

CONNECTICUT MARITIME COMMISSION (CTMC)
SUMMARY REPORT OF MEETING (Mtg. #12-12)
December 19, 2012
Annual Meeting

Location of Meeting: ConnDOT Headquarters
Conference Room A
2800 Berlin Turnpike
Newington, CT

Attendance:

Commissioners

Present

Chuck Beck (for DOT Commissioner)
Tom Dubno
Daniel Esty
John Johnson
Dave LeVasseur (for OPM Secretary)
Stan Mickus
Larry Miller
Bob Ross
Catherine Smith

Absent

Michael Griffin
Joe Riccio
David Shuda
Parker Wise

Guests

Amy Beach	Ned Farman	Jeff Flumignan	Don Frost	Bill Gash
Scot Graham	Martha Klimas	Cheryl Malerba	Craig Martin	Phil Michalowski
Brent Pounds	Dave Rossiter	Greg Roth	Joe Salvatore	Judi Sheffele
Bill Spicer	Alan Stevens	Brian Thompson	Joe Vojvodich	Grant Westerson
George Wisker				

I. Call to Order:

In the absence of the Chairman, Vice Chairman Johnson called the meeting to order at 0932. A quorum was present. The Chairman asked for all present to introduce themselves starting with the Commissioners. Upon completion of the introductions, all were asked to stand for a moment of silence to honor those lost as a result of the incident at the Sandy Hook Elementary School and their families.

II. Review of Meeting Minutes:

The summary report of the November 21, 2012 meeting was reviewed. A motion to approve the summary report was made by Commissioner Dubno. Commissioner Miller provided a second and the motion passed with seven (07) affirmative votes. Commissioner Johnson and Dave LeVasseur abstained.

III Discussion Open to Public Martha Klimas reported on Marine Highway related information presented at the North Atlantic Ports Association (NAPA) meeting held in Virginia the first week of December. She recounted how MARAD had not included the Long Island Sound in the description of the M-95 Corridor and how the CTDOT, the CTMC and other stakeholders like the New London, New Haven and Bridgeport Port authorities had written letters to MARAD asking to amend the M-95 Corridor description. Martha reported that Lauren Brand (MARAD) stated that the description language had been changed but it would take some time to change the literature, particularly the maps. The Port Authority of NY and NJ (PANYNJ) raised Storm Sandy issues including the need to divert cargo vessel traffic to other ports like Boston and Portsmouth, VA. Questions were asked about why the CT ports were overlooked as diversion ports? Don Frost stated that the head of the Marine Highway program confirmed that the CT ports were not considered due to a lack of infrastructure, not only within the ports but landside to move cargo out of the port. Some discussion between Martha and Don ensued. A few late arrivals were asked to introduce themselves.

IV Old Business: Dredging Update – Joe Salvatore updated all on the three dredging projects currently underway in CT: Patchogue River, Clinton Harbor and Housatonic River. He reported that the ACOE Dredger CURRITUCK had completed dredging operations in Housatonic River removing approximately 65K cubic yards of material from the river and relocating the material to a near shore disposal site that will nourish Silver Beach. The Patchogue River project had been completed removing of approximately 36K cubic yards of material. The Clinton Harbor dredging project had been given the go ahead to start again after the temporary hold caused by a need for a Piping Plover monitoring plan was lifted. Funding was identified for the plan which allowed the project to proceed. Joe Salvatore advised that EPA Region 1 had held the first of two public scoping meetings about the Eastern Long Island Sound Supplementary Environmental Impact Study (ELIS SEIS) on 11/14/2012 at UConn Avery Point. He advised that another meeting has been scheduled to be held at Riverhead, NY on January 9, 2013. Joe recommended that as many CT people as possible should attend the meeting in Riverhead. Grant Westerson indicated that he and a couple of others planned on attending. Commissioner Johnson indicated that he would make an effort to attend and represent the CTMC. Joe also announced that there would be an ELIS SEIS Cooperating Agency meeting held on January 8, 2013 at CTDOT HQ and that the next LIS DMMP Working Group meeting had been set for January 17, 2013 in Bridgeport at the Holiday Inn between the hours of 1500-1900. In response to a question from the Vice Chairman, Joe estimated that approximately 150K cubic yards of dredge material had been relocated during calendar year 2012, some of which went to a beneficial use like beach nourishment.

