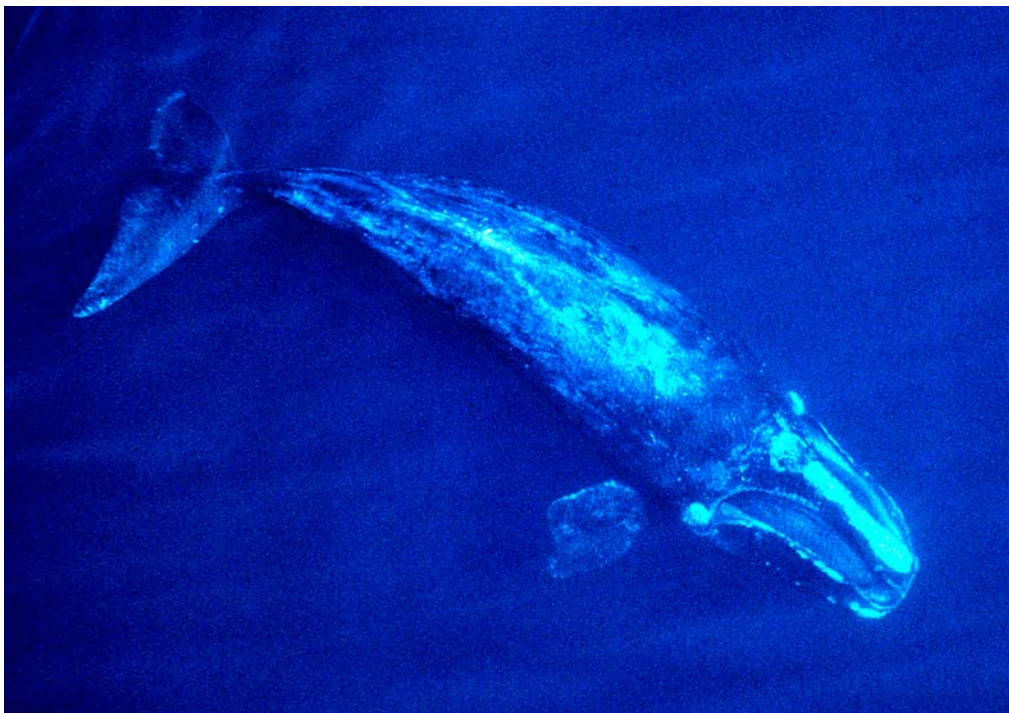


*Draft EIS Report*

# **Economic Analysis for the Environmental Impact Statement of the North Atlantic Right Whale Ship Strike Reduction Strategy**



**PREPARED FOR**  
National Oceanic and Atmospheric Agency (NOAA)  
National Marine Fisheries (NMFS)  
Office of Protected Resources

**SUBMITTED TO**  
Earth Tech Inc.  
Alexandria, VA

**PREPARED BY**  
Nathan Associates Inc.  
Arlington, Virginia



May 23, 2006

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# 1. Introduction

The National Marine Fisheries Service (NMFS) of the National Oceanic and Atmospheric Administration (NOAA) is considering regulations to implement a strategy to reduce mortalities to North Atlantic right whales as a result of vessel collisions. On June 22, 2005 NOAA issued a notice of intent to prepare an Environmental Impact Statement (EIS) to analyze the potential impacts of implementing the operational measures in NOAA's North Atlantic Right Whale Ship Strike Reduction Strategy (Strategy).<sup>1</sup> Operational measures include seasonal speed restrictions for specific U.S. East Coast port areas during particularly sensitive periods when whales are typically present. The Strategy states that the proposed speed restrictions would likely be in the range of 10-14 knots and would be in effect for a distance generally between 20-30 nautical miles from the shoreline. During periods outside of the seasonal speed restrictions, all areas along the Atlantic seaboard within the U.S. Exclusive Economic Zone<sup>2</sup> (EEZ) would be subject to dynamic management area (DMA) measures if certain concentrations of right whales were sighted. The Strategy also allows for the establishment of recommended routes that provide the greatest possibility of reducing the risk of collisions between vessels and whales. All of the proposed provisions would apply to non-sovereign vessels with a length of 65 feet and above.

Nathan Associates Inc. was retained by Earth Tech, a NMFS contractor, to conduct the economic analysis for the EIS of the proposed North Atlantic right whale ship strike reduction strategy. The EIS updates and expands the economic analysis of the Strategy that Nathan Associates conducted in 2004-2005 for the draft Environmental Assessment.<sup>3</sup> The EIS will also evaluate a range of alternatives for developing a final Strategy to reduce mortality to right whales due to ship strikes based on a suite of possible mitigation measures contained in each of the elements of the overall Strategy.

---

<sup>1</sup> The advance notice of proposed rulemaking (ANPR) issued by NOAA on June 1, 2004 calls for the establishment of new operational measures for the shipping industry including consideration of routing and speed restrictions.

<sup>2</sup> The US EEZ extends to a distance 200 nautical miles from the baseline from which the breadth of the territorial sea is measured ([www.archives.gov/federal\\_register/codification/proclamations/05030.html](http://www.archives.gov/federal_register/codification/proclamations/05030.html)).

<sup>3</sup> Nathan Associates Inc., Economic Analysis for the Environmental Assessment of the North Atlantic Right Whale Ship Strike Reduction Strategy, April 14, 2005.

## Scope of Proposed Strategy

NMFS proposed the Strategy in an advanced notice of proposed rulemaking (ANPR) dated June 1, 2004 (69 FR 30857). The Strategy contains proactive measures to reduce the likelihood and threat of collisions between vessels and endangered North Atlantic right whales. It also aims to minimize the geographical overlap of shipping lanes and whale habitat to reduce the likelihood of ship strikes in a manner that minimizes adverse effects on the shipping industry and maritime commerce. The Strategy is customized for each region to accommodate for differences in (1) oceanography, (2) commercial ship traffic patterns, (3) navigational concerns, and (4) right whale migration patterns and behavior.

The area covered by this study corresponds to the geographic regions delineated in the Strategy issued by NOAA on June 1, 2004. The area covered range from the northernmost U.S. jurisdiction areas in the Gulf of Maine to an area just south of Port Canaveral Florida<sup>4</sup>. Proposed right whale ship strike reduction measures were specified for three broad regions of the U.S. East Coast (southeastern Atlantic Coast, the Mid-Atlantic, and the northeastern U.S) that contained 14 port regions (Figure 1-1).

- The southeastern US (SEUS) Atlantic Coast area, bounded to the north by latitude 31°27'N, to the south by latitude 29°45'N, to the east by longitude 81° 51.6'W, and the west by the US shoreline .
- The mid-Atlantic US (MAUS) region, extending from the northernmost boundary of the SEUS to the southernmost boundary of the third region, the northeastern US Atlantic Coast (NEUS), and 30 nautical miles (nm) (37 kilometers [km]) offshore.
- The NEUS, north and east of Block Island up to Canada.

The Strategy is intended to supplement existing conservation plans and includes the following components:

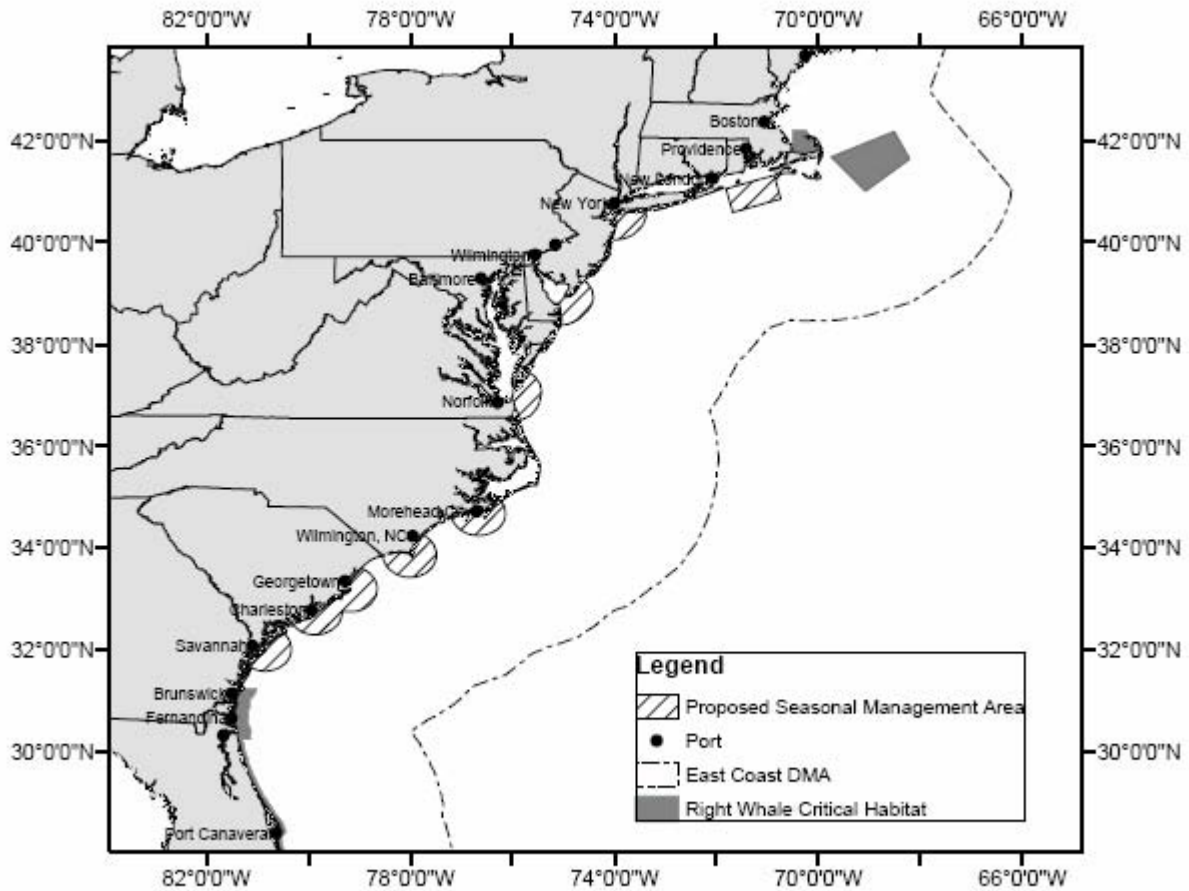
- Continue ongoing conservation and research activities to reduce the threat of ship strikes
- Develop and implement additional mariner education and outreach programs.
- Conduct ESA Section 7 consultations, as appropriate, with Federal agencies that operate or authorize the use of vessels in waters inhabited by right whales.
- Develop a Right Whale Conservation Agreement with the Government of Canada.
- Establish new operational measures for commercial and recreational mariners.

Only the last component (operational measures) is addressed in the EIS.

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<sup>4</sup> Accordingly, this study does not include U.S. East Coast ports south of Port Canaveral such as Miami, Palm Beach, Fort Lauderdale and other smaller ports.

Figure 1-1. Port Areas for Proposed Operational Measures



Source: DEIS, Right Whale Ship Strike Reduction, Figure 1-2.

## Operational Measures

The proposed operational measures vary (mostly by specific times and affected areas) based on ship traffic patterns and locations of right whale habitat and migratory corridors in the three regions of implementation along the US East Coast. The proposed measures would include the following:

- **Dynamic Management Areas (DMAs).** DMAs would impose temporary restrictions on vessels in areas where right whales are detected and no specific measure(s) are in place or in force at this time.
- **Seasonal Management Areas (SMAs).** SMAs would create seasonal speed restrictions in (a) a 30 nm (56 km) radius around specified ports in the MAUS (see Figure 1-1); (b) in specified areas in Cape Cod Bay, Off Race Point, and Great South Channel; and (c) in specified areas in the waters off the coasts of Georgia and Florida.

- Vessel Routing Measures.** Routing measures include recommended shipping routes (also referred to as shipping lanes) that have been proposed by NMFS for the NEUS and SEUS and assessed by the USCG with regard to navigational and environmental safety through a Port Access Routes Study (PARS). Mariners would be required to abide by speed restrictions in recommended routes that are located within a SMA. After recommended routes have been established, NMFS intends to monitor mariner use of the routes. If the routes are not used routinely, consideration will be given to making them mandatory through regulation. NMFS is also proposing an area to be avoided (ATBA) in Great South Channel and re-aligning a portion of the Boston Traffic Separation Scheme (TSS). All of the routing measures will be implemented via non-regulatory measures.

## Alternatives Considered

Each of the alternatives considered in the EIS implements a subset of the operational measures described above from none (Alternative 1) to all (Alternative 5). In some cases, the measures proposed for implementation under a given alternatives have been modified to ensure that the alternative is a reasonable and feasible option to meet NMFS' purpose and need. For all alternatives that include speed restrictions, the EIS evaluates three potential maximum speeds: 10, 12, and 14 knots. The final rule will identify the final speed restriction. Table 1-1 summarizes the alternatives considered in the EIS.

*Table 1-1. Summary of Alternatives Considered in the EIS*

Operational Measure	Alternative 1	Alternative 2	Alternative 3	Alternative 4	Alternative 5	Alternative 6
New routing requirements	No	No	No	Yes, in SEUS and NEUS regions, plus proposed modification to Boston TSS, and ATBA.	Yes, in SEUS and NEUS regions, plus proposed modification to Boston TSS, and ATBA.	Yes, in SEUS and NEUS regions
DMAs	No	Yes, in US Territorial waters and the EEZ	No	No	Yes	Yes, in SEUS, MAUS, and NEUS regions
SMA	No	No	No	No	No	Yes, in SEUS, MAUS and NEUS regions
Speed restriction	No	Yes, associated with DMAs	Yes, within specific areas in each implementation region, year round in NEUS region and seasonal in MAUS and SEUS regions.	No	Yes, associated with DMAs, and within the areas defined for Alternative 3	Yes, associated with DMAs, and all SMAs.

## **ALTERNATIVE 1 – NO ACTION ALTERNATIVE**

Under the No Action Alternative, none of the operational measures would be implemented. Mariners would not be subject to new regulations to reduce right whale ship strikes. NMFS would continue to implement existing measures and programs to reduce the likelihood of right whale mortalities from ship strikes. Research would continue and existing technologies would be used to determine whale locations and pass this information on to mariners. Other ongoing activities would include the use of aerial surveys to notify mariners of right whale sighting locations, the operation of the Mandatory Ship Reporting System (MSRS), support of Recovery Plan Implementation Teams, education and outreach programs for mariners, and ongoing research on technological solutions. The Strategy's other components may be implemented, and existing conservation measures would remain active. Alternative 1 provides a baseline against which to assess the impacts of the action alternatives.

## **ALTERNATIVE 2 – DYNAMIC MANAGEMENT AREAS**

Alternative 2 would incorporate the elements of Alternative 1 plus the DMA component of the proposed operational measures. DMAs would be defined, as warranted by right whale sightings, in all areas within the Atlantic Ocean EEZ. Successful implementation of this alternative would depend on maintaining survey efforts and ensuring that efforts are made to make, record, and make available the specific sighting locations. Therefore, it would require a commitment to continuing aircraft surveillance coverage and expanding coverage in the mid-Atlantic, as necessary.

## **ALTERNATIVE 3 – SPEED RESTRICTIONS IN DESIGNATED AREAS**

This alternative includes the elements of Alternative 1 plus certain speed restrictions in designated areas. Since speed restrictions would be the only measure implemented under this alternative, the areas and times applied to these restrictions would be different from the areas and times for similar restrictions proposed as part of the entire set of measures described in the Strategy. Specifically, the proposed restrictions would apply as follows:

- In the NEUS region, year-round restrictions within all waters in the Seasonal Area Management (SAM) zones designated in the Atlantic Large Whale Take Reduction Plan (ALWTRP). There are currently two SAM zones in the Northeast: SAM West, in effect from March 1 to April 30; and SAM East, in effect from May 1 to July 31. The boundary between SAM West and SAM East is 69°24'W longitude. These areas adjoin, although are exclusive of, Cape Cod Bay and the Great South Channel critical habitats. The preferred alternatives considered in the ALWTRP DEIS propose to expand these zones. By the time the operational measures of the Strategy are implemented, it is likely that the expanded zones in the ALWTRP would be operational; therefore, these would be the application zones for this alternative.

- In the MAUS region, restrictions from October 1 to April 30. The restricted area would include all waters 25 nm out from the US coastline between Providence, RI/New London, CT (Block Island Sound), and Savannah, GA.
- In the SEUS region, restrictions from December 1 to March 31. The restricted area would include all waters within the MSRS WHALESSOUTH reporting area and the presently designated right whale critical habitat.

#### **ALTERNATIVE 4 – RECOMMENDED SHIPPING ROUTES**

This alternative includes all the elements of Alternative 1 plus the recommended shipping routes component of the proposed operational measures for the SEUS region and the NEUS region, and an ATBA in the Great South Channel. The shipping lanes would be operational in the NEUS from January 1 to April 30 and in the SEUS from December 1 through March 31. Alternative 4 does not propose speed restrictions in these shipping lanes. No measures would apply to the MAUS region.

The Great South Channel management area would be designated an ATBA in Alternative 4. This ATBA would be proposed to the IMO for endorsement. If accepted by the IMO and when implemented, the ATBA would apply to all ships 300 gross registered tonnage (GRT) and above. These ships would be required to avoid the area from April 1 to July 31. Vessels under 300 GRT but 65 ft (19.8 m) long or more would be subject to uniform speed restrictions within the ATBA.

Additionally, as part of Alternative 4, NMFS is considering the possibility of moving the Boston Traffic Separation Scheme (TSS) to avoid high density aggregations of whales at the northern end of Cape Cod Bay and Stellwagen Bank. A 12 degree (not in latitude and longitude) northerly shift of the Boston TSS has been proposed and would extend transit distance in and out of the port of Boston by 2.58 nm.

#### **ALTERNATIVE 5 – COMBINATION OF MEASURES**

This alternative would include all elements of Alternatives 1 to 4 as previously described. Therefore, it would implement all the operational measures of the Strategy and additionally incorporate the modified speed restriction areas and dates that are part of Alternative 3, the Great South Channel ATBA, and the proposed change to the Boston TSS proposed under Alternative 4.

#### **ALTERNATIVE 6 – RIGHT WHALE SHIP STRIKE REDUCTION STRATEGY**

Under Alternative 6, NMFS would implement the operational measures as initially identified in the Right Whale Ship Strike Reduction Strategy, except for the ATBA and Boston TSS, which are analyzed in Alternative 4.



## 2. Existing U.S. East Coast Maritime Activity

In this section we will discuss existing maritime activity in the sections of the U.S. East Coast subject to the proposed rulemaking. The discussion focuses on the identification of the number, type and size of vessels that call at U.S. East Coast ports and the value of U.S. imports and exports by port area. We also present estimates of the ocean freight component of the imported goods. All data sources and the methodology employed are described fully with further detail presented in the accompanying appendices.

While the proposed rule applies to vessels of 65 LOA or greater, we also analyzed vessel arrivals by deadweight tons (DWT) and/or gross registered tons (GRT) which are the customary units in the shipping industry for classifying vessels by size category to estimate vessel operating costs

### Vessel Arrivals at U.S. East Coast Ports

The principal data source used is the U.S. Coast Guard Vessel Arrival Database. This database includes all vessel arrivals at US ports of 150 GRT and above.<sup>5</sup> We obtained data for 2002, 2003, and 2004. The database corresponding to the 2002 and 2003 data includes 48 fields of information, and the database corresponding to 2004 includes 38 fields. Key information relevant for this study includes date/time of arrival; port; vessel type, size and flag; product type; and cargo amount. (Appendix A, Attachment 1).

The 2002 and 2003 data was provided by the USCG in three data files<sup>6</sup> corresponding to:

- Vessel arrivals (245,910 records)
- Vessel information (725,526 records)

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<sup>5</sup> The USCG data includes 64 vessels (362 arrivals) with gross tonnage of less than 150 but greater than 65 feet in length; we have kept these in the dataset.

<sup>6</sup> This database also contains arrival records from January through October 2004, but all 2004 data was derived from the second database, which contains data for all 12 months for 2004.

- Arrival port codes (7,672 records)

The 2004 data was provided by the USCG in three data files corresponding to:

- Vessel arrivals (95,452 records)
- Vessel information (798,611 records)
- Arrival port codes (7,672 records)

For purposes of analysis we have divided the port regions into defined 26 specific port areas<sup>7</sup> (Table 2-1).

***Table 2-1. U.S East Coast Regions and Port Areas Used in the Study***

Northeastern U.S.	Mid-Atlantic	Southeastern U.S.
Eastport, ME	New Bedford, MA	Brunswick, GA
Searsport, ME	Providence, RI	Fernandina, FL
Portland, ME	New London, CT	Jacksonville, FL
Portsmouth, NH	New Haven, CT	Port Canaveral, FL
Salem, MA	Bridgeport, CT	
Boston, MA	Long Island, NY	
Cape Cod	New York City, NY	
	Philadelphia, PA	
	Baltimore, MD	
	Hampton Roads, VA	
	Morehead City, NC	
	Wilmington, NC	
	Georgetown, SC	
	Charleston, SC	
	Savannah, GA	

Source: Prepared by Nathan Associates.

## **USCG Vessel Arrival Data Reconciliation**

Our initial review of the USCG vessel arrival data determined that while it appeared comprehensive and complete in terms of vessel arrivals; there were numerous inconsistencies and data entry errors, particularly concerning the port designation. However, it was possible to correct these inconsistencies and errors using information contained in other data fields. In all Nathan Associates reconciled port codes for 43,782 records, (Appendix A, Attachment 2) and reconciled port code and state designations for 1,531 records. (Appendix A, Attachment 3).

<sup>7</sup> We use the term “port area” because they may include smaller ports within the general vicinity of a larger port but not formally included within the boundaries of a single port authority.

In terms of geographic coverage, we first reduced the database of vessel arrivals to ports located in states along the U.S. East Coast based on the state designation included in the file. We then conducted a separate analysis to exclude ports located along the Gulf Coast of Florida, ports on the East Coast of Florida below Port Canaveral, and New York Great Lake ports. The result was 83,611 vessel arrival records for U.S. East Coast ports during 2002 through 2004 pertaining to 7,344 vessels. Vessel arrivals by USCG port codes were then matched with study port areas. (Appendix A, Attachment 4).

Information on the size of the vessel will be used later in the economic impact analysis to prepare estimates of the value of vessel time. However the USCG vessel arrival database was missing the DWT for 1,100 vessels (15 percent of all vessels included in the U.S. East Coast arrivals), but did contain GRT. For these vessels we estimated DWT using regression analysis by 15 vessel type on the remaining 85 percent of vessels that reported both DWT and GRT. We modeled DWT as a function of the vessel type and gross tons including the interactive term “gross tons\*vessel type.” Regressions were based on 6,044 vessels with both DWT and GRT. The regression results included an R-squared of 93.4 percent; parameter estimates were statistically significant at the five percent level for 11 vessel types that account for 97.5 percent of total vessel arrivals (Appendix A, Attachment 5). This provided an estimated value of DWT for vessels records that lacked that information.

Conversations with USCG following the publication of our April 2005 report revealed that there are likely to be duplicate arrival records in the data. In this update we removed records if there were multiple arrivals by a vessel at the same port on the same day. Applying this filter resulted in the removal of 1,327 arrivals from the 2003 data. We also removed 24 arrivals made by vessels owned by the federal government. Additionally, certain arrival records to the ports of Boston, MA and Georgetown, SC contained the incorrect port code in the USCG data. These arrivals were incorrectly attributed to foreign ports with the same names. Correcting these errors resulted in the addition of 66 arrivals in 2003. A review of the USCG data with Massport officials identified 97 additional arrivals in Boston in 2003. Similarly, the USCG data for 2004 appeared to under represent a significant number of arrivals for Boston. We are attempting to obtain improved vessel arrival data for 2004 for Boston. For this report we have assumed that Boston 2004 arrivals were equal to those recorded by Massport in 2003. We found two additional instances where the USCG data contained the incorrect port code. Many vessel arrivals to the port of Portland, OR were being incorrectly attributed to the port of Portland, ME. As a result, we removed 821 arrivals from the 2003 Portland, ME data. We also found a number of arrivals attributed to the Portsmouth, NH port area that were actually arrivals made to the port of Portsmouth, VA. To correct this, we reallocated 61 arrivals from Portsmouth, NH port area to the Hampton Roads, VA port area. Appendix A, Attachment 7 shows a comparison of the 2003 arrivals by port region and vessel classification in the April 2005 report and after making these corrections.

## **Vessel Arrivals by Port Area**

Based on the US Coast Guard data, there were 25,532 vessel arrivals at U.S. East Coast ports in 2003 (Table 2-2). For 2004, vessel arrivals increased by 7.3 percent to 27,385 vessel arrivals. For both years, the largest number of

vessel arrivals was recorded in the port region of Mid-Atlantic-Ports of New York/New Jersey with 5,426 vessel arrivals and 5,550 vessel arrivals in 2003 and 2004, respectively.

The Mid-Atlantic-Chesapeake Bay is the next most important port region in terms of vessel arrivals with 4,486 and 4,875 in 2003 and 2004, respectively. The ports of Baltimore, Norfolk and Hampton Roads are included in this port region. Other significant port regions with more than 2,000 vessel arrivals in 2004 include Southeastern U.S. (4,315 vessel arrivals), Mid-Atlantic Delaware Bay (2,661 vessel arrivals), Mid-Atlantic Block Island Sound (2,563 vessel arrivals), Mid-Atlantic Savannah GA (2,474 vessel arrivals), and Mid-Atlantic-Charleston (2,473 vessel arrivals).

In terms of port areas, New York City had the most vessel arrivals (5,550 arrivals) in 2004, followed by Hampton Roads (2,834 arrivals), Philadelphia (2,661 arrivals), Jacksonville (2,517 arrivals), Savannah, GA (2,474 arrivals), Charleston (2,473 arrivals), Baltimore (2,041 arrivals) and Port Canaveral (1,062 arrivals).

*Table 2-2. Vessel Arrivals by Port Area, 2003 and 2004*

Port Area	2003	2004
<b>Northeastern US - Gulf of Maine</b>		
Eastport, ME	40	43
Searsport, ME	196	196
Portland, ME	620	641
Portsmouth, NH	199	173
<b>Northeastern US - Off Race Point</b>		
Salem, MA	9	15
Boston, MA	483	483
<b>Northeastern US - Cape Cod Bay</b>		
Cape Cod, MA	22	36
<b>Mid-Atlantic Block Island Sound</b>		
New Bedford, MA	110	99
Providence, RI	350	322
New London, CT	135	180
New Haven, CT	547	701
Bridgeport, CT	319	392
Long Island, NY	780	869
<b>Mid-Atlantic Ports of New York/New Jersey</b>		
New York City, NY	5,426	5,550
<b>Mid-Atlantic Delaware Bay</b>		
Philadelphia, PA	2,479	2,661
<b>Mid-Atlantic Chesapeake Bay</b>		
Baltimore, MD	1,820	2,041
Hampton Roads, VA	2,666	2,834
<b>Mid-Atlantic Morehead City and Beaufort, NC</b>		
Morehead City, NC	123	151
<b>Mid-Atlantic Wilmington, NC</b>		
Wilmington, NC	628	667
<b>Mid-Atlantic Georgetown, SC</b>		
Georgetown, SC	63	69
<b>Mid-Atlantic Charleston, SC</b>		
Charleston, SC	2,277	2,473
<b>Mid-Atlantic Savannah, GA</b>		
Savannah, GA	2,398	2,474
<b>Southeastern US</b>		
Brunswick, GA	458	452
Fernandina, FL	255	284
Jacksonville, FL	2,240	2,517
Port Canaveral, FL	889	1,062
<b>All Port Areas</b>	<b>25,532</b>	<b>27,385</b>

Source: Prepared by Nathan Associates based on analysis of USCG data on vessel calls at U.S. ports, 2003-2004.

## U.S. East Coast Vessel Arrivals by Vessel Type

There is a great diversity in the type of vessels that call at U.S. East Coast ports. The USCG vessel characteristics file contains four fields that help identify vessel type: vessel class, vessel type, vessel subtype, vessel service. The USCG database includes 16 vessel classes, 48 vessel types, 35 vessel sub-types, and 21 vessel services. Table 2-3 presents the set of 12 summary vessel type categories that we defined for this study based on the information provided in the four USCG vessel description fields.

*Table 2-3. Vessel Types Used*

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Bulk Carriers
Combination Carriers
Containerships
Freight Barges
General Cargo Vessels
Passenger Vessels
Refrigerated Cargo Vessels
Ro-Ro Cargo Vessels
Tank Barges
Tank Ship
Towing Vessels
Other a/

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a/ Includes fishing vessels, industrial vessels, research vessels and school ships.

Source: Appendix A, Attachment 6.

Containerships accounted for the largest number of U.S. East Coast vessel arrivals with 8,623 arrivals in 2003 and 8,886 arrivals in 2004 (Tables 2-4 & 2-5). Tank ship was the next most frequent vessel type with 5,439 arrivals in 2003 and 5,513 in 2004. Other significant vessel types in 2004 include bulk carriers (3,149 arrivals), Ro-Ro cargo vessels (3,054 arrivals), and general cargo vessels (1,843 arrivals). These top 5 vessel types accounted for 82 percent of total vessel arrivals in 2004.

A detailed set of tables on vessel arrivals by type of vessel for each port area is presented in Appendix B.

**Table 2-4. U.S. East Coast Vessel Arrivals by Port Area and Vessel Type, 2003**

Port Area	Vessel Type												Total
	Bulk Carrier	Combination Carrier	Container Ship	Freight Barge	General Dry Cargo Ship	Passenger Ship	Refrigerated Cargo Ship	Ro-Ro Cargo Ship	Tank Barge	Tanker	Towing Vessel	Other a/	
<b>Northeastern US - Gulf of Maine</b>													
Eastport, ME	16	-	5	-	19	-	-	-	-	-	-	-	40
Searsport, ME	14	1	-	-	-	66	-	1	23	89	2	-	196
Portland, ME	66	14	9	1	38	19	-	58	6	396	11	2	620
Portsmouth, NH	63	3	-	-	10	1	-	-	2	117	1	2	199
<b>Northeastern US - Off Race Point</b>													
Salem, MA	7	-	-	-	-	1	-	-	-	1	-	-	9
Boston, MA	34	1	77	2	8	94	4	33	-	225	1	4	483
<b>Northeastern US - Cape Cod Bay</b>													
Cape Cod, MA	-	-	-	-	-	9	-	-	-	13	-	-	22
Subtotal	0	0	0	0	0	9	0	0	0	13	0	0	22
<b>Mid-Atlantic Block Island Sound</b>													
New Bedford, MA	58	-	1	-	25	0	11	-	4	11	-	-	110
Providence, RI	77	2	2	-	24	35	4	77	3	122	3	1	350
New London, CT	20	-	2	-	10	32	-	-	61	8	1	1	135
New Haven, CT	54	2	1	5	33	5	-	-	236	195	15	1	547
Bridgeport, CT	28	-	1	5	2	4	54	-	176	49	-	-	319
Long Island, NY	-	2	-	2	-	32	-	-	521	218	3	2	780
<b>Mid-Atlantic Ports of New York/New Jersey</b>													
New York City, NY	366	39	2,400	1	65	226	19	696	28	1,558	20	8	5,426
<b>Mid-Atlantic Delaware Bay</b>													
Philadelphia, PA	312	19	467	16	195	26	401	148	12	864	17	2	2,479
<b>Mid-Atlantic Chesapeake Bay</b>													
Baltimore, MD	304	8	368	-	204	40	6	653	6	192	16	23	1,820
Hampton Roads, VA	320	30	1,748	1	138	31	1	174	2	202	6	13	2,666
<b>Mid-Atlantic Morehead City and Beaufort, NC</b>													
Morehead City, NC	29	-	14	-	32	-	2	2	-	42	-	2	123
<b>Mid-Atlantic Wilmington, NC</b>													
Wilmington, NC	111	7	92	-	118	-	1	23	17	257	1	1	628
<b>Mid-Atlantic Georgetown, SC</b>													
Georgetown, SC	43	-	1	-	18	-	-	-	-	-	-	1	63
<b>Mid-Atlantic Charleston, SC</b>													
Charleston, SC	162	2	1,503	-	92	40	7	223	14	214	15	5	2,277
<b>Mid-Atlantic Savannah, GA</b>													
Savannah, GA	289	14	1,332	-	234	6	9	170	4	331	6	3	2,398
<b>Southeastern US</b>													
Brunswick, GA	86	-	27	-	54	1	13	273	-	4	-	-	458
Fernandina, FL	9	-	80	2	111	2	37	2	-	2	10	-	255
Jacksonville, FL	166	4	476	195	245	12	11	537	9	302	274	9	2,240
Port Canaveral, FL	109	2	17	13	77	547	41	37	3	27	14	2	889
<b>All Port Regions</b>	<b>2,743</b>	<b>150</b>	<b>8,623</b>	<b>243</b>	<b>1,752</b>	<b>1,229</b>	<b>621</b>	<b>3,107</b>	<b>1,127</b>	<b>5,439</b>	<b>416</b>	<b>82</b>	<b>25,532</b>

a/ Other includes fishing vessels, industrial vessels, research vessels, school ships.

Source: Prepared by Nathan Associates based on analysis of U.S. Coast Guard data on vessel calls at U.S. ports, 2003-2004.

**Table 2-5. U.S. East Coast Vessel Arrivals by Port Area and Vessel Type, 2004**

Port Area	Vessel Type												Total
	Bulk Carrier	Combination Carrier	Container Ship	Freight Barge	General Dry Cargo Ship	Passenger Ship	Refrigerated Cargo Ship	Ro-Ro Cargo Ship	Tank Barge	Tanker	Towing Vessel	Other a/	
<b>Northeastern US - Gulf of Maine</b>													
Eastport, ME	22	-	4	-	17	-	-	-	-	-	-	-	43
Searsport, ME	10	-	2	2	3	81	-	1	11	78	8	-	196
Portland, ME	71	4	4	1	28	26	-	37	26	395	47	2	641
Portsmouth, NH	51	3	1	-	16	1	-	-	1	87	9	4	173
<b>Northeastern US - Off Race Point</b>													
Salem, MA	9	-	-	-	-	6	-	-	-	-	-	-	15
Boston, MA	34	1	77	2	8	94	4	33	-	225	1	4	483
<b>Northeastern US - Cape Cod Bay</b>													
Cape Cod, MA	-	-	-	-	-	13	-	-	1	21	1	-	36
Subtotal	0	0	0	0	0	13	0	0	1	21	1	0	36
<b>Mid-Atlantic Block Island Sound</b>													
New Bedford, MA	54	-	-	-	24	2	8	1	-	10	-	-	99
Providence, RI	86	2	-	-	21	43	-	62	5	94	6	3	322
New London, CT	17	-	8	-	26	57	-	-	58	11	3	-	180
New Haven, CT	41	-	6	5	34	-	-	-	442	151	22	-	701
Bridgeport, CT	69	-	-	1	2	4	24	-	258	33	-	1	392
Long Island, NY	-	-	-	8	-	38	-	-	597	225	-	1	869
Subtotal	267	2	14	14	107	144	32	63	1,360	524	31	5	2,563
<b>Mid-Atlantic Ports of New York/New Jersey</b>													
New York City, NY	380	27	2,499	-	68	307	26	683	23	1,485	47	5	5,550
<b>Mid-Atlantic Delaware Bay</b>													
Philadelphia, PA	360	8	450	24	270	33	364	147	3	944	54	4	2,661
<b>Mid-Atlantic Chesapeake Bay</b>													
Baltimore, MD	387	6	402	-	212	75	9	651	5	270	13	11	2,041
Hampton Roads, VA	439	25	1,725	5	147	64	10	152	7	222	22	16	2,834
<b>Mid-Atlantic Morehead City and Beaufort, NC</b>													
Morehead City, NC	49	1	14	-	22	7	-	-	-	56	-	2	151
<b>Mid-Atlantic Wilmington, NC</b>													
Wilmington, NC	135	4	84	1	123	6	1	29	9	266	6	3	667
<b>Mid-Atlantic Georgetown, SC</b>													
Georgetown, SC	45	3	4	-	16	1	-	-	-	-	-	-	69
<b>Mid-Atlantic Charleston, SC</b>													
Charleston, SC	145	3	1,649	6	123	64	5	211	11	210	39	7	2,473
<b>Mid-Atlantic Savannah, GA</b>													
Savannah, GA	302	12	1,317	1	200	49	18	186	3	376	8	2	2,474
<b>Southeastern US</b>													
Brunswick, GA	92	-	11	-	63	8	12	262	-	1	-	3	452
Fernandina, FL	28	-	75	2	117	19	18	1	-	-	24	-	284
Jacksonville, FL	187	7	541	183	220	89	13	547	17	307	369	37	2,517
Port Canaveral, FL	136	-	13	33	83	579	36	51	15	46	66	4	1,062
<b>All Port Regions</b>	<b>3,149</b>	<b>106</b>	<b>8,886</b>	<b>274</b>	<b>1,843</b>	<b>1,666</b>	<b>548</b>	<b>3,054</b>	<b>1,492</b>	<b>5,513</b>	<b>745</b>	<b>109</b>	<b>27,385</b>

a/ Other includes fishing vessels, industrial vessels, research vessels, school ships.

Source: Prepared by Nathan Associates based on analysis of U.S. Coast Guard data on vessel calls at U.S. ports, 2003-2004.



## **U.S. East Coast Vessel Arrivals by Size of Vessel**

The size of vessels calling at U.S. East Coast ports can vary considerably depending on a number of factors including cargo and vessel type, length of ocean voyage, port and channel draft limitations at the loading or unloading port, customers preferred consignment size, and vessel routing considerations.

### **VESSEL SIZE BY PORT AREA**

Table 2-6 presents U.S. East Coast vessel arrivals by port region, port area and DWT size ranges for 2003 and 2004. For the U.S. East Coast as a whole, about 38 percent of the vessel arrivals are of vessels below 20,000 DWT, approximately 24 percent of vessel arrivals are between 20,000 and 40,000 DWT; 25 percent between 40,000 and 60,000 DWT; and 13 percent over 60,000 DWT.

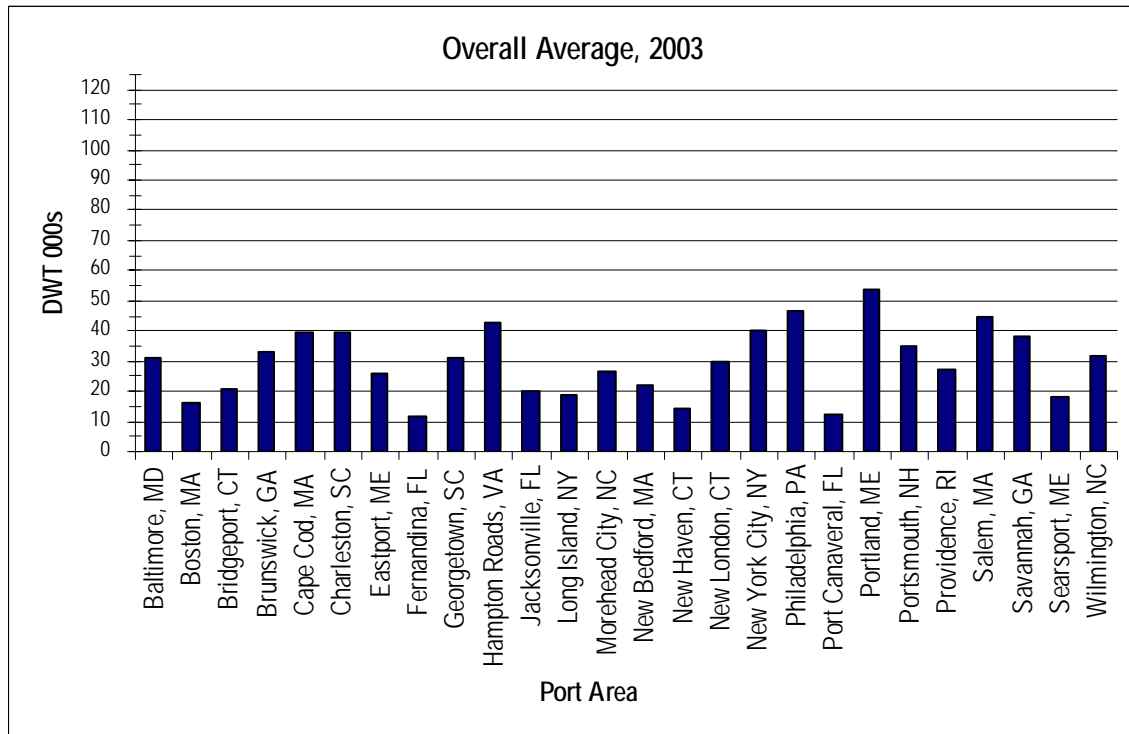
**Table 2-6. Vessel Arrivals by Port Area and DWT, 2003-2004**

Port Area	2003					2004				
	DWT				Total	DWT				Total
	0 - 19,999	20,000 - 39,999	40,000 - 59,999	60,000 and Greater		0 - 19,999	20,000 - 39,999	40,000 - 59,999	60,000 and Greater	
<b>Northeastern US - Gulf of Maine</b>										
Eastport, ME	23	4	13	-	40	17	-	26	-	43
Searsport, ME	132	43	18	3	196	117	46	31	2	196
Portland, ME	209	111	83	217	620	201	103	104	233	641
Portsmouth, NH	32	91	74	2	199	33	48	91	1	173
<b>Northeastern US - Off Race Point</b>										
Salem, MA	1	1	5	2	9	6	6	-	3	15
Boston, MA	237	109	127	10	483	237	109	127	10	483
<b>Northeastern US - Cape Cod Bay</b>										
Cape Cod, MA	9	-	3	10	22	15	1	8	12	36
<b>Mid-Atlantic Block Island Sound</b>										
New Bedford, MA	46	33	12	19	110	41	28	8	22	99
Providence, RI	172	74	92	12	350	157	89	72	4	322
New London, CT	96	19	20		135	118	25	36	1	180
New Haven, CT	309	116	117	5	547	520	81	94	6	701
Bridgeport, CT	278	4	15	22	319	349	2	14	27	392
Long Island, NY	624	59	9	88	780	691	77	17	84	869
<b>Mid-Atlantic Ports of New York/New Jersey</b>										
New York City, NY	1,353	1,311	1,830	932	5,426	1,324	1,548	1,774	904	5,550
<b>Mid-Atlantic Delaware Bay</b>										
Philadelphia, PA	1,117	472	296	594	2,479	1,153	556	327	625	2,661
<b>Mid-Atlantic Chesapeake Bay</b>										
Baltimore, MD	754	483	415	168	1,820	759	588	443	251	2,041
Hampton Roads, VA	429	763	950	524	2,666	472	855	871	636	2,834
<b>Mid-Atlantic Morehead City and Beaufort, NC</b>										
Morehead City, NC	30	74	15	4	123	37	77	33	4	151
<b>Mid-Atlantic Wilmington, NC</b>										
Wilmington, NC	196	168	238	26	628	221	176	240	30	667
<b>Mid-Atlantic Georgetown, SC</b>										
Georgetown, SC	19	18	26	-	63	27	28	14	-	69
<b>Mid-Atlantic Charleston, SC</b>										
Charleston, SC	371	692	986	228	2,277	406	817	1,045	205	2,473
<b>Mid-Atlantic Savannah, GA</b>										
Savannah, GA	507	667	908	316	2,398	496	739	823	416	2,474
<b>Southeastern US</b>										
Brunswick, GA	282	126	46	4	458	271	149	28	4	452
Fernandina, FL	225	4	26	-	255	247	2	35	-	284
Jacksonville, FL	1,376	457	358	49	2,240	1,562	514	389	52	2,517
Port Canaveral, FL	763	70	46	10	889	878	84	85	15	1,062
<b>All Port Areas</b>	<b>9,590</b>	<b>5,969</b>	<b>6,728</b>	<b>3,245</b>	<b>25,532</b>	<b>10,355</b>	<b>6,748</b>	<b>6,735</b>	<b>3,547</b>	<b>27,385</b>

Source: Prepared by Nathan Associates based on analysis of U.S. Coast Guard data on vessel calls at U.S. ports, 2003-2004.

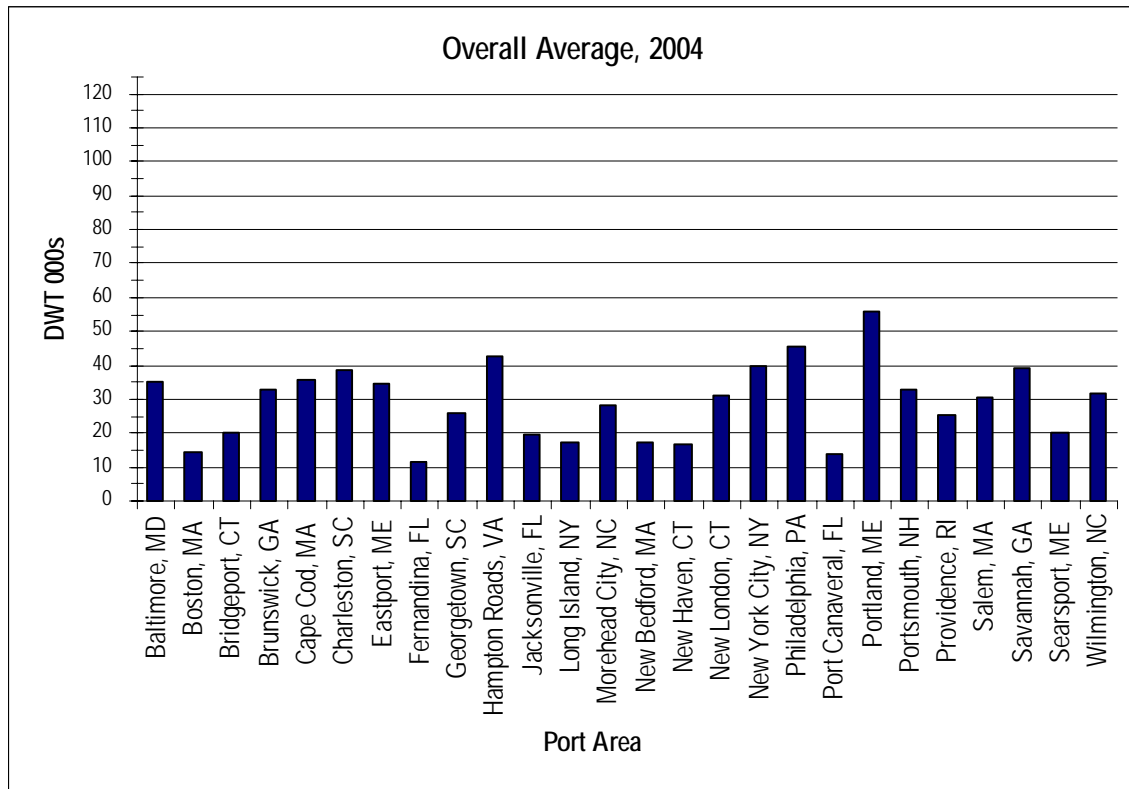
In 2003, the port area of Portland had the highest average vessel DWT on the U.S. East Coast with an average of 53,810 DWT (Figure 2-1). The port area of Philadelphia was second with an average of 46,371. Large tankers bringing principally fuel oil for local power plants account for more than 50 percent of the arrivals for both of these port areas. High average vessel DWT are also reported for the port area of Salem, MA (44,738 DWT in 2003) and Hampton Roads (42,749 DWT). The average vessel DWT by port area was similar for 2004 (Figure 2-2).

**Figure 2-1. Average Vessel DWT by Port Area, 2003**



Source: Prepared by Nathan Associates Inc. as described in text from USCG Vessel Arrival Database.

