

## New ideas in short-sea



**PETER TIRSCHWELL**

**R**eaders of this magazine have seen a lot of coverage over the last year concerning so-called short-sea shipping. The reason is simple: Road congestion in the U.S. is becoming an unavoidable problem for companies shipping goods into, out of, and within the country, and the water — as in Europe — might be able to relieve some of this pressure. According to one estimate, between 1990 and 2000, vehicle miles in the U.S. climbed 80 percent, while the lane miles of public roads grew by only 2 percent. Between 2000 and 2020, that disparity is not going to narrow.

The biggest problem with a waterborne alternative is that an intermodal system capable of shifting large numbers of trucks from the highways doesn't exist today. A few regional barge services move international containers to and from load center ports such as New York-New Jersey and Houston, but international containers represent less than 1 percent or so of overall truck traffic, so from a system standpoint, these services exist only at the margins. Until recently, the U.S. has basically been deaf, dumb and blind to the growing problem of freight congestion that has accompanied the growth and internationalization of the U.S. economy. Getting ourselves out of the mess we're now in won't be simple or cheap.

That said, the good news is that ideas are now being discussed and solutions proposed. People are no longer dismissing out of hand short-sea ideas by saying that ships are too expensive to build in the U.S. under the Jones Act or that longshore labor costs are too high. The most serious solu-

tions being proposed, however, don't skirt the fundamental issue: Because the U.S. is starting from scratch, ramping up to a point where a meaningful dent can be put into projected truck volumes won't happen easily.

Steve Flott and his SeaBridge concept is a case in point. Flott does not try to obfuscate the scope or cost of his proposed venture. He says it involves building in the U.S. a fleet of 12 \$200 million pentamaran ferries capable of carrying trucks with or without tractors as well as passenger cars; the anticipated car-truck revenue split would be 50-50, he says. People could ride with their vehicles and book overnight berths. Like the successful Superfast ferries in Europe launched in the mid-1990s in the Adriatic by Pereicles Panagopoulos of Greece, on which Flott's venture is loosely modeled, the ships would depart every 24 hours between port pairs including New London, Conn., and Charleston; Norfolk and Port Canaveral; and Freeport, Texas, and Port Manatee, Fla. Flott acknowledges that Title XI loan guarantees would not be able to generate the funds needed for the venture. "Congress would have to act," he says, to fashion a financing mechanism capable of allowing a project of this scope to proceed.

What interests me most about Flott's venture isn't the odds of his success, which at this point are hard to gauge. Nor is it his passion for the project, which exists in abundance. It's where Flott is coming from in conceiving the plan, which to me lends credibility irrespective of the costs involved. Flott is not a maritime guy, a point in his favor because the maritime industry, focused as it is on con-

tainers and international logistics, has little experience with the needs and economics of domestic shippers. He comes out of the trucking world, having served for a number of years as president of the Ontario Trucking Association. He understands that a waterborne intermodal service cannot work unless it is cost-effective to trucking companies. Flott says it is. He cites a truck trip from Boston to Orlando. Over the road, including required driver rest time, the trip involves a total of 53 hours and 1,300 road miles. Using his waterborne option, the trip, including road legs from Boston to New London and from Charleston to Orlando, involves 34 hours and 485 road miles. In other words, it's faster and lowers the trucker's variable costs for such items as wear and tear on the vehicle, fuel and even driver time as the trailer could travel unaccompanied on the ferry. "We believe we can provide this service for a price that would be competitive on a cost per mile to the trucker vs. existing road options," Flott said.

Ultimately for the policy-makers who would have to approve the venture, assuming the need to change legislation, the crux is capacity: How much does it add? Flott says it could divert 5 percent of truck traffic that moves on I-95 and I-10 routes. That alone makes the cost seem reasonable when considering the cost of expanding highways.

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