Study of a Strategy for the Economic Development of CT's Ports – The Vice Chair noted that at the November 21st CTMC meeting the CTMC had approved a motion to endorse the recommendation in the Port Study for the establishment of a port governing body in the form of a SWPA. However, the motion did not have an actionable component. Commissioner Ross read the motion approved from a copy of the November 21, 2012 CTMC summary report then moved that the endorsement of a SWPA be transmitted to the Governor in the form of a letter with a copy going to both of the Legislature's Transportation Committee. After a small discussion on the need for such a motion, Commissioner Smith seconded the motion. The motion passed by unanimous vote. Chuck Beck was asked to draft the letter for review/signature by the Chairman.

V New Business: Draft 2012 CTMC Annual Report – With the consent of the CTMC Commissioners, the Vice Chairman changed the order of items within New Business on the Agenda. After pointing out that an incomplete draft of the 2012 CTMC Annual Report was part of the meeting package he solicited comments. Chuck Beck pointed out that there were two areas within the draft that had been shaded as a reminder to check facts and/or to reserve space to include the proceedings of the December meeting in the 2012 CTMC Annual report. Commissioner Smith moved that the draft report with anticipated changes be approved. Commissioner Esty provided a second. Discussion centered on the appropriateness of voting on the incomplete draft vs. voting on it at the January meeting. Based on the discussion, Commissioner Smith rescinded her motion to allow action on the draft report to take place at the January 16, 2013 CTMC meeting.

Commissioner Ross took the opportunity to recommend a change in venue and start time for the January 16, 2013 CTMC meeting. He advised that the Governor would be speaking at the Chamber of Commerce of Eastern Connecticut that morning at the Holiday Inn located at 10 Laura Boulevard Norwich, CT 06360 between the hours of 0745 and 0915. He suggested that if the venue of the January 16, 2013 CTMC meeting was changed from the CTDOT HQ building in Newington as scheduled to a venue in SECT (perhaps the Holiday Inn), CTMC Commissioners and interested parties would have the opportunity to attend the Chamber's breakfast meeting and the CTMC meeting. After a couple of comments of support, Commissioner Ross moved that the January 16, 2013 CTMC meeting be held in the SECT area and start no earlier than 1000. Commissioner Miller provided a second. During the discussion it was stated that there were two possible locations in SECT to hold the CTMC meeting. One would be at the same location as the

Chamber's breakfast meeting (the Holiday Inn). If available the start time for the CTMC meeting could be 1000. The fall back location would be the State Pier Admin building conference room. If chosen, the start time would be 1030. The motion passed by unanimous vote. Commissioner Ross stated that he would work with the leadership of the Chamber concerning getting a room at the Holiday Inn for the CTMC meeting. All will be advised of the exact location and time of the January 16, 2013 CTMC meeting as soon as arrangements are confirmed.

Statewide Port Authority Organizations – Captain Jeffrey Monroe (a Senior Port, Maritime and Transportation consultant) made a power point assisted presentation on the various types of port governance. He started with comments about myths and realities that the improved Panama Canal might have on eastern US ports as particularly related to containerized cargo. He felt that within a decade maritime containerized cargo would evolve into a long sought after hub and spoke system of delivery. Captain Monroe provided a brief history of how and why port ownership of properties shifted from private to public ownership. The most significant factor during the transition was cargo moving from break bulk to containers. Many port facilities became stranded by non-maritime related development. Over the last 60 years or so, public entities have taken over large expanses of waterfront property including terminals. Many of the terminals were in need of repair and investment. Thankfully some involved had a vision of the future and preserved/improved key infrastructure. State involvement changed the perspective on how ports were managed. Despite the conversion of some properties from the private sector to the public, properties within a port remained a mix of ownership each with parochial interests. A common problem is to change the mindset of terminals competing within a port or state or ports within a state competing against each other vs. a collaborative competition against entities outside of the port/state. Thus, ports are a collection of public and private marine terminals with associated landside transportation infrastructure with common interest in the growth and development of port areas and transportation.