Figure 2-2. Average Vessel DWT by Port Area, 2004



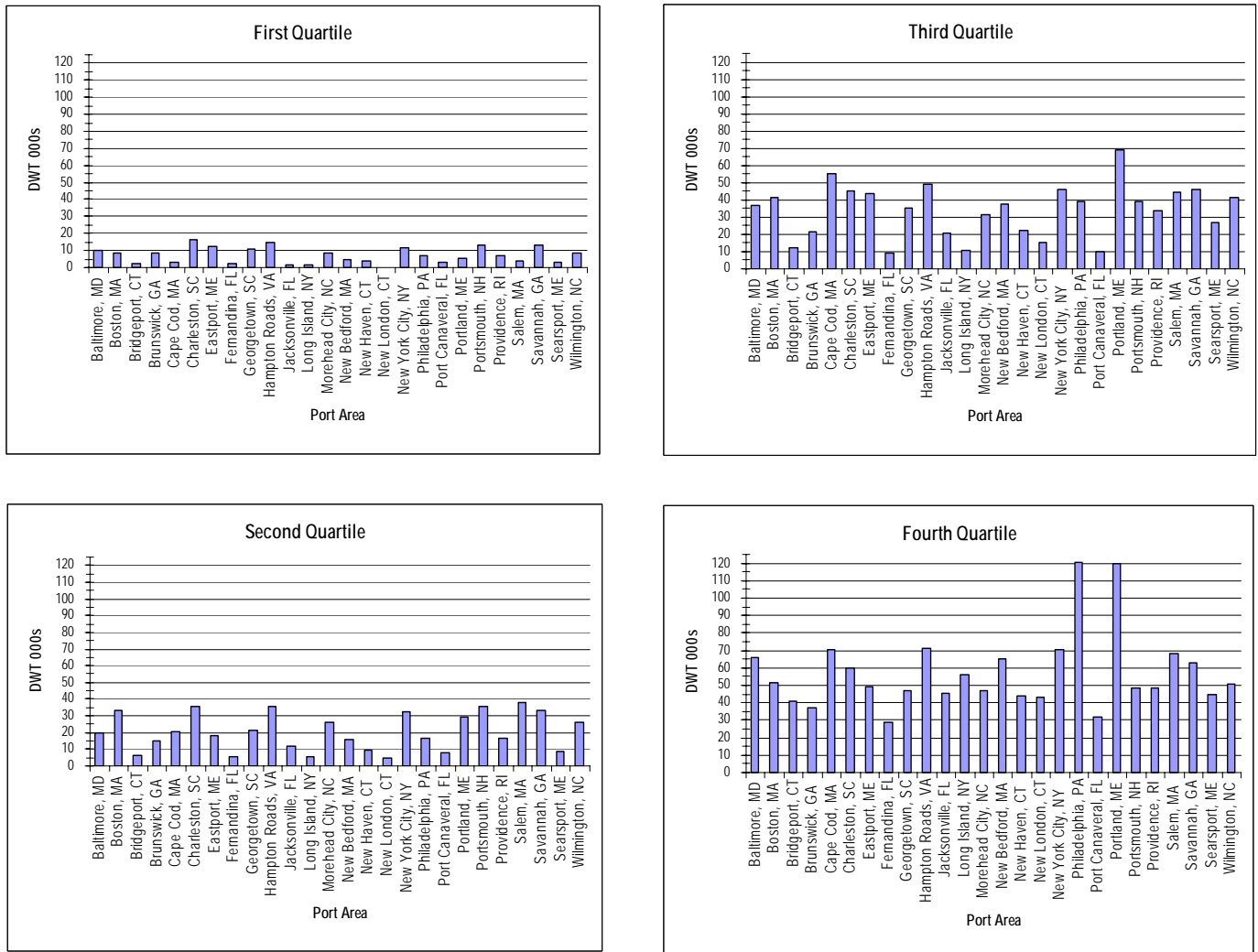
Source: Prepared by Nathan Associates Inc. as described in text from USCG Vessel Arrival Database.

The overall average vessel DWT by port area can sometimes mask a significant size difference of smaller and larger vessels calling at port. For this reason, we have analyzed average vessel size by DWT quartile for each of the port areas. Thus the average DWT for the smallest 25 percent of vessels calling at each port area in 2003-2004 is presented in Figure 2-3, quartile 1. The second smallest 25 percent of vessels is presented as quartile 2, etc.

For most port areas, there appears to be an orderly and graduated increase in the average vessel DWT by DWT quartile. In the second quartile, the port areas of Boston, Portland, Hampton Roads, Portsmouth and Salem exhibit large jumps in average vessel DWT. For Boston, this is due to the importance of containerships and tankers in the second quartile. In the case of Hampton Roads, it is an indication of the importance of bulk cargoes handled at the port and the predominance of large vessels even within the second DWT quartile. For Salem, it is the combination of a small number of overall vessel arrivals and the use of dry bulk vessels at the port.

In the fourth quartile, the port areas of Philadelphia, PA and Portland, ME demonstrate dramatic increases. For Philadelphia this is due to the very large liquid tank ships in excess of 160,000 DWT that call at the port area which includes Delaware Bay. For Portland this is due to the 120,000 DWT tankers that provide fuel oil to local power plants.

Figure 2-3. Average Vessel DWT by Quartile and Port Area, 2003-2004

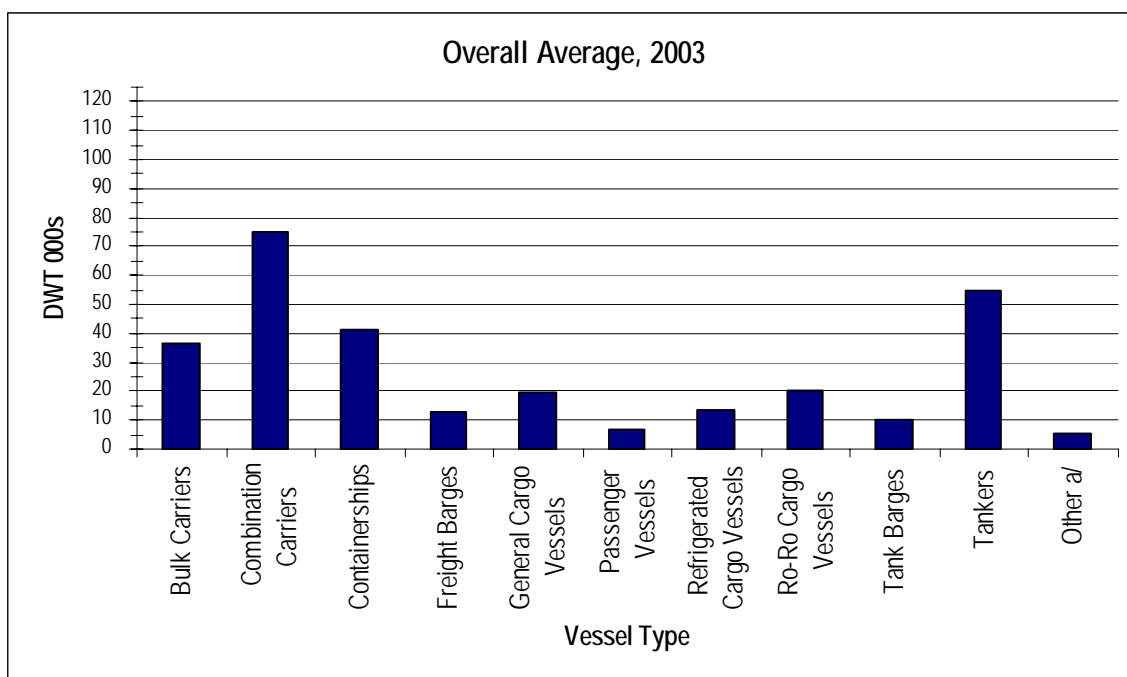


Source: Prepared by Nathan Associates Inc. as described in text from USCG Vessel Arrival Database

## VESSEL SIZE BY VESSEL TYPE

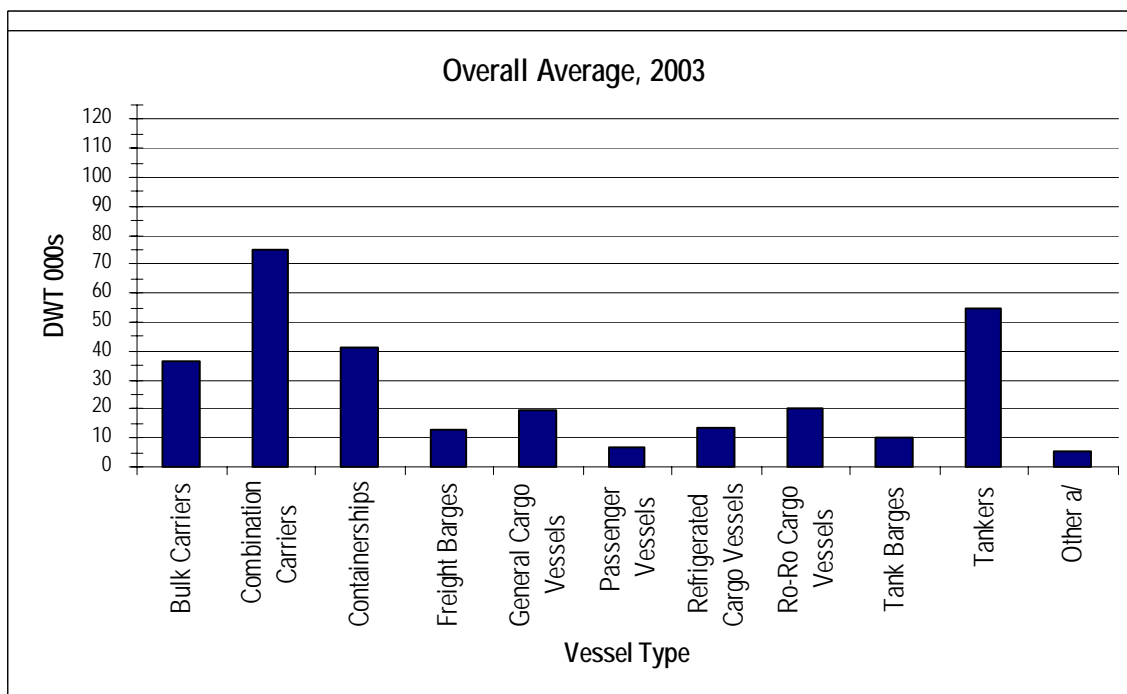
It is also interesting to review average vessel size by type of vessel. The overall average DWT by vessel type for U.S. East Coast ports for 2003 and 2004 are presented in Figure 2-4 and Figure 2-5, respectively. In terms of overall average size, combination carriers are the largest with an average of 74,697 DWT in 2003 and 59,777 DWT in 2004. Tank ships are next with an average of 54,513 DWT in 2003 and 57,060 DWT in 2004. The average containership was 40,895 DWT in 2003 and 40,760 DWT in 2004. Dry bulk carriers were the only other vessel type with an average DWT in excess of 30,000 DWT registering 36,193 DWT in 2003 and 36,620 DWT in 2004.

**Figure 2-4. U.S. East Coast Ports: Average Vessel DWT by Vessel Type, 2003**



Source: Prepared by Nathan Associates Inc. as described in text from USCG Vessel Arrival Database  
a/ Includes fishing vessels, industrial vessels, research vessels and school ships.

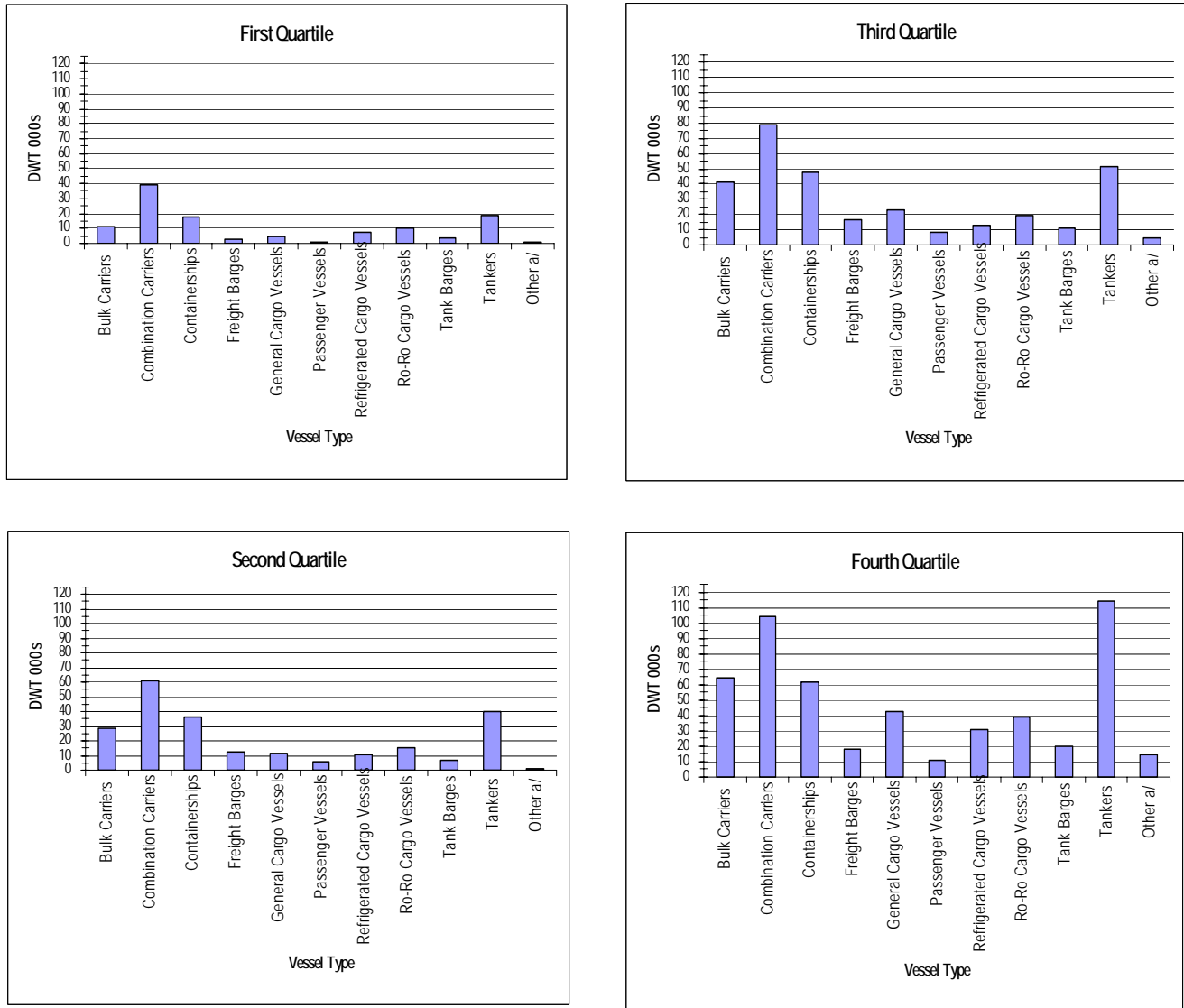
**Figure 2-5. U.S. East Coast Ports: Average Vessel DWT by Vessel Type, 2004**



Source: Prepared by Nathan Associates Inc. as described in text from USCG Vessel Arrival Database  
a/ Includes fishing vessels, industrial vessels, research vessels and school ships.

Figure 2-6 presents average vessel DWT by quartile for each vessel type during 2003-2004. Even in the first quartile, the average DWT for combination carriers is nearly 40,000 DWT; more than double that of any other vessel type. In the second quartile, the average DWT of tank ships, containerships and bulk carriers show significant increases. The increases in average vessel DWT by vessel type in the third quartile appear moderate and orderly. In the fourth quartile, the substantial jump in the average DWT of tank ships to over 110,000 DWT is noteworthy.

**Figure 2-6. U.S. East Coast: Average Vessel DWT by Quartiles and Vessel Type, 2003-2004**



Source: Prepared by Nathan Associates Inc. as described in text from USCG Vessel Arrival Database  
a/ Includes fishing vessels, industrial vessels, research vessels and school ships

## **PASSENGER VESSELS**

In 2003, there were 1,229 passenger vessel arrivals at U.S. East Coast ports and in 2004 there were 1,666 arrivals<sup>8</sup> (Table 2-7). Passenger vessels consist principally of cruise ships and ferries.

The Southeastern U.S. region with 562 arrivals accounted for 46 percent of U.S. East Coast passenger vessel arrivals in 2003; in 2004 the Southeastern U.S. region had 695 passenger vessel arrivals, 42 percent of the total U.S. East Coast. By far the most important port area for passenger vessel arrivals is Port Canaveral, FL with 547 passenger vessel arrivals in 2003 and 579 arrivals in 2004. In 2004, over 95 percent of the passenger vessel arrivals in Port Canaveral were of vessels greater than 60,000 GRT, an indication of the importance of the cruise industry in that port area. Disney Cruise Line uses Port Canaveral as the home port for its 83,000 GRT Disney Magic and Disney Wonder vessels.

New York City is the port area with the second most passenger vessel arrivals with 226 arrivals in 2003 and 307 arrivals in 2004. More than 50 percent of the passenger vessel arrivals are greater than 60,000 GRT.

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<sup>8</sup> These figures exclude the ports of Miami and Fort Lauderdale and other smaller ports south of Port Canaveral that are outside the scope of the proposed rulemaking.



**Table 2-7. Passenger Ship Arrivals by Port Region, Port Area and GRT, 2003-2004**

Port Area	2003					2004				
	Gross Registered Tonnage					Gross Registered Tonnage				
	0 - 19,999	20,000 - 39,999	40,000 - 59,999	60,000 and Greater	Total	0 - 19,999	20,000 - 39,999	40,000 - 59,999	60,000 and Greater	Total
<b>Northeastern US - Gulf of Maine</b>										
Eastport, ME	-	-	-	-	0	-	-	-	-	0
Searsport, ME	3	14	28	21	66	21	16	27	17	81
Portland, ME	-	2	6	11	19	5	3	10	8	26
Portsmouth, NH	1	-	-	-	1	1	-	-	-	1
<b>Northeastern US - Off Race Point</b>										
Salem, MA	-	1	-	-	1	3	-	3	-	6
Boston, MA	8	16	46	24	94	8	16	46	24	94
<b>Northeastern US - Cape Cod Bay</b>										
Cape Cod, MA	1	2	5	1	9	3	2	8	-	13
<b>Mid-Atlantic Block Island Sound</b>										
New Bedford, MA	-	-	-	-	0	2	-	-	-	2
Providence, RI	6	4	11	14	35	15	4	9	15	43
New London, CT	32	-	-	-	32	54	-	3	-	57
New Haven, CT	5	-	-	-	5	-	-	-	-	0
Bridgeport, CT	4	-	-	-	4	4	-	-	-	4
Long Island, NY	32	-	-	-	32	38	-	-	-	38
<b>Mid-Atlantic Ports of New York/New Jersey</b>										
New York City, NY	8	22	82	114	226	28	45	65	169	307
<b>Mid-Atlantic Delaware Bay</b>										
Philadelphia, PA	3	5	11	7	26	3	15	15	-	33
<b>Mid-Atlantic Chesapeake Bay</b>										
Baltimore, MD	3	7	1	29	40	9	16	3	47	75
Hampton Roads, VA	5	12	2	12	31	13	17	28	6	64
<b>Mid-Atlantic Morehead City and Beaufort, NC</b>										
Morehead City, NC	-	-	-	-	0	7	-	-	-	7
<b>Mid-Atlantic Wilmington, NC</b>										
Wilmington, NC	-	-	-	-	0	4	2	-	-	6
<b>Mid-Atlantic Georgetown, SC</b>										
Georgetown, SC	-	-	-	-	0	1	-	-	-	1
<b>Mid-Atlantic Charleston, SC</b>										
Charleston, SC	6	5	10	19	40	17	11	25	11	64
<b>Mid-Atlantic Savannah, GA</b>										
Savannah, GA	4	1	-	1	6	45	4	-	-	49
<b>Southeastern US</b>										
Brunswick, GA	1	-	-	-	1	8	-	-	-	8
Fernandina, FL	1	1	-	-	2	17	2	-	-	19
Jacksonville, FL	7	-	5	-	12	19	1	56	13	89
Port Canaveral, FL	104	4	2	437	547	18	9	1	551	579
<b>All Port Regions</b>	<b>234</b>	<b>96</b>	<b>209</b>	<b>690</b>	<b>1,229</b>	<b>343</b>	<b>163</b>	<b>299</b>	<b>861</b>	<b>1,666</b>

Source: Prepared by Nathan Associates based on analysis of U.S. Coast Guard data on vessel calls at U.S. ports, 2003-2004.

Table 2-8 presents information on the number of cruise passenger embarkations at selected U.S. East Coast ports from 2000 through 2004. The North American cruise industry is defined as those cruise lines that primarily market their cruises in North America. Throughout this period, the Port of Miami was the leader in terms of embarkations with nearly 1.7 million passengers in 2004. However, strong growth at Port Everglades moved it from the third-ranked port with 0.8 million passengers in 2000 to the second-ranked port with 1.3 million passengers in 2004. Port Canaveral also grew from 0.9 million passengers in 2000 to 1.2 million passengers in 2004.

**Table 2-8. Embarkations of the North American Cruise Industry for Selected U.S. East Coast Ports, 2000-2004 (passengers in 000s)**

Port	2000	2001	2002	2003	2004
Miami	1,682	1,700	1,804	1,965	1,682
Port Everglades	798	1,046	1,202	1,213	1,324
Port Canaveral	941	870	1,028	1,089	1,220
New York	309	238	326	438	547
Norfolk	8.	27	39	48	107
Baltimore	n.a.	n.a.	57	57	105
Boston	n.a.	n.a.	69	69	100
Philadelphia	48	60	1.5	24	29

Source: Business Research & Economic Advisors, The Contribution of the North American Cruise Industry to the U.S. economy in 2004, prepared for the International Council of Cruise Lines, August 2005. Norfolk data from City of Norfolk.

As mentioned earlier, the USCG vessel arrival data does not include information on vessels less than 150 GRT. As the majority of passenger and car ferries fall below this threshold, the USCG cannot be used as a reliable basis for analyzing movements of passenger and car ferry vessels at U.S. East Coast port areas.

We have obtained information on ferry vessels and ferry routes from the National Ferry Database published on-line by U.S. Department of Transportation, Bureau of Transportation Statistics. The National Ferry Database is a comprehensive inventory of existing ferry operations in the United States and its possessions. This data was collected as part of a survey conducted by the U.S. Department of Transportation, Federal Highway Administration (FHWA). The survey period extended from March 1, 2000 to September 30, 2000. The universe of 224 ferry operators provides ferry service on 487 nonstop ferry route segments, comprising 352 ferry routes, and serving 578 ferry terminal locations with 677 ferry vessels.

Using the National Ferry Database, we identified 261 ferry vessels operating on the U.S. East Coast in 2000 (Table 2-9). A complete inventory of ferry vessels operating in each state including the type of service (passenger, RoRo or Rail), typical speed, vessel length and gross tonnage is presented in Appendix C. New York State had 65 ferry vessels in operation, followed by Massachusetts (36 ferry vessels), North Carolina

(35 ferry vessels) and Maine (23 ferry vessels). More than 64 percent (168 ferry vessels) had an overall length of 65 feet or greater. Generally the ferry vessels are characterized as *conventional* with typical speeds of 8-16 knots, and *high speed* with typical speeds in excess of 25 knots.

**Table 2-9. Ferry Vessels Operating on the U.S. East Coast by State, 2000**

State	Number of Ferry Vessels	Ferry Vessels with LOA of 65 feet or greater	
		Number	Average speed (knots)
Maine	23	11	11.5
New Hampshire	2	2	n.a.
Massachusetts	36	37	16.5
Rhode Island	7	1	n.a.
Connecticut	17	14	19.3
New York	65	45	10.6
New Jersey	20	16	n.a.
Pennsylvania	3	1	n.a.
Delaware	10	7	16.4
Maryland	10	2	n.a.
Virginia	13	6	9.2
North Carolina	35	23	10.1
South Carolina	10	0	0.0
Georgia	4	1	10.0
Florida	6	2	6.0
Total	261	168	n.a.

Source: Prepared by Nathan Associates Inc from U.S. Department of Transportation, Bureau of Transportation Statistics, National Ferry Database as presented in Appendix C.

The National Ferry Database contained information on 172 ferry routes operating on the U.S. East Coast in 2000 (Table 2-10). Once again New York State had the most ferry routes with 46 routes in service in 2000. Massachusetts was next with 36 ferry routes followed by Maine (23 routes) and North Carolina (16 routes). Most of the ferry routes involve crossing rivers, harbors, sounds or bays and only 10 routes of the 172 routes identified involved crossing segments of the Atlantic Ocean.

Further information on each of the ferry routes including the metro area served, water body crossed, type of service, number of passengers and vehicles served, and beginning and end of season service is presented in Appendix C.

**Table 2-10. Ferry Routes Operating on the U.S. East Coast by State, 2000**

State	Number of Routes	Routes via Atlantic Ocean
Maine	23	5
New Hampshire	1	1
Massachusetts	36	4
Rhode Island	7	0
Connecticut	5	0
New York	46	0
Pennsylvania	1	0
Delaware	4	0
Maryland	7	0
Virginia	12	0
North Carolina	16	0
South Carolina	6	0
Georgia	4	0
Florida	4	0
Total	172	

Source: Prepared by Nathan Associates Inc from U.S. Department of Transportation, Bureau of Transportation Statistics, National Ferry Database as presented in Appendix C.

## COMMERCIAL FISHING

Commercial fishing is a multimillion dollar industry along the U.S. East Coast. In 2004, commercial fish landings at U.S. East Coast ports totaled \$706 million (Table 2-11). The port of New Bedford, MA is the leading U.S. port in terms of value of commercial fish landings with \$176.2 million in 2003 and \$206.5 million in 2004.

**Table 2-11. U.S. East Coast Commercial Fishery Landings  
by Port 2002 and 2003 (millions of dollars)**

Port	2002	2003	2004
New Bedford, MA	168.6	176.2	206.5
Hampton Roads, VA	69.5	79.6	100.6
Cape May-Wildwood, NJ	35.3	42.8	68.1
Gloucetser, MA	41.2	37.8	42.7
Point Judith, RI	31.3	32.4	31.5
Portland,ME	40.4	28.7	24.2
Reedville, VA	24.2	24.2	26.1
Point Pleasnat, NJ	19.7	22.8	19.2
Wanchese-Stumpy Point, NC	23.2	21.0	20.6
Atlantic City, NJ	22.4	20.8	17.7
Stonington, ME	21.7	20.5	7.5
Beaufort- Morehead City, NC	19.1	15.0	16.9
Provincetown-Chatham, MA	15.2	13.5	14.1
Charleston -Mt. Pleasant, SC	9.3	13.0	8.5
Montauk, NY	11.1	11.0	13
Boston,MA	8.6	8.9	8.8
Engelhard-Swanquarter, NC	11.1	8.0	7.8
Beaufort, SC	n.a.	7.0	16.9
Cape Canveral, FL	6.2	6.8	9.3
Ocean City, MD	8.1	6.6	n.a.
Hampton Bay-Shinnicock, NY	8.3	6.5	6.6
Georgetown, SC	5.2	6.0	n.a.
Belhaven- Washington, NC	6.2	5.0	3.7
Oriental-Vandemere, NC	8.5	5.0	7.2
Sneads Ferry-Swansboro, NC	6.4	5.0	n.a.
Rockland, ME	4.3	4.1	2.7
Darien-Belville, GA	6.9	6.0	5
Long Beach-Barneгат, NJ	14.6	16.4	20.6
<b>Total</b>	<b>646.6</b>	<b>650.6</b>	<b>705.8</b>

Source: NOAA Fisheries.

The Strategy applied to vessels with a length of 65 feet and above. Our analysis of commercial fishing permits issued on the U.S. East Coast shows that the vast majority of commercial fishing vessels that are 65 feet and above have a GRT of less than 150 tons and hence are not captured in the U.S. Coast Guard vessel arrival database, which necessitated evaluating commercial fishing permits, rather than relying on just the USCG database. Table 2-12 shows that for the Southeast region approximately 84 percent of the fishing vessels over 65 feet are less than 150 tons. For the Northeast region, nearly 67 percent of the fishing vessels over 65 feet are less than 150 tons.

**Table 2-12. Fishing Vessel Permits Issued to Vessels 65 Feet and Above in LOA by Region, 2003**

Vessel gross registered tons	Southeast Region				Northeast Region	
	Fishing permits	%	Unique vessels	%	Fishing permits	%
All vessels	557	100.0%	347	100.0%	856	100.0%
Vessels less than 150 GRT	482	86.5%	290	83.6%	572	66.8%
Vessels 150 GRT and above	75	13.5%	57	16.4%	284	33.2%

Note: For the Northeast Region fishing permit data provided was for unique vessels only.

Source: Prepared by Nathan Associates Inc. from data provided by National Marine Fisheries Service, Sustainable Fisheries Division, Southeast Fisheries Science Center and NOAA Fisheries, Northeast Fisheries Science Center.

## WHALE WATCHING

In 2000, there were 36 whale watching operations permitted and registered in New England (Table 2-13).<sup>9</sup> It is estimated that more than 1.2 million passengers participated in whale-watching tours in 2000, generating more than \$30 million in revenues. Massachusetts accounted for nearly 80 percent of the New England totals for both passengers and revenues.

**Table 2-13. Characteristics of the New England Whale Watching Industry, 2000**

State	Number of Operations	Number of Vessels	Annual Ridership	Annual Revenue (\$ millions)
Massachusetts	17	30-35	1,000,000	\$24.0
New Hampshire	4	6-10	80,000	\$1.9
Maine	14	18-24	137,500	\$4.4
Rhode Island	1	1	12,500	\$0.3
<b>Total</b>	<b>36</b>	<b>55-70</b>	<b>1,230,000</b>	<b>\$30.6</b>

Source: Hoyt, Erich Whale Watching 2000: Worldwide Tourism Numbers, Expenditures and Expanding Socioeconomic Benefits, 2000.

## U.S. East Coast Trade

The volume and value of goods carried by vessels calling at U.S East Coast ports are other indicators of the economic significance of maritime activity that may be affected by the proposed rulemaking. We have analyzed the foreign trade statistics for 2003 and 2004 published by U.S. Census Bureau at a Custom District and port level. We have conducted further investigations to reconcile the reported volume and value of U.S. imports and exports by Customs District and port with USCG vessel arrivals by port region and port area (Table 2-14).

<sup>9</sup> Although whale watching operations exist in the mid and South Atlantic states, the degree of activity is smaller cannot be reliably distinguished from tours to view other species such as dolphins.

**Table 2-14. Reconciliation of U.S. Customs Districts and Ports with Port Region and Port Area**

U.S. Customs District and Port	Port Region	Port Area
01 Portland, ME		
0101 Portland, ME	Northeast- Gulf of Maine	Portland
0102 Bangor, ME	Northeast- Gulf of Maine	Searsport
0103 Eastport, ME	Northeast- Gulf of Maine	Eastport
0111 Bath, ME	Northeast- Gulf of Maine	Portland
0112 Bar Harbor, ME	Northeast- Gulf of Maine	Searsport
0121 Rockland, ME	Northeast- Gulf of Maine	Searsport
0122 Jonesport, ME	Northeast- Gulf of Maine	Searsport
0131 Portsmouth, NH	Northeast- Gulf of Maine	Portsmouth
0132 Belfast, ME	Northeast- Gulf of Maine	Searsport
0152 Searsport, ME	Northeast- Gulf of Maine	Searsport
04 Boston, MA		
0401 Boston, MA	Northeast- Off Race Point	Boston
0404 Gloucester, MA	Northeast- Off Race Point	Salem
0405 New Bedford, MA	Mid-Atlantic - Block Island Sound	New Bedford
0406 Plymouth, MA	Northeast- Off Race Point	Boston
0407 Fall River, MA	Mid-Atlantic - Block Island Sound	New Bedford
0408 Salem, MA	Northeast- Off Race Point	Salem
0409 Provincetown, MA	Northeast- Cape Cod	Cape Cod
0410 Bridgeport, CT	Mid-Atlantic - Block Island Sound	Bridgeport
0412 New Haven, CT	Mid-Atlantic - Block Island Sound	New Haven
0413 New London, CT	Mid-Atlantic - Block Island Sound	New London
05 Providence, RI		
0501 Newport, RI	Mid-Atlantic - Block Island Sound	Providence
0502 Providence, RI	Mid-Atlantic - Block Island Sound	Providence
0503 Melville, RI	Mid-Atlantic - Block Island Sound	Providence
10 New York City, NY		
1001 New York, NY	Mid-Atlantic - New York and New Jersey	New York City
1002 Albany, NY	Mid-Atlantic - New York and New Jersey	New York City
11 Philadelphia, PA		
1101 Philadelphia, PA	Mid-Atlantic Delaware Bay	Philadelphia
1102 Chester, PA	Mid-Atlantic Delaware Bay	Philadelphia
1103 Wilmington, DE	Mid-Atlantic Delaware Bay	Philadelphia
1105 PAulsboro, NJ	Mid-Atlantic Delaware Bay	Philadelphia
1107 Camden, NJ	Mid-Atlantic Delaware Bay	Philadelphia
1113 Gloucester City, NJ	Mid-Atlantic Delaware Bay	Philadelphia
1195 UPS, Philadelphia, PA	Mid-Atlantic Delaware Bay	Philadelphia
13 Baltimore, MD		
1301 Annapolis, MD	Mid-Atlantic - Chesapeake Bay	Baltimore
1302 Cambridge, MD	Mid-Atlantic - Chesapeake Bay	Baltimore
1303 Baltimore, MD	Mid-Atlantic - Chesapeake Bay	Baltimore
1304 Crisfield, MD	Mid-Atlantic - Chesapeake Bay	Baltimore
14 Norfolk, VA		
1401 Norfolk, VA	Mid-Atlantic - Chesapeake Bay	Hampton Roads
1402 Newport News, VA	Mid-Atlantic - Chesapeake Bay	Hampton Roads
1404 Richmond-Petersburg, VA	Mid-Atlantic - Chesapeake Bay	Hampton Roads
1408 Hopewell VA	Mid-Atlantic - Chesapeake Bay	Hampton Roads
15 Charlotte, NC		
1501 Wilmington, NC	Mid-Atlantic - Wilmington, NC	Wilmington
1511 Beaufort-Morehead City, NC	Mid-Atlantic - Morehead City	Morehead City
16 Charleston, SC		
1601 Charleston, SC	Mid-Atlantic - Charleston	Charleston
1602 Georgetown, SC	Mid-Atlantic - Georgetown	Georgetown
17 Savannah, GA		
1701 Brunswick, GA	Southeastern US	Brunswick
1703 Savannah, GA	Mid-Atlantic Savannah	Savannah
18 Tampa, FL		
1803 Jacksonville, FL	Southeastern US	Jacksonville
1805 Fernandina Beach, FL	Southeastern US	Fernandina Beach
1816 Port Canaveral, FL	Southeastern US	Port Canaveral

Source: Prepared by Nathan Associates Inc.

The U.S. Census Bureau data on U.S. imports of merchandise is compiled primarily from automated data submitted through the U.S. Customs' Automated Commercial System.<sup>10</sup> Data are compiled also from import entry summary forms, warehouse withdrawal forms and Foreign Trade Zone documents as required by law to be filed with the U.S. Customs Service. Information on U.S. exports of merchandise is compiled from copies of Shipper's Export Declarations (SEDs) and data from qualified exporters, forwarders or carriers. Copies of SEDs are required to be filed with Customs officials at the port of export.

For this study, the following data items have been used from the U.S. Census Bureau Foreign Trade Statistics:

- **Customs import value** - the value of imports appraised by the U.S. Customs Services in accordance with the legal requirements of the Tariff Act of 1930, as amended. This value is generally defined as the price actually paid or payable for merchandise when sold for exportation to the U.S. excluding U.S. import duties, freight, insurance and other charges incurred in bringing the merchandise to the U.S.
- **Import charges** - the aggregate cost of all freight, insurance and other charges (excluding U.S. import duties) incurred in bringing the merchandise from alongside the carrier at the port of exportation and placing it alongside the carrier at the first port of entry in the U.S.
- **F.A.S. export value** - the free alongside ship value of exports at the U.S. seaport based on the transaction price, including inland freight, insurance and other charges incurred in placing the merchandise alongside the carrier at the U.S. port of exportation. The value, as defined, excludes the cost of loading the merchandise aboard the exporting carrier and also excludes freight, insurance and any other charges or transportation costs beyond the port of exportation.
- **Shipping weight** - the gross weight in metric tons including the weight of moisture content, wrappings, crates, boxes and containers.
- **District of exportation** - the customs district in which the merchandise is loaded on the vessel which takes the merchandise out of the country.
- **Import district of unloading**- the district where merchandise is unloaded from the importing vessel.

Table 2-15 and Table 2-16 present U.S. East Coast maritime imports and exports by port region and port area for 2003 and 2004 respectively<sup>11</sup>.

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<sup>10</sup> The description and definition of information from the U.S Census Bureau Foreign Trade Statistics is based on the Guide to Foreign Trade Statistics: Description of the Foreign Trade Statistical Program available on the U.S. census Bureau website.

<sup>11</sup> Maritime trade refers to the method of transportation by which the merchandise arrived in or departed from the U.S.



**Table 2-15. U.S. East Coast Maritime Trade by Port Region and Port Area, 2003**

ANPR Port Region and Port Area	Imports		Exports		Total Trade	
	Custom import value (\$ millions)	Shipping Weight (m.t. 000s)	F.A.S. export value (\$ millions)	Shipping Weight (m.t. 000s)	Merchandise Value (\$ millions)	Shipping Weight (m.t. 000s)
<b>Gulf of Maine</b>						
Eastport, ME	0.0	0.0	133.3	309.7	133.3	309.7
Searsport, ME	295.4	1,342.7	5.6	2.0	301.0	1,344.7
Portland, ME	892.6	3,330.4	122.9	187.4	1,015.4	3,517.8
Portsmouth, NH	576.9	4,329.3	74.6	149.5	651.5	4,478.9
Subtotal	1,764.9	9,002.5	336.3	648.6	2,101.2	9,651.1
<b>Racepoint, MA</b>						
Salem, MA	29.4	790.9	9.4	4.2	38.8	795.1
Boston, MA	5,126.5	15,893.1	798.8	821.1	5,925.3	16,714.3
Subtotal	5,155.8	16,684.1	808.2	825.3	5,964.1	17,509.4
<b>Cape Cod, MA</b>						
Cape Cod, MA	0.0	0.0	0.1	0.0	0.1	0.0
Subtotal	0.0	0.0	0.1	0.0	0.1	0.0
<b>Block Island Sound</b>						
New Bedford, MA	135.9	2,087.1	7.9	5.2	143.8	2,092.3
Providence, RI	2,665.2	4,522.9	61.3	296.4	2,726.5	4,819.3
New London, CT	149.5	193.3	11.3	56.2	160.9	249.5
New Haven, CT	961.6	2,764.0	35.3	234.7	996.9	2,998.7
Bridgeport, CT	146.0	1,677.8	2.0	6.5	148.0	1,684.4
Subtotal	4,058.4	11,245.1	117.7	599.0	4,176.1	11,844.0
<b>New York</b>						
New York City, NY	78,601.0	68,879.8	21,760.0	9,585.8	100,361.0	78,465.5
Subtotal	78,601.0	68,879.8	21,760.0	9,585.8	100,361.0	78,465.5
<b>Delaware Bay</b>						
Philadelphia, PA	21,817.7	71,221.2	2,080.8	1,768.0	23,898.5	72,989.2
Subtotal	21,817.7	71,221.2	2,080.8	1,768.0	23,898.5	72,989.2
<b>Chesapeake Bay</b>						
Hampton Roads, VA	20,885.7	11,357.2	12,245.2	17,242.8	33,130.9	28,600.0
Baltimore, MD	20,412.1	17,726.0	5,753.1	4,708.8	26,165.2	22,434.8
Subtotal	41,297.8	29,083.2	17,998.3	21,951.7	59,296.1	51,034.8
<b>Morehead City, NC</b>						
Morehead City, NC	226.7	463.8	359.6	40.2	586.4	504.1
Subtotal	226.7	463.8	359.6	40.2	586.4	504.1
<b>Wilmington, NC</b>						
Wilmington, NC	1,250.7	3,337.1	953.2	730.1	2,203.9	4,067.2
Subtotal	1,250.7	3,337.1	953.2	730.1	2,203.9	4,067.2
<b>Georgetown, SC</b>						
Georgetown, SC	37.1	610.7	24.3	47.3	61.3	658.0
Subtotal	37.1	610.7	24.3	47.3	61.3	658.0
<b>Charleston, SC</b>						
Charleston, SC	26,063.4	11,886.0	13,483.2	5,399.4	39,546.7	17,285.3
Subtotal	26,063.4	11,886.0	13,483.2	5,399.4	39,546.7	17,285.3
<b>Savannah, GA</b>						
Savannah, GA	13,630.7	11,888.7	7,634.1	8,134.9	21,264.8	20,023.6
Subtotal	13,630.7	11,888.7	7,634.1	8,134.9	21,264.8	20,023.6
<b>Southeastern U.S.</b>						
Brunswick, GA	4,679.6	1,138.3	657.5	689.5	5,337.1	1,827.8
Fernandina, FL	79.4	92.8	194.6	239.7	274.0	332.5
Jacksonville, FL	8,884.0	8,826.5	3,475.7	942.9	12,359.7	9,769.5
Port Canaveral, FL	355.4	2,647.4	127.8	131.1	483.2	2,778.5
Subtotal	13,998.3	12,705.1	4,455.6	2,003.2	18,454.0	14,708.3
<b>All Port Areas</b>	<b>207,902.6</b>	<b>247,007.2</b>	<b>70,011.5</b>	<b>51,733.4</b>	<b>277,914.1</b>	<b>298,740.7</b>

Source: Prepared by Nathan Associates from U.S. Census Bureau Foreign Trade Statistics for 2003 as described in text.

**Table 2-16. U.S. East Coast Maritime Trade by Port Region and Port Area, 2004**

Port Region and Port Area	Imports		Exports		Total Trade	
	Custom import value (\$ millions)	Shipping Weight (m.t. 000s)	F.A.S. export value (\$ millions)	Shipping Weight (m.t. 000s)	Merchandise Value (\$ millions)	Shipping Weight (m.t. 000s)
<b>Gulf of Maine</b>						
Eastport, ME	0.0	0.0	115.7	260.9	115.7	260.9
Searsport, ME	394.4	1,554.0	1.6	0.8	396.0	1,554.8
Portland, ME	1,126.0	3,331.7	339.2	177.6	1,465.2	3,509.3
Portsmouth, NH	625.7	3,640.4	105.6	239.7	731.2	3,880.1
Subtotal	2,146.0	8,526.0	562.0	679.1	2,708.0	9,205.2
<b>Racepoint, MA</b>						
Salem, MA	23.5	543.6	10.2	3.1	33.7	546.7
Boston, MA	6,102.0	16,508.9	850.4	986.2	6,952.4	17,495.2
Subtotal	6,125.5	17,052.6	860.6	989.3	6,986.1	18,041.9
<b>Cape Cod, MA</b>						
Cape Cod, MA	0.4	0.0	0.0	0.0	0.4	0.0
Subtotal	0.4	0.0	0.0	0.0	0.4	0.0
<b>Block Island Sound</b>						
New Bedford, MA	128.7	2,114.7	9.4	12.2	138.0	2,126.9
Providence, RI	2,835.4	4,549.4	63.7	256.8	2,899.1	4,806.3
New London, CT	276.6	241.7	1.9	5.9	278.6	247.6
New Haven, CT	976.7	2,426.0	47.1	239.8	1,023.8	2,665.8
Bridgeport, CT	83.5	1,555.2	1.1	0.4	84.5	1,555.6
Subtotal	4,300.8	10,887.1	123.2	515.1	4,424.0	11,402.2
<b>New York</b>						
New York City, NY	90,968.3	70,340.7	23,567.1	10,303.3	114,535.4	80,644.0
Subtotal	90,968.3	70,340.7	23,567.1	10,303.3	114,535.4	80,644.0
<b>Delaware Bay</b>						
Philadelphia, PA	27,164.9	74,650.0	3,334.5	1,887.0	30,499.4	76,537.0
Subtotal	27,164.9	74,650.0	3,334.5	1,887.0	30,499.4	76,537.0
<b>Chesapeake Bay</b>						
Hampton Roads, VA	24,713.9	12,047.4	13,260.7	18,550.2	37,974.6	30,597.7
Baltimore, MD	24,410.9	22,589.5	6,905.5	6,273.8	31,316.5	28,863.3
Subtotal	49,124.8	34,636.9	20,166.3	24,824.0	69,291.1	59,461.0
<b>Morehead City, NC</b>						
Morehead City, NC	307.8	404.8	282.7	67.4	590.5	472.2
Subtotal	307.8	404.8	282.7	67.4	590.5	472.2
<b>Wilmington, NC</b>						
Wilmington, NC	1,516.1	4,206.4	1,109.9	856.4	2,626.1	5,062.8
Subtotal	1,516.1	4,206.4	1,109.9	856.4	2,626.1	5,062.8
<b>Georgetown, SC</b>						
Georgetown, SC	82.2	661.8	17.6	20.7	99.8	682.5
Subtotal	82.2	661.8	17.6	20.7	99.8	682.5
<b>Charleston, SC</b>						
Charleston, SC	31,103.0	12,823.8	15,341.5	5,778.6	46,444.5	18,602.3
Subtotal	31,103.0	12,823.8	15,341.5	5,778.6	46,444.5	18,602.3
<b>Savannah, GA</b>						
Savannah, GA	16,540.5	15,701.7	9,661.9	8,609.1	26,202.4	24,310.8
Subtotal	16,540.5	15,701.7	9,661.9	8,609.1	26,202.4	24,310.8
<b>Southeastern U.S.</b>						
Brunswick, GA	5,349.2	1,249.9	761.3	678.4	6,110.5	1,928.3
Fernandina, FL	92.9	116.7	199.9	239.7	292.7	356.4
Jacksonville, FL	9,165.5	9,490.9	4,541.1	1,168.2	13,706.6	10,659.1
Port Canaveral, FL	406.1	2,835.1	127.1	138.7	533.2	2,973.7
Subtotal	15,013.6	13,692.5	5,629.4	2,225.0	20,643.0	15,917.6
<b>All Port Areas</b>	<b>244,393.8</b>	<b>263,584.2</b>	<b>80,656.8</b>	<b>56,755.1</b>	<b>325,050.6</b>	<b>320,339.3</b>

Source: Prepared by Nathan Associates from U.S. Census Bureau Foreign Trade Statistics for 2004 as described in text.

In 2003, the custom import value of merchandise imported by vessel on the U.S. East Coast was \$207.9 billion nearly triple the \$70 billion value of exports.<sup>12</sup> The total value of trade on the U.S. East Coast in 2003 was \$277.9 billion. The port area of New York City was the largest in terms of the value of imports (\$78.6 billion) and exports (\$21.8 billion). This port area accounted for 38 percent of the value of U.S. East Coast imports and 31 percent of exports.

The port areas of Charleston, Philadelphia, Hampton Roads and Baltimore constitute the next tier of port areas with value of imports ranging from \$20.4 billion and \$26.1 billion. For exports, the port area of Charleston recorded exports of \$13.5 billion in 2003, followed by the port areas of Hampton Roads and Savannah with exports of \$12.2 billion and \$7.6 billion, respectively.

For 2004, the value of imports on the U.S. East Coast increased by 17.6 percent to \$244.4 billion and the value of exports increased by 15.2 percent to \$80.7 billion. In 2004, the value of total trade increased by 17.0 percent to \$325.1 billion

The shipping weight of U.S maritime trade by port region and port area for 2003 and 2004 are also presented in Table 2-15 and Table 2-16. The total shipping weight of U.S East Coast imports was 247.0 million tons in 2003 with export shipments of 51.7 million tons. The port area of Philadelphia was the largest in terms of shipping weight of imports with 71.2 million tons in 2003 followed by New York City with 68.9 million tons. These two port areas account for 57 percent of the total U.S. East Coast import shipments by weight. For exports, Hampton Roads is first with 17.2 million tons followed by New York City with 9.6 million tons and Savannah with 8.1 million tons. The relative rankings by port area for 2004 are similar in terms of export tonnages.

The U.S. Census Bureau reports vessel import charges associated with import of merchandise by customs district.<sup>13</sup> Vessel import charges represent the aggregate cost of all freight, insurance and other charges (excluding U.S. import duties) incurred in bringing the merchandise from alongside the carrier at the port of exportation and placing it alongside the carrier at the first port of entry.

In 2003, vessel import charges at U.S. East Coast customs districts totaled \$11.1 billion or 5.3 percent of the vessel import value (Table 2-17).<sup>14</sup> In 2004, vessel import charges increased by 18.5 percent to \$13.2 billion, representing 5.3 percent of the vessel import value. In 2004, vessel import charges ranged from a high of 11.9 percent of vessel import value for the customs district of Charlotte, NC to a low of 2.8 percent for the customs district of Providence. Factors such as composition and volume of cargo, value of the merchandise per ton, distance of ocean voyage, size and type of vessel used, and port charges affect the relative importance of vessel import charges at a customs district level.

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<sup>12</sup> Please note that for purposes of this study, ports south of Port Canaveral, FL are excluded from the data presented.

<sup>13</sup> As vessel import charges are not reported by the U.S. Census Bureau at the port level, we have analyzed these charges only at the customs district level. The data presented does not precisely correspond to the vessel import values shown in Table 2-15 and Table 2-16 by port area as we had excluded in those tables ports included in custom district that are outside the scope of this study.

<sup>14</sup> Vessel import value is equivalent to custom import value for merchandise transported by vessels.

**Table 2-17. U.S. East Coast: Vessel Import Charges as a Percent of Vessel Import Value by Customs District of Unlading, 2003 and 2004**

Custom District of Unlading	2003			2004		
	Vessel Import Value (Millions of Dollars)	Vessel Import Charges (Millions of Dollars)	Percent of Vessel Import Value	Vessel Import Value (Millions of Dollars)	Vessel Import Charges (Millions of Dollars)	Percent of Vessel Import Value
1 Portland, ME	\$1,765	\$86	4.9%	\$2,146	\$103	4.8%
4 Boston, MA	\$6,549	\$341	5.2%	\$7,591	\$407	5.4%
5 Providence, RI	\$2,665	\$68	2.6%	\$2,835	\$78	2.8%
10 New York City, NY	\$78,601	\$4,046	5.1%	\$90,968	\$4,711	5.2%
11 Philadelphia, PA	\$21,818	\$1,507	6.9%	\$27,165	\$1,797	6.6%
13 Baltimore, MD	\$20,412	\$735	3.6%	\$24,411	\$944	3.9%
14 Norfolk, VA	\$20,886	\$1,143	5.5%	\$24,714	\$1,386	5.6%
15 Charlotte, NC	\$1,477	\$165	11.1%	\$1,824	\$217	11.9%
16 Charleston, SC	\$26,101	\$1,231	4.7%	\$31,185	\$1,483	4.8%
17 Savannah, GA	\$18,310	\$1,222	6.7%	\$21,890	\$1,433	6.5%
18 Tampa, FL	\$11,357	\$566	5.0%	\$12,197	\$612	5.0%
Total	\$209,941	\$11,112	5.3%	\$246,927	\$13,170	5.3%

Source: Prepared by Nathan Associates Inc. from U.S. Census Bureau, Foreign Trade Statistics for 2003 and 2004.

