basis at this point to conclude that traveling entirely by ferry between New Bedford and Martha's Vineyard, instead of driving to Woods Hole and then taking the ferry from there to Martha's Vineyard, will result in an increase in the cost of goods on the island that are shipped entirely by ferry from New Bedford.

By contrast, in a letter to General Manager Wayne Lamson, dated June 28, 2016, Woods Hole resident Nat Trumbull described many reasons why he believes that a freight ferry service between New Bedford and Martha's Vineyard will succeed. But the multitude of issues raised by Mr. Trumbull are far beyond the scope of this report. Suffice it to say that the staff attempted to arrive at a proposed model for a freight ferry service between New Bedford and Martha's Vineyard that has the greatest chance of success over the long term, assuming that the service will be provided. With respect to that proposed model for the freight service, the staff is able to discern only two disagreements that Mr. Trumbull expressed in his letter about the staff's recommended parameters for the service. They are as follows:

- Mr. Trumbull suggests that, in order to attract shippers to this new ferry route and schedule, a five-year rather than a three-year guaranteed schedule might be more appropriate. (Mr. Trumbull's June 28, 2016 letter, at p. 3). The staff is not averse to increasing the minimum number of years for which the service is initially provided, assuming that the commitment is made not only by the SSA, but by all of the other participants in this endeavor, including the source of the funds that will be needed to cover the costs of the service which are not paid for through its fares. See Preliminary Report, at pp. 25-26.

- Mr. Trumbull disagrees with the staff’s recommendation that the SSA should not subsidize the cost of the freight ferry service between New Bedford and Martha’s Vineyard (Mr. Trumbull’s June 28, 2016 letter, at p. 7). However, for the reasons stated at length in the Preliminary Report, at pp. 26-29, the staff continues to believe that, in order to be fair and equitable to the residents of Martha’s Vineyard, any New Bedford freight service must effectively pay for itself or be funded by one or more entities other than the SSA.

Finally, Mr. Trumbull notes that more specific cost estimates are needed for varying levels of repairs to the relevant portions of the New Bedford State Pier, that the staff has not clearly specified the timeframe, after funding is secured, within which the State Pier can be repaired, and that the staff has not explored in detail the specific funding sources that might be available for the repair of the State Pier. (Mr. Trumbull’s June 28, 2016 letter, at p. 5). He is correct, and that is why the staff has recommended that the SSA work with the Cape Cod Commission, the Martha’s Vineyard Commission, and public officials of all of the municipalities that could be affected by a New Bedford freight service to explore all of these issues, including how to fund the construction, operation and maintenance of a suitable freight ferry terminal in New Bedford, and how to provide annual funding to the SSA for the New Bedford freight service. See Preliminary Report, at p. 36.

### **III. Recommendation.**

Thus, the SSA has not received any comments from any public officials or members of the public that seriously disagree with any of the principal recommendations contained in the staff’s Preliminary Report (except for Mr. Trumbull’s disagreement with the staff’s recommendation that the SSA should not subsidize the cost of the freight ferry service between New Bedford and Martha’s Vineyard). Accordingly, with a few minor modifications,<sup>3</sup> the staff renews their recommendations in substantially the same form as they were presented in April 2016, as follows:

- A. The staff recommends that the SSA entertain a proposal from Packer Marine (R.M. Packer Co., Inc. / Towing & Transportation Co., Inc.) to provide a barge and tug service for transporting freight vehicles between New Bedford and Martha’s Vineyard on a “roll-on/roll-off” basis pursuant to a license agreement with the SSA, potentially without the payment of any license fees.

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<sup>3</sup> The modifications include (a) including the Southeast Regional Planning and Economic Development District among the governmental entities that the staff recommends the SSA should work with to obtain funding [see Recommendation, ¶ C]; (b) clarifying that the staff is recommending that only shippers of non-hazardous freight allowed to ship their trucks between New Bedford and Martha’s Vineyard without their drivers because, in accordance with United States Coast Guard regulations, operators of vehicles carrying hazardous freight are required to remain with the vehicles while they are on the ferries (see Recommendation, ¶ D(5)); and (c) recommending that the first daily one-way trip from New Bedford to Martha’s Vineyard only be tentatively designated as a “hazardous cargo” trip [see Recommendation, ¶ D(6)].

- B. The staff recommends that the SSA also engage the services of Craig Johnson of Flagship Management to find out, on the SSA's behalf, whether any private operators might be interested in providing the New Bedford freight service at their own financial risk under a license agreement with the SSA and, if so, under what terms and conditions.
  
- C. The staff recommends that the SSA work with the Cape Cod Commission, the Martha's Vineyard Commission, the Southeast Regional Planning and Economic Development District, and public officials of all of the municipalities that could be affected by a New Bedford freight service for the purpose of submitting a joint request to the appropriate agency or agencies of the Commonwealth of Massachusetts and/or other local or regional governmental entities:
  - 1. to fund the construction, operation and maintenance of a suitable freight ferry terminal in New Bedford; and
  - 2. to provide annual funding to the SSA for the New Bedford freight service in a sufficient amount to cover the difference each year between (a) the amount of the SSA's direct and allocated costs of the service, and (b) the amount of fares the SSA derives from the service.
  
- D. Once the funding described in (C) above is secured and a schedule is established for the New Bedford freight ferry terminal's completion, unless by that time a private operator has entered into a license agreement with the SSA to provide the New Bedford freight service at its own financial risk, the staff recommends that the SSA negotiate and enter into a time charter for a freight vessel from a private operator to provide freight ferry service between New Bedford and the SSA's Vineyard Haven terminal in accordance with the following parameters:
  - 1. The freight vessel would make two round trips a day on weekdays (excluding holidays) during approximately a 22-week summer season, with the potential to also operate the service, if the SSA chooses, on weekends and holidays.
  - 2. The SSA would provide reservation and ticketing services for the freight service, and will integrate reservations for travel on the New Bedford route into its existing reservations system so that customers traveling to and from Martha's Vineyard can make reservations in one direction by way of New Bedford and in the other direction by way of Woods Hole.
  - 3. Customers traveling between New Bedford and Martha's Vineyard with their vehicles (both trucks and automobiles) would be able to make reservations on that route the same way they are able to make reservations on the SSA's other freight trips.

4. Customers traveling with their automobiles would also be allowed to travel standby on the freight trips between New Bedford and Martha's Vineyard in the same manner that they are able to travel standby on the SSA's other freight trips.
5. The first daily one-way trip from New Bedford to Martha's Vineyard tentatively would be designated as a "hazardous cargo" trip.
6. Shippers of non-hazardous freight would be allowed to ship their trucks between New Bedford and Martha's Vineyard without their drivers if the SSA is assured that each "driverless" truck on the vessel is physically met at the ferry terminal by its driver when the vessel arrives there so that the truck can be immediately driven off the vessel.
7. The New Bedford freight service would be provided on a summer-seasonal basis for an initial period of several years (as agreed upon by all of the participants in this endeavor, including the source of the funds that will be needed to cover the costs of the service which are not paid for through its fares), with the potential to extend the operating season if the SSA so chooses.
8. The SSA would establish the same rates of fare for the New Bedford route as it establishes for the Woods Hole route.