Ports are economic engines that create well-paid jobs benefiting the State and the region. Public entities have a leadership role and should work with private entities to address common interests and objectives for the port & customers. The customers are the shippers and ocean carriers. There are some major difference between a publically owned port facility and a private. Publicly owned facilities are common carrier oriented willing to handle all types of cargo and industrial activities in support of jobs and economic development. Privately owned terminals generally handle their own cargoes and products, or specific types of cargos for profit. There are several different public port management models to consider, each with advantages and disadvantages. Some of the most common models are Public Port Authorities, Public Port Commissions, State Department Port Divisions, Municipal Department Port Divisions, Publically Owned-Commercially Operated, Associated Ports Councils and Public Agency 2nd Party Managed. There are also several terminal operational models based on the type of the terminal, utilization and the customer base. Terminals can be owner operated, second party operated, third party operated, common carrier operated and public-private operated. Captain Monroe showed some differences between the US and Canadian port models. US Port Authorities often manage seaports, airports, bridges and rail facilities. Canadian port authorities are for the most part prohibited from engaging in in activity unrelated to their maritime functions, such as airport, rail or toll bridge operations. The model determination must be detailed in the enabling legislation. Public agencies have a responsibility to work beyond a terminal mindset and coordinate and connect together the overall port transportation infrastructure into a system.

Captain Monroe summarized port management considerations by stating that ports consist of both public and private management models. Public port models must be designed to provide optimal stewardship of a valuable resource. Public agencies need to look after the public good. Public-private partnerships are critical to the success of port management and growth. Stakeholders are part of those partnerships. Ports are critical to the public welfare.

During the Q & A, Captain Monroe stated that the reason that cargo was not diverted to CT ports was that the shippers and ocean carriers control the freight and make diversion decisions well before any weather or catastrophic event. He gave Hurricane Katrina as an example. He

continued by stating that CT's review and possible action towards port governance is very timely as other states are doing the same thing.

During the Q&A, there was a discussion about short sea shipping, the Marine Highway and the Jones Act among Captain Monroe, Don Frost and Jeff Flumignan (MARAD). The discussion centered on not being able to use foreign flagged or built ships for short sea shipping between US ports, steps being taken by MARAD to develop an articulated tug and barge and possible reciprocity between Canada and the US. In response to a question from Commissioner Dubno about why the Bridgeport Feeder Barge Project failed (no interest by shippers), Captain Monroe stated that the focus should have been more on the carrier and gave an example related to potatoes and Prince Edward Island. He indicated that the cost that needs to be considered when trying to build business is the system cost (vessel, cargo handling, truck, etc.) not just the cost of the port operations (tariffs, wharfage, etc.). There were some additional questions and answers on issues such as use of CT's rivers as part of the system, comparative costs of shipping by water vs. over the road, the Harbor Maintenance Tax (HMT) shifting cargo to Canadian vs. US ports and the effects of Homeland Security issues on port operations.

VI Executive Session – none held.

VII Date of Next Meeting: All were reminded that the next meeting of the CTMC would be held in the Southeastern CT area, **exact place and time to be determined on Wednesday January 16, 2013**

VIII Adjournment: -. A motion to adjourn was made by Commissioner Esty, seconded by Commissioner Miller and passed by unanimous vote. The meeting ended at 10:41 AM.