### 3. Socioeconomic Conditions

NEPA is the primary legal authority necessitating development of a Social Impact Assessment for Federal management actions, including those of the Right Whale Ship Strike Reduction Strategy. According to Section 40 CFR 1508.14, “[if] economic or social and natural and physical environmental effects are interrelated, then the environmental impact statement will discuss all these effects on the human environment.” In addition, Executive Order 12898 requires that Federal agencies examine social and economic impacts when minority or low-income populations are likely to be affected by a policy measure.

In this chapter we present an overview of baseline demographic and socioeconomic data for the 26 U.S. East Coast port areas. A more comprehensive socioeconomic profile of each port area is provided in Appendix D.

We have used the U.S. Office of Management and Budget definitions for metropolitan and micropolitan statistical areas based on 2000 standards.<sup>15</sup> The general concept of a metropolitan or micropolitan statistical area is that of a core area containing a substantial population nucleus, together with adjacent communities having a high degree of economic and social integration with that core. Each metropolitan statistical area must have at least one urbanized area of 50,000 or more inhabitants. Each micropolitan statistical area must have at least one urban cluster of at least 10,000 but less than 50,000 population. Counties are used as the geographic “building blocks” for metropolitan and micropolitan statistical areas. The socioeconomic study areas included in this analysis are presented in Figure 3-1. The counties included in each metropolitan or micropolitan statistical area are listed in Table 3-1.

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<sup>15</sup> Further information on the metropolitan and micropolitan statistical areas can be found at <http://www.census.gov/population/www/estimates/aboutmetro.html>

Figure 3-1. Socioeconomic Study Areas



**Table 3-1. U.S. East Coast Port Areas: Counties included in Metropolitan or Micropolitan Statistical Areas**

Port Area	Classification	Counties
<b>Northeastern US- Gulf of Maine</b>		
Eastport, ME		Washington County, ME
Searsport, ME		Waldo County, ME
		Knox County, ME
		Hancock County, ME
Portland, ME	Portland-South Portland-Biddeford, ME Metr. MSA	Cumberland County, ME
		Sagadahoc County, ME
		York County, ME
Portsmouth, NH	Rockingham County-Strafford County, NH Metropolitan Division: <i>(Part of Boston-Cambridge-Quincy, MA-NH Met. SA)</i>	Rockingham County, NH
		Strafford County, NH
<b>Northeastern US- Off Race Point</b>		
Boston, MA	Boston-Cambridge-Quincy, MA-NH Metropolitan Statistical Area	Norfolk County, MA
		Plymouth County, MA
		Suffolk County, MA
		Middlesex County
Salem, MA	Essex County, MA Met Division : <i>(Boston-Cambridge-Quincy, MA-NH Metropolitan Statistical Area)</i>	Essex County
<b>Northeastern US- Cape Cod Bay</b>		
	Barnstable Town, MA Metropolitan Statistical Area	Barnstable County, MA
<b>Mid-Atlantic Block Island Sound</b>		
New Bedford, MA	Providence-New Bedford-Fall River, RI-MA Met SA, Part of	Bristol County, MA
Providence, RI	Providence-New Bedford-Fall River, RI-MA Met SA,	Bristol County, RI
		Kent County, RI
		Newport County, RI
		Providence County, RI
		Washington, RI
New London, CT	Norwich-New London CT Met SA	New London County
New Haven, CT	New Haven-Milford, CT Met SA	New Haven County
Bridgeport, CT	Bridgeport-Stamford-Norwalk, CT Met SA	Fairfield County
Long Island, NY	Nassau-Suffolk, NY Metropolitan Division <i>(Part of New York-Northern New Jersey-Long Island, NY-NJ-PA Met SA)</i>	Nassau County
		Suffolk County
<b>Mid-Atlantic Ports of New York/New Jersey</b>	New York-Northern New Jersey-Long Island, NY-NJ-PA Met SA	Middlesex County, NJ
		Monmouth County, NJ
		Ocean County, NJ
		Somerset County, NJ
		Bergen County, NJ
		Hudson County, NJ
		Passaic County, NJ
		Bronx County, NY
		Kings County, NY
		New York County, NY
		Putnam County, NY
		Queens County, NY
		Richmond County, NY
		Rockland County, NY
		Westchester County, NY
		Essex County, NJ
		Hunterdon County, NJ
		Morris County, NJ
		Sussex County, NJ
		Union County, NJ
		Pike County, PA

*Table 3-1. continued*

Port Area	Classification	Counties
Mid-Atlantic Delaware Bay	Philadelphia-Camden-Wilmington, PA-NJ-DE-MD Metropolitan Statistical Area	Burlington County, NJ Camden County, NJ Gloucester County, NJ Bucks County, PA Chester County, PA Delaware County, PA Montgomery County, PA Philadelphia County, PA New Castle County, DE Cecil County, MD Salem County, NJ
Mid-Atlantic Chesapeake Bay Baltimore, MD	Baltimore-Towson, MD Met SA	Anne Arundel County, MD Baltimore County, MD Carroll County, MD Harford County, MD Howard County, MD Queen Anne's County, MD Baltimore City, MD
Hampton Roads, VA	Virginia Beach-Norfolk-Newport News, VA-NC Metropolitan Statistical Area	Currituck County, NC Gloucester County, VA Isle of Wight County, VA James City County, VA Mathews County, VA Surry County, VA York County, VA Chesapeake city, VA Hampton city, VA Newport News city, VA Norfolk city, VA Poquoson city, VA Portsmouth city, VA Suffolk city, VA Virginia Beach city, VA Williamsburg city, VA
Mid-Atlantic Morehead City and Beaufort, NC	Morehead City, NC Micropolitan Statistical Area	Carteret County, NC
	Washington, NC Micropolitan Statistical Area	Beaufort County, NC
Mid-Atlantic Wilmington, NC	Wilmington, NC Metropolitan Statistical Area	Brunswick County, NC New Hanover County, NC Pender County, NC
Mid-Atlantic Georgetown, SC	Georgetown, SC Micropolitan Statistical Area	Georgetown County, SC
Mid-Atlantic Charleston, SC	Charleston-North Charleston, SC Metropolitan Statistical Area	Berkeley County, SC Charleston County, SC Dorchester County, SC
Mid-Atlantic Savannah, GA	Savannah, GA Metropolitan Statistical Area	Bryan County, GA Chatham County, GA Effingham County, GA
Southeastern US Brunswick, GA	Brunswick, GA Metropolitan Statistical Area	Brantley County, GA Glynn County, GA McIntosh County, GA
Fernandina, FL	Jacksonville, FL Metropolitan Statistical Area, Part of	Nassau County
Jacksonville, FL	Jacksonville, FL Metropolitan Statistical Area	Baker County, FL Clay County, FL Duval County, FL St. Johns County, FL
Port Canaveral, FL	Palm Bay-Melbourne-Titusville, FL Metropolitan Statistical Area	Brevard County, FL

Source: U.S. Census Bureau, Population Division, Metropolitan and Micropolitan Statistical Areas and Components, November 2004.



## Demographic Characteristics

The most comprehensive and accurate source for demographic information on the U.S. East Coast port areas is the 2000 U.S. Census. Table 3-2 presents data on population, racial distribution and ethnicity structure for each of the 26 U.S. East Coast port areas. As expected, the New York City port area possesses the largest population with nearly 15.6 million inhabitants in 2000. Seven other U.S. East Coast port areas have more than one million inhabitants; namely, Philadelphia (5.7 million), Boston (3.3 million), Long Island (2.8 million), Baltimore (2.6 million), Hampton Roads (1.6 million), Jacksonville (1.1million) and Providence (1.0 million). Eastport, ME is the smallest port area in terms of population with 34 thousand inhabitants in 2000.

**Table 3-2. U.S. East Coast Port Areas: Demographic Characteristics, 2000**

Port Area	Population 2000	Racial Distribution (Percentage)				Percentage of Population that is Hispanic or Latino b/
		White alone	Black or African American alone	Asian alone	Other a/	
Eastport, ME	33,941	93.4	0.3	0.5	5.8	0.9
Searsport, ME	127,689	97.8	0.2	0.3	1.7	0.6
Portland, ME	487,568	96.6	0.7	0.9	1.7	0.9
Portsmouth, NH	389,592	96.7	0.6	1.1	1.6	1.2
Boston, MA	3,278,333	81.8	7.3	5.5	6.2	6.0
Salem, MA	723,419	86.4	2.5	2.4	8.8	11.0
Cape Cod, MA	222,230	94.3	1.5	0.6	3.5	1.3
New Bedford, MA	534,678	91.0	2.0	1.4	5.6	3.6
Providence, RI	1,048,319	85.0	4.3	2.3	8.4	8.6
New London, CT	259,088	86.9	5.1	1.9	6.2	5.2
New Haven, CT	824,008	79.3	11.2	2.4	7.1	5.0
Bridgeport, CT	882,567	79.2	10.0	3.2	7.6	11.8
Long Island, NY	2,753,913	82.0	8.4	3.5	6.1	10.3
New York, NY	15,569,089	58.0	19.7	8.1	14.2	21.1
Philadelphia, PA	5,687,147	72.6	19.7	3.3	4.5	5.0
Baltimore, MD	2,552,994	67.4	27.2	2.7	2.7	2.0
Hampton Roads, VA	1,576,370	62.4	30.9	2.7	4.0	3.1
Morehead City - Beaufort, NC	104,341	80.7	16.7	0.4	2.3	2.1
Wilmington, NC	274,532	79.5	17.0	0.6	2.8	2.5
Georgetown, SC	55,797	59.6	38.7	0.3	1.4	1.5
Charleston, SC	549,033	65.2	30.5	1.4	2.9	2.4
Savannah, GA	293,000	61.1	34.9	1.6	2.4	2.0
Brunswick, GA	93,044	73.4	23.7	0.7	2.2	2.4
Fernandina, FL	57,663	90.1	7.4	0.7	1.8	1.8
Jacksonville, FL	1,065,087	71.9	22.2	2.3	3.6	3.9
Port Canaveral, FL	476,230	86.7	8.1	1.5	3.7	4.6
Total	39,919,672	69.6	17.0	5.0	8.5	11.5

a/ Includes American Indian and Alaska Native alone, Native Hawaiian and Other Pacific Islander alone, some other race alone and two or more races.

b/ A self-designated classification for people whose origins are from Spain, the Spanish-speaking countries of Central or South America, the Caribbean, or those identifying themselves generally as Spanish, Spanish-American, etc. Origin can be viewed as ancestry, nationality, or country of birth of the person or person's parents or ancestors prior to their arrival in the United States. Spanish/Hispanic/Latino people may be of any race.

Source: US Census Data, Census 2000.

For all of the port areas in 2000, the majority of the population is white with the percentage white only ranging from a high of 97.8 percent in Searsport, ME to a low of 58.0 percent for New York City. Five other port areas where less than 70 percent of the population is white are Georgetown, SC (59.6 percent); Savannah (61.1 percent); Hampton Roads (62.4); Charleston (65.2 percent) and Baltimore (67.4 percent).

In four of the port areas, blacks or African American account for more than 30 percent of the population – Georgetown, SC (38.7 percent); Savannah (34.9 percent); Hampton Roads (30.9 percent) and Charleston (30.5 percent). New York City and Boston are the only port areas where a significant share of the population is Asian with 8.1 percent in New York City and 5.5 percent in Boston. No other port area has more than 3.5 percent of its population reported as Asian.

In terms of ethnicity structure, New York City has the highest percentage of population that is Hispanic or Latin (21.1 percent) followed by Bridgeport, CT (11.8 percent); Salem, MA (11.0 percent); Long Island (10.3 percent) and Providence (8.6 percent).

The socioeconomic profile for each U.S. East Coast port presented in Appendix D provides additional demographic information such as age distribution of the population, ability to speak English by age group, and educational attainment of population by sex.

## **Socioeconomic Characteristics**

Table 3-3 presents a summary of key socioeconomic characteristics for each of the 26 port areas in 2000 including

- Labor force participation rate
- Unemployment rate
- Median household income
- Per capita income
- Number of people occupied in rail, water and other transportation occupations
- Percentage of families below poverty line

The labor force participation rate represents the percentage of the civilian and military population that is employed or unemployed but looking for work. For 21 of the 26 port areas, the labor force participation rate in 2000 ranged between 60 and 69 percent (Figure 3-2). The port area of Portsmouth, NH with a labor force participation rate of 72.5 percent was the only U.S. East Coast port area where the rate exceeded 69 percent. Four port areas had labor force participation rates below 60 percent in 2000– Eastport, ME (57 percent); Port Canaveral, FL (57.4 percent); Morehead City-Beaufort, NC (58.7 percent) and Cape Cod (58.9 percent).

**Table 3-3. U.S. East Coast Ports: Socioeconomic Characteristics, 2000**

Port Area	Labor Force Participation Rate a/	Unemployment Rate b/	Median Household Income c/	Per Capita Income d/	Number of People Occupied in Rail, Water and Other Transportation Occupations e/	Percentage of People Below Poverty Line
Eastport, ME	57.0	8.5	25,869	14,119	23	19.0
SearSPORT, ME	63.9	4.8	35,606	19,189	308	11.3
Portland, ME	68.7	3.5	43,736	22,648	1,031	8.0
Portsmouth, NH	72.5	3.1	54,291	24,877	653	5.8
Boston, MA	67.3	4.2	55,882	28,755	4,289	8.8
Salem, MA	65.5	4.6	51,576	26,358	991	8.9
Cape Cod, MA	58.9	5.1	45,933	25,318	508	6.9
New Bedford, MA	65.8	5.8	43,496	20,978	806	10.0
Providence, RI	64.6	5.6	42,370	21,688	1,346	11.9
New London, CT	67.8	3.9	50,646	24,678	516	6.4
New Haven, CT	65.5	5.9	48,834	24,439	1,015	9.5
Bridgeport, CT	66.0	4.8	65,249	38,350	611	6.9
Long Island, NY	64.3	3.8	68,579	29,278	4,433	5.6
New York, NY	60.8	7.4	48,417	25,693	24,848	15.1
Philadelphia, PA	64.2	6.1	49,077	23,972	7,755	10.8
Baltimore, MD	66.4	4.9	50,572	24,398	3,261	9.8
Hampton Roads, VA	67.9	5.0	43,086	20,313	3,342	10.6
Morehead City - Beaufort, NC	58.7	5.5	35,284	19,305	444	14.5
Wilmington, NC	63.0	5.4	38,438	21,469	546	13.0
Georgetown, SC	58.2	6.2	35,312	19,805	70	17.1
Charleston, SC	64.5	5.3	39,232	19,772	942	14.0
Savannah, GA	63.6	5.4	39,558	20,752	758	14.5
Brunswick, GA	63.0	5.5	36,539	19,581	137	15.6
Fernandina, FL	63.9	4.7	46,022	22,836	75	9.1
Jacksonville, FL	66.8	4.6	42,825	21,567	2,016	10.8
Port Canaveral, FL	57.4	4.9	40,099	21,484	746	9.5

a/ The labor force includes all people classified in the civilian labor force, plus members of the U.S. Armed Forces (people on active duty with the United States Army, Air Force, Navy, Marine Corps, or Coast Guard). The Civilian Labor Force consists of people classified as employed or unemployed.

b/ All civilians 16 years old and over are classified as unemployed if they (1) were neither "at work" nor "with a job but not at work" during the reference week, and (2) were actively looking for work during the last 4 weeks, and (3) were available to accept a job. Also included as unemployed are civilians who did not work at all during the reference week, were waiting to be called back to a job from which they had been laid off, and were available for work except for temporary illness.

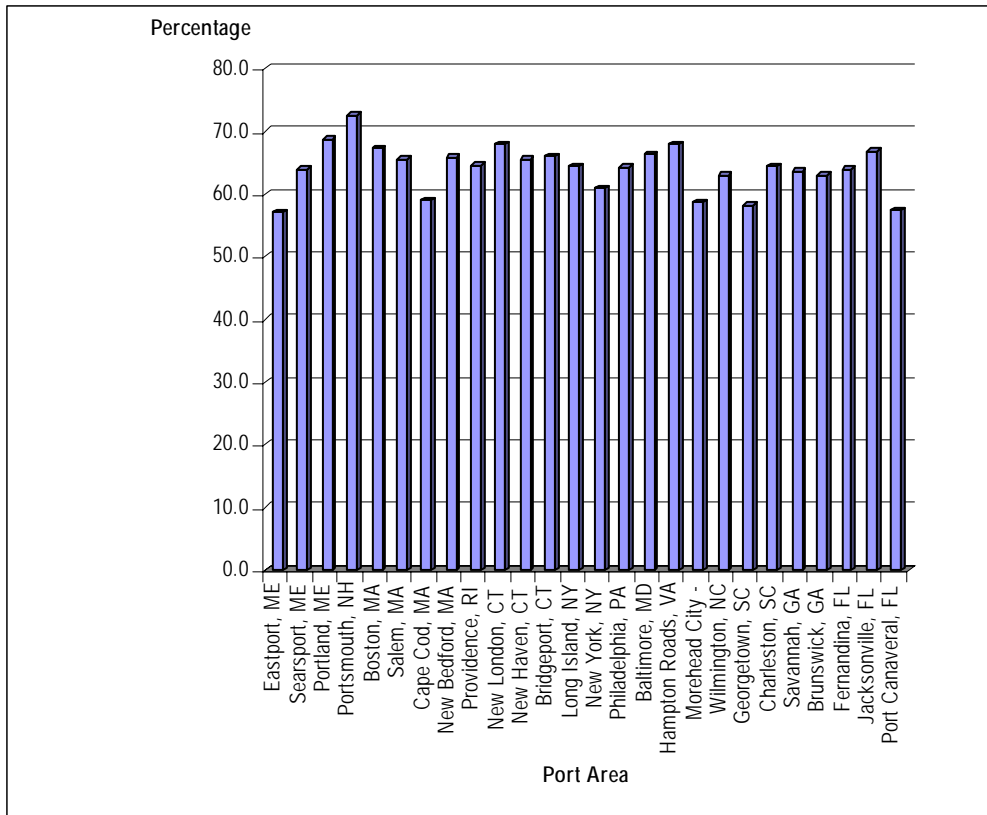
c/ In 1999.

d/ In 1999.

e/ From employed civilian population 16 years and over.

Source: US Census Data, Census 2000.

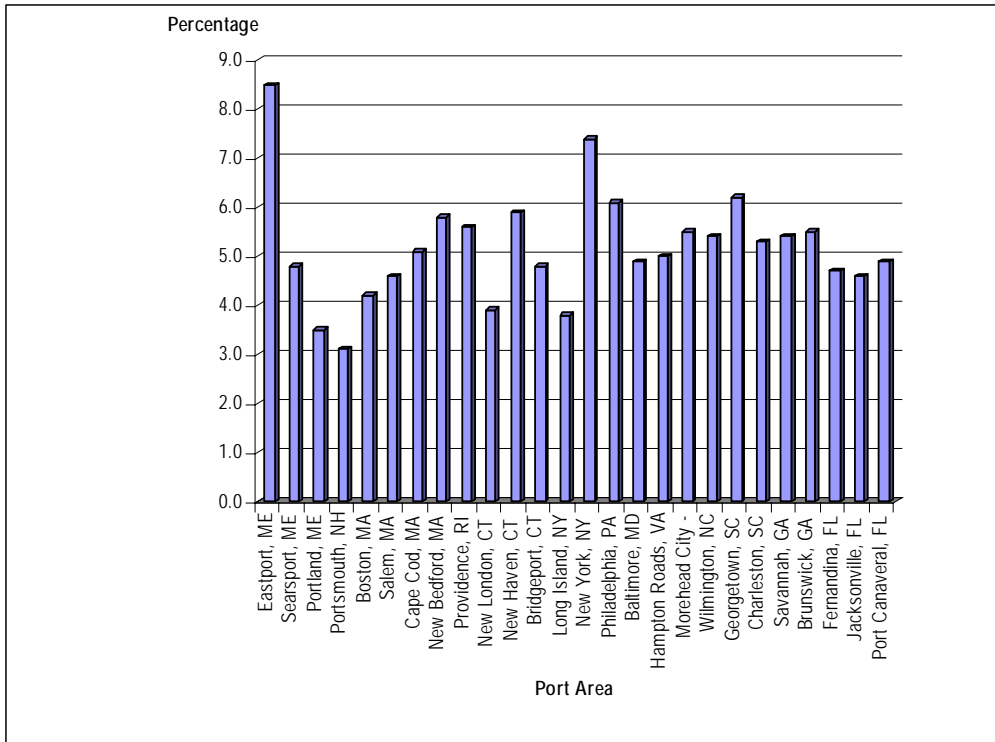
Figure 3-2. U.S. East Coast Port Areas: Labor Force Participation Rate, 2000



Source: Table 3-3.

As can be seen graphically in Figure 3-3, economic conditions in the port area of Portsmouth, NH resulted in the lowest rate of unemployment in 2000 at 3.1 percent followed by Portland, ME (3.5 percent); Long Island (3.8 percent) and New London, CT (3.9 percent). At the other end of the economic spectrum, Eastport, ME had an unemployment rate of 8.5 percent followed by New York City at 7.4 percent and Georgetown, SC at 6.2 percent and Philadelphia at 6.1 percent. All other U.S. East Coast port areas had unemployment rates ranging from 4.2 percent and 5.9 percent in 2000.

**Figure 3-3 U.S. East Coast Port Areas: Unemployment Rate, 2000**

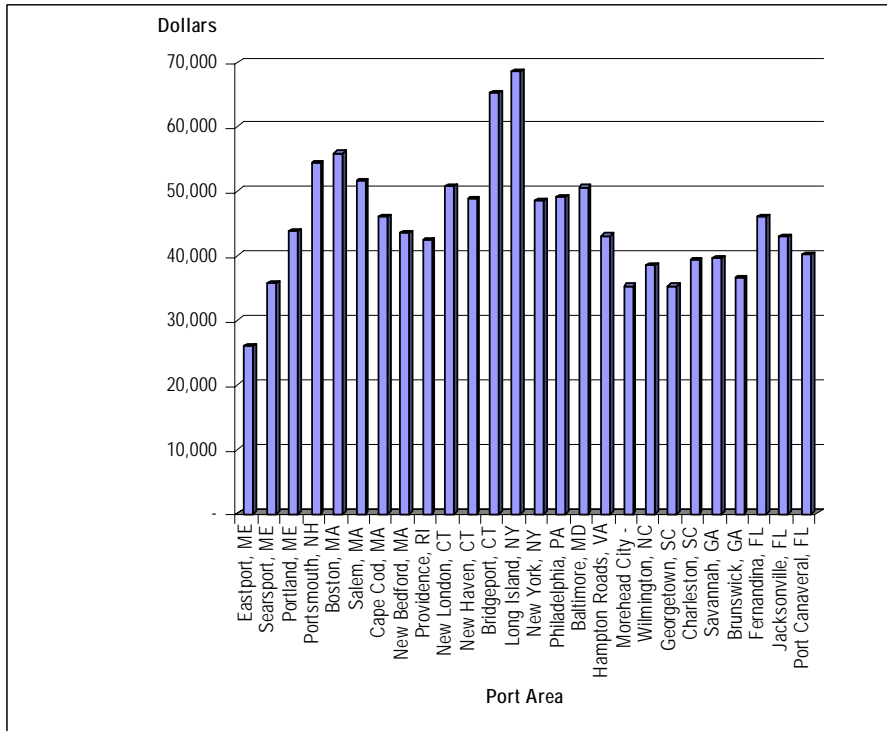


Source: Table 3-3.

The disparity in economic conditions in U.S. East Coast port areas is clearly displayed in Figure 3-4. The median household income in 1999 for the port areas of Long Island (\$68,579) and Bridgeport, CT (\$65,249) is more than 2.5 times the level of median household income reported for Eastport, ME (\$25,869). In general, median household incomes in the northern port areas of the U.S. East Coast are higher than those in the southern port areas. With the exception of Eastport, ME and Searsport, ME the median household income in all port areas from Hampton Roads to the north exceeded \$40,000 in 1999. With the exception of Fernandina, FL and Jacksonville, FL all port areas south of Hampton Roads had a median household income under \$40,000.

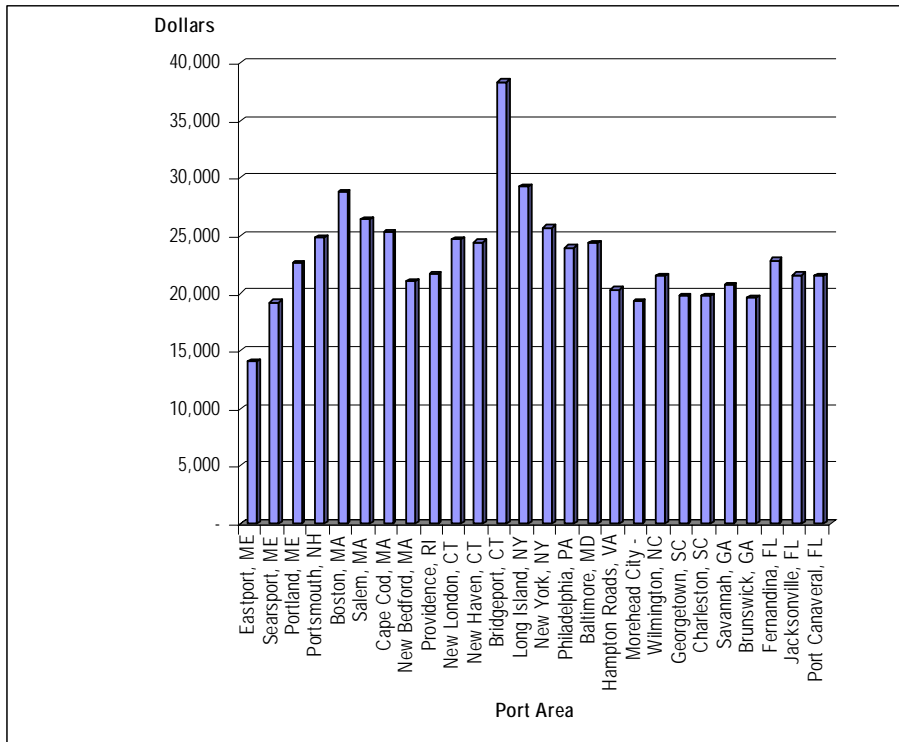
As would be expected, information on per capita income in 1999 by port area shown in Figure 3-5 displays a similar pattern to that of median household income discussed above. In general, the data on per capita income by port area is approximately half that of median household income. The port area of Bridgeport, CT is an exception as its per capita income in 1999 of \$38,350 is nearly 59 percent of the median household income of \$65,249. For this reason, the per capita income of the port area Bridgeport, CT is more than 30 percent higher than that of the second ranked port area of Long Island.

Figure 3-4. U.S. East Coast Port Areas: Median Household Income, 1999



Source: Table 3-3.

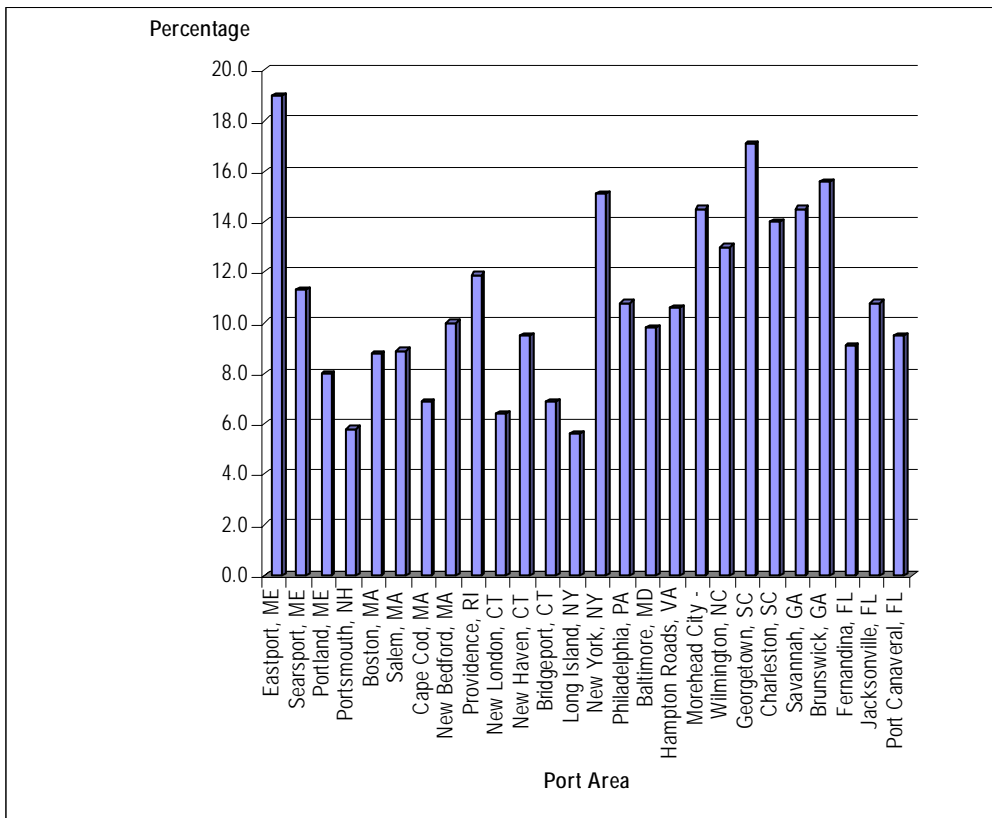
Figure 3-5. U.S. East Coast Port Areas: Per-Capita Income, 1999



Source: Table 3-3.

The percentage of people below the poverty line for each port area in 2000 is presented in Figure 3-6. The highest percentages are observed in the port areas of Eastport, ME (19.0 percent); Georgetown, SC (17.1 percent); Brunswick, GA (15.6 percent) and New York City (15.1 percent). The port areas with the lowest percentage of people below the poverty are Long Island (5.6 percent); Portsmouth, NH (5.8 percent); New London, CT (6.4 percent) and Bridgeport, CT (6.9 percent).

**Figure 3-6. U.S. East Coast Port Areas: Percentage of People Below Poverty Line, 2000**



Source: Table 3-3.

The socioeconomic profiles for each U.S. East Coast port presented in Appendix D provides additional information such as distribution of household income by household income level, employment by sex and industry, a general description of port facilities and the range of maritime activities conducted.

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## 4. Potential Economic Impacts

The proposed operational measures contained in NOAA's Right Whale Ship Strike Reduction Strategy and alternatives will directly affect maritime sector activity along the U.S. East Coast.<sup>16</sup> In this chapter we review prior economic studies of the impact of operational measure on the shipping industry, discuss the general approach employed to identify and estimate the potential economic impact, analyze affected vessel traffic, and present key features of our economic impact model. We also report the potential economic impact by alternative and describe the results within the economic context of U.S. East Coast maritime trade and shipping.

### Prior Economic Studies

Nathan Associates conducted a review of the following reports have been identified that address the key aspects of economic impact of proposed right whale ship strike protection measures:

- Kite-Powell and Hoagland, *Economic Aspects of Right Whale Ship Strike Management Measures*, April 2002
- IMO Sub-Committee on Safety of Navigation, *Routing of Ships, Ship Reporting and Related Matters*, April 2002
- Russell, Knowlton, and Beaudin Ring, *Vessel Traffic-Management Scenarios Based on the National Marine Fisheries Service's Strategy to Reduce Ship Strikes of North Atlantic Right Whales*, Initially published December 2003, revised May 2005
- Kite-Powell, *Economic Implications of Possible Reductions in Boston Port Calls due to Ship Strike Management Measures*, Report produced for NOAA National Marine Fisheries and Massport, March 2005

In the sections below we discuss the approach and methodology used in each of these reports.

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<sup>16</sup> This analysis uses the same definition for U.S. East Coast ports as was presented in Chapter 2; that being from Port Canaveral, FL to the northernmost U.S. jurisdiction in the Gulf of Maine.

## **KITE-POWELL AND HOAGLAND, ECONOMIC ASPECTS OF RIGHT WHALE SHIP STRIKE MANAGEMENT MEASURES, APRIL 2002**

This study was prepared prior to the development of the proposed rulemaking measured order of magnitude of economic effects for shipping of contemplated ship traffic management measures.<sup>17</sup> The primary source of data on vessel traffic was the U.S. Army Corps of Engineers' Waterborne Commerce of the United States for 1999. For some ports (Boston, New York/New Jersey, Charleston and Jacksonville) more specific port call information was obtained from port authorities.

The authors stated approach was to adopt base case assumptions that will tend to overstate actual costs and to present cost estimates for a range of traffic management parameters (maximum speed, geographic extent of restriction, etc.). The report included the ports of Portland ME, Portsmouth NH, Boston MA, Providence RI, New York and New Jersey, Philadelphia PA, Baltimore, MD, Hampton Roads VA, Wilmington NC, Charleston SC, Savannah GA, Fernandina Beach, FL, Jacksonville FL and Cape Canaveral FL. Smaller US East Coast ports were omitted from the study.

According to observations by the authors, the study had the following limitations:

- Assumed larger, more expensive vessels than those actually operating along US East Coast.
- Assumed normal operating speed higher than actual.
- Vessel data was very aggregated by type and size; monthly variation not analyzed.
- Study did not model possible changes in number of port calls per year or the economic effects of such changes.
- Did not include fishing vessels, large recreational vessels or passenger ferries

The use of the US Army Corps of Engineers' as the principal data source also limited the study authors to use data for 1999 as there is a several year lag in the public dissemination of the USACE Waterborne Commerce reports.

## **IMO SUB-COMMITTEE ON SAFETY OF NAVIGATION, ROUTING OF SHIPS, SHIP REPORTING AND RELATED MATTERS, APRIL 2002**

This document submitted by Canada to the IMO discussed the impact of proposed amendment of traffic separation scheme (TSS) in the Bay of Fundy. The purpose for amending the TSS is to reduce ship strikes of the highly endangered North Atlantic Right Whale by shifting the traffic lanes of the TSS from an area with the

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<sup>17</sup> An update of this study is being conducted to incorporate traffic management scenarios reflecting NOAA's current strategy; include additional ports in the analysis; incorporate more recent vessel traffic and operating data; and to add fishing vessels and large recreational boats to the model. The update is scheduled to be completed in late 2005/early 2006.

highest density of Right Whales to an area where there is lower density. The TSS was originally adopted by IMO in 1982. The TSS is located entirely within Canada's territorial waters and is mandatory for all vessels in accordance with the Collision Regulations.

The proposed amendment would add 5 miles for vessels calling at Saint John (600 vessels per year) and 11 miles for vessels calling Bayside and Eastport (100 vessel per year). The estimated impact on shipping was not quantified but was described as "minimal". Additional information on economic impact assessment has been requested from Transport Canada.

### **RUSSELL, KNOWLTON, AND BEAUDIN RING, VESSEL TRAFFIC-MANAGEMENT SCENARIOS BASED ON THE NATIONAL MARINE FISHERIES SERVICE'S STRATEGY TO REDUCE SHIP STRIKES OF NORTH ATLANTIC RIGHT WHALES, MAY 2005**

This study is an update of a November 2003 report. The study provides a detailed examination of the physical impact (time delays) on vessel operations along the U.S. East Coast of the proposed operational measures contained in the June 1, 2004 Advanced Notice of proposed rulemaking (ANPR). Both speed restrictions and DMAs are addressed. The study does not quantify the delays for vessels into economic impacts.

A detailed analysis is presented of the additional time required for vessels to decelerate from sea speed to the restricted speed as part of the impact of proposed speed restrictions. Some vessels were assumed to take as long as an hour to slow to the restricted speed. Shipping industry representatives claim that this time is an additional impact associated with the proposed speed restrictions. For most port areas we have not incorporated this slowing time in the calculation of delays for designated speed restricted areas. Even without the speed restrictions, most vessels will have to slow down for the pilot to board or as they approach the port. Even though the location at which the vessel commences to slow may be different with the proposed seasonal speed restrictions, there is no additional vessel time involved.<sup>18</sup>

### **KITE-POWELL, ECONOMIC IMPLICATIONS OF POSSIBLE REDUCTIONS IN BOSTON PORT CALLS DUE TO SHIP STRIKE MANAGEMENT MEASURES, MARCH 2005**

This study estimates illustrative direct and indirect economic impacts of the loss of vessel calls in the Port of Boston that may result from costs/delays imposed by right whale ship strike management measures. Estimates were prepared using a customized application of the MARAD Port Economic Impact Model. The model includes direct effects on port operations defined as the expenditures of businesses directly associated with the movement of waterborne cargo and passengers through the terminals; indirect effects of expenditures of the port industries buying goods and services from other industries in the region; and induced effects of spending by employees of the port industries and their suppliers. The results are shown for four scenarios that range

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<sup>18</sup> The point is more relevant for dynamic management areas measures implemented away from the shoreline when vessels could resume speed before approaching the port area.

from a loss of 27 cruise vessel port calls to a loss of 104 container ship calls. The study's author, however, is careful to point out that they have not attempted to quantify the probability of the loss of vessel calls under any of the scenarios.

## General Approach

Our approach for the estimation of the potential economic impact of the proposed operational measures of each Alternative has been designed so that results can be identified and analyzed at a summary level or disaggregated by port area, vessel type, vessel size, and vessel flag. An ancillary benefit of this approach is that it also enhances the accuracy and rigor of the analysis. Key factors such as vessel operating speed vary significantly by vessel type and size; vessel operating costs vary by those vessel characteristics as well as flag of registry. The NOI stated that speed restrictions of 10, 12, and 14 knots were being considered under the Alternatives. For this study, we have used 12 knots as the base case. However in the sensitivity analysis we identify the direct economic impact on the shipping industry of speed restrictions of 10 and 14 knots.

As depicted in Figure 4-1, our general approach is organized into the following four principal tasks:

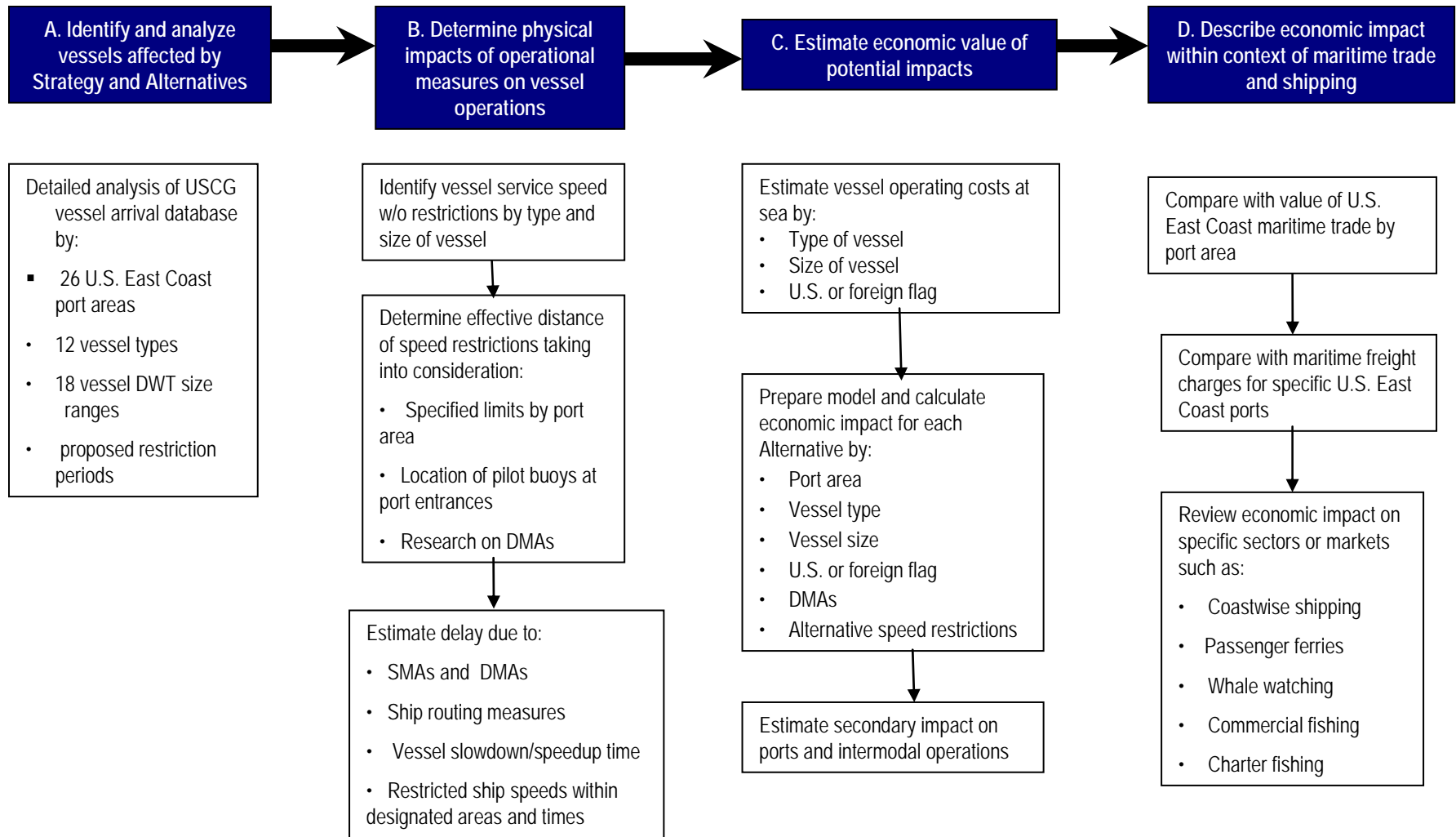
**Task A. Identify and analyze vessels affected by the Notice of Intent (NOI).** Detailed information regarding vessels 150 GRT or higher calling at U.S. East Coast ports during 2003 and 2004 was obtained from the U.S. Coast Guard vessel arrival database.<sup>19</sup> Vessel calls were analyzed for 26 port areas on the U.S. East Coast, 12 vessel types, 18 vessel DWT size ranges and U.S. and foreign flag registration.

**Task B. Determine physical impacts of operational measures on vessel operations.** Key information include vessel service speed by type and size of vessel and the effective distance of proposed seasonal speed restrictions by port area, including consideration of the location of pilot buoys. Also the effective distance and periods for proposed DMA measures were specified based on available research. Results of this task include estimate of minutes of delay per vessel arrival for seasonal speed restrictions.

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<sup>19</sup> A detailed description of the U.S. Coast guard vessel arrival database and the measures undertaken by Nathan Associates to reconcile the data with the port areas was described in Chapter 2, Existing U.S. East Coast Maritime Activity.

Figure 4-1. General Approach



**Task C. Estimate economic value of potential impacts.** Key data include vessel operating costs at sea by type and size of vessel and whether U.S. or foreign flag registry. Results include detailed estimates of potential economic impact of proposed speed restrictions by port area, vessel type, vessel DWT size range, flag of registration. Sensitivity analyses of alternative assumptions regarding speed restrictions for speeds of 10, 12 and 14 knots were conducted.<sup>20</sup>

**Task D. Describe economic impact within context of U.S. East Coast maritime trade and shipping.** For each port area, the estimated potential economic impact is assessed relative to the value of maritime trade and relative to maritime freight charges during proposed seasonal and DMA speed restriction periods. We also conducted separate economic impact analyses for sectors not included in the US Coast Guard database such as whale watching vessels, passenger ferries, commercial fishing and charter fishing.

The analysis is conducted from the perspective of determining the potential economic impact if the proposed operational measures were in place during a recent period when data on maritime sector activity is available, in this case 2003 and 2004. The study however uses estimates of vessel operating costs in 2005 to bring this data current. Following the base year analysis, the study presents estimates of the economic impact taking into consideration expected growth in U.S. East Coast traffic or changes in vessel traffic patterns associated with recent proposed coastal shipping initiatives.

The NOI had called for the establishment of new operational measures for the shipping industry including consideration of routing and speed restrictions. Operational measures include seasonal speed restrictions for specific U.S. East Coast port areas during particularly sensitive periods when whales are typically present.

The NOI stated that the proposed speed restrictions would range from 10-14 knots and would be in effect for a distance generally between 25-30 nautical miles from the shoreline depending on the alternative. During periods outside of the seasonal speed restrictions, all areas along the Atlantic seaboard within the U.S. Exclusive Economic Zone would be subject to dynamic management area (DMA) measures if certain concentrations of right whales were sighted.<sup>21</sup> The NOI also allowed for the establishment of recommended routes that provide the greatest possibility of reducing the risk of collisions between vessels and whales. All of the proposed provisions would apply to non-sovereign vessels with a length of 65 feet and above.

## Economic Impact Model

We developed an Excel-based spreadsheet model to calculate the potential economic impact of the ship strike reduction operational measures. The model uses input worksheets that contain data on

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<sup>20</sup> The study uses a speed restriction of 12 knots as the base case.

<sup>21</sup> Possible triggers for implementation of DMA measures are discussed later in this chapter.

- U.S. East Coast total and restricted period vessel arrivals for 2003 and 2004 by type and size of vessel, port area, and flag of registry
- Vessel service speed by type and size of vessel
- Vessel operating costs at sea by type and size of vessel and flag of registry
- Distance by port area over which proposed seasonal management area speed restrictions would be in effect
- Distance and days per year by port area when proposed dynamic management area speed restrictions would be in effect
- Time for vessels to slow down to restricted speeds and to regain sea speed

A set of calculation worksheets are linked to these input worksheets to calculate the delay in minutes that would be encountered by vessels arriving at U.S. East Coast ports during seasonal speed restriction periods and DMA periods. The economic impact is calculated by multiplying the minutes of delay by vessel operating costs at sea. A set of output worksheets are used to report economic impact by various combinations of the following items:

- Year
- Port area
- Vessel type
- Vessel DWT size range
- U.S. or foreign flag of registry
- Seasonal speed restrictions
- DMA speed restrictions
- Alternative restricted speeds
- Alternative effective distance of speed restrictions by port area

In the sections below, we present the source and values for key input data used in the economic impact model.

## OPERATING SPEED

Accurate information on current vessel operating speeds is clearly an important element for the determination of the economic impact of the proposed speed restrictions. We have reviewed information on vessel operating speeds by type and size of vessel from three sources:

- Mandatory Ship Reporting System that provides actual operating speeds reported by ships captains
- U.S. Army Corps of Engineers estimates of vessel service speeds reported in guidance memorandum for use in official planning and economic studies
- Maritime industry comments presented during stakeholder meetings conducted in the fall of 2004.

The Mandatory Ship Reporting System (MSRS) was proposed by the U.S. and approved by the International Maritime Organization (IMO) in 1999. The MSRS requires all commercial ships 300 gross tons or greater to report information regarding entry location and time, route, destination and speed when entering either of two areas surrounding critical right whale habitats. The Northeast System encompasses right whale critical habitats in Cape Cod Bay and the Great South Channel and operates year-round. The Southeast System encompasses right whale critical habitat off the Coastline of Georgia and Florida and is in effect from November 15 to April 15 when right whales aggregate in these waters.

Nathan Associates analyzed the MSRS information reported for 2002, 2003, and 2004. During this 3-year period, there were 8,479 MSRS records reported by 1,557 vessels. Using the reported vessel call sign, vessels in the MSRS database were matched with the U.S. Coast Guard vessel characteristics database to identify type and size of vessel. After making corrections for obvious MSRS data entry errors, we were able to match call signs reported for 1,278 (82 percent) vessels that accounted for 7,779 MSRS records (92 percent). Of these, there were 6,942 MSRS records (89 percent) that contained usable information regarding vessel operating speed.

Table 4-1 presents the MSRS average operating speed by type and size of vessel for 2002 through 2004. The fastest average reported operating speeds were reported for containerships ranging from 14.6 knots for vessels less than 10,000 DWT to 20.4 knots for vessels between 50-70,000 DWT. Average reported operating speeds for bulk carriers range from 11.6 knots for vessels less than 10,000 DWT to 14.1 knots for vessels between 70-100,000 DWT.



**Table 4-1. MSRS Average Reported Speed by Vessel Type and DWT Size Range, 2002 -2004(knots)**

Vessel type	DWT (000s)							
	0-10	10-20	20-30	30-40	40-50	50-70	70-100	100+
Bulk Carrier	11.6	12.6	12.7	13.1	13.5	14.2	14.1	-
Combination Carrier	-	-	-	9.3		14.8	13.4	-
Container Ship	14.6	17.8	17.6	18.2	18.5	20.4	-	-
Freight Barge	13.9	-	-	-	-	-	-	-
General Dry Cargo Ship	12.9	16.0	14.6	14.2	15.2	-	-	-
Passenger Ship	15.5	16.6	-	-	-	-	-	-
Refrigerated Cargo Ship	15.7	19.8	-	-	-	22.0	-	-
Ro-Ro Cargo Ship	13.5	16.9	17.6	20.0	17.7	14.3	-	-
Tank Barge	-	-	-	-	14.9	-	-	-
Tank Ship	11.8	13.3	13.0	13.8	13.7	13.9	15.0	15.2
Towing Vessel	10.0	-	-	-	-	-	-	-
Other a/	11.3	-	-	-	-	-	-	-

a/ Includes fishing vessels, industrial vessels, research vessels and school ships.

