

Times-Standard

Short sea shipping being pitched by maritime group

John Driscoll/The Times-Standard

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Stephen Pepper sees an opportunity for Humboldt Bay -- and it doesn't involve enormous ships, dredging, a railroad or large amounts of public money.

It's also something that's been quietly steaming along, a little behind the scenes, in the conversation about how the port might become a greater economic engine in the region.

Short sea shipping involves moving cargo and containers from one American port to another, where it can be shipped across the ocean to a final destination. Pepper, who has worked in the tugboat industry and formed a logistical outfit called Humboldt Maritime Logistics, sees an operation that would use tugs and barges to move goods between five different West Coast ports, including Humboldt Bay.

Short sea shipping -- say it three times fast -- is a model used on the East and Gulf coasts, in Europe and along other coastlines in the world.

"It's only a matter of time before it comes to the West Coast," Pepper said.

In fact, short sea shipping is addressed in the Port of Humboldt Bay Harbor Revitalization Plan and in a recent business plan developed by consultant TranSystems for the Humboldt Bay Harbor, Recreation and Conservation District. It's been overshadowed to some degree by prospects of dozens of annual cruise ship visits and a substantial

container shipping operation, both of which the district is weighing as possibilities to develop its Redwood Dock.

But Pepper sees the port as already having much of the infrastructure it needs for moving goods in containers on barges. He's got preliminary agreements with Pacific Affiliates, the Eureka-side business whose heavy-duty dock has sat idle since it was rebuilt years ago. Tug businesses already exist to move barges around. The only major missing component is a mobile crane needed to place containers on barges. That's estimated to cost about \$4 million.

Short sea shipping also has the blessing of the federal government, through the U.S. Maritime Administration. That agency is pushing the concept as a way to relieve congestion on the clogged highway arteries of the country. Pepper is asking the harbor district and the city of Eureka to press MARAD to designate the West Coast corridor as an official shipping corridor by the deadline of Feb. 6.

Humboldt Bay would be one of five ports along the corridor and be the home port for the business. But with relatively little goods to move, and since a single 400-foot barge can carry 500 to 600 containers in total, once-a-week service would likely be the amount of traffic that can be expected locally.

The benefit to local businesses would be substantial, Pepper believes. Lumber, hog fuel and gravel could all be moved, along with other smaller-volume nonperishable goods.

Because the idea is based on an economy of scale, with containers being loaded at several ports, Pepper believes the financial picture works out.

That may be especially true today, as the world-wide economic slowdown has depressed container

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shipping from the huge volumes of several years ago on the West Coast. Stagnating overland links to other areas of the country and the West Coast ports' dependence on Asia are serious challenges for transoceanic shipping, reads a September 2008 report from Drewry Supply Chain Advisors.

The competitive position of the West Coast is not as good as it appears, said the Drewry report.

Shippers are more reluctant now to make more than one call with huge container vessels, and moving goods by barge to a main port for pickup and drop-off may make sense. And rail service is something of a finite resource with already high volumes.

Shipping customers want reliable, predictable service, reasonable cost, convenience and reasonable transit time, according to a 2004 report from a forum of maritime administrators and business representatives to the Society of Naval Architects and Marine Engineers.

"Shippers and consignees are basically indifferent to mode choice or route," the panel reported, "as long as their needs and concerns are met."

Short sea shipping already moves hundreds of millions of tons of cargo by water in the United States, cargo that would otherwise go by road, wrote Capt. Kelly Sweeney in Professional Mariner magazine in April.

"Since the amount of cargo that can be carried on a ship is many times what can be pulled by a truck, increasing short sea shipping could reduce highway congestion, cut diesel exhaust and lessen wear and tear on our bridges and highways," Sweeney wrote.

But Sweeney also warned against allowing foreign vessels to participate in domestic short sea shipping by weakening the Jones Act, which requires cargo

from one American port to be moved to another on a U.S.-flagged vessel.

Pepper said Humboldt Maritime Logistics is focusing on domestic goods and that its inquiries to carriers has been responded to positively.

Initial calculations see nearly 100 jobs being created -- including indirectly -- by the service if it gets up and running, and union labor would be arranged through the harbor's stevedore for the waterfront work. Humboldt Maritime Logistics also sees a substantial reduction in the fuel needed to move goods from the area and an improvement in air quality.

The project, Pepper believes, could be up and running in two years and represents one way the port can further contribute to the regional economy.

"This bay has assets that could help its economy," Pepper said.

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