Source: Prepared by Nathan Associates based on analysis of MSRS data for 2002, 2003, and 2004.

A second source of vessel operating speed by vessel type and size is guidance memorandum published by the U.S. Army Corps of Engineers (USACE) to be used by planners in studies to determine the potential benefits of harbor improvement projects. Vessel service speeds are provided for four vessel types –containerships, general cargo ships, bulk carriers and tankers and for a range of vessel sizes relevant for U.S. maritime commerce.

Table 4-2 presents USACE estimates of vessel service speed for each of the four vessel types. For ease of comparison, we have included vessel DWT size ranges from the USACE similar to those used in the MSRS analysis above. In general, the estimated service speeds correspond closely to those reported in the MSRS. For example, MSRS reports average operating speeds of 14.6 knots and 18.0 knots for the first two DWT size ranges of containerships. The USACE estimates are 14.7 knots and 17.9 knots for these same size containerships. However, starting with containerships of 20,000 DWT and greater, the MSRS reports average operating speeds of 2-3 knots slower than the USACE estimates.

**Table 4-2. U.S. Army Corps of Engineers, Estimated Service Speed by Type and Size of Vessel, FY 2005 (knots)**

Vessel type	DWT							
	5,000	15,000	25,000	35,000	45,000	60,000	85,000	115,000
Container	14.7	17.9	19.7	20.9	21.9	23.1	-	-
General cargo	13.4	15.8	17.0	17.9	18.6	-	-	-
Bulk carrier	14.0	14.0	14.0	14.0	14.0	14.0	14.0	14.0
Tankers	13.5	14.0	14.2	14.3	14.4	14.6	14.7	14.9

Source: U.S. Army Corps of Engineers, FY 2005 Deep Draft Vessel Operating Costs.

A similar pattern is observed for general cargo vessels where the MSRS data and USACE estimates match well for the smaller two DWT size categories, but where the MSRS average reported speeds are 2-3 knots slower than the USACE estimates for the larger vessel DWT size categories.

For bulk carriers, the MSRS reported average operating speed for bulk carriers greater than 50,000 DWT corresponds closely with the USACE estimate. However, the MSRS reported speed for bulk carriers less than 50,000 DWT are approximately 1-2 knots slower than the USACE estimates.

For tankers, the difference between the MSRS reported average speed and the USACE estimated service speed is usually less than 1 knot, except for the smallest tanker DWT size category where the MSRS speed is 1.6 knots below the USACE estimate.

There are several possible explanations for the apparent tendency for the MSRS reported speeds to be below the USACE estimated service speeds. It may be that vessels entering the MSRS reporting may voluntarily slow somewhat from normal operating speeds. Second, there may be a tendency to slightly underreport actual vessel operating speeds in order to appear to be complying. Third, the navigation characteristics of the two MSRS reporting areas may differ from conditions in open seas where vessel operating speeds are higher.

Limited information on vessel operating speeds was also provided by maritime industry comments provided during public stakeholder meetings conducted in the fall of 2004. In general, the anecdotal information was consistent with the general depiction of speeds by vessel type presented above.

Using primarily the USACE data, we have developed estimates of vessel operating speeds for the vessel type and DWT size categories corresponding to those used to report U.S. East Coast vessel arrivals. These estimates of average operating speeds are presented in Table 4-3.

**Table 4-3. Average Vessel Operating Speeds by Vessel Type Used in Economic Impact Analysis (knots)**

Vessel type	DWT (000s)																		
	0-5	5-10	10-15	15-20	20-25	25-30	30-35	35-40	40-45	45-50	50-60	60-70	70-80	80-90	90-100	100-120	120-150	150+	
Bulk Carriers	11.6	11.6	12.2	12.2	12.5	12.5	13.0	13.0	13.4	13.4	14.0	14.0	14.1	14.1	14.1	14.1	14.1	14.1	14.1
Combination Carriers	11.6	11.6	12.2	12.2	12.5	12.5	13.0	13.0	13.4	13.4	14.0	14.0	14.1	14.1	14.1	14.1	-	-	-
Containerships	13.0	15.8	17.4	18.5	19.3	20.0	20.7	21.2	21.7	22.1	22.7	23.4	24.1	24.6	-	-	-	-	-
Freight Barges	12.0	14.2	15.3	16.1	16.8	17.3	17.7	18.1	18.4	18.8	19.2	-	-	-	-	-	-	-	-
General Cargo Vessels	12.0	14.2	15.3	16.1	16.8	17.3	17.7	18.1	18.4	18.8	-	-	-	-	-	-	-	-	-
Passenger Vessels	16.0	18.0	20.0	22.0	24.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Refrigerated Cargo Vessels	13.0	15.8	17.4	18.5	19.3	20.0	20.7	21.2	21.7	22.1	22.7	-	-	-	-	-	-	-	-
Ro-Ro Cargo Vessels	13.0	15.8	17.4	18.5	19.3	20.0	20.7	21.2	21.7	22.1	22.7	23.4	24.1	-	-	-	-	-	-
Tank Barges	13.2	13.7	13.9	14.0	14.2	14.2	14.3	14.4	14.4	14.5	14.5	-	-	-	-	-	-	-	-
Tankers	13.2	13.7	13.9	14.0	14.2	14.2	14.3	14.4	14.4	14.5	14.5	14.6	14.7	14.7	14.8	14.8	14.9	15.0	-
Towing Vessels	12.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other <sup>a/</sup>	12.0	12.0	12.0	12.0	12.0	12.0	12.0	-	-	-	-	-	-	-	-	-	-	-	-

<sup>a/</sup> Includes fishing vessels, industrial vessels, research vessels, school ships.

Source: Prepared by Nathan Associates Inc. as described in text.

## VESSEL OPERATING COSTS AT SEA

The USACE also prepares estimates of vessel operating costs to be used by planners in studies to determine the potential benefits of harbor improvement projects. Vessel operating costs include annual capital costs as determined by the replacement cost of the vessels and application of capital recovery factors; estimates of fixed annual operating costs such as for crew, lubes and stores, maintenance and repair, insurance and administration; the number of operational days per year; and fuel costs at sea and in port.

The type and DWT size of vessels for which operating costs are reported by the USACE for 2004 is shown in Table 4-4 below.<sup>22</sup> Vessel operating costs are presented separately for U.S. flag and foreign flag vessels, for five vessel types, and up to 14 vessel DWT sizes within a vessel type.

*Table 4-4. Type and Size of Vessels for which USACE Reports Vessel Operating Costs*

Foreign flag					U.S. flag				
General cargo vessel	Container ship	Bulk carrier	Tanker (double hull)	Tanker (single hull)	General cargo vessel	Container ship	Bulk carrier	Tanker (double hull)	Tanker (single hull)
11,000	9,000	15,000	20,000	20,000	11,000	9,000	15,000	20,000	20,000
14,000	14,000	25,000	25,000	25,000	14,000	14,000	25,000	25,000	25,000
16,000	17,000	35,000	35,000	35,000	16,000	17,000	35,000	35,000	35,000
20,000	20,000	40,000	50,000	50,000	20,000	20,000	40,000	50,000	50,000
24,000	23,000	50,000	60,000	60,000	24,000	23,000	50,000	60,000	60,000
30,000	28,000	60,000	70,000	70,000	30,000	28,000	60,000	70,000	70,000
	31,000	80,000	80,000	80,000		31,000	80,000	80,000	80,000
	35,000	100,000	90,000	90,000		35,000	100,000	90,000	90,000
	39,000	120,000	120,000	120,000		39,000	120,000	120,000	120,000
	42,000	150,000	150,000	150,000		42,000	130,000	150,000	150,000
	49,000	175,000	175,000	175,000		49,000		175,000	175,000
	55,000	200,000	200,000	200,000		55,000		200,000	200,000
	66,000		265,000	265,000		66,000		265,000	265,000
	82,000		325,000	325,000					

Source: U.S. Army Corps of Engineers, Economic Guidance Memorandum 02-06, Deep Draft Vessel Operating Costs

We applied regression techniques to the USACE vessel operating cost data in order to match exactly with the vessel size categories used in our analysis of U.S. East Coast vessel arrivals.

Comments from the shipping industry raised concerns that the USACE vessel operating costs for 2004 understate current conditions, especially due to the increased cost of bunker fuels. The USACE operating cost estimates provide the assumed fuel consumption per day at sea for the primary propulsion and auxiliary propulsion for each vessel type and DWT size. The primary propulsion is assumed to use heavy viscosity oil

<sup>22</sup> Up through 2002, the U.S. Army Corps of Engineers published every several years updated information on vessel operating costs at sea for U.S. and foreign flag vessels. However, starting with the Economic Guidance Memorandum 05-01, deep draft vessel operating costs will not be posted for public access as some or much of the information used to develop the cost estimates is considered proprietary by commercial sources and protected from open or public disclosure under Section 4 of the Federal Freedom of Information Act, as amended. For purposes of this study, we have obtained limited access to the deep draft vessel operating costs for 2004.

while the auxiliary propulsion is assumed to use marine diesel oil. We updated the USACE vessel operating costs to reflect current bunker fuel prices per ton reported by Lloyd's List Bunker 60 for Houston as of October 19, 2005. The price for heavy viscosity oil was \$301 per metric ton and marine diesel oil was \$696 per metric ton. These represent increases of approximately 125 percent over average bunker fuel prices for 2004. While consumption of fuel varies by vessel type and DWT size, the overall increase in vessel operating costs in 2005 due to bunker fuels is about 35-40 percent for foreign flag general cargo vessels and tankers, 45 percent for foreign dry bulk vessels and 50 to 60 percent for foreign containerships. The resulting estimates of vessel operating costs by type and size of vessel for 2005 are presented in Table 4-5. As the U.S. Coast Guard vessel arrival database did not provide adequate information to distinguish single-hull and double-hull tankers, we used the vessel operating costs for double hull tankers in our analysis.<sup>23</sup>

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<sup>23</sup> Generally the additional vessel operating costs per hour for double hull tankers increases from one percent greater for the smaller tankers to seven percent greater for the largest tankers.

**Table 4-5. Hourly Vessel Operating Costs at Sea for Foreign Flag and U.S. Flag, Vessel Type and DWT Size Range, 2005 (\$)**

Vessel type and flag	DWT (000s)																	
	0-5	5-10	10-15	15-20	20-25	25-30	30-35	35-40	40-45	45-50	50-60	60-70	70-80	80-90	90-100	100-120	120-150	150+
<b>Foreign Flag 2005 Hourly Operating Costs at Sea</b>																		
Bulk Carrier	735	752	770	789	808	827	847	867	888	909	942	988	1,035	1,086	1,138	1,222	1,375	1,585
Combination Carrier (e.g. OBO)	771	790	809	828	848	868	889	910	932	955	989	1,037	1,087	1,140	1,195	1,283	1,444	1,665
Container Ship	739	830	933	1,048	1,176	1,321	1,484	1,667	1,872	2,102	2,502	3,156	3,981	5,021	6,333	8,971	-	-
Freight Barge	456	558	683	837	1,024	1,254	1,535	1,879	2,301	2,817	-	-	-	-	-	-	-	-
General Dry Cargo Ship	456	558	683	837	1,024	1,254	1,535	1,879	2,301	2,817	-	-	-	-	-	-	-	-
Passenger Ship a/	3,322	4,706	6,666	10,008	12,623	-	-	-	-	-	-	-	-	-	-	-	-	-
Refrigerated Cargo Ship	1,664	1,869	2,099	2,357	2,647	2,973	3,339	3,750	4,211	4,730	5,629	-	-	-	-	-	-	-
Ro-Ro Cargo Ship	813	914	1,026	1,152	1,294	1,453	1,632	1,833	2,059	2,312	2,752	3,471	4,379	-	-	-	-	-
Tank Barge	909	926	944	961	979	997	1,016	1,034	1,054	1,073	1,103	-	-	-	-	-	-	-
Tank Ship	909	926	944	961	979	997	1,016	1,034	1,054	1,073	1,103	1,145	1,188	1,232	1,278	1,351	1,481	1,654
Towing Vessel	909	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other b/	456	558	683	837	1,024	1,254	1,535	-	-	-	-	-	-	-	-	-	-	-
<b>US Flag 2005 Hourly Operating Costs at Sea</b>																		
Bulk Carrier	1,272	1,307	1,344	1,381	1,420	1,460	1,500	1,542	1,585	1,630	1,698	1,795	1,896	2,004	2,117	2,300	2,639	3,114
Combination Carrier (e.g. OBO)	1,335	1,373	1,411	1,450	1,491	1,532	1,575	1,619	1,665	1,711	1,783	1,884	1,991	2,104	2,223	2,415	2,771	3,269
Container Ship	1,412	1,528	1,653	1,788	1,934	2,092	2,264	2,449	2,649	2,866	3,225	3,774	4,417	5,170	6,050	7,660	-	-
Freight Barge	903	1,077	1,286	1,535	1,832	2,187	2,610	3,115	3,718	4,438	5,786	-	-	-	-	-	-	-
General Dry Cargo Ship	903	1,077	1,286	1,535	1,832	2,187	2,610	3,115	3,718	4,438	5,786	-	-	-	-	-	-	-
Passenger Ship a/	6,110	7,736	9,795	12,899	15,096	-	-	-	-	-	-	-	-	-	-	-	-	-
Refrigerated Cargo Ship	3,177	3,437	3,718	4,022	4,352	4,708	5,093	5,510	5,960	6,448	7,256	-	-	-	-	-	-	-
Ro-Ro Cargo Ship	1,553	1,680	1,818	1,967	2,127	2,302	2,490	2,694	2,914	3,152	3,547	4,152	4,859	-	-	-	-	-
Tank Barge	1,736	1,769	1,802	1,836	1,870	1,906	1,942	1,978	2,016	2,054	2,112	-	-	-	-	-	-	-
Tank Ship	1,736	1,769	1,802	1,836	1,870	1,906	1,942	1,978	2,016	2,054	2,112	2,192	2,276	2,363	2,453	2,594	2,848	3,186
Towing Vessel	1,736	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other b/	903	1,077	1,286	1,535	1,832	2,187	2,610	-	-	-	-	-	-	-	-	-	-	-

Source: Prepared by Nathan Associates Inc. as described in text from data provided in U.S. Army Corps of Engineers, Economic Guidance Memorandum 05-01, Deep Draft Vessel Operating Costs and adjusted for bunker fuel prices as of October 19, 2005.

We also used the USACE reported vessel operating costs to develop estimates of vessel operating costs for other vessel types making necessary adjustments for vessel capital cost and operating characteristics and flag of registry. For example, operating costs for U.S. flag Ro-Ro vessels were related to U.S. flag containerships and foreign flag combination carriers were related to foreign flag bulk carriers

Operating costs for US flag bulk carriers, combination carriers and tankers are generally double those of similar foreign flag vessels. Operating costs for U.S. flag containerships, Ro-Ro vessels and passenger vessels are about 1.5 times higher than comparable foreign flag vessels.

## **Estimated Direct Economic Impact on Shipping Industry**

In this section we estimate the direct economic impact of proposed operational measures of each alternative on the shipping industry by port area and type of vessel. The next section of this report considers indirect economic impacts such as multiple port calls, increased intermodal costs, and diversion of traffic to other port areas and the associated impact on employment and income.

### **ALTERNATIVE 1 – NO ACTION STATUS QUO**

Under this alternative, NMFS would continue to implement existing measures and programs, largely non-regulatory to reduce the likelihood of mortality from ship strikes. Alternative 1 does not include any new operational measures that would affect the shipping industry and hence there is no direct economic impact associated with this alternative.

### **ALTERNATIVE 2 – USE OF DMAS**

The Notice of Intent specified that dynamic management areas would be implemented along the U.S. Exclusive Economic Zone when right whale sightings occur. Triggers for implementing a DMA are based on those specified for the Atlantic Large Whale Take Reduction Plan (ALWTRP) Dynamic Area Management fishing restrictions<sup>24</sup> plus three new triggers that are being proposed for DMAs. These additional triggers account for whale aggregations and behaviors that would make a whale highly vulnerable to ship strikes. A DMA action would be triggered by a single reliable report from a qualified individual<sup>25</sup> of an aggregation of three or more right whales within 75 square nautical miles (nm<sup>2</sup>) (257 km<sup>2</sup>), such that right whale density is equal to or

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<sup>24</sup>See the January 9, 2002 Federal Register Final Rule (as amended by the October 28, 2002 technical amendment to the final rule) for the definition of Procedures and Criteria to Establish a DAM Zone, Criteria to Determine the Extent of the DAM Zone, and Duration of DAM Zones.

<sup>25</sup> A qualified individual is an individual ascertained by NMFS to be reasonably able, through training or experience, to identify a right whale. Such individuals include, but are not limited to, NMFS staff, USCG and Navy personnel trained in whale identification, scientific research survey personnel, whale watch operators, naturalists, and mariners trained in whale species identification through disentanglement training or some other training program deemed adequate by NMFS. A reliable report is a credible right whale sighting based upon which a DAM zone would be triggered.

greater than 0.04 right whales per nm<sup>2</sup> (3.43 km<sup>2</sup>), equivalent to four right whales per 100 nm<sup>2</sup> (343 km<sup>2</sup>). The following conditions would also trigger the establishment of a DMA:

- Two or more right whales seen actively feeding on a patch of food in a designated shipping lane.
- A non-migrating mother/calf pair within 15 nm of a shipping lane.
- A single right whale sighted in the immediate vicinity of a port entrance or a port area, or in or near the entrances to Cape Cod Canal.

Once a DMA is triggered, NMFS would use the following procedures and criteria to establish a DMA:

- A circle with a radius of at least 2.8 nm (5.2 km) would be drawn around the location of each individual sighting. This radius would be adjusted for the number of observed whales, so that a density of four right whales per 100 nm<sup>2</sup> (343 km<sup>2</sup>) is maintained. Information on how to calculate the length of the radius can be found in the Final Rule to amend the regulations that implement the ALWTRP (67 FR 1133).
- If any circle or group of contiguous circles includes three or more right whales, this core area and its surrounding waters would be a candidate DMA zone.

Once NMFS identifies a core area containing three or more whales, the agency would expand this initial core area to provide a buffer in which the whales could move and still be protected. NMFS will determine the extent to the DMA zones as follows:

- A large circular zone would be drawn extending 15 nm (27.8 km) from the perimeter of a circle around each core area.
- The DMA would be a polygon drawn outside, but tangential to, the circular buffer zone(s), defined by the latitudinal and longitudinal coordinates of its corners.

The DMA zone would automatically expire after 15 days from the day of the original sighting, unless subsequent surveys within the 15-day period demonstrated (a) whales are present in the zone, or (b) the aggregation had persisted, in which case the period would be extended 15 days from the date of any subsequent sightings in the zone.

### *Impact on Vessel Operations*

For Alternative 2, DMA triggers could be implemented at any time of the year depending on whale sightings. We have reviewed research conducted on the frequency, timing and location of whale sightings to prepare assumptions regarding the expected number of days per year that DMAs would be effective in each port area.

A report published by Russell, Knowlton and Beaudin Ring in May 2005 estimated the annual expected duration of DMAs in the Northeast Region and the Block Island Sound portions of the mid-Atlantic Region.<sup>26</sup> However, in calculating the incidence of DMAs, this report assumed that seasonal speed restrictions in designated areas would be in effect.<sup>27</sup> Hence the incidences of DMAs contained in the report are only those that would occur outside of proposed speed restriction periods. For the southern Gulf of Maine, the report estimated an average of 2.3 DMAs per year. For our analysis we have rounded up to an expected incidence of 3 DMAs per year (45 effective days) outside of the assumed speed restriction periods. We have assumed that DMAs would be implemented for 50 percent of the time that speed restrictions are proposed for the Boston shipping lanes near Race Point (April 1-May 15), or an additional 23 days.

One might assume that DMAs would be effective for 100 percent of the proposed seasonal speed restriction periods; however, the location specific nature of the DMAs means that some DMAs that would have been implemented during seasonal speed restriction periods would not fall within normal shipping lanes. Recent research on right whale sightings from 1978 through 2003 shows that many of the sightings after May appear to be more centrally located within the Great South Channel critical habitat and would be west of normal shipping lanes.<sup>28</sup> Hence as can be seen in Table 4-6, the economic impact analysis assumes 68 effective days per year for DMAs in the Northeast Region (excluding Cape Cod Bay).

**Table 4-6. Effective DMA Days by Port Area**

Port Area	Effective DMA Days
Northeast U.S.(except Cape Cod Bay)	68
Northeast U.S.- Cape Cod Bay	105
Mid-Atlantic (except Savannah, GA)	15
Southeastern U.S and Savannah GA	75

Source: Nathan Associates as described in text.

For Cape Cod Bay, the Russell Knowlton, Beaudin Ring report shows an average of 0.8 DMAs per year for Cape Cod Bay outside of the seasonal ATBA period of January 1-April 30. We have rounded this up to 1 per year (15 days). Due to the concentration of right whale sightings in the Cape Cod Bay, we have assumed that

<sup>26</sup> Russell, Knowlton and Beaudin Ring, *Vessel-Traffic-Management Scenarios Based on the National Marine Fisheries Service's Strategy to Reduce Ship Strikes of [North Atlantic] Right Whales*, May 2005.

<sup>27</sup> The report assumed the following seasonal speed restriction periods: Great South Channel east of the shipping lanes leading to Boston, April 1-July 31; Cape Cod Bay critical habitat, January 1-April 30; portion of Boston shipping lanes near Race Point, April 1-May 15; offshore approaches to Block Island Sound, September-October and February-April; approaches to the ports of NY/NJ, September-October and February-April.

<sup>28</sup> A draft paper by Richard Merrick of NOAA Fisheries Service evaluates the spatial and temporal distribution of northern right whales within the Gulf of Maine. The analysis focused on sightings during March-July because this is the time period when whales move out of Cape Cod Bay. The analysis shows concentrations of right whale sightings near shipping lanes during the months of March-May when whales are migrating from Cape Cod Bay to the Great South Channel.



DMAs would have also been implemented for 75 percent of the seasonal ATBA that would affect shipping lanes, or an additional 90 days of effective DMAs. Hence we assume 105 effective DMA days for Cape Cod Bay.

For the Mid-Atlantic region, a report by Knowlton, Beaudin Ring and Russell prepared in July 2002 provides information on the spatial and temporal distribution of right whale sightings.<sup>29</sup> Data from 1970 through 2002 were used for this study. With the exception of Savannah, all port areas showed an average of less than one right whale sighting per year.<sup>30</sup> For the economic impact analysis we have assumed one DMA period per year (15 days) for each port in the Mid-Atlantic region (except for Savannah). For Savannah we have assumed 75 days per year as specified below in the discussion of the Southeast region.

For the Southeast region, we have used a recent draft report by Lance Garrison to identify the incidence of DMAs in shipping lanes.<sup>31</sup> The report uses data on Right Whale sightings from 1992-2001. The concentration of Right Whale sightings appears consistent with the proposed seasonal speed restriction period of November 15-April 15. As discussed above for the Northeast region, not all DMAs implemented in the region will affect the shipping lanes into Southeast ports. For the Southeast region and Savannah we have assumed that DMAs would be implemented for 50 percent of proposed seasonal speed restriction period or 75 days per year.

### *Estimated Direct Economic Impact*

In all regions, mariners would have the option of either routing around the DMA or proceeding through it at a restricted speed. The direct impact of a DMA on vessel operations is the increased time required to transit through the DMA at the restricted speed. For a vessel with an average operating speed of 14 knots, it would normally be able to cover the 39.6 nautical miles of a DMA in 170 minutes (Table 4-7). With a speed restriction of 12 knots, covering the distance would take 198 minutes, an increase of 28 minutes. In addition, vessels will need time to slow to the restricted speed prior to entering the DMA and time to speed-up after leaving the DMA.<sup>32</sup> A vessel with an average operating speed of 14 knots would take 8 additional minutes to slow down and speedup for a total delay of 36 minutes.

For the economic impact analysis we have assumed that most vessels would opt to proceed through a DMA with a speed restriction of 12 knots rather than to route around the DMA. At an average speed of 14 knots, a vessel would incur a delay of 170 minutes to route the extra 39.6 nautical miles around the two sides of the square that circumscribes a DMA, as compared to the 36 minute delay to go through the DMA at the restricted speed.

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<sup>29</sup> Knowlton, Beaudin Ring and Russell, *Right Whale Sightings and Survey Effort in the Mid Atlantic Region: Migratory Corridor, Time Frame and Proximity to Port Entrances*, July 2002.

<sup>30</sup> The report shows that from November through March, right whale sightings at Savannah are three to ten times greater than those of other Mid-Atlantic ports.

<sup>31</sup> Garrison, *Applying a spatial model to evaluate the risk of interactions between vessels and Right Whales in the southeast United States critical habitat*, October 14 2005.

<sup>32</sup> An excellent analysis of the time for vessels to slow down to restricted speeds and to speedup to sea speed is presented in the Russell, Knowlton, Beaudin Ring May 2005.

**Table 4-7. Minutes of Delay of Transiting DMA vs. Routing Around DMA**

Average operating speed	Minutes of delay for going through DMA					Minutes of delay for routing around DMA
	Normal transit time for 39.6 nm	Transit time with speed restriction	Additional transit time	Slowdown/speedup time	Total delay	
<b>Speed restriction of 10 knots</b>						
12	198.0	237.6	39.6	10	49.6	198.0
14	169.7	237.6	67.9	18	85.9	169.7
16	148.5	237.6	89.1	22	111.1	148.5
18	132.0	237.6	105.6	26	131.6	132.0
20	118.8	237.6	118.8	30	148.8	118.8
22	108.0	237.6	129.6	33	162.6	108.0
24	99.0	237.6	138.6	36	174.6	99.0
<b>Speed restriction of 12 knots</b>						
12	198.0	198.0	-	-	-	198.0
14	169.7	198.0	28.3	8	36.3	169.7
16	148.5	198.0	49.5	16	65.5	148.5
18	132.0	198.0	66.0	20	86.0	132.0
20	118.8	198.0	79.2	24	103.2	118.8
22	108.0	198.0	90.0	27	117.0	108.0
24	99.0	198.0	99.0	30	129.0	99.0
<b>Speed restriction of 14 knots</b>						
12	198.0	169.7	-	-	-	198.0
14	169.7	169.7	-	-	-	169.7
16	148.5	169.7	21.2	8	29.2	148.5
18	132.0	169.7	37.7	13	50.7	132.0
20	118.8	169.7	50.9	18	68.9	118.8
22	108.0	169.7	61.7	21	82.7	108.0
24	99.0	169.7	70.7	24	94.7	99.0

Source: Prepared by Nathan Associates as described in text.

Only vessels with an average operating speed in excess of 21 knots would benefit by routing around the DMA than proceeding through at a restricted speed of 12 knots. For example a vessel with an average operating speed of 24 knots would incur a delay of 99 minutes to route around a DMA as compared to a delay of 129 minutes to pass through the DMA.

With a speed restriction of 10 knots, vessels with an average operating speed in excess of 18 knots would benefit by routing around the DMA. Routing around the DMA would take an additional 132 minutes (39.6 nm divided by 18 knots). Going through the DMA at 10 knots would take an additional 106 minutes (238 minutes vs. the normal 132 minutes) plus 26 minutes for slowdown and speedup for a total delay of 132 minutes, the same as routing around.

Because NMFS will draw a square around each circular DMA buffer zone (so as to issue coordinates of the corners to mariners), the position of the DMA relative to the vessel routing alters the effective distance of the DMA. For example, a vessel that would route diagonally through the DMA square would have to traverse 56

nautical miles at the restricted speed rather than the 39.6 nautical miles for a vessel crossing the DMA at the mid-points of each side of the square. This phenomenon is perhaps offset by the fact that some vessel's routes will require them to pass only through a portion of a DMA. For the economic analysis, we have assumed that vessels would have to traverse an average of 39.6 nautical miles for each DMA.

Table 4-8 presents the direct economic impact of DMAs implemented under Alternative 2 on the shipping industry in 2003. The total direct economic impact is estimated at \$9.8 million with the port area of Savannah having the largest impact of \$2.8 million. The port area of Port Canaveral is second at \$1.5 million, followed by the port areas of New York/New Jersey at \$1.2 million and Jacksonville at \$1.1 million. The direct economic impact for these four port areas totals \$6.6 million or 66.7 percent of the total for this alternative.

In the Northeast region, the port area of Boston has the greatest direct economic impact estimated at \$0.3 million in 2003. The port area of Portland has an estimated impact of \$0.2 million.

Overall, containerships account for 50.3 percent of the total direct economic impact of Alternative 2 with an estimate of \$5.0 million. The vessel type with the next largest economic impact is passenger vessels at \$2.0 million followed by ro-ro cargo ships at \$1.1 million. Interestingly, the port area of Port Canaveral accounts for \$1.4 million or 70 percent of the economic impact incurred by passenger vessels.

Table 4-9 presents the direct economic impact of Alternative 2 in 2004. The total economic impact is \$10.8 million in 2004, roughly 10 percent higher than 2003. This is due to the overall increase in U.S. East Coast vessel arrivals of 7.3 percent in 2004 and particularly, the 12.3 percent growth in vessel arrivals in the Southeast region that is more affected by DMAs.<sup>33</sup> The rankings by port area and vessel type are the same as described for 2003 above. Figure 4-2 presents graphically the direct economic impact by port area for 2003 and 2004.

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<sup>33</sup> Vessel arrivals in 2003 and 2004 by port area are presented in Chapter 2.

**Table 4-8. Alternative 2: Direct Economic Impact on Shipping Industry by Port Area and Type of Vessel, 2003 (\$000s)**

Port Area	Bulk Carriers	Combination Carriers	Containerships	Freight Barges	General Cargo Vessels	Passenger Vessels a/	Refrigerated Cargo Vessels	Ro-Ro Cargo Ship	Tank Barges	Tankers	Towing		Total
											Vessels	Other b/	
<b>Northeastern US - Gulf of Maine</b>													
Eastport, ME	1.0	-	5.7	-	12.5	-	-	-	-	-	-	-	19.2
Searsport, ME	0.6	0.2	-	-	-	148.7	-	0.1	4.5	22.2	-	-	176.4
Portland, ME	6.0	4.3	8.2	0.3	15.4	48.3	-	9.7	1.1	132.5	-	-	225.7
Portsmouth, NH	7.3	0.5	-	-	6.1	1.3	-	-	0.4	30.9	-	-	46.5
<b>Northeastern US - Off Race Point</b>													
Boston, MA	2.9	0.1	97.0	0.1	2.2	125.1	2.9	6.0	-	54.3	-	-	290.7
Salem, MA	1.1	-	-	-	-	1.3	-	-	-	0.3	-	-	2.8
<b>Northeastern US - Cape Cod Bay</b>													
	-	-	-	-	-	5.2	-	-	-	1.5	-	-	6.7
<b>Mid-Atlantic Block Island Sound</b>													
New Bedford, MA	2.0	-	0.0	-	1.0	-	1.8	-	0.1	0.5	-	-	5.4
Providence, RI	1.8	0.1	0.1	-	1.6	17.2	0.7	9.7	0.1	7.4	-	-	38.7
New London, CT	0.5	-	0.6	-	2.2	9.4	-	-	2.4	0.5	-	-	15.6
New Haven, CT	1.2	0.1	0.3	0.1	4.6	1.5	-	-	10.0	11.0	-	-	28.8
Bridgeport, CT	1.2	-	0.0	0.0	0.0	1.2	2.9	-	7.1	2.1	-	-	14.5
Long Island, NY	-	0.1	-	0.0	-	9.4	-	-	20.9	12.2	-	-	42.6
<b>Mid-Atlantic Ports of New York/New Jersey</b>													
	9.4	2.1	772.8	0.0	5.9	125.9	8.5	130.7	1.1	101.4	-	-	1,157.8
<b>Mid-Atlantic Delaware Bay</b>													
	6.3	1.1	82.6	1.0	14.2	11.8	105.4	18.2	0.5	71.0	-	-	312.2
<b>Mid-Atlantic Chesapeake Bay</b>													
Baltimore, MD	9.6	0.4	100.0	-	24.1	20.6	1.2	114.5	0.3	12.3	-	-	282.9
Hampton Roads, VA	10.1	1.7	567.4	0.0	13.7	15.5	0.2	47.8	0.1	13.9	-	-	670.4
<b>Mid-Atlantic Morehead City and Beaufort, NC</b>													
	0.6	-	3.0	-	3.0	-	0.2	0.3	-	2.3	-	-	9.4
<b>Mid-Atlantic Wilmington, NC</b>													
	1.8	0.3	27.3	-	18.5	-	0.2	6.2	0.8	14.6	-	-	69.7
<b>Mid-Atlantic Georgetown, SC</b>													
	0.8	-	0.2	-	4.2	-	-	-	-	-	-	-	5.2
<b>Mid-Atlantic Charleston, SC</b>													
	3.7	0.0	501.1	-	16.7	18.8	1.2	37.4	0.7	13.4	-	-	593.1
<b>Mid-Atlantic Savannah, GA</b>													
	21.9	2.3	2,318.3	-	145.1	11.4	42.3	166.7	0.9	98.9	-	-	2,807.7
<b>Southeastern US</b>													
Brunswick, GA	4.7	-	34.6	-	41.9	1.5	14.8	201.4	-	1.2	-	-	300.1
Fernandina, FL	1.4	-	30.5	0.0	43.0	2.9	41.9	2.4	-	0.4	-	-	122.5
Jacksonville, FL	23.4	0.7	389.6	57.9	78.9	24.1	12.1	371.5	2.3	93.7	-	-	1,054.3
Port Canaveral, FL	7.3	0.2	16.3	0.0	34.3	1,418.1	35.1	20.6	0.8	8.9	-	-	1,541.6
<b>Total</b>	<b>126.8</b>	<b>14.2</b>	<b>4,955.7</b>	<b>59.6</b>	<b>489.1</b>	<b>2,019.1</b>	<b>271.3</b>	<b>1,143.1</b>	<b>54.0</b>	<b>707.5</b>	<b>-</b>	<b>-</b>	<b>9,840.3</b>

a/ Includes recreational vessels.

b/ Includes fishing vessels, industrial vessels, research vessels, and school ships.

Source: Prepared by Nathan Associates Inc. based on analysis of U.S. Coast Guard data on vessel calls at U.S. ports as described in text.

**Table 4-9. Alternative 2: Direct Economic Impact on Shipping Industry by Port Area and Type of Vessel, 2004 (\$000s)**

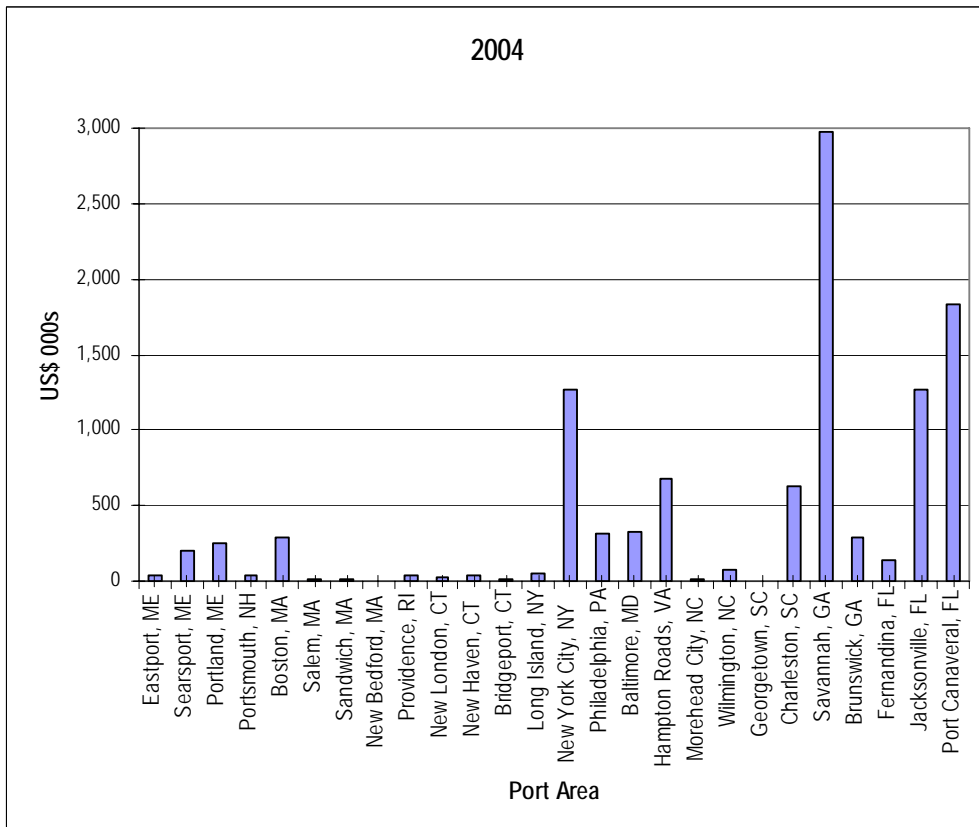
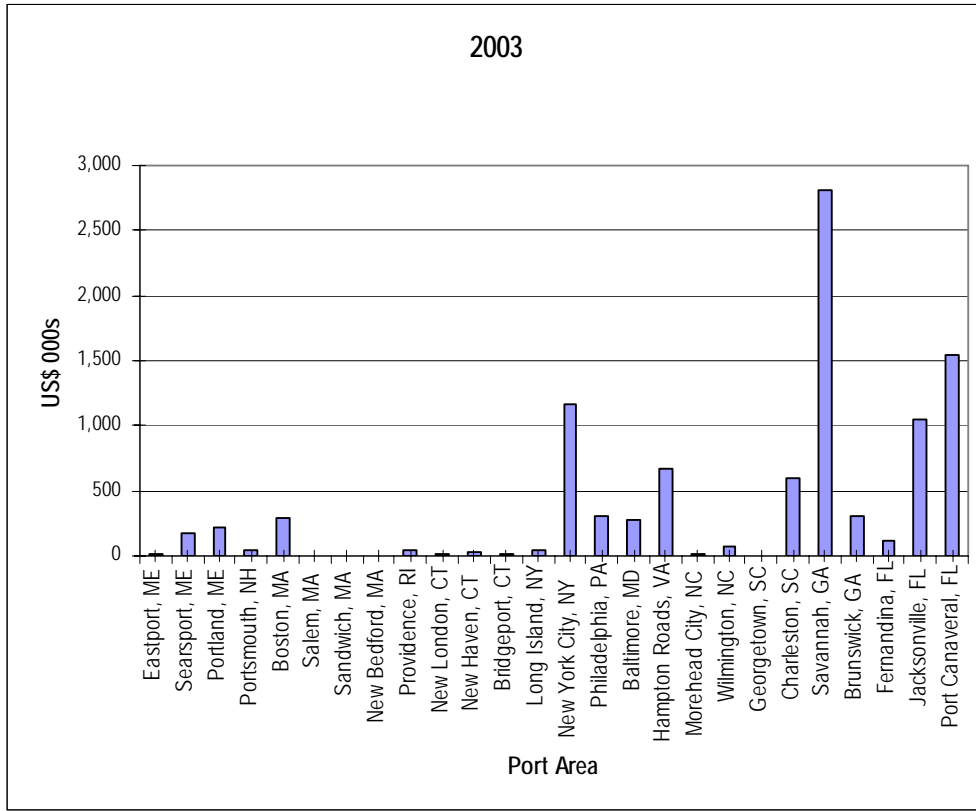
Port Area	Combinat		Containers hips	Freight Barges	General		Refrigerated Cargo Vessels	Ro-Ro Cargo Ship	Tank Barges	Tankers	Towing		Total
	Bulk Carriers	ion Carriers			Cargo Vessels	Passenger Vessels a/					Other b/		
<b>Northeastern US - Gulf of Maine</b>													
Eastport, ME	1.3	-	5.8	-	27.6	-	-	-	-	-	-	-	34.7
Searsport, ME	0.4	-	4.5	0.2	0.5	168.1	-	0.4	2.2	21.2	-	-	197.7
Portland, ME	6.5	1.2	4.4	0.3	16.6	67.7	-	7.2	5.2	139.8	-	-	249.1
Portsmouth, NH	5.8	0.3	0.1	-	9.8	1.3	-	-	0.2	23.1	-	-	40.7
<b>Northeastern US - Off Race Point</b>													
Boston, MA	2.9	0.1	97.0	0.1	2.2	125.1	2.9	6.0	-	54.3	-	-	290.7
Salem, MA	1.3	-	-	-	-	11.5	-	-	-	-	-	-	12.9
<b>Northeastern US - Cape Cod Bay</b>													
	-	-	-	-	-	10.5	-	-	0.1	2.4	-	-	12.9
<b>Mid-Atlantic Block Island Sound</b>													
New Bedford, MA	1.9	-	-	-	0.9	0.6	1.3	0.1	-	0.5	-	-	5.2
Providence, RI	1.6	0.1	-	-	1.7	22.6	-	7.9	0.2	5.7	-	-	39.8
New London, CT	0.4	-	2.4	-	6.6	17.5	-	-	2.5	0.6	-	-	30.0
New Haven, CT	1.1	-	1.0	0.0	4.1	-	-	-	18.7	8.4	-	-	33.3
Bridgeport, CT	2.0	-	-	0.0	0.0	1.2	1.1	-	10.0	1.1	-	-	15.4
Long Island, NY	-	-	-	0.0	-	11.2	-	-	24.3	12.5	-	-	47.9
<b>Mid-Atlantic Ports of New York/New Jersey</b>													
	8.3	1.2	803.9	-	9.6	204.9	9.0	133.5	0.9	98.6	-	-	1,270.1
<b>Mid-Atlantic Delaware Bay</b>													
	7.9	0.4	79.5	1.5	21.6	15.4	98.3	18.4	0.2	76.4	-	-	319.6
<b>Mid-Atlantic Chesapeake Bay</b>													
Baltimore, MD	12.5	0.3	111.7	-	25.6	37.7	2.2	117.4	0.2	19.2	-	-	326.8
Hampton Roads, VA	14.1	1.3	559.3	0.1	15.8	29.5	4.2	43.7	0.3	15.7	-	-	684.1
<b>Mid-Atlantic Morehead City and Beaufort, NC</b>													
	1.0	0.0	3.3	-	2.0	2.1	-	-	-	3.1	-	-	11.6
<b>Mid-Atlantic Wilmington, NC</b>													
	2.3	0.1	25.3	0.2	20.2	1.8	0.2	7.4	0.4	15.2	-	-	73.0
<b>Mid-Atlantic Georgetown, SC</b>													
	0.7	0.0	0.6	-	3.0	0.3	-	-	-	-	-	-	4.6
<b>Mid-Atlantic Charleston, SC</b>													
	3.9	0.1	527.5	0.3	21.8	24.3	1.5	35.0	0.6	13.1	-	-	628.0
<b>Mid-Atlantic Savannah, GA</b>													
	23.7	1.7	2,360.3	0.4	147.3	73.2	59.9	186.0	0.7	116.0	-	-	2,969.3
<b>Southeastern US</b>													
Brunswick, GA	5.7	-	12.4	-	44.9	11.7	13.3	201.1	-	0.3	-	-	289.4
Fernandina, FL	1.6	-	34.4	0.3	48.9	27.9	17.8	2.3	-	-	-	-	133.1
Jacksonville, FL	28.0	1.2	393.4	49.8	94.6	198.4	13.5	385.8	4.5	96.3	-	-	1,265.6
Port Canaveral, FL	12.0	-	18.8	0.1	49.0	1,674.5	29.0	28.0	3.9	15.1	-	-	1,830.5
<b>Total</b>	<b>147.0</b>	<b>8.1</b>	<b>5,045.7</b>	<b>53.3</b>	<b>574.4</b>	<b>2,738.9</b>	<b>254.4</b>	<b>1,180.1</b>	<b>75.2</b>	<b>738.7</b>	<b>-</b>	<b>-</b>	<b>10,815.9</b>

a/ Includes recreational vessels

b/ Includes fishing vessels, industrial vessels, research vessels, and school ships.

Source: Prepared by Nathan Associates Inc. based on analysis of U.S. Coast Guard data on vessel calls at U.S. ports as described in text.

Figure 4-2 Alternative 2: Direct Economic Impact on Shipping Industry by Port Area, 2003 and 2004 (\$000s)



### **ALTERNATIVE 3 – SPEED RESTRICTIONS IN DESIGNATED AREAS**

Under Alternative 3, speed restrictions would be implemented along the U.S. East Coast during periods when whales are known to be present. The alternative specifies differing spatial scope and timing of the speed restrictions for the Northeast, Mid-Atlantic and Southeast regions of the U.S.

In the Northeast region, speed restrictions would be effective year-round and would cover the Cape Cod Bay critical habitat and all waters used by Seasonal Area Management (SAM) zones designated in the proposed revisions in the Atlantic Large Whale Take Reduction Plan (ALWTRP).<sup>34</sup> The combined area would consist of the Cape Cod Bay critical habitat and cover an extensive continuous polygon extending eastward from Massachusetts Bay (70.5° W) to the Hague Convention Line and southward from 42.5° N to the Cape Cod Bay critical habitat and the southern edge of the Great South Channel critical habitat area.

In the Mid-Atlantic region, speed restrictions would be implemented from October 1 through April 30 and would extend 25 nautical miles from the U.S. coastline starting from Block Island Sound to Savannah, GA.

In the Southeast region, speed restrictions would be implemented from December 1 through March 31 and would include all waters within the Mandatory Ship Reporting system (MSRS) referred to as MSRS WHALESSOUTH plus the presently designated right whale critical habitat. MSRS WHALESSOUTH is a polygon off the coast of Brunswick, Fernandina and Jacksonville that extends from the shoreline to 80°51.6'W with the southern and northern boundaries at 30° 00'N and 31° 27' N. The northern portion of the right whale critical habitat is encompassed by the MSRS WHALESSOUTH area; however, the southern portion extends 4 to 5 nautical miles from the shoreline from the southern boundary of MSRS WHALESSOUTH past Port Canaveral to 28° 00'N.

The effective period of proposed speed restriction for each port area is depicted in Figure 4-3. For all port areas in the Northeast region, the restrictions would be effective year-round (365 days). Speed restrictions would be in place for 212 days per year along the Mid-Atlantic region and 121 days per year for port areas in the Southeast region.

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<sup>34</sup> The definition of the expanded SAM is specified in the June 21, 2005 Federal Register, Table 1, page 35911.

Figure 4-3. Alternative 3: Proposed Speed Restrictions by Port Area

Port Region and Port Area	Jan	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Days
<b>Northeastern US - Gulf of Maine</b>													
Eastport, ME	█	█	█	█	█	█	█	█	█	█	█	█	365
Searsport, ME	█	█	█	█	█	█	█	█	█	█	█	█	365
Portland, ME	█	█	█	█	█	█	█	█	█	█	█	█	365
Portsmouth, NH	█	█	█	█	█	█	█	█	█	█	█	█	365
<b>Northeastern US - Off Race Point</b>													
Boston, MA	█	█	█	█	█	█	█	█	█	█	█	█	365
Salem, MA	█	█	█	█	█	█	█	█	█	█	█	█	365
<b>Northeastern US - Cape Cod Bay</b>													
	█	█	█	█	█	█	█	█	█	█	█	█	365
<b>Mid-Atlantic Block Island Sound</b>													
New Bedford, MA	█	█	█	█	█	█	█	█	█	█	█	█	212
Providence, RI	█	█	█	█	█	█	█	█	█	█	█	█	212
New London, CT	█	█	█	█	█	█	█	█	█	█	█	█	212
New Haven, CT	█	█	█	█	█	█	█	█	█	█	█	█	212
Bridgeport, CT	█	█	█	█	█	█	█	█	█	█	█	█	212
Long Island, NY	█	█	█	█	█	█	█	█	█	█	█	█	212
<b>Mid-Atlantic Ports of New York/New Jersey</b>													
	█	█	█	█	█	█	█	█	█	█	█	█	212
<b>Mid-Atlantic Delaware Bay</b>													
	█	█	█	█	█	█	█	█	█	█	█	█	212
<b>Mid-Atlantic Chesapeake Bay</b>													
Baltimore, MD	█	█	█	█	█	█	█	█	█	█	█	█	212
Hampton Roads, VA	█	█	█	█	█	█	█	█	█	█	█	█	212
<b>Mid-Atlantic Morehead City and Beaufort, NC</b>													
	█	█	█	█	█	█	█	█	█	█	█	█	212
<b>Mid-Atlantic Wilmington, NC</b>													
	█	█	█	█	█	█	█	█	█	█	█	█	212
<b>Mid-Atlantic Georgetown, SC</b>													
	█	█	█	█	█	█	█	█	█	█	█	█	212
<b>Mid-Atlantic Charleston, SC</b>													
	█	█	█	█	█	█	█	█	█	█	█	█	212
<b>Mid-Atlantic Savannah, GA</b>													
	█	█	█	█	█	█	█	█	█	█	█	█	212
<b>Southeastern US</b>													
Brunswick, GA	█	█	█	█	█	█	█	█	█	█	█	█	121
Fernandina, FL	█	█	█	█	█	█	█	█	█	█	█	█	121
Jacksonville, FL	█	█	█	█	█	█	█	█	█	█	█	█	121
Port Canaveral, FL	█	█	█	█	█	█	█	█	█	█	█	█	121

Source: NOAA.



### *Impact on Vessel Operations*

As described in Chapter 2, the U.S. Coast Guard Vessel Arrival database and ancillary data sets provide information on all vessel arrivals of 150 GRT or greater at U.S. ports. Information in the database regarding the date of vessel arrival was used to determine the number of vessel arrivals in 2003 and 2004 that would have occurred during the proposed seasonal speed restriction periods for each port area.

Table 4-10 presents U.S. East Coast arrivals of vessels for 2003 during the periods when speed restrictions are proposed for each port area. In 2003 there were 14,603 vessel arrivals during speed restricted periods approximately 57 percent of the total of 25,532 arrivals for 2003 presented in Chapter 2. While there is some seasonality in U.S. East Coast vessel arrivals, the proposed periods of speed restrictions include both peak periods and non-peak periods and hence the percentage of restricted arrivals correspond closely to the percentage of speed restricted days per year.

The port area of New York/New Jersey has the most vessel arrivals during speed restricted periods with 3,103 arrivals in 2003 followed by the port areas of Hampton Roads (1,529 arrivals), Philadelphia (1,521 arrivals), Savannah (1,368 arrivals), Charleston (1,343 arrivals) and Baltimore (1,085 arrivals).<sup>35</sup> These six port areas accounted for 68.1 percent of the total U.S. vessel arrivals during speed restricted periods.

In terms of vessel type, containerships recorded the most vessel arrivals during proposed speed restricted periods with 4,900 arrivals in 2003. Tankers were the next most frequent with 3,458 arrivals followed by bulk carriers with 1,636 arrivals and ro-ro cargo ships with 1,632 arrivals.

In 2004, there were 15,444 vessel arrivals at U.S. East Coast ports during the periods when speed restrictions are proposed for each port area, an increase of 5.8 percent over 2003 (Table 4-11). The increase is lower than the 7.3 percent shown for total U.S. East Coast vessel arrivals in Chapter 2 for several reasons. First, the Southeast region which recorded an increase of 12.3 percent in total vessel arrivals in 2004 is the region with the fewest speed restricted days. Second, the port area of New York/New Jersey with the largest number of annual vessel arrivals recorded a growth of less than 0.4 percent in vessel arrivals during proposed speed restricted periods.

Detailed statistics on restricted period U.S. and foreign flag vessel arrivals by port area, vessel type, vessel DWT size category are presented in Appendix E for 2003 and 2004.

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<sup>35</sup> The port areas of Philadelphia, PA and Wilmington, DE are included in the data presented for the port region of Mid-Atlantic Delaware Bay in tables in this chapter. A complete definition of port areas included in each port region is presented in Appendix A, Attachment 4.

**Table 4-10. Alternative 3: U.S. East Coast Restricted Vessel Arrivals by, Port Area and Vessel Type, 2003**

Port Area	Vessel Type												Total
	Bulk Carrier	Combination Carrier	Container Ship	Freight Barge	General Dry Cargo Ship	Passenger Ship	Refrigerated Cargo Ship	Ro-Ro Cargo Ship	Tank Barge	Tanker	Towing Vessel	Other a/	
<b>Northeastern US - Gulf of Maine</b>													
Eastport, ME	16	-	5	-	19	-	-	-	-	-	-	-	40
Searsport, ME	14	1	-	-	-	66	-	1	23	89	2	-	196
Portland, ME	66	14	9	1	38	19	-	58	6	396	11	2	620
Portsmouth, NH	63	3	-	-	10	1	-	-	2	117	1	2	199
<b>Northeastern US - Off Race Point</b>													
Salem, MA	7	-	-	-	-	1	-	-	-	1	-	-	9
Boston, MA	34	1	77	2	8	94	4	33	-	225	1	4	483
<b>Northeastern US - Cape Cod Bay</b>													
Cape Cod, MA	-	-	-	-	-	9	-	-	-	13	-	-	22
<b>Mid-Atlantic Block Island Sound</b>													
New Bedford, MA	36	-	1	-	16	-	5	-	4	7	-	-	69
Providence, RI	49	1	-	-	13	14	3	45	1	74	1	1	202
New London, CT	12	-	2	-	4	20	-	-	47	5	1	-	91
New Haven, CT	38	-	1	1	17	2	-	-	152	110	10	-	331
Bridgeport, CT	17	-	-	2	2	1	32	-	108	30	-	-	192
Long Island, NY	-	1	-	2	-	19	-	-	318	144	2	1	487
<b>Mid-Atlantic Ports of New York/New Jersey</b>													
New York City, NY	209	19	1,381	1	31	53	14	405	25	950	11	4	3,103
<b>Mid-Atlantic Delaware Bay</b>													
Philadelphia, PA	206	7	287	6	131	16	266	85	11	493	12	1	1,521
<b>Mid-Atlantic Chesapeake Bay</b>													
Baltimore, MD	188	6	217	-	107	22	3	401	2	122	5	12	1,085
Hampton Roads, VA	193	14	1,006	1	76	14	1	92	1	122	2	7	1,529
<b>Mid-Atlantic Morehead City and Beaufort, NC</b>													
Morehead City, NC	15	-	9	-	20	-	1	2	-	22	-	2	71
<b>Mid-Atlantic Wilmington, NC</b>													
Wilmington, NC	66	4	54	-	76	-	1	12	13	142	1	-	369
<b>Mid-Atlantic Georgetown, SC</b>													
Georgetown, SC	26	-	1	-	6	-	-	-	-	-	-	1	34
<b>Mid-Atlantic Charleston, SC</b>													
Charleston, SC	100	-	873	-	58	28	3	136	13	118	12	2	1,343
<b>Mid-Atlantic Savannah, GA</b>													
Savannah, GA	166	7	769	-	137	4	5	94	4	177	3	2	1,368
<b>Southeastern US</b>													
Brunswick, GA	28	-	9	-	11	1	4	84	-	-	-	-	137
Fernandina, FL	3	-	37	1	31	1	12	-	-	-	6	-	91
Jacksonville, FL	51	-	156	59	75	4	2	172	6	93	92	4	714
Port Canaveral, FL	33	-	6	7	26	173	24	12	2	8	6	-	297
<b>All Port Regions</b>	<b>1,636</b>	<b>78</b>	<b>4,900</b>	<b>83</b>	<b>912</b>	<b>562</b>	<b>380</b>	<b>1,632</b>	<b>738</b>	<b>3,458</b>	<b>179</b>	<b>45</b>	<b>14,603</b>

a/ Other includes fishing vessels, industrial vessels, research vessels, school ships.

Source: Prepared by Nathan Associates based on analysis of U.S. Coast Guard data on vessel calls at U.S. ports, 2003-2004.

**Table 4-11. Alternative 3: U.S. East Coast Restricted Vessel Arrivals by, Port Area and Vessel Type, 2004**

Port Area	Vessel Type												Total
	Bulk Carrier	Combina-tion Carrier	Container Ship	Freight Barge	Dry Cargo Ship	Passeng-er Ship	Refrigerat-ed Cargo Ship	Ro-Ro Cargo Ship	Tank Barge	Tanker	Towing Vessel	Other a/	
<b>Northeastern US - Gulf of Maine</b>													
Eastport, ME	22	-	4	-	17	-	-	-	-	-	-	-	43
Searsport, ME	10	-	2	2	3	81	-	1	11	78	8	-	196
Portland, ME	71	4	4	1	28	26	-	37	26	395	47	2	641
Portsmouth, NH	51	3	1	-	16	1	-	-	1	87	9	4	173
<b>Northeastern US - Off Race Point</b>													
Salem, MA	9	-	-	-	-	6	-	-	-	-	-	-	15
Boston, MA	34	1	77	2	8	94	4	33	-	225	1	4	483
<b>Northeastern US - Cape Cod Bay</b>													
Cape Cod, MA	-	-	-	-	-	13	-	-	1	21	1	-	36
<b>Mid-Atlantic Block Island Sound</b>													
New Bedford, MA	31	-	-	-	14	-	4	1	-	6	-	-	56
Providence, RI	45	1	-	-	14	25	-	42	1	68	5	2	203
New London, CT	8	-	5	-	14	17	-	-	39	7	1	-	91
New Haven, CT	21	-	3	-	19	-	-	-	286	94	17	-	440
Bridgeport, CT	35	-	-	1	2	-	17	-	178	28	-	1	262
Long Island, NY	-	-	-	5	-	23	-	-	379	157	-	1	565
<b>Mid-Atlantic Ports of New York/New Jersey</b>													
New York City, NY	199	14	1,436	-	49	95	16	404	9	868	20	4	3,114
<b>Mid-Atlantic Delaware Bay</b>													
Philadelphia, PA	200	2	261	13	171	12	242	86	3	547	35	2	1,574
<b>Mid-Atlantic Chesapeake Bay</b>													
Baltimore, MD	223	5	229	-	121	38	4	386	2	160	10	7	1,185
Hampton Roads, VA	254	13	986	3	93	37	5	90	1	133	12	11	1,638
<b>Mid-Atlantic Morehead City and Beaufort, NC</b>													
Morehead City, NC	23	1	9	-	13	4	-	-	-	32	-	1	83
<b>Mid-Atlantic Wilmington, NC</b>													
Wilmington, NC	67	3	48	-	73	4	-	17	9	152	2	2	377
<b>Mid-Atlantic Georgetown, SC</b>													
Georgetown, SC	26	2	2	-	12	1	-	-	-	-	-	-	43
<b>Mid-Atlantic Charleston, SC</b>													
Charleston, SC	84	1	949	2	66	51	3	128	4	117	19	6	1,430
<b>Mid-Atlantic Savannah, GA</b>													
Savannah, GA	174	8	760	-	124	35	10	107	1	206	5	1	1,431
<b>Southeastern US</b>													
Brunswick, GA	26	-	7	-	14	1	5	93	-	-	-	3	149
Fernandina, FL	11	-	26	2	40	2	4	1	-	-	8	-	94
Jacksonville, FL	54	2	161	62	76	30	2	183	6	90	120	9	795
Port Canaveral, FL	40	-	6	8	32	180	11	18	2	12	17	1	327
<b>All Port Regions</b>	<b>1,718</b>	<b>60</b>	<b>4,976</b>	<b>101</b>	<b>1,019</b>	<b>776</b>	<b>327</b>	<b>1,627</b>	<b>959</b>	<b>3,483</b>	<b>337</b>	<b>61</b>	<b>15,444</b>

a/ Other includes fishing vessels, industrial vessels, research vessels, school ships.

Source: Prepared by Nathan Associates based on analysis of U.S. Coast Guard data on vessel calls at U.S. ports, 2003-2004.

Table 4-12 presents the basis for determining the effective distance that speed restrictions would apply for each port area. We begin with a discussion of the effective distance for port areas in the Mid-Atlantic region and then address port areas in the Northeast and Southeast regions.

For port areas in the Mid-Atlantic region, the NOI had specified that Alternative 3 speed restrictions would extend 25 nautical miles from the coastline. However, independent researchers and stakeholders have pointed out that due to vessel operating practices, the effective distance of the proposed seasonal speed restrictions may be less than distances specified in the NOI. This is because at most port areas, vessels already slow down to 8-10 knots at the pilot buoy for the pilot to board the vessel. In most instances the proximity of the pilot buoys to the shore makes it impractical for the vessel to resume normal operating speed. Thus the effective distance over which the proposed seasonal speed restrictions would apply is lessened by the distance of the pilot buoy from the shore. The location of the pilot buoy relative to the harbor baseline or closing line is shown in Table 4-12. For example, the pilot buoy for the port area of New York/New Jersey is 6.8 nautical miles from the harbor baseline. Thus the distance from the edge of the speed restricted area to the pilot buoy is only 18.2 nautical miles.

It should be noted, however, that for the port area of New York/New Jersey and most other U.S. East Coast port areas, vessels do not approach the port directly perpendicular to the coastline. Rather, mariners approaching from the north or south would approach the port more at on a diagonal routing. For purposes of the economic impact analysis we have assumed that vessels would travel through the speed restricted areas on a 45° routing until they reach the pilot buoy. Thus, for the port area of New York/New Jersey it is assumed that vessel would traverse 25.7 nautical miles through the speed restricted area. This concept was applied to all port areas in the Mid-Atlantic region.

Table 4-12 indicates an additional effective distance of 54.9 nautical miles for the port area of New York/New Jersey. This is due to the year-round large speed restricted area established in the Northeast region that some vessels will have to traverse either coming to the port area of New York/New Jersey from the north or departing to the north (Figure 4-4). We have estimated that vessels affected will need to traverse 54.9 nautical miles of speed restricted areas in the Northeast. This factor, though, only affects vessel arrivals into the port area of New York/ New Jersey from the north or departures to north. For this analysis we have assumed that it would affect 30 percent of vessel arrivals in the port area of New York/New Jersey.<sup>36</sup>

The Mid-Atlantic port areas of Philadelphia, Baltimore and Hampton Roads have been assumed to be equally affected by the year-round large speed restricted area established in the Northeast region. Port areas south of Hampton Roads are assumed not to be affected as vessels normally travel to the east of the Northeast region restricted area.

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<sup>36</sup> The determination of 30 percent is based on the following assumptions: 45 percent arrive from the south and depart to the south (0 trips through the northeast speed restricted area); 40 percent arrive from the north and depart to the south (1 trip through the northeast speed restricted area), 10 percent of vessel arrive from the south and depart to the north south (1 trip through the northeast speed restricted area), 5 percent arrive from the north and depart to the north south (2 trips through the northeast speed restricted area). This results in a total factor of 60 percent which is cut in half to apply to vessel arrivals only. Later in the economic impact analysis we double the estimated impact on vessel arrivals to account for the impact on vessel departures.

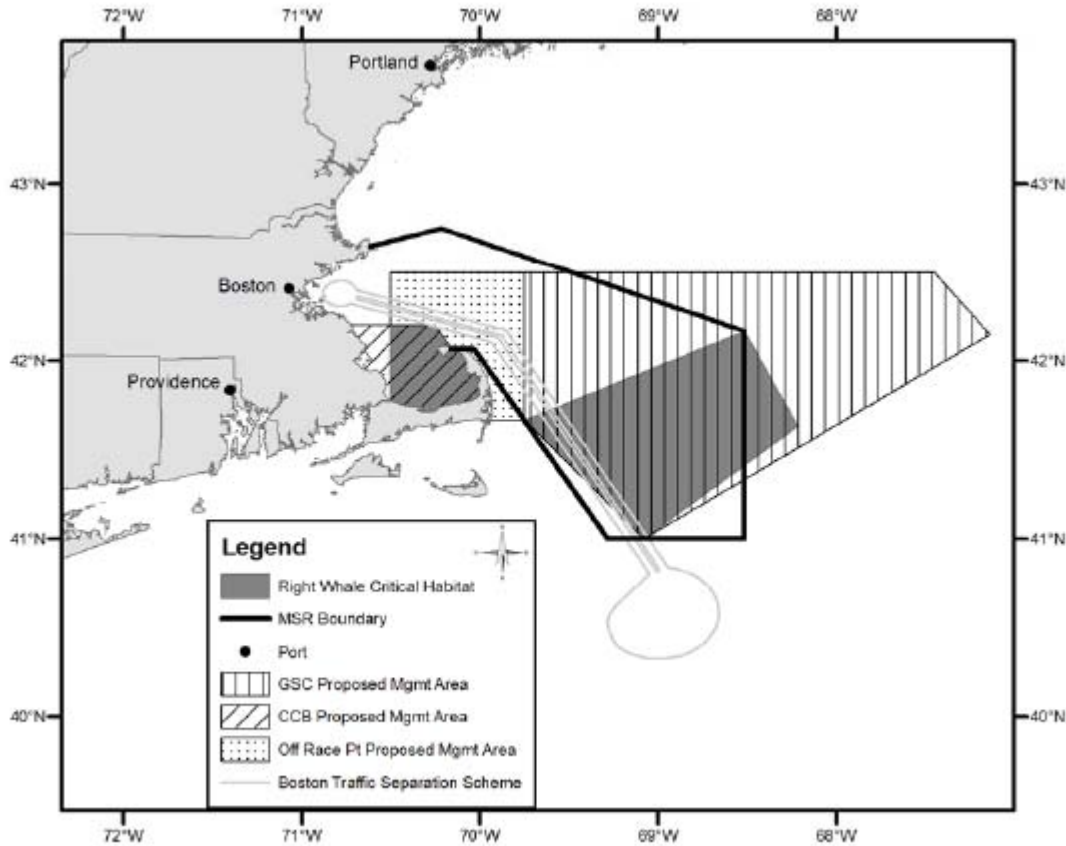
**Table 4-12. Alternative 3: Effective Distance of Speed Restrictions in Designated Areas**

Port Area	Location of pilot buoy relative to harbor baseline or closing line	Distance Stated in NOI	Distance to pilot buoy	Diagonal of distance to pilot buoy	Additional effective distance a/	Slow down/speed up time
<b>Northeastern US - Gulf of Maine</b>						
Eastport, ME	n.a.	n.a.	n.a.	n.a.	54.9	Included
Searsport, ME	n.a.	n.a.	n.a.	n.a.	54.9	Included
Portland, ME	n.a.	n.a.	n.a.	n.a.	54.9	Included
Portsmouth, NH	n.a.	n.a.	n.a.	n.a.	54.9	Included
<b>Northeastern US - Off Race Point</b>						
Boston, MA	n.a.	n.a.	n.a.	n.a.	72.4	n.a.
Salem, MA	n.a.	n.a.	n.a.	n.a.	72.4	n.a.
<b>Northeastern US - Cape Cod Bay</b>	5.0	n.a.	n.a.	n.a.	59.2	n.a.
<b>Mid-Atlantic Block Island Sound</b>						
New Bedford, MA	n.a.	25	25	35.4	54.9	Included
Providence, RI	n.a.	25	25	35.4	54.9	Included
New London, CT	n.a.	25	25	35.4	54.9	Included
New Haven, CT	n.a.	25	25	35.4	54.9	Included
Bridgeport, CT	n.a.	25	25	35.4	54.9	Included
Long Island, NY	n.a.	25	25	35.4	54.9	Included
<b>Mid-Atlantic Ports of New York/New Jersey</b>	6.8	25	18.2	25.7	54.9	Included
<b>Mid-Atlantic Delaware Bay</b>	2.5	25	22.5	31.8	54.9	Included
<b>Mid-Atlantic Chesapeake Bay</b>						
Baltimore, MD	2.8	25	22.2	31.3	54.9	Included
Hampton Roads, VA	2.8	25	22.2	31.3	54.9	Included
<b>Mid-Atlantic Morehead City and Beaufort, NC</b>	6.7	25	18.3	25.9	n.a.	n.a.
<b>Mid-Atlantic Wilmington, NC</b>	4.1	25	20.9	29.6	n.a.	n.a.
<b>Mid-Atlantic Georgetown, SC</b>	5.6	25	19.4	27.4	n.a.	n.a.
<b>Mid-Atlantic Charleston, SC</b>	12.5	25	12.5	17.7	6.3	n.a.
<b>Mid-Atlantic Savannah, GA</b>	9.7	25	15.3	21.6	4.9	n.a.
<b>Southeastern US</b>						
Brunswick, GA	6.7	n.a.	n.a.	26.4	3.4	n.a.
Fernandina, FL	10.9	n.a.	n.a.	32.9	5.5	n.a.
Jacksonville, FL	4.2	n.a.	n.a.	30.9	n.a.	n.a.
Port Canaveral, FL	n.a.	n.a.	n.a.	4.5	n.a.	n.a.

a/ Defined and described in text for each port area.

Source: Nathan Associates as described in text.

Figure 4-4 Northeastern U.S. Proposed Regulatory Measures



Source: DEIS, Right Whale Ship Strike Reduction, Figure 1-3.

Port areas in Block Island Sound are assumed to have 40 percent of their vessel arrivals affected by the large speed restricted area in the Northeast region.<sup>37</sup>

As discussed under Alternative 2, another element of the impact on vessel operations is the time for vessels to slow down from sea speed to restricted speed and later to speed back up to sea speed. This will affect vessel arrivals at the port area of New York/New Jersey mentioned that will traverse the year-round speed restricted areas in the Northeast region. We have included the extra time for these vessels to slow down to restricted speed and to resume sea speed in the economic impact analysis.

<sup>37</sup> The determination of 40 percent is based on the following assumptions: 45 percent arrive from the north and depart to the south (1 trip through the northeast speed restricted area); 30 percent arrive from the south and depart to the south (0 trips through the northeast speed restricted area), 15 percent arrive from the north and depart to the north south (1 trips through the northeast speed restricted area) and 10 percent of vessel arrive from the north and depart to the north (2 trips through the northeast speed restricted area). This results in a total factor of 80 percent which is cut in half to apply to vessel arrivals only

The additional distance shown in Table 4-12 for the mid-Atlantic port areas of Charleston and Savannah is calculated as half of the distance of the pilot buoy to the harbor baseline. Pilots at these ports have indicated that without speed restrictions vessel would regain some speed (not sea speed) prior to the entering the harbor baseline. Applying the speed restriction over half of this distance should approximate the extra delay incurred from the pilot buoy to the harbor baseline at these port areas.

For port areas in the Northeast region, the NOI did not specify a specific distance over which speed restrictions would be implemented. Rather, broad geographic areas were delineated as described earlier in this section. With the exception of Cape Cod Bay, vessel arriving in port areas in the Northeast region from the north will not be affected by proposed speed restricted areas. Vessels arriving from the south will be affected primarily by the portion of the restricted area referred to as expanded SAM West. It is assumed that vessels arriving from the south and destined for Northeast port areas will attempt to minimize the impact of the speed restrictions by entering the existing Boston TSS at a point east of the southern tip of Cape Cod. From there vessels will route at restricted speeds through the TSS (65 nautical miles). Vessels destined for Boston may regain some speed (but not sea speed) from the western end of the restricted area to the Boston pilot buoy (15 nautical miles). Similar to the treatment of Charleston and Savannah above we have assumed that applying speed restrictions to half of this distance should approximate the extra delay incurred by the vessel.

Vessels arriving from the south and destined for Gulf of Maine ports will need to route 54.9 nautical miles through the expanded Off Race Point area. These vessels will also be affected by the time to slow down prior to entering and upon leaving the expanded Off Race Point area.

For Alternative 3, the effective distance of speed restrictions for port areas in the Southeast was determined by identifying typical port access routes for each port and the distance from the intersection of those routes with the eastern edge of the MSRS WHALESSOUTH area to each port's pilot buoy. For the port area of Brunswick, two routes were considered typical, one to the northeast of 21.8 nautical miles and one to the southeast of 28.4 nautical miles. The southeast route was assumed to account for 70 percent of vessel traffic resulting in a weighted average distance of 26.4 nautical miles. An additional effective distance of 3.4 nautical miles was assumed to account for vessels not being able to regain speed over the 6.7 nautical miles from the pilot buoy to the coastline.

Two port access routes were used for the port area of Fernandina - a northeast route of 39.5 nautical miles and a southeast route of 26.3 nautical miles. Traffic was assumed to be equally divided among the two routes for an average distance of 32.9 nautical miles. An additional effective distance of 5.5 nautical miles was assumed to account for vessels not being able to regain speed over the 10.9 nautical miles from the pilot buoy to the coastline.

Three port access routes were used for the port area of Jacksonville- a northeast route of 39.4 nautical miles (10 percent of vessels), an easterly route of 26.3 nautical miles (30 percent) and a southeast route of 31.7 nautical miles (60 percent). The weighted average distance is 30.9 nautical miles.

For the port area of Port Canaveral, a single route of 4.5 nautical miles was used through the right whale critical habitat area.

Using the economic impact model, we have identified the minutes of delay that will be incurred in each port area, taking into account the distribution of vessel arrivals, normal vessel operating speeds, and the effective distance over which the restriction will apply. Table 4-13 presents the average minutes of delay for a speed restriction of 12 knots per vessel arrival for each affected port area and vessel type in 2003.<sup>38</sup> The overall average delay for all vessels in 2003 is 52 minutes per arrival.<sup>39</sup>

The longest average delay is experienced at the port area of Hampton Roads with an average delay of 84 minutes per arrival. This is due to the predominance of large and fast containerships at the port area coupled with the relatively few arrivals of smaller and slower vessel types. The port areas of Baltimore (68 minutes), New York/New Jersey (65 minutes) are the other port areas with average delays in excess of an hour. The port area of Port Canaveral at 6 minutes has the least average minutes of delay per vessel arrival as the speed restriction is only effective for 4.5 nautical miles from the eastern edge of the right whale critical habitat to the pilot buoy.

Containerships incur the longest average delay with an average of 80 minutes per vessel arrival followed by ro-ro cargo ships (68 minutes), refrigerated cargo vessels (61 minutes), and passenger vessels (46 minutes).

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<sup>38</sup> The average delay is based on the total minutes of delays for speed restrictions, slowdown/speedup time for port areas in the Gulf of Maine divided by the number of vessel arrivals by type of vessel for each port area during proposed speed restriction periods. It does not include slow down speedup time for port areas in the Mid-Atlantic as those delays would need to be divided annual vessel arrivals at each port.

<sup>39</sup> As will be discussed later, vessels are assumed to incur similar delays when leaving each port area.



**Table 4-13. Alternative 3: Average Minutes of Delay per Vessel Arrival by Port Area and Type of Vessel, 2003**

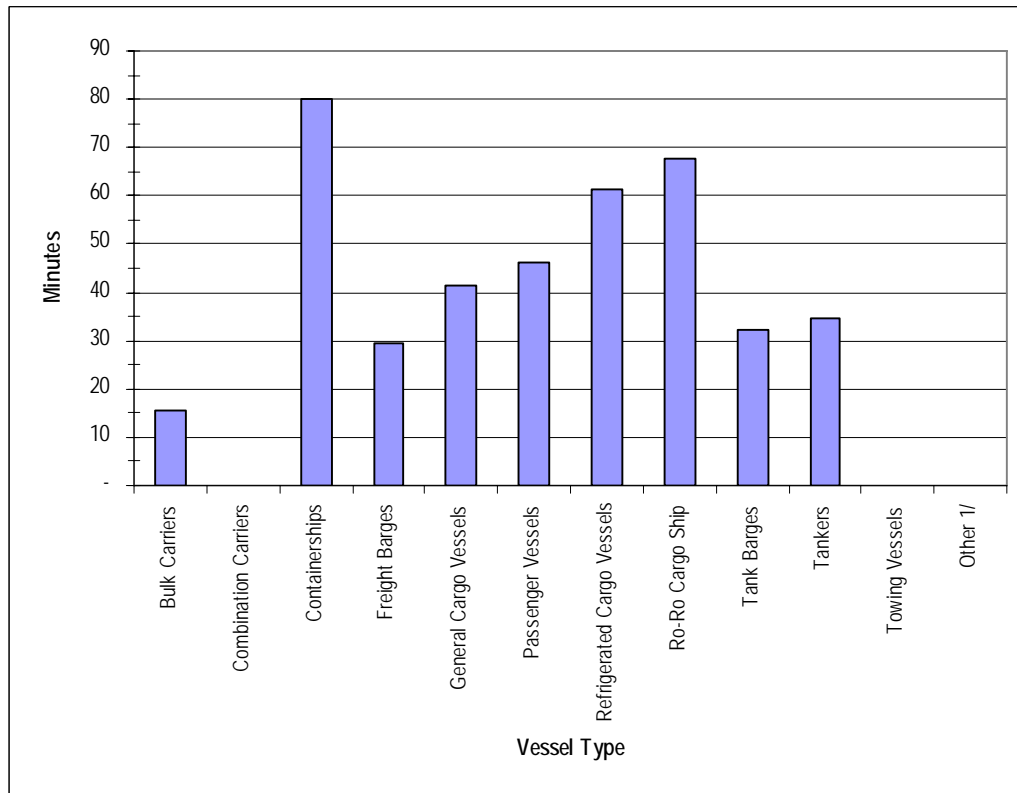
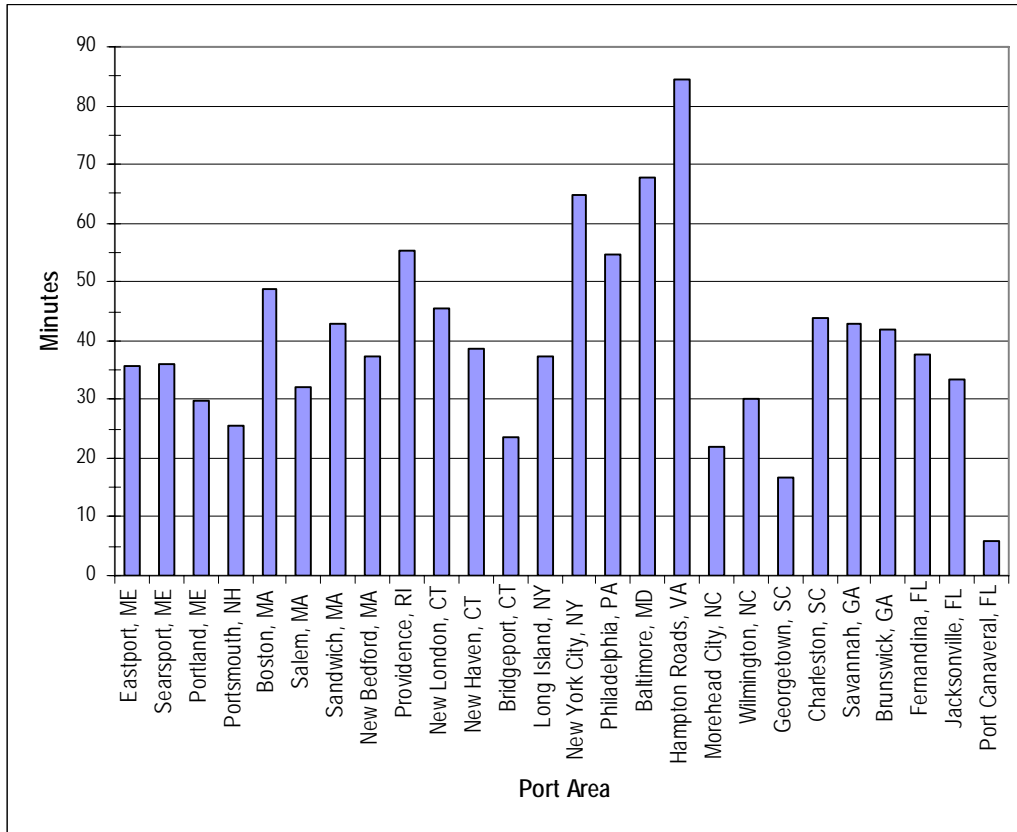
Port Area	Bulk Carriers	Combination		Freight Barges	General Cargo		Refrigerated Cargo Vessels	Ro-Ro Cargo Ship	Tank Barges	Towing		Total
		Carriers	Containers		Vessels	Passenger Vessels a/				Vessels	Other b/	
<b>Northeastern US - Gulf of Maine</b>												
Eastport, ME	8.3	-	75.0	-	48.2	-	-	-	-	-	-	35.6
Searsport, ME	6.1	26.4	-	-	-	57.8	-	13.6	24.1	28.5	-	35.9
Portland, ME	12.0	27.6	73.2	47.5	41.2	60.4	-	20.3	22.8	31.9	-	29.9
Portsmouth, NH	15.2	18.3	-	-	48.8	46.3	-	-	25.3	29.5	-	25.4
<b>Northeastern US - Off Race Point</b>												
Boston, MA	14.7	18.8	100.1	19.5	36.2	61.1	59.0	29.3	-	36.1	-	48.9
Salem, MA	26.1	-	-	-	-	61.1	-	-	-	43.7	-	32.0
<b>Northeastern US - Cape Cod Bay</b>												
	-	-	-	-	-	53.6	-	-	-	35.5	-	42.9
<b>Mid-Atlantic Block Island Sound</b>												
New Bedford, MA	28.0	-	21.1	-	50.5	-	69.2	-	29.1	40.6	-	37.5
Providence, RI	22.8	42.7	-	-	65.2	91.8	75.7	93.3	27.0	46.0	-	55.2
New London, CT	22.3	-	127.9	-	88.7	71.7	-	-	34.1	44.8	-	45.5
New Haven, CT	21.1	-	131.3	1.2	79.0	71.7	-	-	36.5	43.4	-	38.5
Bridgeport, CT	35.0	-	-	0.9	-	60.4	-	-	28.1	27.6	-	23.5
Long Island, NY	-	42.7	-	1.2	-	71.7	-	-	34.3	40.9	-	37.4
<b>Mid-Atlantic Ports of New York/New Jersey</b>												
	17.0	29.6	91.9	32.9	38.3	69.3	75.7	74.2	24.6	34.9	-	64.7
<b>Mid-Atlantic Delaware Bay</b>												
	15.3	36.0	80.9	53.8	51.7	72.5	73.9	76.2	31.5	43.8	-	54.5
<b>Mid-Atlantic Chesapeake Bay</b>												
Baltimore, MD	21.8	29.9	101.1	-	59.9	77.0	68.5	85.1	31.1	39.6	-	67.8
Hampton Roads, VA	22.4	35.6	104.3	37.2	55.4	79.7	73.8	96.8	32.7	40.2	-	84.4
<b>Mid-Atlantic Morehead City and Beaufort, NC</b>												
	7.3	-	47.9	-	23.4	-	9.5	42.6	-	20.6	-	21.9
<b>Mid-Atlantic Wilmington, NC</b>												
	8.6	17.1	62.5	-	36.5	-	35.7	60.6	20.3	23.0	-	30.0
<b>Mid-Atlantic Georgetown, SC</b>												
	8.6	-	55.0	-	47.4	-	-	-	-	-	-	16.6
<b>Mid-Atlantic Charleston, SC</b>												
	8.5	-	53.3	-	34.1	35.5	31.6	42.9	17.9	20.0	-	43.8
<b>Mid-Atlantic Savannah, GA</b>												
	6.7	12.8	58.1	-	29.1	35.9	62.5	47.3	17.1	21.4	-	42.9
<b>Southeastern US</b>												
Brunswick, GA	6.0	-	64.0	-	39.0	37.2	43.4	51.9	-	-	-	41.9
Fernandina, FL	23.2	-	45.8	0.8	29.3	47.9	59.2	-	-	-	-	37.7
Jacksonville, FL	12.8	-	51.0	33.3	23.1	45.1	42.5	51.3	23.6	25.6	-	33.5
Port Canaveral, FL	0.6	-	9.8	0.1	4.6	7.3	5.6	6.6	3.5	3.9	-	5.8
<b>Total</b>	<b>15.5</b>	<b>-</b>	<b>79.9</b>	<b>29.5</b>	<b>41.5</b>	<b>46.1</b>	<b>61.4</b>	<b>67.6</b>	<b>32.2</b>	<b>34.5</b>	<b>-</b>	<b>52.2</b>

a/ Includes recreational vessels

b/ Includes fishing vessels, industrial vessels, research vessels, and school ships.

Source: Prepared by Nathan Associates Inc. based on analysis of U.S. Coast Guard data on vessel calls at U.S. ports as described in text.

Figure 4-5. Alternative 3: Average Minutes of Delay per Vessel Arrival by Port Area and Type of Vessel, 2003



### *Estimated Direct Economic Impact*

Table 4-14 presents the direct economic impact of speed restrictions in designated areas implemented under Alternative 3 on the shipping industry in 2003. The total direct economic impact is estimated at \$50.5 million with the port area of New York/New Jersey having the largest impact of \$14.5 million. The port area of Hampton Roads is second at \$9.9 million, followed by the port areas of Philadelphia at \$5.0 million, Baltimore at \$4.3 million, Savannah at \$4.0 million, Charleston at \$3.9 million, Boston at \$1.5 million and Portland at \$1.2 million. The direct economic impact for these eight port areas totals \$44.3 million or 87.8 percent of the total for this alternative.

Containerships account for 58.6 percent of the total direct economic impact of Alternative 3 with an estimate of \$29.6 million. The vessel type with the next largest economic impact is ro-ro cargo ships at \$5.8 million followed by tankers at \$5.2 million and passenger vessels at \$4.1 million.

Table 4-15 presents the direct economic impact of Alternative 3 in 2004. The total economic impact is \$53.9 million in 2004, roughly 6.8 percent higher than 2003 which reflects the overall increase in U.S. East Coast vessel arrivals. The rankings for the major vessel types are similar to 2003 with passenger vessels moving ahead of tankers due to the stronger growth in passenger vessel arrivals.

Figure 4-6 presents graphically the direct economic impact by port area for 2003 and 2004. The rankings for the leading port areas are the same as described for 2003 above.

**Table 4-14. Alternative 3: Direct Economic Impact on Shipping Industry by Port Area and Type of Vessel, 2003 (\$000s)**

Port Area	Combinat			Freight Barges	General		Refrigerated Cargo Vessels	Ro-Ro Cargo Ship	Tank Barges	Tankers	Towing		Total
	Bulk Carriers	ion Carriers	Containers hips		Cargo Vessels	Passenger Vessels a/					Vessels Other b/		
<b>Northeastern US - Gulf of Maine</b>													
Eastport, ME	5.0	-	29.1	-	63.9	-	-	-	-	-	-	-	98.0
Searsport, ME	3.3	1.2	-	-	-	757.9	-	0.5	22.9	113.2	-	-	898.9
Portland, ME	30.6	21.7	41.9	1.8	78.3	246.2	-	49.4	5.6	675.1	-	-	1,150.6
Portsmouth, NH	37.2	2.3	-	-	31.1	6.8	-	-	2.1	157.5	-	-	237.0
<b>Northeastern US - Off Race Point</b>													
Boston, MA	15.0	0.6	493.5	0.7	11.0	636.2	14.7	30.8	-	276.4	-	-	1,478.8
Salem, MA	5.6	-	-	-	-	6.8	-	-	-	1.7	-	-	14.1
<b>Northeastern US - Cape Cod Bay</b>													
	-	-	-	-	-	59.5	-	-	-	17.5	-	-	77.1
<b>Mid-Atlantic Block Island Sound</b>													
New Bedford, MA	36.2	-	0.6	-	25.3	-	24.9	-	4.1	10.5	-	-	101.4
Providence, RI	38.1	1.8	-	-	28.6	229.7	17.1	174.2	0.9	137.4	-	-	628.0
New London, CT	9.1	-	18.6	-	25.3	183.1	-	-	57.4	8.9	-	-	302.3
New Haven, CT	27.2	-	10.6	0.0	76.9	18.3	-	-	199.9	189.0	-	-	521.9
Bridgeport, CT	22.5	-	-	0.0	-	7.6	-	-	107.4	31.6	-	-	169.2
Long Island, NY	-	1.8	-	0.0	-	173.9	-	-	391.2	261.1	-	-	828.0
<b>Mid-Atlantic Ports of New York/New Jersey</b>													
	124.0	23.9	10,349.5	0.7	50.2	707.4	124.6	1,726.4	22.1	1,413.1	-	-	14,541.9
<b>Mid-Atlantic Delaware Bay</b>													
	106.3	11.4	1,316.6	9.5	238.5	196.2	1,756.1	275.6	12.4	1,062.2	-	-	4,984.7
<b>Mid-Atlantic Chesapeake Bay</b>													
Baltimore, MD	150.8	7.2	1,522.8	-	301.8	293.5	15.9	1,807.2	2.2	204.1	-	-	4,305.5
Hampton Roads, VA	162.7	21.5	8,453.6	0.8	182.4	222.7	5.9	659.1	1.2	212.1	-	-	9,921.9
<b>Mid-Atlantic Morehead City and Beaufort, NC</b>													
	3.2	-	23.3	-	18.2	-	0.5	3.1	-	15.4	-	-	63.7
<b>Mid-Atlantic Wilmington, NC</b>													
	16.9	2.3	224.4	-	152.4	-	2.2	45.6	8.4	111.9	-	-	564.0
<b>Mid-Atlantic Georgetown, SC</b>													
	6.7	-	2.4	-	20.5	-	-	-	-	-	-	-	29.6
<b>Mid-Atlantic Charleston, SC</b>													
	25.6	-	3,301.3	-	116.0	142.7	6.2	257.9	7.6	83.6	-	-	3,940.8
<b>Mid-Atlantic Savannah, GA</b>													
	32.0	2.8	3,326.5	-	197.3	17.9	58.7	226.7	2.1	131.4	-	-	3,995.4
<b>Southeastern US</b>													
Brunswick, GA	5.0	-	32.2	-	20.4	4.1	11.9	175.7	-	-	-	-	249.2
Fernandina, FL	2.1	-	50.4	0.0	48.8	5.3	49.7	-	-	-	-	-	156.3
Jacksonville, FL	20.2	-	373.2	48.5	84.0	24.7	5.7	336.5	4.7	84.0	-	-	981.4
Port Canaveral, FL	0.6	-	3.4	0.0	5.2	196.0	8.4	2.9	0.2	1.1	-	-	218.0
<b>Total</b>	<b>885.9</b>	<b>98.5</b>	<b>29,573.9</b>	<b>62.0</b>	<b>1,775.9</b>	<b>4,136.5</b>	<b>2,102.3</b>	<b>5,771.3</b>	<b>852.5</b>	<b>5,198.8</b>	<b>-</b>	<b>-</b>	<b>50,457.7</b>

a/ Includes recreational vessels.

b/ Includes fishing vessels, industrial vessels, research vessels, and school ships.

Source: Prepared by Nathan Associates Inc. based on analysis of U.S. Coast Guard data on vessel calls at U.S. ports as described in text.

**Table 4-15. Alternative 3: Direct Economic Impact on Shipping Industry by Port Area and Type of Vessel, 2004 (\$000s)**

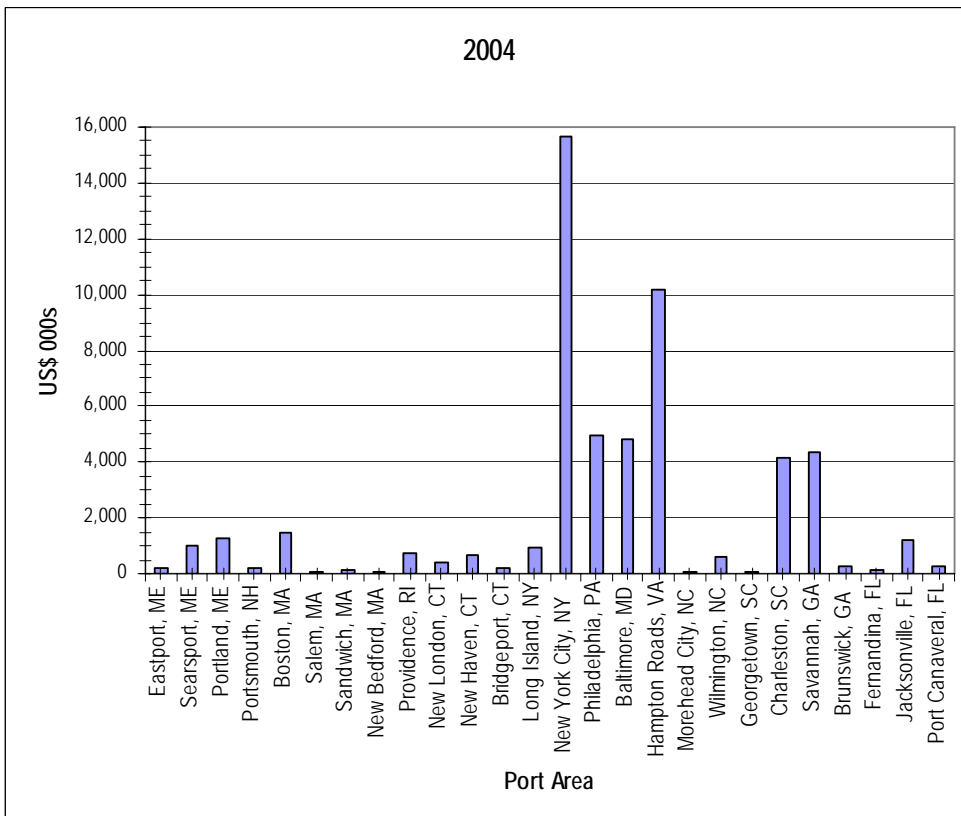
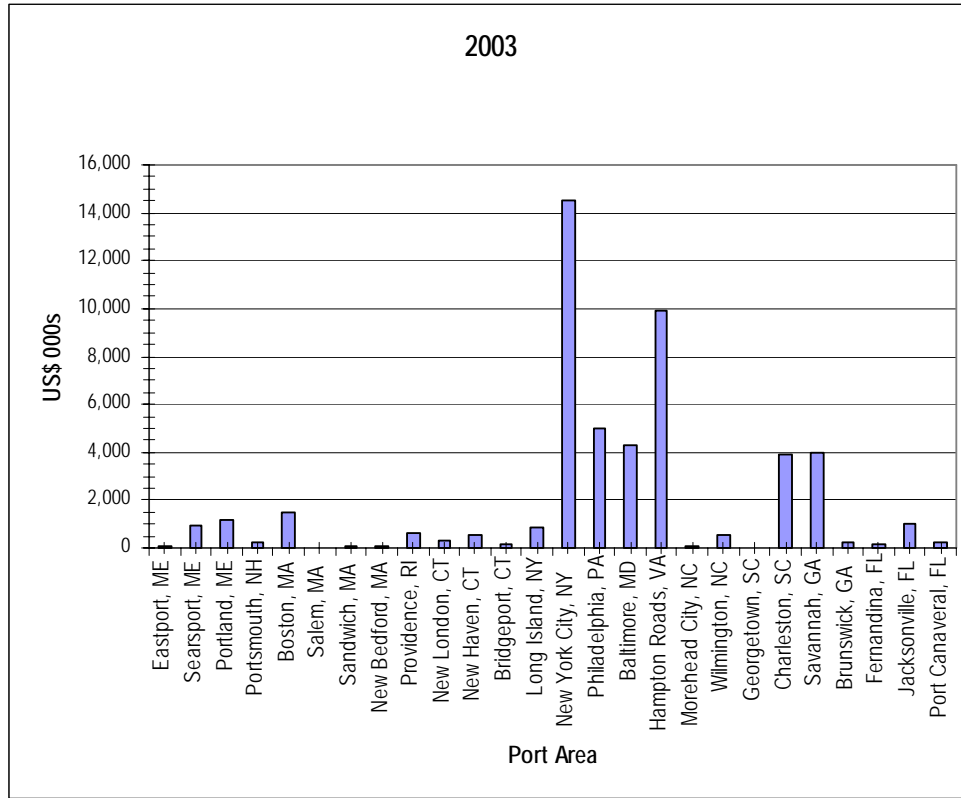
Port Area	Bulk Carriers	Combination Carriers	Containerships	Freight Barges	General Cargo Vessels	Passenger Vessels a/	Refrigerated Cargo Vessels	Ro-Ro Cargo Ship	Tank Barges	Tankers	Towing Vessels	Other b/	Total
<b>Northeastern US - Gulf of Maine</b>													
Eastport, ME	6.6	-	29.4	-	140.8	-	-	-	-	-	-	-	176.8
Searsport, ME	2.1	-	23.1	1.2	2.6	857.0	-	1.8	11.4	108.2	-	-	1,007.6
Portland, ME	33.3	6.2	22.6	1.8	84.4	345.1	-	36.8	26.7	712.8	-	-	1,269.6
Portsmouth, NH	29.6	1.7	0.4	-	49.8	6.8	-	-	1.1	117.9	-	-	207.3
<b>Northeastern US - Off Race Point</b>													
Boston, MA	15.0	0.6	493.5	0.7	11.0	636.2	14.7	30.8	-	276.4	-	-	1,478.8
Salem, MA	6.8	-	-	-	-	58.7	-	-	-	-	-	-	65.5
<b>Northeastern US - Cape Cod Bay</b>													
	-	-	-	-	-	120.9	-	-	0.9	27.5	-	-	149.2
<b>Mid-Atlantic Block Island Sound</b>													
New Bedford, MA	31.9	-	-	-	13.3	-	19.9	2.4	-	9.2	-	-	76.8
Providence, RI	27.2	1.9	-	-	39.8	366.9	-	164.8	1.4	128.3	-	-	730.3
New London, CT	6.4	-	46.2	-	98.5	163.7	-	-	50.6	12.2	-	-	377.7
New Haven, CT	16.6	-	20.9	-	60.6	-	-	-	378.8	163.7	-	-	640.6
Bridgeport, CT	32.5	-	-	0.0	-	-	-	-	169.4	23.4	-	-	225.3
Long Island, NY	-	-	-	0.1	-	210.5	-	-	478.5	254.2	-	-	943.4
<b>Mid-Atlantic Ports of New York/New Jersey</b>													
	101.3	15.3	10,677.8	-	161.3	1,398.2	124.6	1,820.5	8.1	1,329.0	-	-	15,636.1
<b>Mid-Atlantic Delaware Bay</b>													
	109.6	2.4	1,215.4	22.0	352.1	111.7	1,669.7	278.3	4.0	1,155.9	-	-	4,921.2
<b>Mid-Atlantic Chesapeake Bay</b>													
Baltimore, MD	181.7	6.5	1,627.0	-	388.5	468.0	31.7	1,797.8	2.3	286.6	-	-	4,790.1
Hampton Roads, VA	211.3	16.5	8,235.1	2.9	264.6	480.4	54.2	657.4	1.2	236.6	-	-	10,160.2
<b>Mid-Atlantic Morehead City and Beaufort, NC</b>													
	7.6	0.3	25.1	-	15.6	14.3	-	-	-	21.9	-	-	84.8
<b>Mid-Atlantic Wilmington, NC</b>													
	15.0	1.0	198.8	-	164.4	16.4	-	61.7	5.5	121.7	-	-	584.6
<b>Mid-Atlantic Georgetown, SC</b>													
	5.5	0.3	1.8	-	30.5	3.8	-	-	-	-	-	-	42.0
<b>Mid-Atlantic Charleston, SC</b>													
	28.6	-	3,459.1	1.7	132.8	204.2	12.1	237.7	2.4	83.0	-	-	4,161.6
<b>Mid-Atlantic Savannah, GA</b>													
	34.7	3.0	3,410.5	-	228.7	131.6	88.2	268.2	0.8	159.6	-	-	4,325.3
<b>Southeastern US</b>													
Brunswick, GA	4.6	-	20.5	-	33.0	4.1	16.0	204.0	-	-	-	-	282.1
Fernandina, FL	2.2	-	38.7	1.1	51.0	10.6	14.1	8.3	-	-	-	-	126.1
Jacksonville, FL	23.7	1.0	374.3	46.9	86.1	192.9	6.7	369.6	4.7	83.1	-	-	1,189.0
Port Canaveral, FL	1.3	-	3.8	0.0	6.0	222.4	3.7	4.8	0.2	1.7	-	-	244.0
<b>Total</b>	<b>935.1</b>	<b>56.7</b>	<b>29,924.1</b>	<b>78.5</b>	<b>2,415.7</b>	<b>6,024.4</b>	<b>2,055.4</b>	<b>5,945.0</b>	<b>1,148.1</b>	<b>5,312.8</b>	<b>-</b>	<b>-</b>	<b>53,895.7</b>

a/ Includes recreational vessels

b/ Includes fishing vessels, industrial vessels, research vessels, and school ships.

Source: Prepared by Nathan Associates Inc. based on analysis of U.S. Coast Guard data on vessel calls at U.S. ports as described in text.

Figure 4-6. Alternative 3: Direct Economic Impact on Shipping Industry by Port Area, 2003 and 2004 (\$000s)



## ALTERNATIVE 4 – USE OF RECOMMENDED ROUTES

Alternative 4 relies on altering current vessel routing patterns to move vessels away from areas where whales are known to aggregate in order to reduce the likelihood of mortality due to a ship strike. The following route changes are assumed:

- Establishment of northeast and southeast port access routes to each of the port areas of Brunswick, Fernandina and Jacksonville. The port access route will be in effect from December 1 through March 31.
- A 12 degree northerly shift in the Boston Traffic Separation Scheme (TSS). This is assumed to be in effect year-round.
- An ATBA will be implemented for the Great South Channel during April 1 through July 31.
- Recommended shipping lanes will be established in Cape Cod Bay.

### *Impact on Vessel Operations*

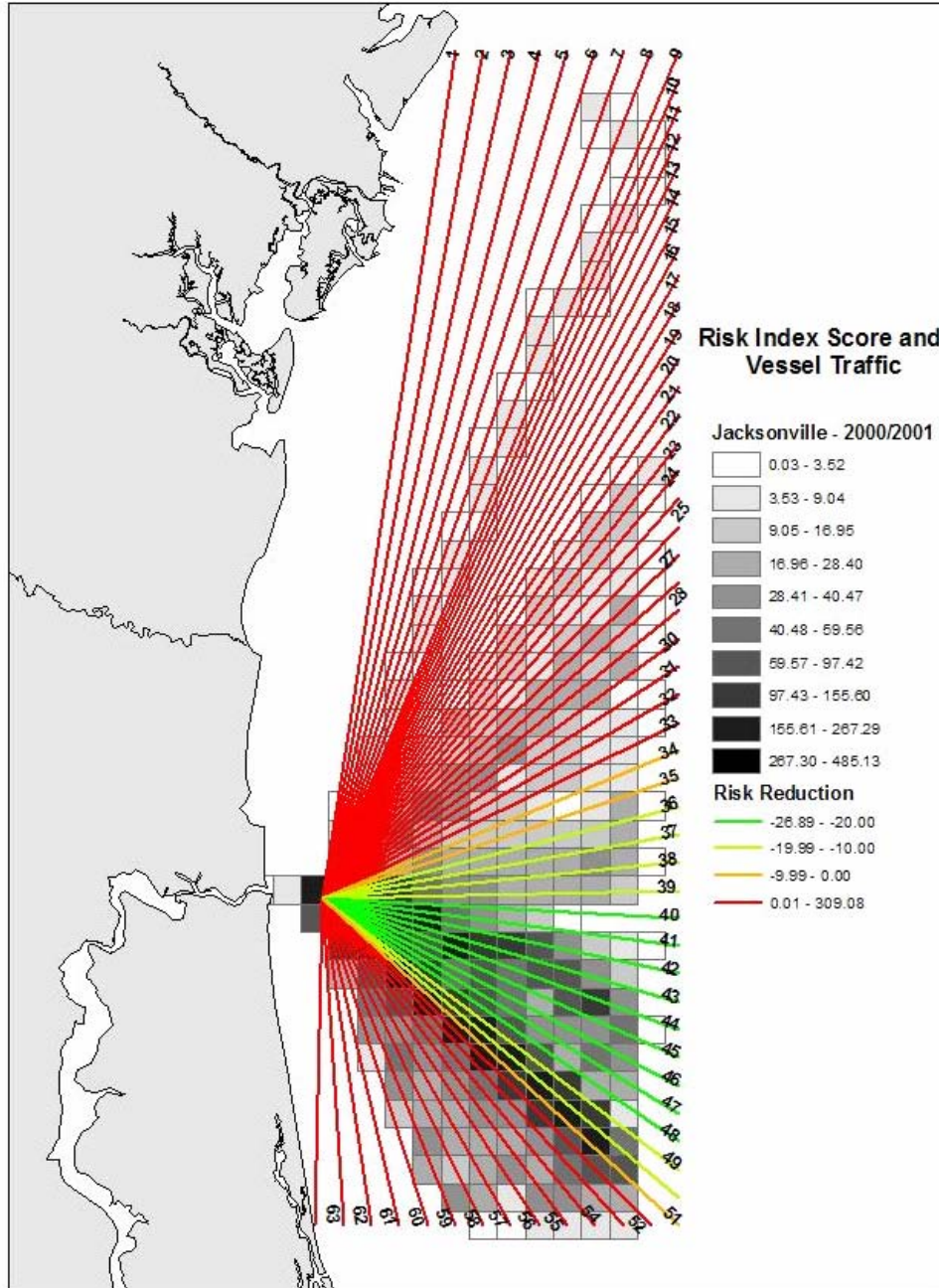
A draft report by Dr. Lance Garrison of NOAA has evaluated a range of alternative approaches to each port area in terms of reducing the risk of vessel-whale interaction.<sup>40</sup> NOAA has not yet recommended port access routes, however, for purposes of the economic impact analysis we have selected a northeast and a southeast approach to each port that will hopefully be representative of the final routes (if any) that are selected. Accordingly, we will assess the economic impact based on the following routes in the Garrison paper: route 36 and route 48 for Jacksonville, route 28 and route 46 for Fernandina Beach, and route 18 and route 25 for Brunswick (Figure 4-7 through Figure 4-9). These routes appear to combine the lowest risk values with the likelihood of lower levels of economic impact.

Under Alternative 3, we identified the existing pattern of vessel approaches to each port area. As vessels arriving at these ports generally approach from the south or north, the current pattern of approaches to the pilot buoys are approximately 40-65 degrees and 135-160 degrees from a parallel line to the coastline. Under Alternative 4, the preferred northeast and southeast access routes to each port are flatter at approximately 60-80 degrees and 120-145 degrees. Vessels are assumed to have to route parallel to the eastern boundary of the MSRS WHALESSOUTH until they meet the intersection of the recommended route. The difference in the total distance between current route and the use of the recommended route is then divided by the average operating speed of each time and size of vessel to determine the additional time associated with the use of the recommended route. The economic impact is estimated by multiplying the additional time by the hourly operating cost for each type and size of vessel.

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<sup>40</sup> Garrison, *Applying a spatial model to evaluate the risk of interactions between vessels and Right Whales in the southeast United States critical habitat*, Draft Research Paper, October 14, 2005.

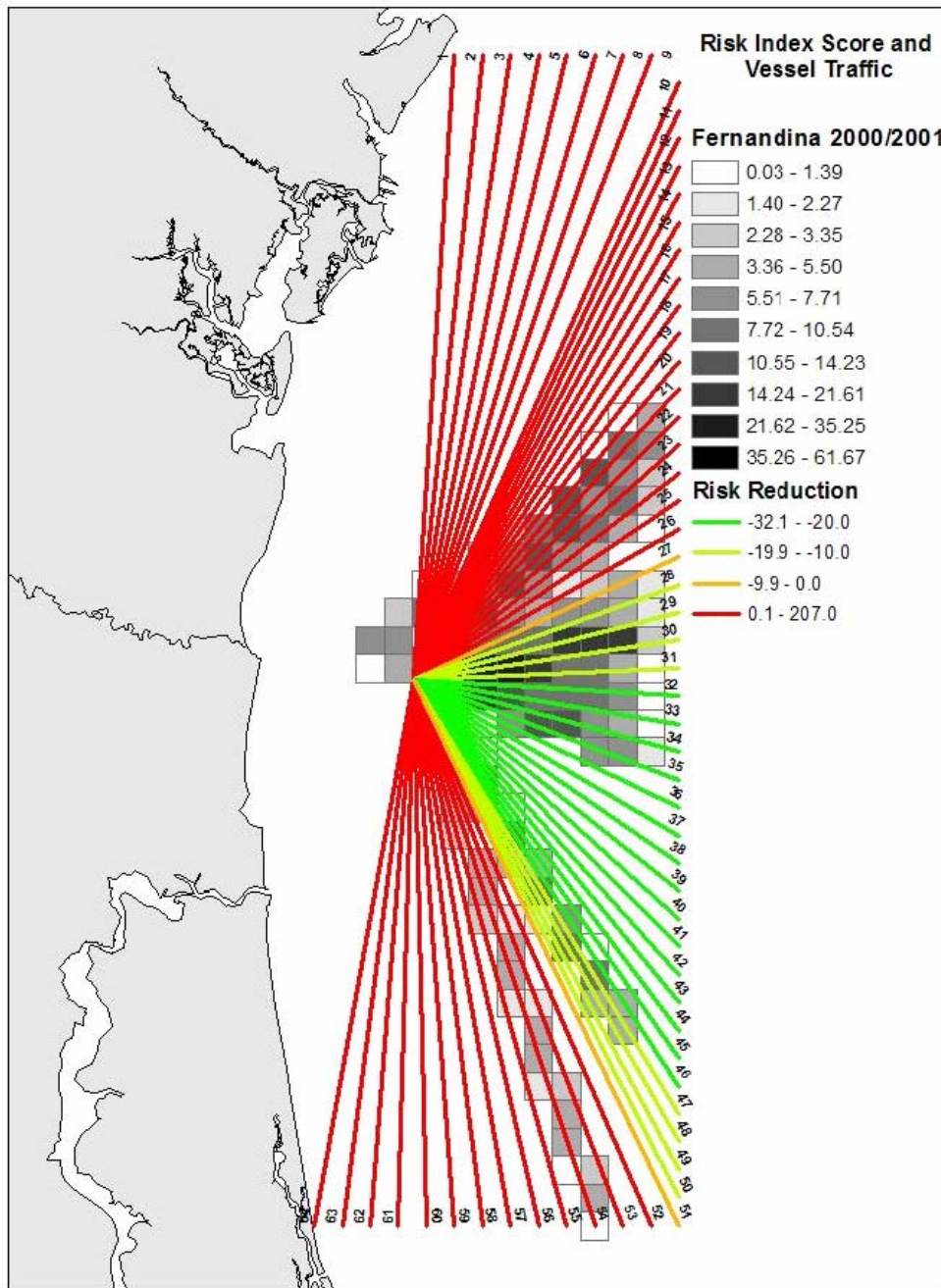
Figure 4-7. Reduction in Risk Relative to the Status Quo for Each Potential Approach into the Jacksonville Pilot Buoy



Source: Garrison, *Applying a spatial model to evaluate the risk of interactions between vessels and Right Whales in the southeast United States critical habitat*, Draft Research Paper, October 14, 2005.

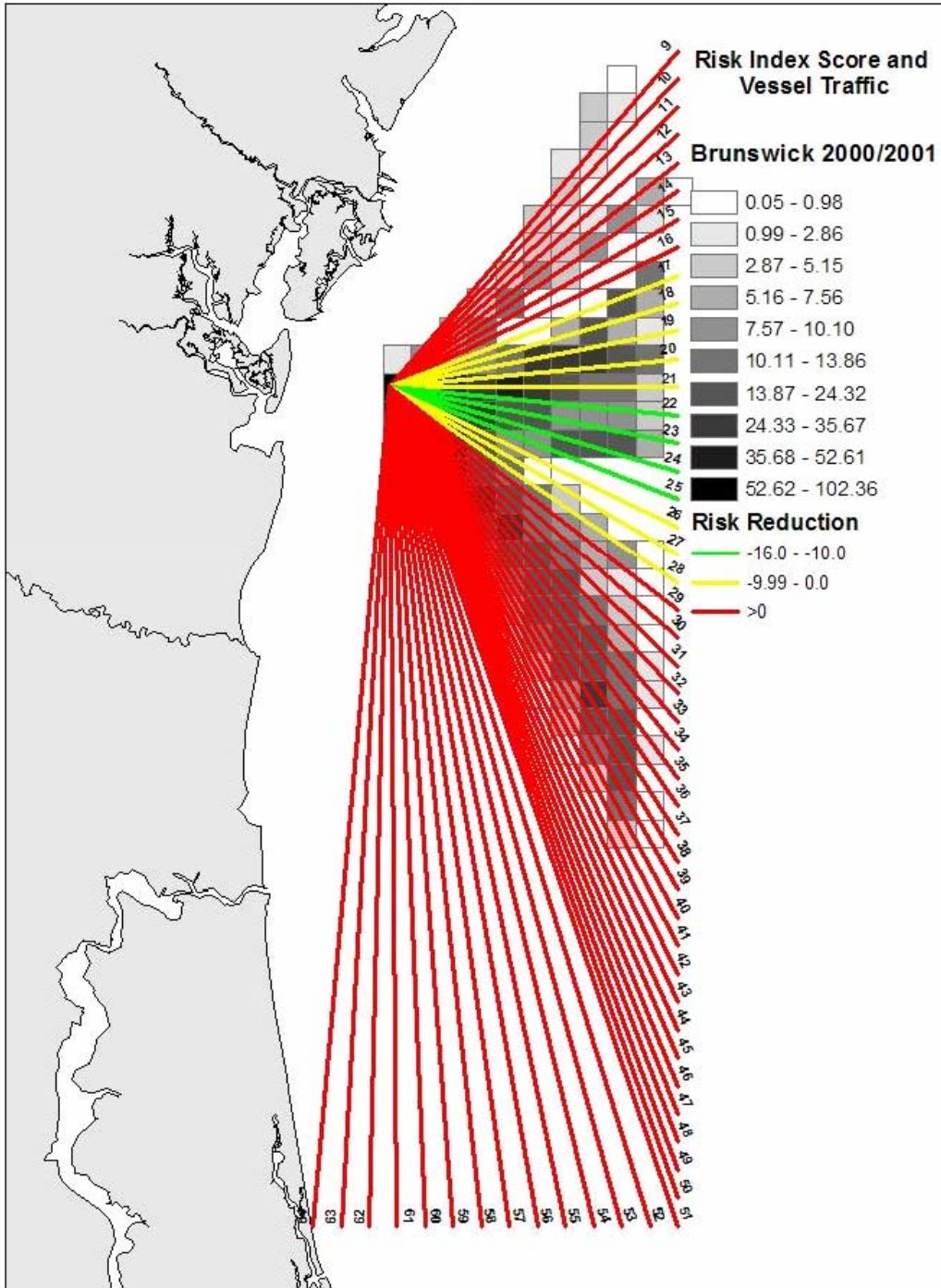


Figure 4-8. Reduction in Risk Relative to the Status Quo for Each Potential Approach into the Fernandina Pilot Buoy



Source: Garrison, Applying a spatial model to evaluate the risk of interactions between vessels and Right Whales in the southeast United States critical habitat, *Draft Research Paper*, October 14, 2005.

Figure 4-9. Reduction in Risk Relative to the Status Quo for Each Potential Approach into the Brunswick Pilot Buoy



Source: Garrison, Applying a spatial model to evaluate the risk of interactions between vessels and Right Whales in the southeast United States critical habitat, Draft Research Paper, October 14, 2005.

For the port area of Brunswick, the weighted average incremental distance of using the recommended access route is 3.2 nautical miles, for the port area of Fernandina it is 3.7 nautical miles, and for the port area of Jacksonville it is 7.1 nautical miles.

The 12 degree shift to the north of the Boston TSS will increase vessel routings by 3.75 nautical miles. It is assumed that 60 percent of vessel arrivals in Boston would be affected by the proposed change.<sup>41</sup>

The ATBA for the Great South Channel is not expected to have a measurable impact on vessel operations as most shipping industry vessels currently route either to the west or southeast of the area.

The recommended shipping lanes for Cape Cod Bay also would not measurably impact shipping industry vessel operations as the recommended lanes are not different from existing north-south shipping routes via the Cape Cod Canal to Boston. The economic impact of the recommended shipping lanes for Cape Cod Bay on passenger and other vessels particularly to Provincetown is addressed in a later section of this report.

### *Estimated Direct Economic Impact*

Table 4-16 presents the direct economic impact of use of recommended routes implemented under Alternative 4 on the shipping industry in 2003. The total direct economic impact is estimated at \$1.0 million with the port area of Jacksonville having the largest impact of \$0.6 million, followed by the port area of Boston at \$0.4 million. The three other port areas impacted under this alternative-Brunswick, Fernandina and Salem each had an economic impact of under \$60 thousand.

Containerships, ro-ro cargo ships, tankers and passenger vessels each at approximately at \$0.2 million have the highest direct economic impact, followed by general cargo vessels and bulk carriers at roughly \$0.1 million each.

Table 4-17 presents the direct economic impact of Alternative 4 in 2004. The total economic impact is \$1.1 million in 2004, representing a 11.6 percent increase over 2003. This is due to the overall increase in vessel arrivals in the Southeast region and particularly passenger vessels at Jacksonville. The ranking by port area is the same as described for 2003 above. In 2004, passenger vessels jump ahead into first place, while containerships fall to third place and tankers drop to fourth place. Figure 4-10 presents graphically the direct economic impact by port area for 2003 and 2004.

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<sup>41</sup> The determination of 60 percent is based on the following assumptions: 45 percent arrive from the north and depart to the south (1 trip through the TSS); 30 percent arrive from the south and depart to the south (2trips through the TSS), 15 percent arrive from the north and depart to the north south (1 trip through the TSS) and 10 percent of vessel arrive from the north and depart to the north (0 trips through the TSS). This results in a total factor of 120 percent which is cut in half to apply to vessel arrivals only.

**Table 4-16. Alternative 4: Direct Economic Impact on Shipping Industry by Port Area and Type of Vessel, 2003 (\$000s)**

Port Area	Bulk Carriers	Combination Carriers	Containerships	Freight Barges	General Cargo Vessels	Passenger Vessels a/	Refrigerated Cargo Vessels	Ro-Ro Cargo Ship	Tank Barges	Tanker Tankers	Towing Vessels	Other b/	Total
<b>Northeastern US - Gulf of Maine</b>													
Eastport, ME	-	-	-	-	-	-	-	-	-	-	-	-	-
Searsport, ME	-	-	-	-	-	-	-	-	-	-	-	-	-
Portland, ME	-	-	-	-	-	-	-	-	-	-	-	-	-
Portsmouth, NH	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Northeastern US - Off Race Point</b>													
Boston, MA	16.9	0.5	49.0	0.6	3.1	146.4	3.5	15.5	-	120.6	-	-	356.1
Salem, MA	3.6	-	-	-	-	1.6	-	-	-	0.6	-	-	5.7
<b>Northeastern US - Cape Cod Bay</b>													
-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Mid-Atlantic Block Island Sound</b>													
New Bedford, MA	-	-	-	-	-	-	-	-	-	-	-	-	-
Providence, RI	-	-	-	-	-	-	-	-	-	-	-	-	-
New London, CT	-	-	-	-	-	-	-	-	-	-	-	-	-
New Haven, CT	-	-	-	-	-	-	-	-	-	-	-	-	-
Bridgeport, CT	-	-	-	-	-	-	-	-	-	-	-	-	-
Long Island, NY	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Mid-Atlantic Ports of New York/New Jersey</b>													
-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Mid-Atlantic Delaware Bay</b>													
-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Mid-Atlantic Chesapeake Bay</b>													
Baltimore, MD	-	-	-	-	-	-	-	-	-	-	-	-	-
Hampton Roads, VA	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Mid-Atlantic Morehead City and Beaufort, NC</b>													
-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Mid-Atlantic Wilmington, NC</b>													
-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Mid-Atlantic Georgetown, SC</b>													
-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Mid-Atlantic Charleston, SC</b>													
-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Mid-Atlantic Savannah, GA</b>													
-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Southeastern US</b>													
Brunswick, GA	6.4	-	4.5	-	5.1	1.3	3.1	34.4	-	-	-	-	54.9
Fernandina, FL	1.5	-	14.8	0.3	14.1	1.5	10.7	-	-	-	-	-	42.9
Jacksonville, FL	47.7	-	147.2	38.8	61.6	13.3	3.4	152.0	5.9	96.8	-	-	566.7
Port Canaveral, FL	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>76.0</b>	<b>0.5</b>	<b>215.5</b>	<b>39.7</b>	<b>83.9</b>	<b>164.1</b>	<b>20.7</b>	<b>201.9</b>	<b>5.9</b>	<b>218.0</b>	<b>-</b>	<b>-</b>	<b>1,026.3</b>

a/ Includes recreational vessels.

b/ Includes fishing vessels, industrial vessels, research vessels, and school ships.

Source: Prepared by Nathan Associates Inc. based on analysis of U.S. Coast Guard data on vessel calls at U.S. ports as described in text.

**Table 4-17. Alternative 4: Direct Economic Impact on Shipping Industry by Port Area and Type of Vessel, 2004 (\$000s)**

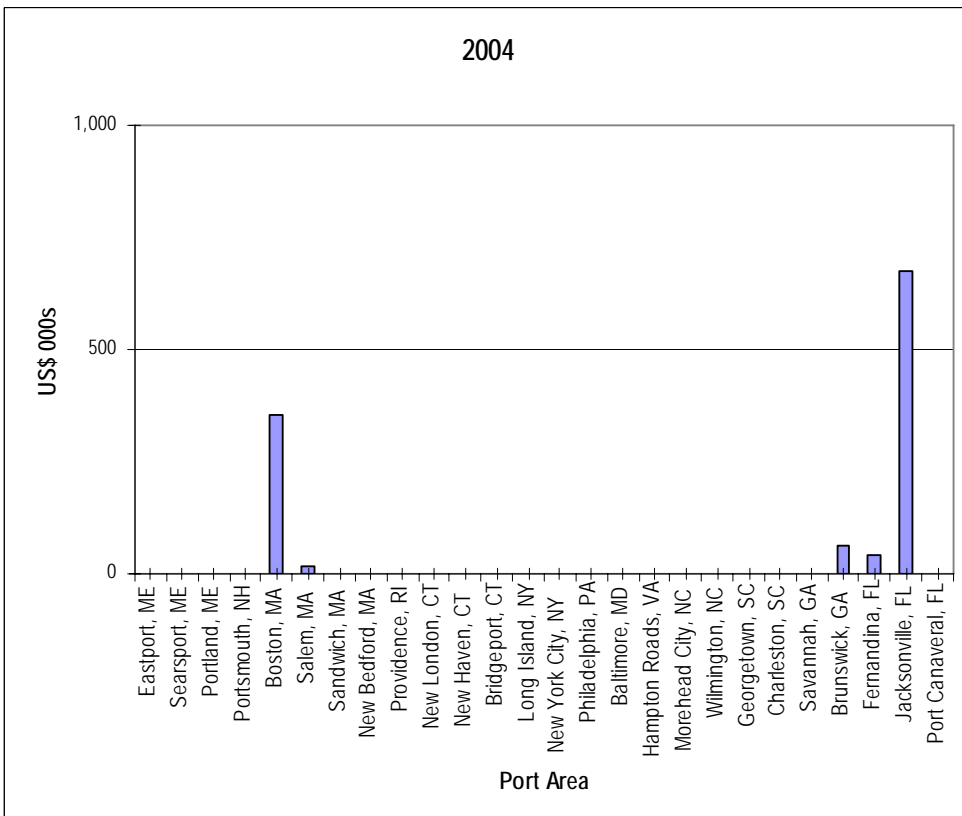
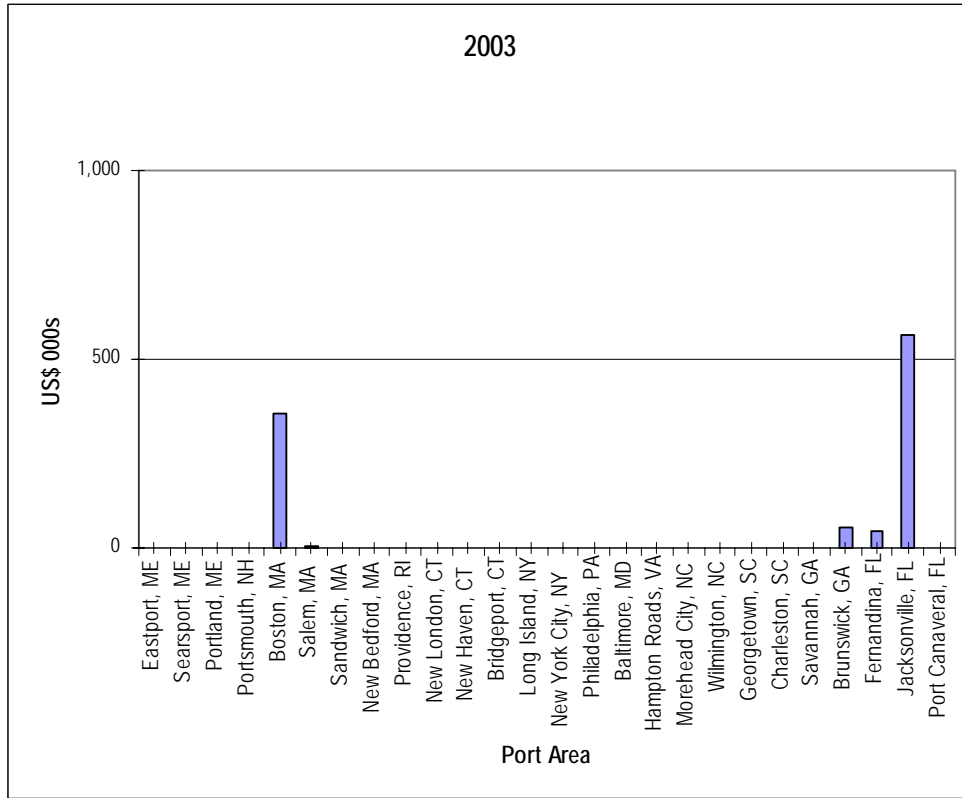
Port Area	Bulk Carriers	Combination Carriers	Containerships	Freight Barges	General Cargo Vessels	Passenger Vessels a/	Refrigerated Cargo Vessels	Ro-Ro Cargo Ship	Tank Barges	Tankers	Towing Vessels	Other b/	Total
<b>Northeastern US - Gulf of Maine</b>													
Eastport, ME	-	-	-	-	-	-	-	-	-	-	-	-	-
Searsport, ME	-	-	-	-	-	-	-	-	-	-	-	-	-
Portland, ME	-	-	-	-	-	-	-	-	-	-	-	-	-
Portsmouth, NH	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Northeastern US - Off Race Point</b>													
Boston, MA	16.9	0.5	49.0	0.6	3.1	146.4	3.5	15.5	-	120.6	-	-	356.1
Salem, MA	4.6	-	-	-	-	10.6	-	-	-	-	-	-	15.2
<b>Northeastern US - Cape Cod Bay</b>													
-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Mid-Atlantic Block Island Sound</b>													
New Bedford, MA	-	-	-	-	-	-	-	-	-	-	-	-	-
Providence, RI	-	-	-	-	-	-	-	-	-	-	-	-	-
New London, CT	-	-	-	-	-	-	-	-	-	-	-	-	-
New Haven, CT	-	-	-	-	-	-	-	-	-	-	-	-	-
Bridgeport, CT	-	-	-	-	-	-	-	-	-	-	-	-	-
Long Island, NY	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Mid-Atlantic Ports of New York/New Jersey</b>													
-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Mid-Atlantic Delaware Bay</b>													
-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Mid-Atlantic Chesapeake Bay</b>													
Baltimore, MD	-	-	-	-	-	-	-	-	-	-	-	-	-
Hampton Roads, VA	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Mid-Atlantic Morehead City and Beaufort, NC</b>													
-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Mid-Atlantic Wilmington, NC</b>													
-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Mid-Atlantic Georgetown, SC</b>													
-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Mid-Atlantic Charleston, SC</b>													
-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Mid-Atlantic Savannah, GA</b>													
-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Southeastern US</b>													
Brunswick, GA	5.9	-	3.2	-	7.6	1.3	3.9	38.7	-	-	-	-	60.7
Fernandina, FL	5.2	-	10.4	0.6	16.2	3.1	3.5	0.9	-	-	-	-	40.0
Jacksonville, FL	49.7	2.0	151.6	40.0	62.4	101.4	3.4	162.7	5.9	94.1	-	-	673.3
Port Canaveral, FL	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>82.3</b>	<b>2.5</b>	<b>214.3</b>	<b>41.1</b>	<b>89.3</b>	<b>262.8</b>	<b>14.4</b>	<b>217.8</b>	<b>5.9</b>	<b>214.8</b>	<b>-</b>	<b>-</b>	<b>1,145.2</b>

a/ Includes recreational vessels

b/ Includes fishing vessels, industrial vessels, research vessels, and school ships.

Source: Prepared by Nathan Associates Inc. based on analysis of U.S. Coast Guard data on vessel calls at U.S. ports as described in text.

Figure 4-10. Alternative 4: Direct Economic Impact on Shipping Industry by Port Area, 2003 and 2004 (\$000s)



## ALTERNATIVE 5 – COMBINATION OF ALTERNATIVES

Alternative 5 includes all elements of Alternatives 1 through 4. Thus it includes DMAs proposed in Alternative 2, speed restrictions in designated areas from Alternative 3, and use of recommended routes from Alternative 4. In analyzing the economic impact of Alternative 5, we have made efforts to avoid double-counting of economic impacts. For example, we have adjusted the assumed incidence of DMAs from Alternative 2 to include only those DMAs that would fall outside of the periods when speed restrictions for designated areas are implemented.

### *Impact on Vessel Operations*

Table 4-18 presents the key assumptions that are used to analyze the impact of Alternative 5 operational measures on vessel operations. The table presents the basis for determining the effective distance that speed restrictions would apply for each port area similar to that previously shown in Table 4-12 for Alternative 3. Note that the diagonal distances to the buoy for the port areas of Brunswick, Fernandina and Jacksonville differ from those of Alternative 3. This is due to the inclusion from Alternative 4 of the recommended port access routes for these ports that reduces the distance traveled through the speed-restricted MSRS WHALESSOUTH area. For those distances we apply the speed restrictions to determine the additional time incurred by vessels.

The other new element for these three Southeast port areas is the additional distance that is traveled parallel to the eastern boundary of the MSRS WHALESSOUTH until the intersection of the recommended port access route. These distances are shown in Table 4-18 as “extra PARS or TSS distance”. Speed restrictions do not apply to these distances and the additional time incurred is calculated using the averaging operating speed for each type and size of vessel.

The DMA effective days assumed for each port area under Alternative 5 is presented in the last column of Table 4-18. We have assumed the implementation of one DMA per port area for the Northeast Region taking into consideration the sighting of right whales in the Gulf of Maine outside of the speed restricted Off Race Point area. In the Southeast region, we also assume the implementation of one DMA per port area taking into consideration the sighting of whales outside of the time periods established for speed restricted designated areas. No DMAs for port areas in the Mid-Atlantic period have been assumed outside of the periods established for speed restricted designated areas. The slow down speed up time for each port is as specified for Alternative 3. While not shown separately in Table 4-18, each DMA also includes slowdown/speed up time as described in Alternative 2.

**Table 4-18. Alternative 5: Effective Distance of Speed Restrictions in Designated Areas, Duration of DMAs and Extra PARS or TSS Distances by Port Area**

Port Area	Location of pilot buoy relative to harbor baseline or closing line	Distance stated in NOI	Distance to pilot buoy	Diagonal distance to pilot buoy	Additional effective distance a/	Extra PARS or TSS Distance	PARS or TSS Effective Days	Slow down/speed up time	DMA effective days	
<b>Northeastern US - Gulf of Maine</b>										
Eastport, ME	n.a.	n.a.	n.a.	n.a.	54.9	0	0	Included	15	
Searsport, ME	n.a.	n.a.	n.a.	n.a.	54.9	0	0	Included	15	
Portland, ME	n.a.	n.a.	n.a.	n.a.	54.9	0	0	Included	15	
Portsmouth, NH	n.a.	n.a.	n.a.	n.a.	54.9	0	0	Included	15	
<b>Northeastern US - Off Race Point</b>										
Boston, MA	n.a.	n.a.	n.a.	n.a.	72.4	3.75	365	n.a.	15	
Salem, MA	n.a.	n.a.	n.a.	n.a.	72.4	3.75	365	n.a.	15	
<b>Northeastern US - Cape Cod Bay</b>										
	5.0	n.a.	n.a.	n.a.	59.2	0	120	n.a.	15	
<b>Mid-Atlantic Block Island Sound</b>										
New Bedford, MA	n.a.	25	25	35.4	54.9	0	0	Included	0	
Providence, RI	n.a.	25	25	35.4	54.9	0	0	Included	0	
New London, CT	n.a.	25	25	35.4	54.9	0	0	Included	0	
New Haven, CT	n.a.	25	25	35.4	54.9	0	0	Included	0	
Bridgeport, CT	n.a.	25	25	35.4	54.9	0	0	Included	0	
Long Island, NY	n.a.	25	25	35.4	54.9	0	0	Included	0	
<b>Mid-Atlantic Ports of New York/New Jersey</b>										
	6.8	25	18.2	25.7	54.9	0	0	Included	0	
<b>Mid-Atlantic Delaware Bay</b>										
	2.5	25	22.5	31.8	54.9	0	0	Included	0	
<b>Mid-Atlantic Chesapeake Bay</b>										
Baltimore, MD	2.8	25	22.2	31.3	54.9	0	0	Included	0	
Hampton Roads, VA	2.8	25	22.2	31.3	54.9	0	0	Included	0	
<b>Mid-Atlantic Morehead City and Beaufort, NC</b>										
	6.7	25	18.3	25.9	n.a.	0	0	n.a.	0	
<b>Mid-Atlantic Wilmington, NC</b>										
	4.1	25	20.9	29.6	n.a.	0	0	n.a.	0	
<b>Mid-Atlantic Georgetown, SC</b>										
	5.6	25	19.4	27.4	n.a.	0	0	n.a.	0	
<b>Mid-Atlantic Charleston, SC</b>										
	12.5	25	12.5	17.7	6.3	0	0	n.a.	0	
<b>Mid-Atlantic Savannah, GA</b>										
	9.7	25	15.3	21.6	4.9	0	0	n.a.	0	
<b>Southeastern US</b>										
Brunswick, GA	6.7	n.a.	n.a.	24.1	3.4	5.5	121	n.a.	15	
Fernandina, FL	10.9	n.a.	n.a.	26.8	5.5	9.8	121	n.a.	15	
Jacksonville, FL	4.2	n.a.	n.a.	28.8	n.a.	9.2	121	n.a.	15	
Port Canaveral, FL	n.a.	n.a.	n.a.	4.5	n.a.	0	0	n.a.	15	

a/ Defined and described in text for each port area.

Source: Nathan Associates as described in text.



### *Estimated Direct Economic Impact*

Table 4-19 presents the direct economic impact of the combination of 12-knot speed restrictions in designated areas, DMAs, and use of recommended routes implemented under Alternative 5 on the shipping industry in 2003. The total direct economic impact is estimated at \$52.4 million with the port area of New York/ New Jersey having the largest impact of \$14.5 million. The port area of Hampton Roads is second at \$9.9 million, followed by the port areas of Philadelphia at \$5.0 million, Baltimore at \$4.3 million, Savannah at \$4.0 million, and Charleston at \$3.9 million. The direct economic impact for these six port areas totals \$41.7 million or 79.5 percent of the total for this alternative.

Containerships account for 57.1 percent of the total direct economic impact of Alternative 5 with an estimate of \$29.9 million. The vessel type with the next largest economic impact is ro-ro cargo ships at \$6.1 million followed by tankers at \$5.5 million and passenger vessels at \$4.7 million.

Table 4-20 presents the direct economic impact of Alternative 5 in 2004. The total direct economic impact is \$56.1 million in 2004, roughly 7.0 percent higher than 2003 which reflects the overall increase in U.S. East Coast vessel arrivals. The rankings for the major vessel types are similar to 2003 except for passenger vessels moving ahead of tankers and ro-ro cargo ships into second position due to the stronger growth in passenger vessel arrivals.

Figure 4-11 presents graphically the direct economic impact by port area for 2003 and 2004. The rankings for the leading port areas are the same as described for 2003 above.

**Table 4-19. Alternative 5: Direct Economic Impact on Shipping Industry by Port Area and Type of Vessel, 2003 (\$000s)**

Port Area	Bulk Carriers	Combination Carriers	Containerships	Freight Barges	General Cargo Vessels	Passenger Vessels a/	Refrigerated Cargo Vessels	Ro-Ro Cargo Ship	Tank Barges	Tankers	Towing Vessels	Other b/	Total
<b>Northeastern US - Gulf of Maine</b>													
Eastport, ME	5.3	-	30.3	-	66.7	-	-	-	-	-	-	-	102.2
Searsport, ME	3.4	1.2	-	-	-	790.7	-	0.5	23.9	118.1	-	-	937.8
Portland, ME	31.9	22.7	43.7	1.8	81.6	256.8	-	51.5	5.9	704.3	-	-	1,200.4
Portsmouth, NH	38.8	2.4	-	-	32.5	7.1	-	-	2.2	164.3	-	-	247.3
<b>Northeastern US - Off Race Point</b>													
Boston, MA	32.5	1.1	563.9	1.3	14.5	810.2	18.9	47.5	-	409.0	-	-	1,899.1
Salem, MA	9.4	-	-	-	-	8.6	-	-	-	2.3	-	-	20.4
<b>Northeastern US - Cape Cod Bay</b>													
-	-	-	-	-	-	60.3	-	-	-	17.8	-	-	78.0
<b>Mid-Atlantic Block Island Sound</b>													
New Bedford, MA	36.2	-	0.6	-	25.3	-	24.9	-	4.1	10.5	-	-	101.4
Providence, RI	38.1	1.8	-	-	28.6	229.7	17.1	174.2	0.9	137.4	-	-	628.0
New London, CT	9.1	-	18.6	-	25.3	183.1	-	-	57.4	8.9	-	-	302.3
New Haven, CT	27.2	-	10.6	0.0	76.9	18.3	-	-	199.9	189.0	-	-	521.9
Bridgeport, CT	22.5	-	-	0.0	-	7.6	-	-	107.4	31.6	-	-	169.2
Long Island, NY	-	1.8	-	0.0	-	173.9	-	-	391.2	261.1	-	-	828.0
<b>Mid-Atlantic Ports of New York/New Jersey</b>													
-	124.0	23.9	10,349.5	0.7	50.2	707.4	124.6	1,726.4	22.1	1,413.1	-	-	14,541.9
<b>Mid-Atlantic Delaware Bay</b>													
-	106.3	11.4	1,316.6	9.5	238.5	196.2	1,756.1	275.6	12.4	1,062.2	-	-	4,984.7
<b>Mid-Atlantic Chesapeake Bay</b>													
Baltimore, MD	150.8	7.2	1,522.8	-	301.8	293.5	15.9	1,807.2	2.2	204.1	-	-	4,305.5
Hampton Roads, VA	162.7	21.5	8,453.6	0.8	182.4	222.7	5.9	659.1	1.2	212.1	-	-	9,921.9
<b>Mid-Atlantic Morehead City and Beaufort, NC</b>													
-	3.2	-	23.3	-	18.2	-	0.5	3.1	-	15.4	-	-	63.7
<b>Mid-Atlantic Wilmington, NC</b>													
-	16.9	2.3	224.4	-	152.4	-	2.2	45.6	8.4	111.9	-	-	564.0
<b>Mid-Atlantic Georgetown, SC</b>													
-	6.7	-	2.4	-	20.5	-	-	-	-	-	-	-	29.6
<b>Mid-Atlantic Charleston, SC</b>													
-	25.6	-	3,301.3	-	116.0	142.7	6.2	257.9	7.6	83.6	-	-	3,940.8
<b>Mid-Atlantic Savannah, GA</b>													
-	32.0	2.8	3,326.5	-	197.3	17.9	58.7	226.7	2.1	131.4	-	-	3,995.4
<b>Southeastern US</b>													
Brunswick, GA	16.5	-	44.4	-	36.1	6.4	19.2	261.5	-	0.2	-	-	384.3
Fernandina, FL	6.0	-	87.5	0.8	86.9	9.1	78.6	0.5	-	0.1	-	-	269.5
Jacksonville, FL	85.2	0.1	616.4	107.1	173.8	45.1	12.1	584.9	12.5	222.5	-	-	1,859.8
Port Canaveral, FL	2.1	0.0	6.7	0.0	12.1	479.6	15.4	7.0	0.4	2.9	-	-	526.3
<b>Total</b>	<b>992.4</b>	<b>100.3</b>	<b>29,943.3</b>	<b>122.1</b>	<b>1,937.5</b>	<b>4,666.9</b>	<b>2,156.2</b>	<b>6,129.1</b>	<b>861.8</b>	<b>5,513.9</b>	<b>-</b>	<b>-</b>	<b>52,423.5</b>

a/ Includes recreational vessels.

b/ Includes fishing vessels, industrial vessels, research vessels, and school ships.

Source: Prepared by Nathan Associates Inc. based on analysis of U.S. Coast Guard data on vessel calls at U.S. ports as described in text.

**Table 4-20. Alternative 5: Direct Economic Impact on Shipping Industry by Port Area and Type of Vessel, 2004 (\$000s)**

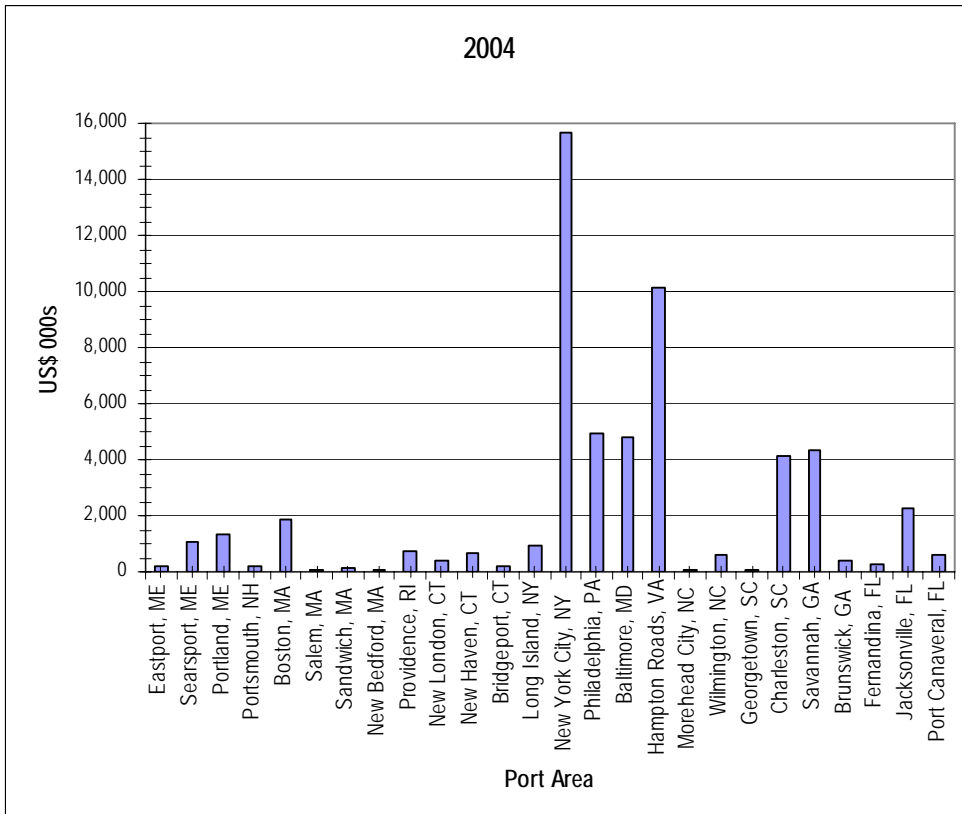
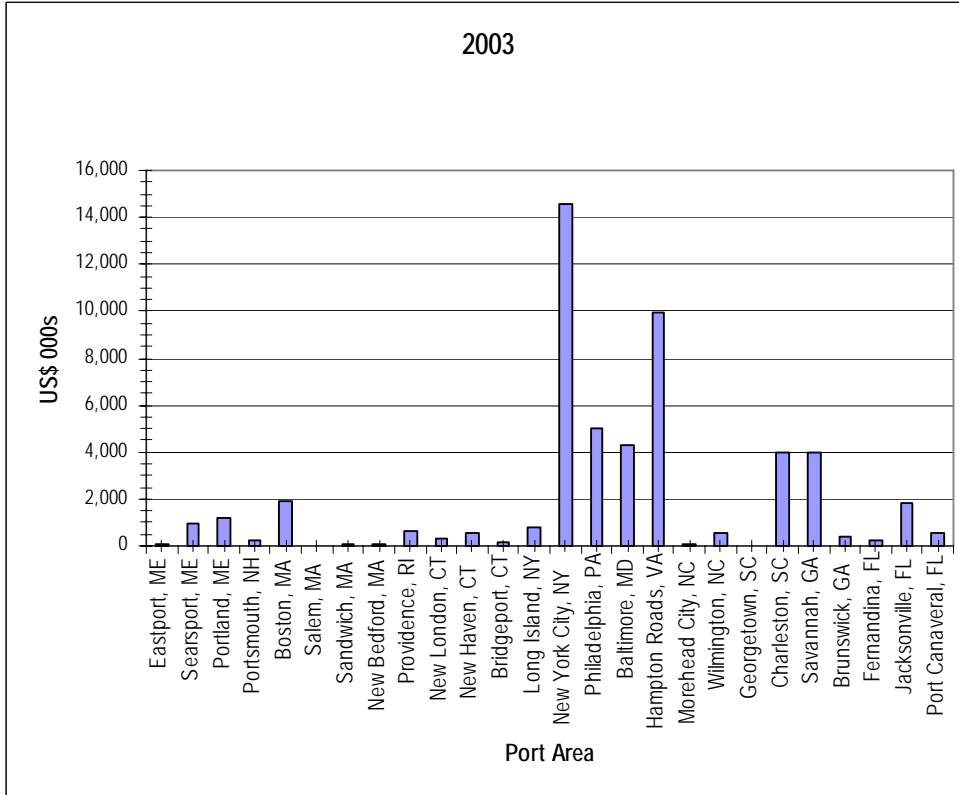
Port Area	Bulk Carriers	Combination Carriers	Containerships	Freight Barges	General Cargo Vessels	Passenger Vessels a/	Refrigerated Cargo Vessels	Ro-Ro Cargo Ship	Tank Barges	Tankers	Towing Vessels	Other b/	Total
<b>Northeastern US - Gulf of Maine</b>													
Eastport, ME	6.9	-	30.7	-	146.9	-	-	-	-	-	-	-	184.5
Searsport, ME	2.2	-	24.1	1.3	2.7	894.1	-	1.9	11.9	112.9	-	-	1,051.2
Portland, ME	34.8	6.5	23.5	1.8	88.0	360.0	-	38.4	27.8	743.6	-	-	1,324.5
Portsmouth, NH	30.8	1.8	0.5	-	52.0	7.1	-	-	1.1	123.0	-	-	216.2
<b>Northeastern US - Off Race Point</b>													
Boston, MA	32.5	1.1	563.9	1.3	14.5	810.2	18.9	47.5	-	409.0	-	-	1,899.1
Salem, MA	11.7	-	-	-	-	71.8	-	-	-	-	-	-	83.5
<b>Northeastern US - Cape Cod Bay</b>													
	-	-	-	-	-	122.4	-	-	0.9	27.8	-	-	151.1
<b>Mid-Atlantic Block Island Sound</b>													
New Bedford, MA	31.9	-	-	-	13.3	-	19.9	2.4	-	9.2	-	-	76.8
Providence, RI	27.2	1.9	-	-	39.8	366.9	-	164.8	1.4	128.3	-	-	730.3
New London, CT	6.4	-	46.2	-	98.5	163.7	-	-	50.6	12.2	-	-	377.7
New Haven, CT	16.6	-	20.9	-	60.6	-	-	-	378.8	163.7	-	-	640.6
Bridgeport, CT	32.5	-	-	0.0	-	-	-	-	169.4	23.4	-	-	225.3
Long Island, NY	-	-	-	0.1	-	210.5	-	-	478.5	254.2	-	-	943.4
<b>Mid-Atlantic Ports of New York/New Jersey</b>													
	101.3	15.3	10,677.8	-	161.3	1,398.2	124.6	1,820.5	8.1	1,329.0	-	-	15,636.1
<b>Mid-Atlantic Delaware Bay</b>													
	109.6	2.4	1,215.4	22.0	352.1	111.7	1,669.7	278.3	4.0	1,155.9	-	-	4,921.2
<b>Mid-Atlantic Chesapeake Bay</b>													
Baltimore, MD	181.7	6.5	1,627.0	-	388.5	468.0	31.7	1,797.8	2.3	286.6	-	-	4,790.1
Hampton Roads, VA	211.3	16.5	8,235.1	2.9	264.6	480.4	54.2	657.4	1.2	236.6	-	-	10,160.2
<b>Mid-Atlantic Morehead City and Beaufort, NC</b>													
	7.6	0.3	25.1	-	15.6	14.3	-	-	-	21.9	-	-	84.8
<b>Mid-Atlantic Wilmington, NC</b>													
	15.0	1.0	198.8	-	164.4	16.4	-	61.7	5.5	121.7	-	-	584.6
<b>Mid-Atlantic Georgetown, SC</b>													
	5.5	0.3	1.8	-	30.5	3.8	-	-	-	-	-	-	42.0
<b>Mid-Atlantic Charleston, SC</b>													
	28.6	-	3,459.1	1.7	132.8	204.2	12.1	237.7	2.4	83.0	-	-	4,161.6
<b>Mid-Atlantic Savannah, GA</b>													
	34.7	3.0	3,410.5	-	228.7	131.6	88.2	268.2	0.8	159.6	-	-	4,325.3
<b>Southeastern US</b>													
Brunswick, GA	15.6	-	26.9	-	52.4	8.4	24.1	294.9	-	0.1	-	-	422.4
Fernandina, FL	16.0	-	67.0	2.5	95.7	22.6	24.8	9.8	-	-	-	-	238.5
Jacksonville, FL	92.0	3.8	624.0	105.4	180.0	351.0	13.4	632.5	12.9	218.7	-	-	2,233.8
Port Canaveral, FL	3.7	-	7.5	0.0	15.8	557.3	9.5	10.4	1.0	4.7	-	-	610.1
<b>Total</b>	<b>1,056.1</b>	<b>60.4</b>	<b>30,286.0</b>	<b>139.2</b>	<b>2,599.1</b>	<b>6,774.6</b>	<b>2,090.9</b>	<b>6,324.5</b>	<b>1,158.8</b>	<b>5,625.1</b>	<b>-</b>	<b>-</b>	<b>56,114.6</b>

a/ Includes recreational vessels

b/ Includes fishing vessels, industrial vessels, research vessels, and school ships.

Source: Prepared by Nathan Associates Inc. based on analysis of U.S. Coast Guard data on vessel calls at U.S. ports as described in text.

Figure 4-11. Alternative 5: Direct Economic Impact on Shipping Industry by Port Area, 2003 and 2004 (\$000s)



## ALTERNATIVE 6 – NOAA SHIP STRIKE STRATEGY

This alternative includes all of the operational measures that are included in the NOAA Ship Strike Strategy. The core elements of the Strategy were specified in the Advance Notice of Proposed Rulemaking issued in the June 1, 2004 Federal Register. This economic impact analysis is based on those operational measures except as modified by the following revisions that are under consideration by NOAA.

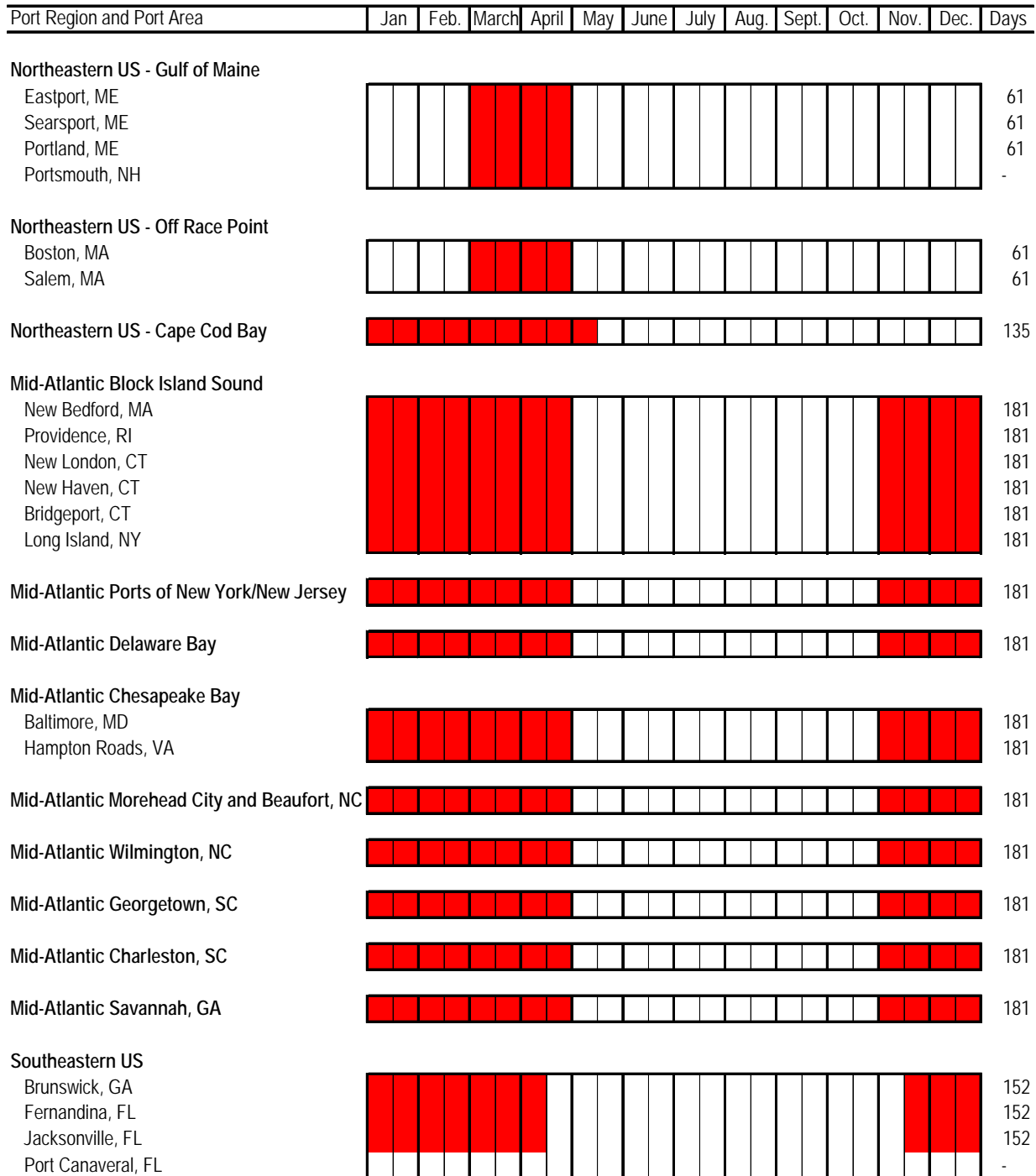
- Seasonal speed restriction periods for the Southeast SMA will be implemented from November 15-April 15
- The shipping lanes into Brunswick, Fernandina, and Jacksonville extend out to longitude 80° 51.6 W (eastern boundary of the MSRS system).
- PARS routings as discussed for Alternative 4 for the port areas of Brunswick, Fernandina and Jacksonville
- SMAs for port areas in the Mid-Atlantic US region will be implemented from November 1-April 30 and the port area buffers will have a radius of 30 nautical miles
- Seasonal speed restrictions for Cape Cod Bay SMA will be implemented from January 1-May 15.
- An expanded Off Race Point Seasonal Management Area as proposed in the ALWTRP will be implemented from March 1-April 30.
- The Great South Channel Seasonal Management Area has also been expanded (west) and will be implemented from April 1-July 31
- The trigger and duration for DMAs are those described under Alternative 2.
- The ATBA for the Great South Channel and Boston TSS are no longer included in this alternative.

### *Impact on Vessel Operations*

Figure 4-12 presents the periods for proposed seasonal speed restrictions by port area. SMAs have not been proposed for specific port areas in the Northeast region. However, we have assumed that speed restrictions for the expanded Off Race Point Management Area would affect vessel arrivals at the port areas in the Northeast region. Note that this alternative does not include speed restrictions for the port area of Port Canaveral. DMAs will be implemented in all areas outside of the proposed seasonal speed restricted periods.

For all Northeast region port areas (excluding Cape Cod Bay), the seasonal speed restrictions would be effective 61 days per year. For Cape Cod Bay, the seasonal speed restrictions would be effective 135 days. Speed restrictions would be in place for 181 days per year for port areas in the Mid-Atlantic region and 152 days per year for the three affected port areas in the Southeast region.

Figure 4-12. Alternative 6: Proposed Seasonal Speed Restrictions by Port Area



Source: NOAA.

Table 4-21 presents U.S. East Coast arrivals of vessels for 2003 during the periods when speed restrictions are proposed for Seasonal Management Areas established at each port area. In 2003 there were 11,498 vessel arrivals during speed restricted periods representing approximately 45 percent of the total of 25,532 arrivals for 2003 presented in Chapter 2. While there is some seasonality in U.S. East Coast vessel arrivals, the proposed periods of speed restrictions include both peak periods and non-peak periods and hence the percentage of restricted arrivals correspond closely to the percentage of speed restricted days per year.

The port area of New York/New Jersey has the most vessel arrivals during speed restricted periods with 2,618 arrivals in 2003 followed by the port areas of Philadelphia (1,315 arrivals), Hampton Roads (1,298 arrivals), Savannah (1,157 arrivals), Charleston (1,140 arrivals), Baltimore (913 arrivals) and Jacksonville (905 arrivals). These seven port areas accounted for 81.3 percent of the total U.S. vessel arrivals during speed restricted periods.

In terms of vessel type, containerships recorded the most vessel arrivals during proposed speed restricted periods with 4,165 arrivals in 2003. Tankers were the next most frequent with 2,473 arrivals followed by ro-ro cargo ships with 1,444 arrivals and bulk carriers with 1,243 arrivals.

In 2004, there were 12,189 vessel arrivals at U.S. East Coast ports during the periods when speed restrictions are proposed for each port area (Table 4-22), an increase of 6.0 percent over 2003. The increase is lower than the 7.3 percent shown for total U.S. East Coast vessel arrivals in Chapter 2 for several reasons. First, the Southeast region which recorded an increase of 12.3 percent in total vessel arrivals in 2004 is the region with the fewest speed restricted days. Second, the port area of New York/New Jersey with the largest number of annual vessel arrivals recorded no increase in vessel arrivals during proposed speed restricted periods.

**Table 4-21. Alternative 6: U.S. East Coast Restricted Vessel Arrivals by Port Area and Vessel Type, 2003**

Port Area	Vessel Type												Total
	Bulk Carrier	Combination Carrier	Container Ship	Freight Barge	General Dry Cargo Ship	Passenger Ship	Refrigerated Cargo Ship	Ro-Ro Cargo Ship	Tank Barge	Tanker	Towing Vessel	Other a/	
<b>Northeastern US - Gulf of Maine</b>													
Eastport, ME	3	-	1	-	3	-	-	-	-	-	-	-	7
Searsport, ME	2	-	-	-	-	-	-	-	-	18	-	-	20
Portland, ME	14	1	1	-	2	-	-	10	1	78	-	-	107
Portsmouth, NH	9	-	-	-	2	-	-	-	1	25	-	-	37
<b>Northeastern US - Off Race Point</b>													
Salem, MA	3	-	-	-	-	-	-	-	-	-	-	-	3
Boston, MA	7	-	20	-	2	-	-	10	-	72	-	1	112
Subtotal	10	0	20	0	2	0	0	10	0	72	0	1	115
<b>Northeastern US - Cape Cod Bay</b>													
Cape Cod, MA	-	-	-	-	-	3	-	-	-	6	-	-	9
<b>Mid-Atlantic Block Island Sound</b>													
New Bedford, MA	29	-	1	-	14	-	3	-	4	6	-	-	57
Providence, RI	41	1	-	-	11	-	3	38	1	62	1	-	158
New London, CT	9	-	2	-	4	17	-	-	41	4	1	-	78
New Haven, CT	31	-	1	1	14	1	-	-	136	96	8	-	288
Bridgeport, CT	13	-	-	-	1	1	29	-	94	25	-	-	163
Long Island, NY	-	1	-	-	-	15	-	-	281	122	2	1	422
<b>Mid-Atlantic Ports of New York/New Jersey</b>													
New York City, NY	172	17	1,172	1	28	14	10	347	25	820	9	3	2,618
<b>Mid-Atlantic Delaware Bay</b>													
Philadelphia, PA	179	7	246	5	116	1	246	72	11	420	12	-	1,315
<b>Mid-Atlantic Chesapeake Bay</b>													
Baltimore, MD	153	4	183	-	95	12	3	347	2	101	4	9	913
Hampton Roads, VA	161	11	857	1	66	4	1	79	1	112	1	4	1,298
<b>Mid-Atlantic Morehead City and Beaufort, NC</b>													
Morehead City, NC	11	-	7	-	17	-	1	1	-	19	-	2	58
<b>Mid-Atlantic Wilmington, NC</b>													
Wilmington, NC	59	4	44	-	63	-	1	11	11	120	1	-	314
<b>Mid-Atlantic Georgetown, SC</b>													
Georgetown, SC	23	-	1	-	5	-	-	-	-	-	-	1	30
<b>Mid-Atlantic Charleston, SC</b>													
Charleston, SC	85	-	735	-	49	21	3	117	13	103	12	2	1,140
<b>Mid-Atlantic Savannah, GA</b>													
Savannah, GA	140	7	655	-	113	3	5	78	4	148	2	2	1,157
<b>Southeastern US</b>													
Brunswick, GA	33	-	11	-	14	1	5	112	-	2	-	-	178
Fernandina, FL	4	-	43	1	42	1	13	-	-	-	7	-	111
Jacksonville, FL	62	1	185	80	102	8	2	222	7	114	117	5	905
Port Canaveral, FL	-	-	-	-	-	-	-	-	-	-	-	-	0
<b>All Port Regions</b>	<b>1,243</b>	<b>54</b>	<b>4,165</b>	<b>89</b>	<b>763</b>	<b>102</b>	<b>325</b>	<b>1,444</b>	<b>633</b>	<b>2,473</b>	<b>177</b>	<b>30</b>	<b>11,498</b>

a/ Other includes fishing vessels, industrial vessels, research vessels, school ships.

Source: Prepared by Nathan Associates based on analysis of U.S. Coast Guard data on vessel calls at U.S. ports, 2003-2004.



**Table 4-22. Alternative 6: U.S. East Coast Restricted Vessel Arrivals by, Port Area and Vessel Type, 2004**

Port Area	Vessel Type												Total
	Bulk Carrier	Combination Carrier	Container Ship	Freight Barge	General Dry Cargo Ship	Passenger Ship	Refrigerated Cargo Ship	Ro-Ro Cargo Ship	Tank Barge	Tanker	Towing Vessel	Other <sup>a/</sup>	
<b>Northeastern US - Gulf of Maine</b>													
Eastport, ME	5	-	2	-	1	-	-	-	-	-	-	-	8
Searsport, ME	1	-	-	-	-	-	-	-	4	14	-	-	19
Portland, ME	13	-	-	-	2	1	-	11	10	69	5	-	111
Portsmouth, NH	8	1	-	-	3	-	-	-	-	11	1	2	26
<b>Northeastern US - Off Race Point</b>													
Salem, MA	-	-	-	-	-	-	-	-	-	-	-	-	0
Boston, MA	7	-	20	-	2	-	-	10	-	72	-	1	112
<b>Northeastern US - Cape Cod Bay</b>													
Cape Cod, MA	-	-	-	-	-	1	-	-	-	10	-	-	11
<b>Mid-Atlantic Block Island Sound</b>													
New Bedford, MA	26	-	-	-	11	-	4	1	-	5	-	-	47
Providence, RI	33	1	-	-	12	7	-	34	1	57	2	2	149
New London, CT	8	-	4	-	13	10	-	-	36	6	1	-	78
New Haven, CT	14	-	3	-	17	-	-	-	257	83	13	-	387
Bridgeport, CT	34	-	-	1	2	-	13	-	163	21	-	1	235
Long Island, NY	-	-	-	4	-	20	-	-	339	143	-	1	507
<b>Mid-Atlantic Ports of New York/New Jersey</b>													
New York City, NY	163	14	1,226	-	43	41	14	345	8	738	20	2	2,614
<b>Mid-Atlantic Delaware Bay</b>													
Philadelphia, PA	163	2	225	13	142	6	223	71	3	470	27	2	1,347
<b>Mid-Atlantic Chesapeake Bay</b>													
Baltimore, MD	190	4	194	-	104	16	3	323	1	140	7	6	988
Hampton Roads, VA	219	13	840	2	81	24	5	76	1	116	11	9	1,397
<b>Mid-Atlantic Morehead City and Beaufort, NC</b>													
Morehead City, NC	18	1	8	-	13	4	-	-	-	28	-	-	72
<b>Mid-Atlantic Wilmington, NC</b>													
Wilmington, NC	53	3	42	-	66	3	-	14	9	129	1	-	320
<b>Mid-Atlantic Georgetown, SC</b>													
Georgetown, SC	22	1	2	-	11	1	-	-	-	-	-	-	37
<b>Mid-Atlantic Charleston, SC</b>													
Charleston, SC	67	1	798	-	56	42	3	108	4	101	16	5	1,201
<b>Mid-Atlantic Savannah, GA</b>													
Savannah, GA	136	7	648	-	99	33	10	93	1	176	3	1	1,207
<b>Southeastern US</b>													
Brunswick, GA	33	-	7	-	23	4	5	113	-	-	-	3	188
Fernandina, FL	12	-	30	2	50	6	6	1	-	-	11	-	118
Jacksonville, FL	66	2	204	74	91	43	2	231	9	120	154	14	1,010
Port Canaveral, FL	-	-	-	-	-	-	-	-	-	-	-	-	0
<b>All Port Regions</b>	<b>1,291</b>	<b>50</b>	<b>4,253</b>	<b>96</b>	<b>842</b>	<b>262</b>	<b>288</b>	<b>1,431</b>	<b>846</b>	<b>2,509</b>	<b>272</b>	<b>49</b>	<b>12,189</b>

<sup>a/</sup> Other includes fishing vessels, industrial vessels, research vessels, school ships.

Source: Prepared by Nathan Associates based on analysis of U.S. Coast Guard data on vessel calls at U.S. ports, 2003-2004.

Table 4-23 presents the key assumptions that are used to analyze the impact of Alternative 6 operational measures on vessel operations. The table presents the basis for determining the effective distance that speed restrictions would apply for each port area similar to that previously shown in Table 4-18 for Alternative 5. However, for Alternative 6, port area buffers will have a radius of 30 nautical miles and will not be parallel to the coastline as in Alternatives 3 and 5. Hence there is no need to determine the diagonal distance of port access route as was calculated for Alternatives 3 and 5.

The effective distance of seasonal speed restrictions and the extra PARS distance shown in Table 4-23 for the port areas of Brunswick, Fernandina and Jacksonville are the same as described for Alternative 5. However, the effective period is one month longer.

The additional effective distance shown for port areas in the northeast and for some port areas in the Mid-Atlantic is based on the assumption that vessel arrivals at these port areas will have to traverse 54.9 nautical miles through the large speed restricted area of a combined expanded Off Race Point Management Area and the Great South Channel Management Area that will be implemented during the April 1-30. Under Alternatives 3 and 5 this element was effective year-round; under Alternative 6 is only effective for 30 days and only applies to vessel arrivals that would need to pass through the area.<sup>42</sup>

For the port areas of Providence and New Bedford we have assumed an additional effective distance of 13.8 nautical miles from the northern boundary of the Block Island speed restriction area to the pilot buoy for Narragansett Bay as vessels would not be able to regain sea speed after passing through the speed restricted area. Combined with the 54.9 nautical miles for the Off Race Point and Great South Channel Management Area this results in a total additional effective distance of 68.7 nautical miles as shown in Table 4-23.

For the Northeast region, the additional effective distance shown in Table 4-23 is based on an average of the effective distance during March 1-30 (when only the Off Race Point Management Area is implemented) and the effective distance during April 1-30 (when both expanded Off Race Point Management Area and the Great South Channel Management Area are implemented). For the Gulf of Maine port areas, the effective distance during March is estimated at 36.9 nautical miles and for April at 60.5 nautical miles, resulting in the average effective distance of 48.7 nautical miles listed in Table 4-23. For the port areas of Boston and Salem, the effective distance for March is estimated at 52.4 nautical miles and for April at 72.4 nautical miles, which yields the average effective distance of 62.4 nautical miles listed in Table 4-23.

The DMA effective days assumed for each port area under Alternative 6 is presented in the last column of Table 4-23. We have assumed the implementation of three DMAs per port area for the Northeast Region taking into consideration the sighting of right whales in the Gulf of Maine and for time periods outside of those specified for speed restrictions in the Off Race Point Management Area. In the Southeast region, we also assume the implementation of one DMA per port area taking into consideration the sighting of whales outside

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<sup>42</sup> See the discussion under Alternative 3 regarding assumptions as to the percentage of vessel arrivals at Mid-Atlantic port areas that would be affected.

of the time periods established for speed restricted designated areas. No DMAs for port areas in the Mid-Atlantic period have been assumed outside of the periods established for speed restricted designated areas. While not shown separately in Table 4-23, each DMA includes slowdown/speed up time as described in Alternative 2.

**Table 4-23. Alternative 6: Effective Distance of Seasonal Speed Restrictions and Duration of DMAs**

Port Area	Location of pilot buoy relative to harbor	Distance Stated in NOI	Effective distance to pilot buoy	Diagonal of effective distance	Additional effective distance a/	Extra PARS Distance	PARS Effective Days	Slow down/speed up time	DMA effective days
<b>Northeastern US - Gulf of Maine</b>									
Eastport, ME	n.a.	n.a.	n.a.	n.a.	48.7	0	0	Included	45
Searsport, ME	n.a.	n.a.	n.a.	n.a.	48.7	0	0	Included	45
Portland, ME	n.a.	n.a.	n.a.	n.a.	48.7	0	0	Included	45
Portsmouth, NH	n.a.	n.a.	n.a.	n.a.	48.7	0	0	Included	45
<b>Northeastern US - Off Race Point</b>									
Boston, MA	n.a.	n.a.	n.a.	n.a.	62.4	0	0	n.a.	45
Salem, MA	n.a.	n.a.	n.a.	n.a.	62.4	0	0	n.a.	45
<b>Northeastern US - Cape Cod Bay</b>									
	5.0	n.a.	n.a.	n.a.	39.9	0	0	n.a.	45
<b>Mid-Atlantic Block Island Sound</b>									
New Bedford, MA	n.a.	30	30	n.a.	68.7	0	0	Included	0
Providence, RI	n.a.	30	30	n.a.	68.7	0	0	Included	0
New London, CT	n.a.	30	30	n.a.	54.9	0	0	Included	0
New Haven, CT	n.a.	30	30	n.a.	54.9	0	0	Included	0
Bridgeport, CT	n.a.	30	30	n.a.	54.9	0	0	Included	0
Long Island, NY	n.a.	30	30	n.a.	54.9	0	0	Included	0
<b>Mid-Atlantic Ports of New York/New Jersey</b>									
	6.8	30	23.2	n.a.	54.9	0	0	Included	0
<b>Mid-Atlantic Delaware Bay</b>									
	2.5	30	27.5	n.a.	54.9	0	0	Included	0
<b>Mid-Atlantic Chesapeake Bay</b>									
Baltimore, MD	2.8	30	27.2	n.a.	54.9	0	0	Included	0
Hampton Roads, VA	2.8	30	27.2	n.a.	54.9	0	0	Included	0
<b>Mid-Atlantic Morehead City and Beaufort, NC</b>									
	6.7	30	23.3	n.a.	n.a.	0	0	n.a.	0
<b>Mid-Atlantic Wilmington, NC</b>									
	4.1	30	25.9	n.a.	n.a.	0	0	n.a.	0
<b>Mid-Atlantic Georgetown, SC</b>									
	5.6	30	24.4	n.a.	n.a.	0	0	n.a.	0
<b>Mid-Atlantic Charleston, SC</b>									
	12.5	30	17.5	n.a.	6.3	0	0	n.a.	0
<b>Mid-Atlantic Savannah, GA</b>									
	9.7	30	20.3	n.a.	4.9	0	0	n.a.	0
<b>Southeastern US</b>									
Brunswick, GA	6.7	n.a.	n.a.	24.1	3.4	5.5	151	n.a.	15
Fernandina, FL	10.9	n.a.	n.a.	26.8	5.5	9.8	151	n.a.	15
Jacksonville, FL	4.2	n.a.	n.a.	28.8	n.a.	9.2	151	n.a.	15
Port Canaveral, FL	n.a.	n.a.	n.a.	n.a.	n.a.	0	0	n.a.	15

a/ Defined and described in text for each port area.

Source: Nathan Associates as described in text.

Table 4-24 presents the average minutes of delay for speed restrictions of 12 knots per vessel arrival for each affected port area and vessel type in 2003.<sup>43</sup> The overall average delay for all vessels in 2003 is 43 minutes per arrival.

The longest average delay is experienced at the port areas of Fernandina (68 minutes) and Jacksonville (61 minutes) and Brunswick (57 minutes) due to the combination of speed restrictions and the delays caused by the PARS recommended routings. The port area of Hampton Roads has an average delay of 56 minutes per arrival. This is due to the predominance of large and fast containerships at the port area coupled with the relatively few arrivals of smaller and slower vessel types. Other port areas with above average delays include Baltimore (45 minutes), Providence (45 minutes) and Charleston (43 minutes).

Freight barges incur the longest average delay with an average of 64 minutes per vessel arrival (Figure 4-13). This is due the specialized higher-speed freight barge service from Jacksonville to Puerto Rico. Other vessel types with above average delays are containerships (61 minutes), ro-ro cargo ships (57 minutes), refrigerated cargo vessels (46 minutes), and passenger vessels (46 minutes).

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<sup>43</sup> The average delay is based on the total minutes of delays for speed restrictions, extra PARS distance and slowdown/speedup time divided by the number of vessel arrivals by type of vessel for each port area during proposed seasonal speed restriction periods. It does not include delays for DMAs as those delays would need to be divided by vessels affected by DMAs.

**Table 4-24. Alternative 6: Average Minutes of Delay for Speed Restrictions per Vessel Arrival by Port Area and Type of Vessel, 2003**

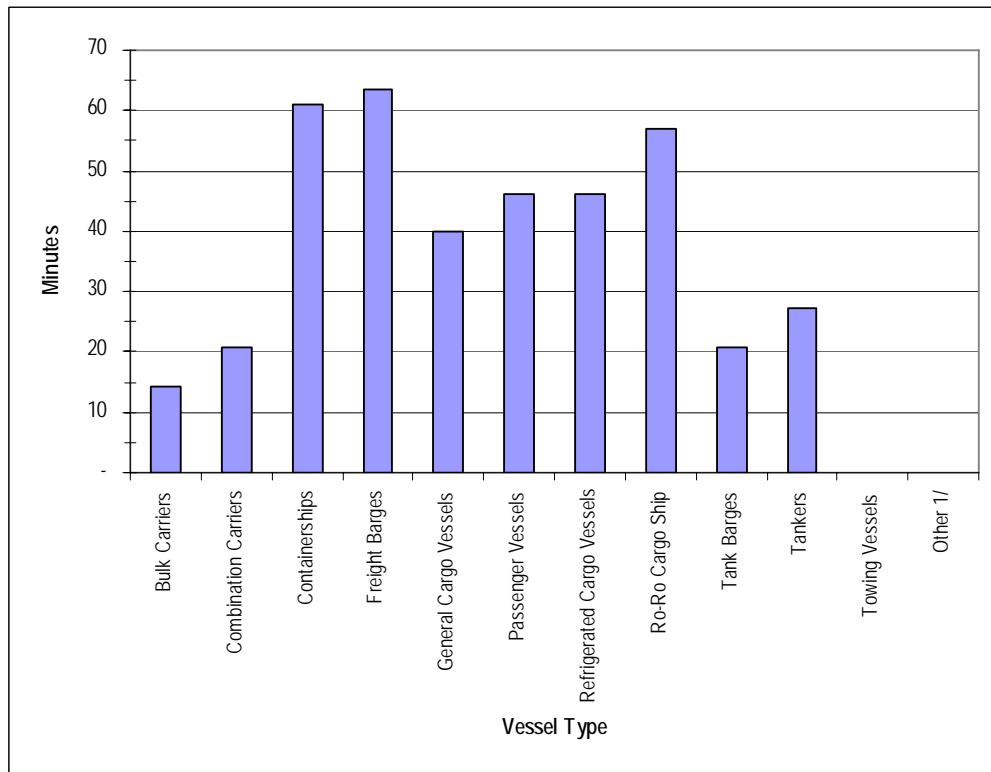
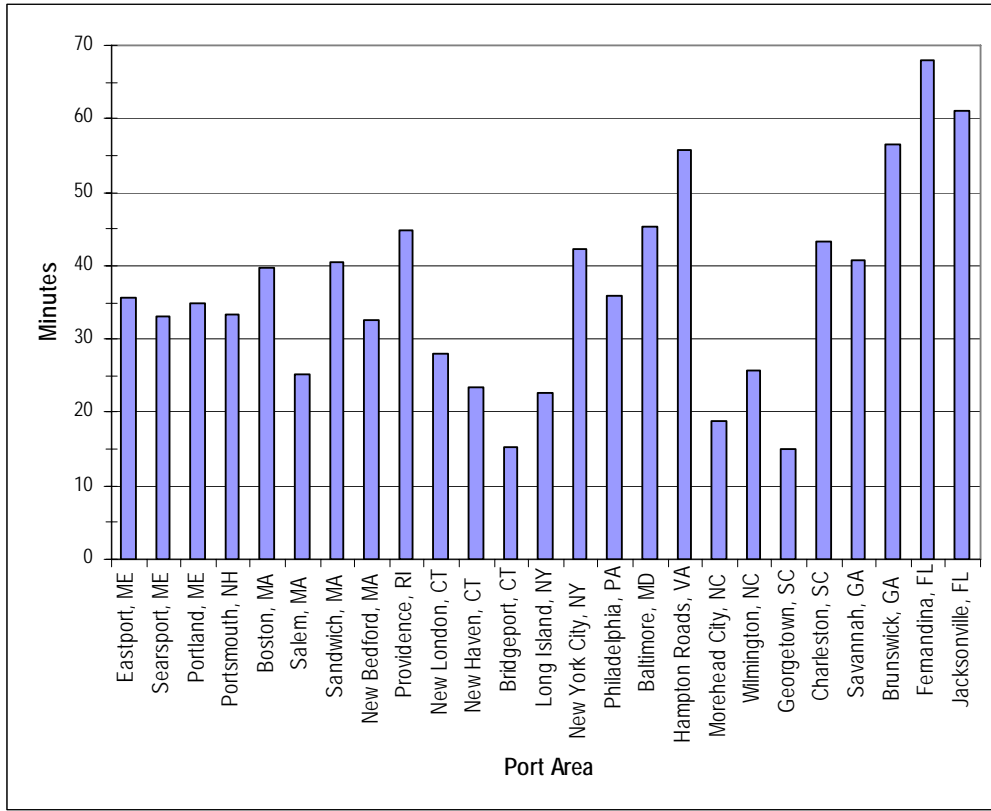
Port Area	Bulk Carriers	Combination Carriers	Container ships	Freight Barges	General Cargo Vessels	Passenger Vessels a/	Refrigerated Cargo Vessels	Ro-Ro Cargo Ship	Tank Barges	Tankers	Towing Vessels	Other b/	Total
<b>Northeastern US - Gulf of Maine</b>													
Eastport, ME	10.3	-	100.3	-	39.6	-	-	-	-	-	-	-	35.7
Searsport, ME	9.0	-	-	-	-	-	-	-	-	35.8	-	-	33.1
Portland, ME	16.5	33.4	54.2	-	55.3	-	-	27.1	27.7	38.7	-	-	35.0
Portsmouth, NH	19.8	-	-	-	66.2	-	-	-	30.7	35.8	-	-	33.4
<b>Northeastern US - Off Race Point</b>													
Boston, MA	10.6	-	87.2	-	23.4	-	-	20.5	-	33.1	-	-	39.7
Salem, MA	25.2	-	-	-	-	-	-	-	-	-	-	-	25.2
<b>Northeastern US - Cape Cod Bay</b>													
	-	-	-	-	-	49.9	-	-	-	35.6	-	-	40.4
<b>Mid-Atlantic Block Island Sound</b>													
New Bedford, MA	24.7	-	17.8	-	46.1	-	58.6	-	24.6	34.6	-	-	32.6
Providence, RI	20.1	36.1	-	-	54.3	-	64.0	79.4	22.8	38.6	-	-	44.8
New London, CT	13.7	-	77.4	-	53.7	43.4	-	-	20.5	26.5	-	-	27.9
New Haven, CT	13.1	-	79.5	0.7	49.1	43.4	-	-	22.1	26.4	-	-	23.5
Bridgeport, CT	20.9	-	-	-	-	40.0	-	-	18.4	18.0	-	-	15.3
Long Island, NY	-	25.8	-	-	-	43.4	-	-	20.7	24.6	-	-	22.5
<b>Mid-Atlantic Ports of New York/New Jersey</b>													
	11.0	19.3	60.3	21.6	25.5	47.3	51.1	48.4	16.2	22.8	-	-	42.3
<b>Mid-Atlantic Delaware Bay</b>													
	10.4	23.8	53.2	34.6	34.1	53.3	48.7	51.0	20.9	29.0	-	-	36.0
<b>Mid-Atlantic Chesapeake Bay</b>													
Baltimore, MD	14.6	17.9	67.2	-	39.3	52.8	45.3	56.2	20.6	26.1	-	-	45.2
Hampton Roads, VA	14.6	23.6	69.0	24.6	36.7	52.1	48.9	64.1	21.7	26.5	-	-	55.9
<b>Mid-Atlantic Morehead City and Beaufort, NC</b>													
	6.0	-	40.5	-	20.5	-	8.6	40.8	-	18.5	-	-	18.9
<b>Mid-Atlantic Wilmington, NC</b>													
	7.8	15.0	54.4	-	31.2	-	31.3	52.7	17.9	20.1	-	-	25.8
<b>Mid-Atlantic Georgetown, SC</b>													
	8.2	-	48.9	-	42.3	-	-	-	-	-	-	-	15.0
<b>Mid-Atlantic Charleston, SC</b>													
	8.3	-	52.9	-	33.4	33.9	31.3	42.5	17.8	19.8	-	-	43.3
<b>Mid-Atlantic Savannah, GA</b>													
	6.2	12.1	55.0	-	27.3	31.4	59.4	44.9	16.2	20.4	-	-	40.7
<b>Southeastern US</b>													
Brunswick, GA	20.5	-	75.0	-	55.4	54.9	59.9	65.5	-	45.2	-	-	56.5
Fernandina, FL	63.2	-	76.0	49.5	67.1	77.1	83.7	-	-	-	-	-	68.1
Jacksonville, FL	53.6	56.2	78.8	67.3	60.8	73.6	73.0	79.0	61.0	62.2	-	-	61.1
Port Canaveral, FL	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>14.3</b>	<b>20.8</b>	<b>60.9</b>	<b>63.6</b>	<b>39.9</b>	<b>46.1</b>	<b>46.2</b>	<b>57.1</b>	<b>20.9</b>	<b>27.2</b>	<b>-</b>	<b>-</b>	<b>42.7</b>

a/ Includes recreational vessels

b/ Includes fishing vessels, industrial vessels, research vessels, and school ships.

Source: Prepared by Nathan Associates Inc. based on analysis of U.S. Coast Guard data on vessel calls at U.S. ports as described in text.

Figure 4-13. Alternative 6: Average Minutes of Delay for Speed Restriction per Vessel Arrival by Port Area and Type of Vessel, 2003



### *Estimated Direct Economic Impact*

Table 4-25 presents the direct economic impact of combination of 12-knot speed restrictions and DMAs under Alternative 6 NOAA Ship Strike Strategy on the shipping industry in 2003.<sup>44</sup> The total direct economic impact is estimated at \$28.7 million with the port area of New York/New Jersey having the largest impact of \$6.8 million. The port area of Hampton Roads is second at \$4.9 million, followed by the port areas of Charleston at \$3.3 million Savannah at \$3.2 million, Philadelphia at \$2.5 million, Jacksonville at \$2.3 million and Baltimore at \$2.1 million. The direct economic impact for these seven port areas totals \$25.0 million or 87.2 percent of the total for this alternative. No other port area had a direct economic impact over \$0.5 million.

Containerships account for 60.4 percent of the total direct economic impact of Alternative 6 with an estimate of \$17.3 million. The vessel type with the next largest economic impact is ro-ro cargo ships at \$3.8 million followed by tankers at \$2.7 million, general cargo vessels at \$1.3 million, refrigerated cargo vessels at \$1.2 million and passenger vessels at \$1.1 million.

Table 4-26 presents the direct economic impact of Alternative 6 in 2004. The total direct economic impact is \$30.9 million in 2004, roughly 7.5 percent higher than 2003 which reflects the overall increase in U.S. East Coast vessel arrivals. The rankings for the major vessel types are similar to 2003 with passenger vessels moving ahead of general cargo ships and refrigerated cargo vessels due to the stronger growth in passenger vessel arrivals.

Figure 4-14 presents graphically the direct economic impact by port area for 2003 and 2004. The rankings for the leading port areas are the same as described for 2003 above with the exception of the port area of Savannah moving ahead of the port area of Charleston and the port area of Jacksonville moving ahead of the port area of Baltimore.

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<sup>44</sup> The proposed rule includes the operational provisions of Alternative 6- NOAA Ship Strike Strategy but with speed restrictions at 10 knots. For this reason, a detailed presentation of the estimated direct economic impact on the shipping industry of Alternative 6 with speed restrictions at 10 knots is provided in Appendix F.

**Table 4-25. Alternative 6: Direct Economic Impact on Shipping Industry by Port Area and Type of Vessel, 2003 (\$000s)**

Port Area	Combinat			General		Passenger Vessels a/	Refrigerated Cargo Vessels	Ro-Ro Cargo Ship	Tank Barges	Tankers	Towing		Total
	Bulk Carriers	ion Carriers	Container ships	Freight Barges	Cargo Vessels						Vessels Other b/		
<b>Northeastern US - Gulf of Maine</b>													
Eastport, ME	1.5	-	10.0	-	10.7	-	-	-	-	-	-	-	22.3
Searsport, ME	0.9	0.1	-	-	-	98.4	-	0.1	3.0	36.9	-	-	139.4
Portland, ME	10.8	4.3	6.9	0.2	15.5	32.0	-	14.7	1.6	209.9	-	-	296.0
Portsmouth, NH	10.2	0.3	-	-	9.1	0.9	-	-	1.2	51.2	-	-	72.9
<b>Northeastern US - Off Race Point</b>													
Boston, MA	4.1	0.1	178.0	0.1	2.5	82.8	1.9	10.0	-	117.9	-	-	397.3
Salem, MA	3.1	-	-	-	-	0.9	-	-	-	0.2	-	-	4.2
<b>Northeastern US - Cape Cod Bay</b>													
	-	-	-	-	-	18.8	-	-	-	8.8	-	-	27.6
<b>Mid-Atlantic Block Island Sound</b>													
New Bedford, MA	22.4	-	0.4	-	17.8	-	10.9	-	3.0	6.6	-	-	61.2
Providence, RI	24.4	1.3	-	-	15.2	-	12.5	109.2	0.7	83.8	-	-	247.2
New London, CT	3.6	-	9.8	-	13.3	81.7	-	-	26.1	3.6	-	-	138.0
New Haven, CT	11.9	-	5.6	0.0	36.9	4.8	-	-	93.9	87.2	-	-	240.4
Bridgeport, CT	8.9	-	-	-	-	4.4	-	-	53.8	15.1	-	-	82.3
Long Island, NY	-	0.9	-	-	-	72.1	-	-	181.2	114.1	-	-	368.3
<b>Mid-Atlantic Ports of New York/New Jersey</b>													
	56.9	12.0	4,980.7	0.4	27.2	113.2	56.0	823.4	12.5	687.4	-	-	6,769.7
<b>Mid-Atlantic Delaware Bay</b>													
	54.8	6.6	646.1	4.4	121.3	8.4	939.8	136.9	7.2	526.5	-	-	2,452.0
<b>Mid-Atlantic Chesapeake Bay</b>													
Baltimore, MD	72.4	2.4	756.6	-	152.9	99.3	9.2	901.8	1.3	97.2	-	-	2,093.1
Hampton Roads, VA	78.1	9.7	4,191.8	0.5	93.9	35.0	3.4	324.9	0.7	112.5	-	-	4,850.4
<b>Mid-Atlantic Morehead City and Beaufort, NC</b>													
	1.9	-	14.5	-	13.4	-	0.5	1.6	-	11.8	-	-	43.7
<b>Mid-Atlantic Wilmington, NC</b>													
	13.6	2.0	160.2	-	106.3	-	1.9	36.0	6.2	82.8	-	-	409.1
<b>Mid-Atlantic Georgetown, SC</b>													
	5.6	-	2.2	-	15.6	-	-	-	-	-	-	-	23.4
<b>Mid-Atlantic Charleston, SC</b>													
	21.1	-	2,790.3	-	91.8	95.3	6.1	219.6	7.5	72.5	-	-	3,304.4
<b>Mid-Atlantic Savannah, GA</b>													
	25.1	2.7	2,689.8	-	149.4	10.4	55.7	177.5	2.0	104.6	-	-	3,217.2
<b>Southeastern US</b>													
Brunswick, GA	20.6	-	53.9	-	44.6	6.4	23.5	331.4	-	3.3	-	-	483.7
Fernandina, FL	8.1	-	100.7	0.8	117.0	9.1	84.5	0.5	-	0.1	-	-	320.6
Jacksonville, FL	103.2	1.9	727.4	142.5	230.4	80.9	12.1	745.9	14.5	268.8	-	-	2,327.6
Port Canaveral, FL	1.5	0.0	3.3	0.0	6.9	283.6	7.0	4.1	0.2	1.8	-	-	308.3
<b>Total</b>	<b>564.9</b>	<b>44.5</b>	<b>17,328.2</b>	<b>148.9</b>	<b>1,291.6</b>	<b>1,138.3</b>	<b>1,225.2</b>	<b>3,837.6</b>	<b>416.7</b>	<b>2,704.6</b>	<b>-</b>	<b>-</b>	<b>28,700.5</b>

a/ Includes recreational vessels.

b/ Includes fishing vessels, industrial vessels, research vessels, and school ships.

Source: Prepared by Nathan Associates Inc. based on analysis of U.S. Coast Guard data on vessel calls at U.S. ports as described in text.



**Table 4-26. Alternative 6: Direct Economic Impact on Shipping Industry by Port Area and Type of Vessel, 2004 (\$000s)**

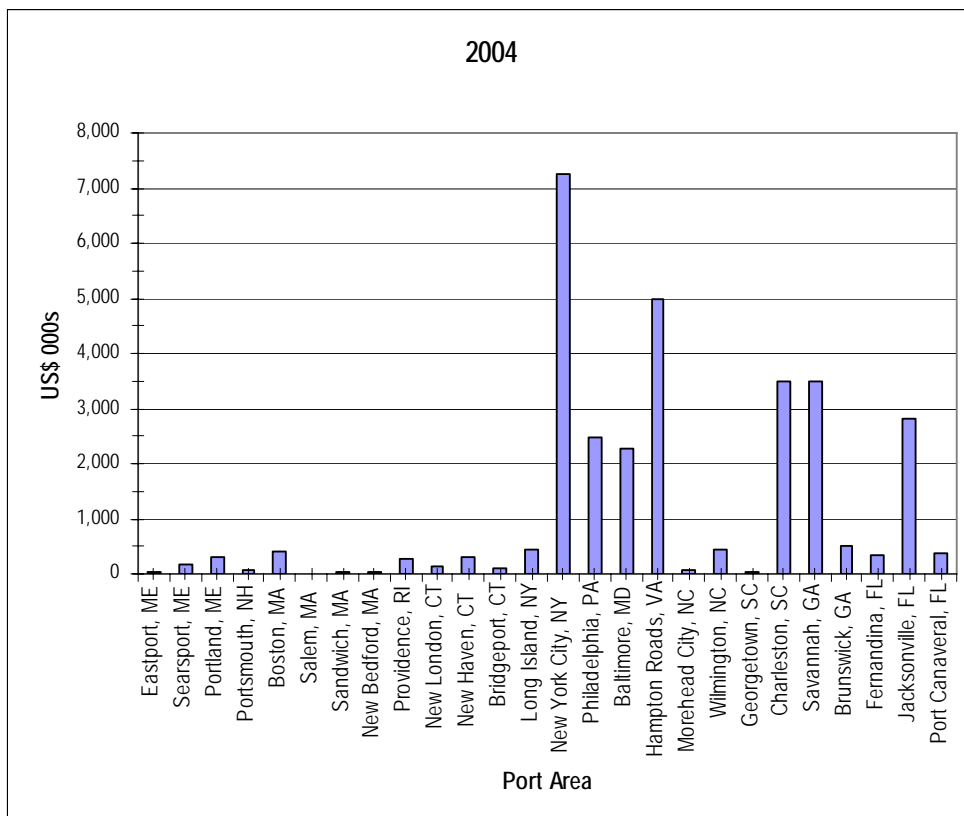
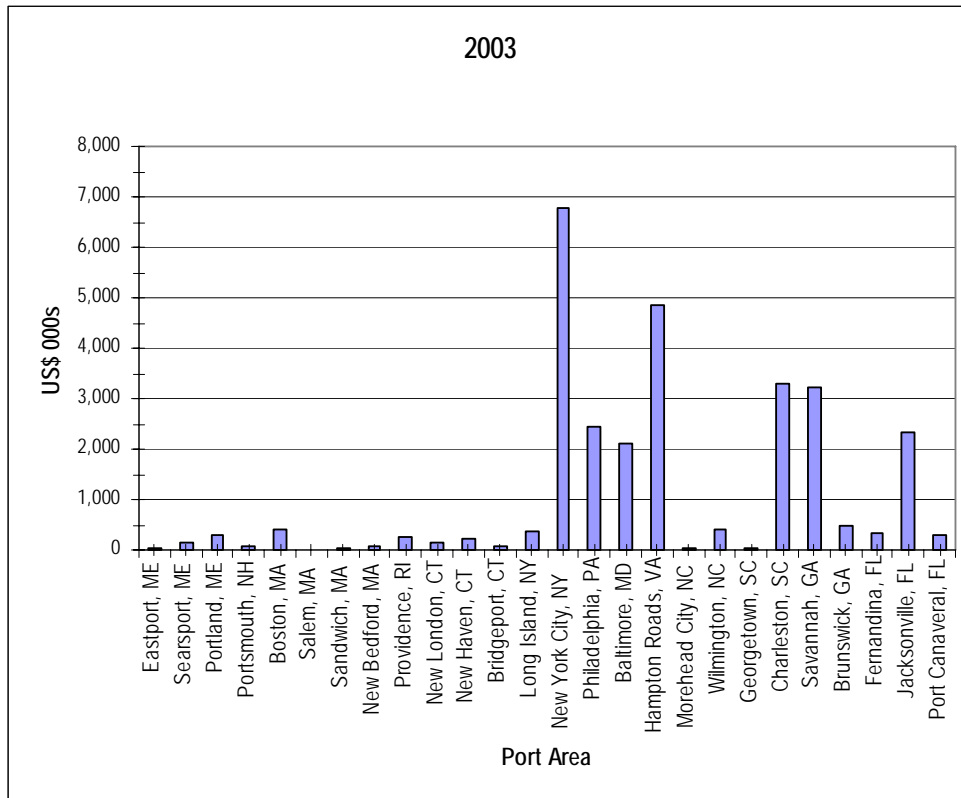
Port Area	Combinat		Freight Barges	General		Refrigerated Cargo Vessels	Ro-Ro Cargo Ship	Tank Barges	Towing Vessels	Other b/	Total
	Bulk Carriers	ion Carriers		Container ships	Cargo Vessels						
<b>Northeastern US - Gulf of Maine</b>											
Eastport, ME	2.9	-	17.3	-	25.9	-	-	-	-	-	46.0
Searsport, ME	1.0	-	3.0	0.2	0.3	111.3	-	0.2	5.2	32.1	153.3
Portland, ME	9.0	0.8	2.9	0.2	13.2	51.0	-	14.8	12.4	203.8	308.2
Portsmouth, NH	8.7	0.7	0.1	-	14.1	0.9	-	-	0.1	28.4	53.0
<b>Northeastern US - Off Race Point</b>											
Boston, MA	4.1	0.1	178.0	0.1	2.5	82.8	1.9	10.0	-	117.9	397.3
Salem, MA	0.9	-	-	-	-	7.6	-	-	-	-	8.5
<b>Northeastern US - Cape Cod Bay</b>											
	-	-	-	-	-	14.9	-	-	0.0	14.0	29.0
<b>Mid-Atlantic Block Island Sound</b>											
New Bedford, MA	18.6	-	-	-	7.9	-	14.6	1.8	-	5.7	48.6
Providence, RI	13.9	1.4	-	-	26.8	64.9	-	97.6	1.0	78.7	284.3
New London, CT	3.4	-	20.1	-	50.0	48.0	-	-	24.5	5.6	151.6
New Haven, CT	6.4	-	11.0	-	27.4	-	-	-	179.4	75.3	299.4
Bridgeport, CT	16.3	-	-	0.0	-	-	-	-	89.3	10.4	116.1
Long Island, NY	-	-	-	0.0	-	96.1	-	-	224.8	121.6	442.6
<b>Mid-Atlantic Ports of New York/New Jersey</b>											
	47.7	8.7	5,157.1	-	78.8	374.4	64.5	879.8	3.8	640.3	7,255.0
<b>Mid-Atlantic Delaware Bay</b>											
	51.1	1.4	609.0	12.8	169.0	38.4	891.2	134.3	2.3	577.4	2,487.0
<b>Mid-Atlantic Chesapeake Bay</b>											
Baltimore, MD	89.3	3.0	807.0	-	206.8	120.7	16.0	871.9	0.7	145.7	2,261.1
Hampton Roads, VA	105.3	9.6	4,088.1	0.9	130.4	179.2	31.5	324.8	0.7	118.8	4,989.1
<b>Mid-Atlantic Morehead City and Beaufort, NC</b>											
	5.8	0.3	19.4	-	14.0	12.9	-	-	-	17.1	69.5
<b>Mid-Atlantic Wilmington, NC</b>											
	9.6	0.9	152.8	-	134.2	10.8	-	44.4	4.9	89.7	447.2
<b>Mid-Atlantic Georgetown, SC</b>											
	4.3	-	1.6	-	23.9	3.4	-	-	-	-	33.1
<b>Mid-Atlantic Charleston, SC</b>											
	22.3	-	2,905.5	-	112.7	155.6	12.0	197.6	2.4	71.2	3,479.2
<b>Mid-Atlantic Savannah, GA</b>											
	24.9	2.6	2,743.0	-	177.1	118.0	83.7	220.7	0.8	128.4	3,499.2
<b>Southeastern US</b>											
Brunswick, GA	20.4	-	26.9	-	73.1	26.7	24.1	345.3	-	0.1	516.5
Fernandina, FL	17.3	-	80.4	2.5	119.7	56.8	36.5	9.8	-	-	323.0
Jacksonville, FL	110.9	3.8	765.6	124.0	225.5	475.1	13.4	777.6	19.0	285.2	2,800.1
Port Canaveral, FL	2.4	-	3.8	0.0	9.8	334.9	5.8	5.6	0.8	3.0	366.1
<b>Total</b>	<b>596.4</b>	<b>33.1</b>	<b>17,592.3</b>	<b>140.8</b>	<b>1,642.8</b>	<b>2,384.3</b>	<b>1,195.2</b>	<b>3,936.3</b>	<b>572.1</b>	<b>2,770.6</b>	<b>30,863.9</b>

a/ Includes recreational vessels

b/ Includes fishing vessels, industrial vessels, research vessels, and school ships.

Source: Prepared by Nathan Associates Inc. based on analysis of U.S. Coast Guard data on vessel calls at U.S. ports as described in text.

Figure 4-14. Alternative 6: Direct Economic Impact on Shipping Industry by Port Area, 2003 and 2004 (\$000s)



## SUMMARY

In this section we compare the direct economic impact on the shipping industry of operational measures proposed for Alternatives 2 through Alternative 6 by port area for 2003 and 2004. We also present the estimated direct economic impact for U.S.-flag and foreign-flag vessels. The alternatives are discussed in descending order in terms of highest direct economic impact in 2003.

- **Alternative 5 - Combination of Alternatives** has the highest direct economic impact on the shipping industry at \$52.4 million in 2003 (Table 4-27). This alternative also has the highest direct economic impact on U.S.-flag vessels at \$5.0 million and foreign-flag vessels at \$47.4 million in 2003. With the exception of port areas in the Southeastern U.S., this alternative results in the highest direct economic impact on the shipping industry for each port area. It ranks second highest for the ports of the Southeastern U.S.
- **Alternative 3- Speed Restrictions in Designated Areas** has the second highest direct economic impact on the shipping industry at \$50.5 million in 2003. This alternative also has the second highest direct economic impact on U.S.-flag vessels at \$4.7 million and foreign-flag vessels at \$45.7 million in 2003. With the exception of the four port areas in the Southeastern US, this alternative results in the second highest direct economic impact on the shipping industry for each port area. For the port area of Fernandina, the direct economic impact under Alternative 3 is third highest among the alternative studied, for the other Southeast port areas the impact under this alternative is the fourth highest.
- **Alternative 6- NOAA Ship Strike Strategy** has the third highest direct economic impact on the shipping industry at \$28.7 million in 2003. This is slightly more than half of the direct economic impact estimated for Alternative 5. Alternative 6 also has the third highest direct economic impact on U.S.-flag vessels at \$3.2 million and foreign-flag vessels at \$25.5 million in 2003. This alternative has the highest direct economic impact of the alternatives proposed for the Southeast port areas of Brunswick, Fernandina and Jacksonville. For all other port areas, Alternative 6 ranks third in terms of highest direct economic impact.
- **Alternative 2- Use of DMAs** ranks fourth in terms of highest direct economic impact on the shipping industry at \$9.8 million in 2003. This alternative also has the fourth highest direct economic impact on U.S.-flag vessels at \$0.8 million and foreign-flag vessels at \$9.1 million in 2003. For the port area of Port Canaveral, Alternative 2 results in the highest direct economic impact of the alternatives proposed at \$1.5 million. For the port areas of Brunswick and Jacksonville this alternative ranks third; for all other port areas it ranks fourth.
- **Alternative 4 - Use of Recommended Routes** has the lowest direct economic impact of the proposed alternatives at \$1.0 million in 2003. This alternative also has the lowest direct economic impact on U.S.-flag vessels at \$0.2 million and foreign-flag vessels at \$0.9 million in 2003.

Table 4-28 presents a comparison of the direct economic impact of the operational measures proposed for each alternative for 2004. The relative ranking of each alternative is the same as described for 2003 with a minor exception that Alternative 2 moves into the third rank for the port area of Fernandina.

**Table 4-27. Direct Economic Impact on Shipping Industry for U.S. and Foreign Flag Vessels by Port Area and Alternative, 2003 (\$000s)**

Port Area	Alternative 2			Alternative 3			Alternative 4			Alternative 5			Alternative 6		
	US	Foreign	Total	US	Foreign	Total	US	Foreign	Total	US	Foreign	Total	US	Foreign	Total
<b>Northeastern US - Gulf of Maine</b>															
Eastport, ME	-	19.2	19.2	-	98.0	98.0	-	-	-	-	102.2	102.2	-	22.3	22.3
Searsport, ME	7.3	169.0	176.4	37.4	861.5	898.9	-	-	-	39.1	898.8	937.8	7.5	131.9	139.4
Portland, ME	7.1	218.6	225.7	36.2	1,114.4	1,150.6	-	-	-	37.7	1,162.6	1,200.4	13.2	282.8	296.0
Portsmouth, NH	3.0	43.5	46.5	15.3	221.7	237.0	-	-	-	16.0	231.3	247.3	5.2	67.6	72.9
<b>Northeastern US - Off Race Point</b>															
Boston, MA	1.9	288.8	290.7	9.5	1,469.3	1,478.8	3.7	352.4	356.1	13.6	1,885.5	1,899.1	2.4	394.9	397.3
Salem, MA	0.1	2.7	2.8	0.5	13.5	14.1	0.5	5.2	5.7	1.1	19.3	20.4	0.1	4.2	4.2
<b>Northeastern US - Cape Cod Bay</b>															
	-	6.7	6.7	-	77.1	77.1	-	-	-	-	78.0	78.0	-	27.6	27.6
<b>Mid-Atlantic Block Island Sound</b>															
New Bedford, MA	0.6	4.8	5.4	15.3	86.2	101.4	-	-	-	15.3	86.2	101.4	10.1	51.1	61.2
Providence, RI	1.0	37.7	38.7	19.8	608.1	628.0	-	-	-	19.8	608.1	628.0	13.2	233.9	247.2
New London, CT	11.9	3.7	15.6	242.0	60.3	302.3	-	-	-	242.0	60.3	302.3	108.6	29.4	138.0
New Haven, CT	13.3	15.5	28.8	255.1	266.8	521.9	-	-	-	255.1	266.8	521.9	116.1	124.2	240.4
Bridgeport, CT	9.3	5.2	14.5	132.2	37.0	169.2	-	-	-	132.2	37.0	169.2	66.8	15.5	82.3
Long Island, NY	34.0	8.6	42.6	642.1	185.9	828.0	-	-	-	642.1	185.9	828.0	288.7	79.6	368.3
<b>Mid-Atlantic Ports of New York/New Jersey</b>															
	69.4	1,088.4	1,157.8	919.8	13,622.0	14,541.9	-	-	-	919.8	13,622.0	14,541.9	434.6	6,335.2	6,769.7
<b>Mid-Atlantic Delaware Bay</b>															
	5.0	307.2	312.2	65.3	4,919.4	4,984.7	-	-	-	65.3	4,919.4	4,984.7	32.3	2,419.8	2,452.0
<b>Mid-Atlantic Chesapeake Bay</b>															
Baltimore, MD	10.1	272.7	282.9	158.6	4,146.9	4,305.5	-	-	-	158.6	4,146.9	4,305.5	78.0	2,015.1	2,093.1
Hampton Roads, VA	65.5	604.9	670.4	976.1	8,945.8	9,921.9	-	-	-	976.1	8,945.8	9,921.9	487.4	4,363.0	4,850.4
<b>Mid-Atlantic Morehead City and Beaufort, NC</b>															
	0.8	8.6	9.4	4.2	59.5	63.7	-	-	-	4.2	59.5	63.7	2.6	41.1	43.7
<b>Mid-Atlantic Wilmington, NC</b>															
	5.8	63.9	69.7	40.2	523.9	564.0	-	-	-	40.2	523.9	564.0	28.4	380.7	409.1
<b>Mid-Atlantic Georgetown, SC</b>															
	-	5.2	5.2	-	29.6	29.6	-	-	-	-	29.6	29.6	-	23.4	23.4
<b>Mid-Atlantic Charleston, SC</b>															
	115.4	477.6	593.1	778.5	3,162.3	3,940.8	-	-	-	778.5	3,162.3	3,940.8	663.5	2,640.9	3,304.4
<b>Mid-Atlantic Savannah, GA</b>															
	65.9	2,741.8	2,807.7	95.5	3,899.9	3,995.4	-	-	-	95.5	3,899.9	3,995.4	87.9	3,129.3	3,217.2
<b>Southeastern US</b>															
Brunswick, GA	26.7	273.3	300.1	31.6	217.6	249.2	6.4	48.5	54.9	45.5	338.8	384.3	53.1	430.6	483.7
Fernandina, FL	1.6	120.9	122.5	5.3	151.0	156.3	1.8	41.1	42.9	9.6	259.9	269.5	9.6	311.0	320.6
Jacksonville, FL	297.3	757.0	1,054.3	252.2	729.2	981.4	144.6	422.0	566.7	481.9	1,377.9	1,859.8	643.4	1,684.2	2,327.6
Port Canaveral, FL	10.8	1,530.8	1,541.6	1.2	216.8	218.0	-	-	-	3.3	523.0	526.3	2.2	306.2	308.3
<b>Total</b>	<b>763.8</b>	<b>9,076.5</b>	<b>9,840.3</b>	<b>4,734.0</b>	<b>45,723.7</b>	<b>50,457.7</b>	<b>157.0</b>	<b>869.3</b>	<b>1,026.3</b>	<b>4,992.5</b>	<b>47,431.0</b>	<b>52,423.5</b>	<b>3,155.0</b>	<b>25,545.5</b>	<b>28,700.5</b>

Source: Nathan Associates Inc.

**Table 4-28. Direct Economic Impact on Shipping Industry for U.S. and Foreign Flag Vessels by Port Area and Alternative, 2004 (\$000s)**

Port Area	Alternative 2			Alternative 3			Alternative 4			Alternative 5			Alternative 6		
	US	Foreign	Total	US	Foreign	Total	US	Foreign	Total	US	Foreign	Total	US	Foreign	Total
<b>Northeastern US - Gulf of Maine</b>															
Eastport, ME	-	34.7	34.7	-	176.8	176.8	-	-	-	-	184.5	184.5	-	46.0	46.0
Searsport, ME	22.5	175.1	197.7	114.8	892.7	1,007.6	-	-	-	119.8	931.3	1,051.2	17.7	135.6	153.3
Portland, ME	16.8	232.3	249.1	85.5	1,184.0	1,269.6	-	-	-	89.2	1,235.3	1,324.5	21.6	286.5	308.2
Portsmouth, NH	2.0	38.7	40.7	10.1	197.1	207.3	-	-	-	10.6	205.7	216.2	1.3	51.7	53.0
<b>Northeastern US - Off Race Point</b>															
Boston, MA	1.9	288.8	290.7	9.5	1,469.3	1,478.8	3.7	352.4	356.1	13.6	1,885.5	1,899.1	2.4	394.9	397.3
Salem, MA	2.0	10.9	12.9	10.0	55.4	65.5	4.6	10.6	15.2	15.0	68.5	83.5	1.3	7.2	8.5
<b>Northeastern US - Cape Cod Bay</b>															
	1.0	12.0	12.9	11.0	138.2	149.2	-	-	-	11.2	139.9	151.1	0.4	28.6	29.0
<b>Mid-Atlantic Block Island Sound</b>															
New Bedford, MA	0.9	4.2	5.2	5.9	70.9	76.8	-	-	-	5.9	70.9	76.8	3.8	44.8	48.6
Providence, RI	3.5	36.2	39.8	46.6	683.8	730.3	-	-	-	46.6	683.8	730.3	23.0	261.4	284.3
New London, CT	18.2	11.8	30.0	203.2	174.5	377.7	-	-	-	203.2	174.5	377.7	75.0	76.6	151.6
New Haven, CT	20.0	13.3	33.3	407.0	233.5	640.6	-	-	-	407.0	233.5	640.6	192.7	106.7	299.4
Bridgeport, CT	12.1	3.3	15.4	191.2	34.2	225.3	-	-	-	191.2	34.2	225.3	98.8	17.2	116.1
Long Island, NY	39.3	8.6	47.9	782.5	160.9	943.4	-	-	-	782.5	160.9	943.4	366.0	76.6	442.6
<b>Mid-Atlantic Ports of New York/New Jersey</b>															
	69.6	1,200.5	1,270.1	929.9	14,706.3	15,636.1	-	-	-	929.9	14,706.3	15,636.1	428.7	6,826.3	7,255.0
<b>Mid-Atlantic Delaware Bay</b>															
	6.8	312.8	319.6	106.1	4,815.1	4,921.2	-	-	-	106.1	4,815.1	4,921.2	49.0	2,437.9	2,487.0
<b>Mid-Atlantic Chesapeake Bay</b>															
Baltimore, MD	13.5	313.2	326.8	181.0	4,609.1	4,790.1	-	-	-	181.0	4,609.1	4,790.1	82.5	2,178.6	2,261.1
Hampton Roads, VA	67.5	616.6	684.1	1,007.6	9,152.6	10,160.2	-	-	-	1,007.6	9,152.6	10,160.2	504.4	4,484.7	4,989.1
<b>Mid-Atlantic Morehead City and Beaufort, NC</b>															
	2.4	9.2	11.6	17.4	67.4	84.8	-	-	-	17.4	67.4	84.8	15.3	54.2	69.5
<b>Mid-Atlantic Wilmington, NC</b>															
	5.8	67.2	73.0	55.0	529.5	584.6	-	-	-	55.0	529.5	584.6	43.2	403.9	447.2
<b>Mid-Atlantic Georgetown, SC</b>															
	0.3	4.3	4.6	3.8	38.2	42.0	-	-	-	3.8	38.2	42.0	3.4	29.8	33.1
<b>Mid-Atlantic Charleston, SC</b>															
	131.7	496.3	628.0	877.1	3,284.5	4,161.6	-	-	-	877.1	3,284.5	4,161.6	743.6	2,735.6	3,479.2
<b>Mid-Atlantic Savannah, GA</b>															
	77.3	2,892.0	2,969.3	126.6	4,198.7	4,325.3	-	-	-	126.6	4,198.7	4,325.3	118.0	3,381.2	3,499.2
<b>Southeastern US</b>															
Brunswick, GA	44.3	245.1	289.4	35.2	246.9	282.1	7.1	53.5	60.7	53.6	368.8	422.4	86.8	429.7	516.5
Fernandina, FL	23.8	109.3	133.1	11.7	114.3	126.1	3.7	36.3	40.0	24.3	214.2	238.5	58.4	264.5	323.0
Jacksonville, FL	311.2	954.4	1,265.6	280.9	908.1	1,189.0	157.3	516.0	673.3	527.9	1,705.9	2,233.8	681.8	2,118.3	2,800.1
Port Canaveral, FL	18.1	1,812.4	1,830.5	2.5	241.5	244.0	-	-	-	6.1	603.9	610.1	3.6	362.5	366.1
<b>Total</b>	<b>912.6</b>	<b>9,903.3</b>	<b>10,815.9</b>	<b>5,512.1</b>	<b>48,383.6</b>	<b>53,895.7</b>	<b>176.3</b>	<b>968.9</b>	<b>1,145.2</b>	<b>5,812.0</b>	<b>50,302.6</b>	<b>56,114.6</b>	<b>3,622.9</b>	<b>27,241.0</b>	<b>30,863.9</b>

Source: Nathan Associates Inc.

## SENSITIVITY ANALYSIS

The NOI stated that speed restrictions of 10, 12, and 14 knots were being considered under the Alternatives. For this study, we have used 12 knots as the base case assumption. However in this sensitivity analysis we identify the direct economic impact on the shipping industry of speed restrictions of 10 and 14 knots.

Table 4-29 presents the results of the sensitivity analysis by port area for 2004. The ranking of the alternatives in terms of economic impact does not change with restricted speeds of 10 knots or 14 knots. A change of the speed restriction from 12 knots to 10 knots would generally increase the direct economic impact of each alternative by 60 percent, whereas a change in the restricted speed to from 12 knots to 14 knots would generally lower the direct economic impact of each alternative by 40 percent.<sup>45</sup>

The results of the sensitivity analysis show that alternative restricted speed levels dramatically alter the direct economic impact. For example under Alternative 5, the direct economic impact ranges from \$32.9 million with a restricted speed of 14 knots to \$89.7 million at 10 knots. For Alternative 6, the range is from \$18.4 million to \$49.4 million.

At a restricted speed of 10 knots, the direct economic impact on the shipping industry is \$89.7 million for Alternative 5; \$86.8 million for Alternative 3; \$49.4 million dollars for Alternative 6; \$17.0 million for Alternative 2; and \$1.1 million for Alternative 4.

At a restricted speed of 14 knots, the direct economic impact on the shipping industry is \$32.9 million for Alternative 5; \$31.2 million for Alternative 3; \$18.4 million dollars for Alternative 6; \$6.5 million dollars for Alternative 2; and \$1.1 million for Alternative 4.

Table 4-30 displays the sensitivity analysis results for each alternative using the economic impact of the 12-knot speed restriction as an index. Thus this table shows the percent change in direct economic impact of a 10-knot speed or 14-knot speed restriction from the impact presented for a 12-knot speed restriction. It is evident that changes in economic impacts due to alternative speed restrictions are not uniformly incurred by all port areas. Port areas that are characterized by arrivals of slower vessels show a disproportionate increase in economic impact when the restricted speed is changed from 12 knots to 10 knots since a greater number of vessels become affected. The port areas within Block Island Sound demonstrate this phenomenon. Other port areas such as Charleston and Hampton Roads, whose arrivals consist more of faster vessels, do not show as dramatic an increase in direct economic impacts at alternative restricted speeds of 10 knots. This is because the economic impact at 12 knots is already more significant for these port areas than those with arrivals of slower vessels and in relative terms do not have many slower vessels that are only affected at the slower restricted speed.

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<sup>45</sup> The exception is Alternative 4 that does not change with restricted speeds as this alternative uses the time to cover the increased distance of recommended routes at normal vessel operating speed.

**Table 4-29. Direct Economic Impact on Shipping Industry at Restricted Speeds of 10, 12 and 14 knots, 2004 (\$000s)**

Port Area	Alternative 2			Alternative 3			Alternative 4			Alternative 5			Alternative 6		
	Restriction speed in knots			Restriction speed in knots			Restriction speed in knots			Restriction speed in knots			Restriction speed in knots		
	10	12	14	10	12	14	10	12	14	10	12	14	10	12	14
<b>Northeastern US - Gulf of Maine</b>															
Eastport, ME	56.1	34.7	21.4	285.1	176.8	109.4	-	-	-	297.5	184.5	114.1	74.8	46.0	28.6
Searsport, ME	330.1	197.7	100.6	1,679.2	1,007.6	514.0	-	-	-	1,752.0	1,051.2	536.2	267.5	153.3	69.2
Portland, ME	490.6	249.1	87.2	2,495.2	1,269.6	445.1	-	-	-	2,603.4	1,324.5	464.4	636.1	308.2	89.6
Portsmouth, NH	92.2	40.7	9.2	468.9	207.3	47.0	-	-	-	489.2	216.2	49.0	121.3	53.0	12.1
<b>Northeastern US - Off Race Point</b>															
Boston, MA	511.7	290.7	134.4	2,707.8	1,478.8	658.1	356.1	356.1	356.1	3,178.5	1,899.1	981.3	721.4	397.3	177.6
Salem, MA	22.3	12.9	6.3	118.1	65.5	30.7	15.2	15.2	15.2	138.2	83.5	43.2	14.8	8.5	4.1
<b>Northeastern US - Cape Cod Bay</b>															
	18.7	12.9	7.3	258.9	149.2	71.9	-	-	-	261.5	151.1	72.9	52.5	29.0	11.5
<b>Mid-Atlantic Block Island Sound</b>															
New Bedford, MA	11.6	5.2	1.2	183.8	76.8	12.8	-	-	-	183.8	76.8	12.8	117.8	48.6	8.7
Providence, RI	69.9	39.8	19.5	1,323.2	730.3	337.0	-	-	-	1,323.2	730.3	337.0	555.7	284.3	112.7
New London, CT	52.3	30.0	13.8	681.5	377.7	166.4	-	-	-	681.5	377.7	166.4	282.0	151.6	64.5
New Haven, CT	77.8	33.3	4.1	1,536.2	640.6	69.5	-	-	-	1,536.2	640.6	69.5	726.5	299.4	31.9
Bridgeport, CT	38.9	15.4	1.3	628.8	225.3	2.0	-	-	-	628.8	225.3	2.0	330.5	116.1	1.1
Long Island, NY	109.2	47.9	7.3	2,211.6	943.4	136.1	-	-	-	2,211.6	943.4	136.1	1,058.4	442.6	62.1
<b>Mid-Atlantic Ports of New York/New Jersey</b>															
	1,889.4	1,270.1	815.6	23,626.3	15,636.1	9,897.9	-	-	-	23,626.3	15,636.1	9,897.9	11,161.0	7,255.0	4,519.8
<b>Mid-Atlantic Delaware Bay</b>															
	548.6	319.6	157.7	8,597.9	4,921.2	2,392.2	-	-	-	8,597.9	4,921.2	2,392.2	4,403.4	2,487.0	1,194.9
<b>Mid-Atlantic Chesapeake Bay</b>															
Baltimore, MD	510.4	326.8	195.1	7,634.9	4,790.1	2,809.4	-	-	-	7,634.9	4,790.1	2,809.4	3,662.7	2,261.1	1,308.6
Hampton Roads, VA	994.7	684.1	459.3	15,056.8	10,160.2	6,699.3	-	-	-	15,056.8	10,160.2	6,699.3	7,520.4	4,989.1	3,238.5
<b>Mid-Atlantic Morehead City and Beaufort, NC</b>															
	22.5	11.6	4.6	166.2	84.8	33.1	-	-	-	166.2	84.8	33.1	134.6	69.5	27.3
<b>Mid-Atlantic Wilmington, NC</b>															
	125.9	73.0	37.7	1,044.5	584.6	291.4	-	-	-	1,044.5	584.6	291.4	792.7	447.2	225.1
<b>Mid-Atlantic Georgetown, SC</b>															
	9.4	4.6	2.3	85.8	42.0	19.7	-	-	-	85.8	42.0	19.7	66.9	33.1	15.6
<b>Mid-Atlantic Charleston, SC</b>															
	904.1	628.0	425.6	6,236.0	4,161.6	2,708.7	-	-	-	6,236.0	4,161.6	2,708.7	5,211.7	3,479.2	2,265.9
<b>Mid-Atlantic Savannah, GA</b>															
	4,331.5	2,969.3	1,990.8	6,564.6	4,325.3	2,790.8	-	-	-	6,564.6	4,325.3	2,790.8	5,306.5	3,499.2	2,257.0
<b>Southeastern US</b>															
Brunswick, GA	461.9	289.4	172.1	460.2	282.1	165.2	60.7	60.7	60.7	631.2	422.4	280.9	771.5	516.5	341.6
Fernandina, FL	239.5	133.1	67.0	243.4	126.1	59.9	40.0	40.0	40.0	370.3	238.5	145.8	496.9	323.0	203.1
Jacksonville, FL	2,194.5	1,265.6	689.8	2,130.8	1,189.0	630.5	673.3	673.3	673.3	3,473.4	2,233.8	1,480.8	4,344.2	2,800.1	1,868.8
Port Canaveral, FL	2,875.6	1,830.5	1,078.0	397.1	244.0	139.0	-	-	-	972.2	610.1	354.6	575.1	366.1	215.6
<b>Total</b>	<b>16,989.3</b>	<b>10,815.9</b>	<b>6,509.1</b>	<b>86,822.9</b>	<b>53,895.7</b>	<b>31,237.0</b>	<b>1,145.2</b>	<b>1,145.2</b>	<b>1,145.2</b>	<b>89,745.6</b>	<b>56,114.6</b>	<b>32,889.4</b>	<b>49,406.8</b>	<b>30,863.9</b>	<b>18,355.3</b>

Source: Prepared by Nathan Associates Inc. based on analysis of U.S. Coast Guard data on vessel calls at U.S. ports as described in text.



**Table 4-30. Direct Economic Impact on Shipping Industry at Restricted Speeds of 10, 12 and 14 knots, 2004 (Indexed 12 knots = 100)**

Port Area	Alternative 2			Alternative 3			Alternative 4			Alternative 5			Alternative 6		
	Restriction speed in knots			Restriction speed in knots			Restriction speed in knots			Restriction speed in knots			Restriction speed in knots		
	10	12	14	10	12	14	10	12	14	10	12	14	10	12	14
<b>Northeastern US - Gulf of Maine</b>															
Eastport, ME	161.6	100.0	61.7	161.2	100.0	61.8	-	-	-	161.3	100.0	61.8	162.6	100.0	62.1
Searsport, ME	167.0	100.0	50.9	166.7	100.0	51.0	-	-	-	166.7	100.0	51.0	174.5	100.0	45.1
Portland, ME	197.0	100.0	35.0	196.5	100.0	35.1	-	-	-	196.6	100.0	35.1	206.4	100.0	29.1
Portsmouth, NH	226.7	100.0	22.6	226.2	100.0	22.7	-	-	-	226.3	100.0	22.7	228.9	100.0	22.7
<b>Northeastern US - Off Race Point</b>															
Boston, MA	176.0	100.0	46.2	183.1	100.0	44.5	100.0	100.0	100.0	167.4	100.0	51.7	181.6	100.0	44.7
Salem, MA	173.4	100.0	48.7	180.4	100.0	46.8	100.0	100.0	100.0	165.6	100.0	51.7	173.4	100.0	48.7
<b>Northeastern US - Cape Cod Bay</b>															
	144.6	100.0	56.2	173.4	100.0	48.1	-	-	-	173.1	100.0	48.2	181.4	100.0	39.6
<b>Mid-Atlantic Block Island Sound</b>															
New Bedford, MA	222.9	100.0	22.4	239.3	100.0	16.7	-	-	-	239.3	100.0	16.7	242.6	100.0	17.9
Providence, RI	175.7	100.0	49.1	181.2	100.0	46.1	-	-	-	181.2	100.0	46.1	195.4	100.0	39.6
New London, CT	174.4	100.0	46.1	180.4	100.0	44.1	-	-	-	180.4	100.0	44.1	186.0	100.0	42.6
New Haven, CT	233.5	100.0	12.3	239.8	100.0	10.8	-	-	-	239.8	100.0	10.8	242.6	100.0	10.6
Bridgeport, CT	251.9	100.0	8.7	279.0	100.0	0.9	-	-	-	279.0	100.0	0.9	284.7	100.0	0.9
Long Island, NY	227.9	100.0	15.3	234.4	100.0	14.4	-	-	-	234.4	100.0	14.4	239.2	100.0	14.0
<b>Mid-Atlantic Ports of New York/New Jersey</b>															
	148.8	100.0	64.2	151.1	100.0	63.3	-	-	-	151.1	100.0	63.3	153.8	100.0	62.3
<b>Mid-Atlantic Delaware Bay</b>															
	171.7	100.0	49.3	174.7	100.0	48.6	-	-	-	174.7	100.0	48.6	177.1	100.0	48.0
<b>Mid-Atlantic Chesapeake Bay</b>															
Baltimore, MD	156.2	100.0	59.7	159.4	100.0	58.7	-	-	-	159.4	100.0	58.7	162.0	100.0	57.9
Hampton Roads, VA	145.4	100.0	67.1	148.2	100.0	65.9	-	-	-	148.2	100.0	65.9	150.7	100.0	64.9
<b>Mid-Atlantic Morehead City and Beaufort, NC</b>															
	193.4	100.0	39.7	196.0	100.0	39.0	-	-	-	196.0	100.0	39.0	193.6	100.0	39.3
<b>Mid-Atlantic Wilmington, NC</b>															
	172.6	100.0	51.7	178.7	100.0	49.8	-	-	-	178.7	100.0	49.8	177.3	100.0	50.3
<b>Mid-Atlantic Georgetown, SC</b>															
	203.6	100.0	49.2	204.5	100.0	46.8	-	-	-	204.5	100.0	46.8	201.8	100.0	46.9
<b>Mid-Atlantic Charleston, SC</b>															
	143.9	100.0	67.8	149.8	100.0	65.1	-	-	-	149.8	100.0	65.1	149.8	100.0	65.1
<b>Mid-Atlantic Savannah, GA</b>															
	145.9	100.0	67.0	151.8	100.0	64.5	-	-	-	151.8	100.0	64.5	151.7	100.0	64.5
<b>Southeastern US</b>															
Brunswick, GA	159.6	100.0	59.5	163.2	100.0	58.6	100.0	100.0	100.0	149.4	100.0	66.5	149.4	100.0	66.1
Fernandina, FL	179.9	100.0	50.3	193.1	100.0	47.5	100.0	100.0	100.0	155.3	100.0	61.1	153.8	100.0	62.9
Jacksonville, FL	173.4	100.0	54.5	179.2	100.0	53.0	100.0	100.0	100.0	155.5	100.0	66.3	155.1	100.0	66.7
Port Canaveral, FL	157.1	100.0	58.9	162.8	100.0	57.0	-	-	-	159.4	100.0	58.1	157.1	100.0	58.9
<b>Total</b>	<b>157.1</b>	<b>100.0</b>	<b>60.2</b>	<b>161.1</b>	<b>100.0</b>	<b>58.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>159.9</b>	<b>100.0</b>	<b>58.6</b>	<b>160.1</b>	<b>100.0</b>	<b>59.5</b>

Source: Prepared by Nathan Associates Inc. based on analysis of U.S. Coast Guard data on vessel calls at U.S. ports as described in text.

## **ADDITIONAL DIRECT ECONOMIC IMPACT ON THE SHIPPING INDUSTRY DUE TO MULTIPLE PORT CALLS DURING RESTRICTED PERIODS**

Many of the vessels arrivals at U.S. East Coast ports occur as part of a “string” of port calls by the vessel. For containerships, ro-ro cargo ships and some specialty tankers these multi-port calls constitute a scheduled cargo service offered by the shipping lines. Other types of vessels may have multiple U.S. East Coast port calls at part of a coastwise cabotage service, for delivery of specialty chemicals or other products, or to lighter or top off in order to maximize vessel utilization.

Shipping industry representatives and port officials raised concerns during the stakeholder meetings regarding the cumulative effect of the proposed operational measures of the Right Whale Ship Strike Reduction Strategy and alternatives on vessels calling at multiple U.S. East Coast ports during speed-restricted periods. In this section we identify the number of vessel arrivals at each port area that are part of multi-port string during proposed restriction periods and estimate the additional direct economic impact on the shipping industry.

We used U.S. Coast Guard Vessel Arrival Database described in Chapter 2 to determine which vessels made multiple port calls along the U.S. East Coast in 2003 and 2004. For purposes of this analysis, if a vessel arrived at another U.S. East Coast port area within two days after its arrival at the preceding U.S. East Coast port, that arrival was considered to be part of a multi-port string.<sup>46</sup>

Table 4-31 lists sets of multi-port strings that occurred at least 20 times in 2003. Of the total 4,278 occurrences of multi-port strings in 2003, those strings with at least 20 occurrences totaled 2,760 or 65 percent of the total observed. The multi-port string of New York/New Jersey–Hampton Roads–Charleston was the most frequent with 293 occurrences in 2003 followed by the string of New York/New Jersey–Hampton Roads–Savannah with 194 occurrences. The string of New York/New Jersey–Hampton Roads was third with 151 occurrences in 2003.

Table 4-32 presents a similar listing of U.S. East Coast multi-port strings in 2004. Those strings with 20 or more occurrences accounted for 63 percent of the 4,461 total occurrences of multi-port strings that year. While some of the rankings change slightly, it is interesting to note that the port areas of New York/New Jersey or Hampton Roads are part of each of the top ten multi-port strings in 2003 and 2004.

Other port areas with significant participation in multi-port strings each year include Charleston, Savannah, Baltimore, and Philadelphia.

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<sup>46</sup> Vessels making multiple port calls within the same port area were not considered as part of a multi-port string as they would not be passing through a speed restricted area for the second port call.

**Table 4-31. U.S. East Coast: Most Frequent Multi-Port Strings, 2003**

Port Area 1	Port Area 2	Port Area 3	Port Area 4	Occurrences
New York City, NY	Hampton Roads, VA	Charleston, SC		293
New York City, NY	Hampton Roads, VA	Savannah, GA		194
New York City, NY	Hampton Roads, VA			151
Hampton Roads, VA	New York City, NY			143
New York City, NY	Baltimore, MD			139
New York City, NY	Philadelphia, PA			104
Charleston, SC	Hampton Roads, VA	New York City, NY		93
Baltimore, MD	New York City, NY			92
Savannah, GA	Hampton Roads, VA	New York City, NY		84
Savannah, GA	Hampton Roads, VA			76
Charleston, SC	Hampton Roads, VA			69
Charleston, SC	Jacksonville, FL			67
Savannah, GA	New York City, NY			65
Savannah, GA	Charleston, SC			58
Baltimore, MD	Hampton Roads, VA			54
Philadelphia, PA	Hampton Roads, VA			54
Charleston, SC	Wilmington, NC			53
Brunswick, GA	Charleston, SC			46
New York City, NY	Savannah, GA			46
Charleston, SC	New York City, NY			45
New York City, NY	Charleston, SC			43
Charleston, SC	Savannah, GA			41
Philadelphia, PA	New York City, NY			38
Hampton Roads, VA	Savannah, GA			38
Savannah, GA	Charleston, SC	Hampton Roads, VA	New York City, NY	37
Hampton Roads, VA	Charleston, SC			36
Jacksonville, FL	New York City, NY			36
Jacksonville, FL	Charleston, SC			35
Wilmington, NC	Savannah, GA			35
New York City, NY	Hampton Roads, VA	Charleston, SC	New York City, NY	33
Long Island, NY	New York City, NY			33
Philadelphia, PA	Baltimore, MD			28
Savannah, GA	Philadelphia, PA			28
New York City, NY	Baltimore, MD	Hampton Roads, VA		27
Jacksonville, FL	Baltimore, MD	New York City, NY		27
New York City, NY	Baltimore, MD	Savannah, GA		26
Hampton Roads, VA	Philadelphia, PA			26
Jacksonville, FL	Savannah, GA			26
New York City, NY	Baltimore, MD	Hampton Roads, VA	Charleston, SC	25
Hampton Roads, VA	Baltimore, MD			24
Portland, ME	Searsport, ME			24
New York City, NY	Savannah, GA	Hampton Roads, VA	New York City, NY	23
Jacksonville, FL	New York City, NY	Baltimore, MD		22
New York City, NY	Port Canaveral, FL			22
Savannah, GA	Jacksonville, FL			21
New York City, NY	Baltimore, MD	Charleston, SC		20
Hampton Roads, VA	Baltimore, MD	New York City, NY		20
Portland, ME	Boston, MA			20
New Haven, CT	New York City, NY			20
Subtotal				2,760
Other Strings				1,518
<b>Total</b>				<b>4,278</b>

Source: Prepared by Nathan Associates Inc. based on analysis of U.S. Coast Guard data on vessel calls at U.S. ports as described in the text.

**Table 4-32. U.S. East Coast: Most Frequent Multi-Port Strings, 2004**

Port Area 1	Port Area 2	Port Area 3	Port Area 4	Occurrences
New York City, NY	Hampton Roads, VA	Charleston, SC		279
New York City, NY	Hampton Roads, VA	Savannah, GA		223
New York City, NY	Hampton Roads, VA			187
Charleston, SC	Hampton Roads, VA	New York City, NY		183
New York City, NY	Baltimore, MD			162
Baltimore, MD	New York City, NY			119
Charleston, SC	Hampton Roads, VA			100
New York City, NY	Philadelphia, PA			99
Hampton Roads, VA	New York City, NY			86
Savannah, GA	New York City, NY			83
Philadelphia, PA	Hampton Roads, VA			69
Savannah, GA	Charleston, SC			65
Charleston, SC	Jacksonville, FL			64
Savannah, GA	Hampton Roads, VA	New York City, NY		58
Jacksonville, FL	New York City, NY			51
Wilmington, NC	Savannah, GA			49
Charleston, SC	Savannah, GA			47
Savannah, GA	Charleston, SC	New York City, NY		45
New York City, NY	Charleston, SC			42
New York City, NY	Hampton Roads, VA	Charleston, SC	New York City, NY	42
New York City, NY	Savannah, GA			40
Hampton Roads, VA	Charleston, SC			39
Charleston, SC	Wilmington, NC			39
New York City, NY	Baltimore, MD	Hampton Roads, VA	Charleston, SC	38
Baltimore, MD	Hampton Roads, VA			38
Philadelphia, PA	New York City, NY			38
New York City, NY	Baltimore, MD	Hampton Roads, VA	New York City, NY	37
Savannah, GA	Philadelphia, PA			37
Hampton Roads, VA	Baltimore, MD			35
Hampton Roads, VA	Savannah, GA			35
Jacksonville, FL	Baltimore, MD	New York City, NY		31
Charleston, SC	Brunswick, GA			31
New York City, NY	Port Canaveral, FL			31
Savannah, GA	Hampton Roads, VA			30
Jacksonville, FL	Savannah, GA			29
New York City, NY	Baltimore, MD	Hampton Roads, VA		28
New York City, NY	Savannah, GA	Hampton Roads, VA	New York City, NY	28
Hampton Roads, VA	Baltimore, MD	New York City, NY		25
Brunswick, GA	Charleston, SC			23
Hampton Roads, VA	Philadelphia, PA			22
Portland, ME	Searsport, ME			22
New York City, NY	Wilmington, NC	Savannah, GA		22
Baltimore, MD	Philadelphia, PA			21
Long Island, NY	New York City, NY			20
Subtotal				2,792
Other Strings				1,669
<b>Total</b>				<b>4,461</b>

Source: Prepared by Nathan Associates Inc. based on analysis of U.S. Coast Guard data on vessel calls at U.S. ports as described in the text.

The occurrences of multi-port strings presented above was based on total U.S. East Coast vessel movements in 2003 and 2004. In the following sections, we examine the impacts for each alternative.<sup>47</sup>

### *Alternatives 3 and 5*

Seasonal speed restrictions by port area under Alternative 3 were presented earlier in Figure 4-3. They include speed restrictions which are in place year-round in the Northeastern U.S., from October 1 through April 30 for the Mid-Atlantic region, and from December 1 through March 31 for the Southeastern U.S. The same seasonal speed restrictions apply for Alternative 5 along with other operational measures.<sup>48</sup>

Table 4-33 presents vessel arrivals in 2003 for port areas that are part of multi-port strings when at least two port areas in the string would contain speed restrictions. In 2003, 5,955 vessel arrivals fell into this category, with the 3,383 containerships arrivals accounting for 57 percent of the total multi-port vessel arrivals during speed restricted periods. Ro-ro cargo ships with 1,143 arrivals (19 percent) and tankers with 931 arrivals (16 percent) were the other vessel types with the most port calls as part of multi-port strings during restricted periods.

These 5,955 multi-port string restricted arrivals in 2003 represent roughly 39 percent of total U.S. East Coast Alternative 3 restricted vessel arrivals (see Table 4-10). For containerships, the multi-port string restricted arrivals represents 66 percent of the total containership restricted period arrivals. For ro-ro cargo ships, the multi-port string restricted arrivals represents 62 percent of those vessels total restricted arrivals in 2003.

The port area of New York/New Jersey had the most multi-port string restricted arrivals with 1,483 arrivals in 2003. The port area of Hampton Roads was second with 1,081 arrivals, followed by the port areas of Charleston (722 arrivals), Savannah (624 arrivals), Baltimore (570 arrivals) and Philadelphia (343 arrivals).

Table 4-34 presents similar information for 2004. The total number of multi-port string restricted arrivals increased by 5.6 percent to 6,287 arrivals. The ranking by vessel type remained unchanged from 2003 with the exception of general cargo vessels moving ahead of bulk carriers for fifth place. In terms of vessel arrivals by port area, the rankings for the top eight port areas remained unchanged from 2003.

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<sup>47</sup> Due to their more limited geographic scope at any single point in time, Alternative 2: Use of DMAS and Alternative 4: Use of Recommended Routes would not generate an additional direct economic impact due to the cumulative effect of vessels making multiple U.S. East Coast port calls.

<sup>48</sup> For simplicity, in this section we will refer to Alternative 3; however, the comments apply equally to Alternative 5.

**Table 4-33. Alternatives 3 and 5: U.S. East Coast Restricted Vessel Arrivals that are part of Multi-Port String, by Port Area and Vessel Type, 2003**

Port Area	Vessel Type											Total	
	Bulk Carriers	Combination Carriers	Container Ships	Freight Barges	General Cargo Vessels	Passenger Vessels a/	Refrigerated Cargo Vessels	Ro-Ro Ship	Tank Barges	Tanker	Towing Vessels		Other b/
<b>Northeastern US - Gulf of Maine</b>													
Eastport, ME	5	-	-	-	6	-	-	-	-	-	-	-	11
Searsport, ME	-	1	-	-	-	56	-	1	-	32	-	-	90
Portland, ME	6	-	-	-	6	12	-	19	-	65	1	-	109
Portsmouth, NH	2	1	-	-	-	1	-	-	-	35	1	-	40
<b>Northeastern US - Off Race Point</b>													
Boston, MA	1	-	21	-	1	57	-	21	-	50	-	-	151
Salem, MA	1	-	-	-	-	1	-	-	-	1	-	-	3
<b>Northeastern US - Cape Cod Bay</b>													
Cape Cod, MA	-	-	-	-	-	8	-	-	-	5	-	-	13
<b>Mid-Atlantic Block Island Sound</b>													
New Bedford, MA	5	-	-	-	4	-	-	-	-	6	-	-	15
Providence, RI	3	1	-	-	3	14	2	25	-	25	-	-	73
New London, CT	5	-	2	-	2	1	-	-	1	3	-	-	14
New Haven, CT	10	-	1	-	6	-	-	-	11	36	2	-	66
Bridgeport, CT	3	-	-	-	-	-	7	-	9	13	-	-	32
Long Island, NY	-	1	-	-	-	1	-	-	8	51	-	-	61
<b>Mid-Atlantic Ports of New York/New Jersey</b>													
New York City, NY	14	5	965	-	5	23	8	259	6	194	4	-	1,483
<b>Mid-Atlantic Delaware Bay</b>													
Philadelphia, PA	32	-	122	-	21	7	7	48	2	99	5	-	343
<b>Mid-Atlantic Chesapeake Bay</b>													
Baltimore, MD	24	-	195	-	13	14	-	267	-	53	2	2	570
Hampton Roads, VA	23	2	898	-	25	8	-	82	-	41	-	2	1,081
<b>Mid-Atlantic Morehead City and Beaufort, NC</b>													
Morehead City, NC	2	-	5	-	5	-	-	1	-	5	-	1	19
<b>Mid-Atlantic Wilmington, NC</b>													
Wilmington, NC	19	4	41	-	18	-	1	6	6	54	1	-	150
<b>Mid-Atlantic Georgetown, SC</b>													
Georgetown, SC	4	-	1	-	3	-	-	-	-	-	-	-	8
<b>Mid-Atlantic Charleston, SC</b>													
Charleston, SC	11	-	550	-	13	10	-	69	3	64	2	-	722
<b>Mid-Atlantic Savannah, GA</b>													
Savannah, GA	21	5	464	-	34	4	5	45	2	43	-	1	624
<b>Southeastern US</b>													
Brunswick, GA	6	-	5	-	3	1	-	53	-	-	-	-	68
Fernandina, FL	-	-	6	-	7	1	-	-	-	-	-	-	14
Jacksonville, FL	6	-	45	-	4	-	-	91	3	28	1	-	178
Port Canaveral, FL	2	-	3	-	5	1	-	6	-	-	-	-	17
<b>All Port Areas</b>	<b>205</b>	<b>20</b>	<b>3,324</b>	<b>0</b>	<b>184</b>	<b>220</b>	<b>30</b>	<b>993</b>	<b>51</b>	<b>903</b>	<b>19</b>	<b>6</b>	<b>5,955</b>

a/ Includes recreational vessels.

b/ Includes fishing vessels, industrial vessels, research vessels, and school ships.

Source: Prepared by Nathan Associates Inc. based on analysis of U.S. Coast Guard data on vessel calls at U.S. ports as described in text.

**Table 4-34 Alternatives 3 and 5: U.S. East Coast Restricted Vessel Arrivals that are part of Multi-Port String, by Port Area and Vessel Type, 2004**

Port Area	Vessel Type												Total
	Combination		Freight Barges	General Cargo Vessels	Passenger Vessels <sup>a/</sup>	Refrigerated Cargo Vessels	Ro-Ro		Towing Vessels	Other <sup>b/</sup>			
	Bulk Carriers	Container ships					Cargo Ship	Tank Barges					
<b>Northeastern US - Gulf of Maine</b>													
Eastport, ME	9	-	-	-	4	-	-	-	-	-	-	-	13
Searsport, ME	-	-	-	-	1	35	-	-	1	41	3	-	81
Portland, ME	13	-	-	-	7	16	-	14	2	59	6	-	117
Portsmouth, NH	4	2	-	-	2	1	-	-	-	24	1	-	34
<b>Northeastern US - Off Race Point</b>													
Boston, MA	1	-	6	-	-	19	-	15	-	29	-	-	70
Salem, MA	6	-	-	-	-	5	-	-	-	-	-	-	11
<b>Northeastern US - Cape Cod Bay</b>													
Cape Cod, MA	-	-	-	-	-	11	-	-	-	5	-	-	16
<b>Mid-Atlantic Block Island Sound</b>													
New Bedford, MA	10	-	-	-	3	-	-	-	-	6	-	-	19
Providence, RI	8	-	-	-	1	22	-	27	-	19	1	-	78
New London, CT	1	-	3	-	3	1	-	-	2	3	-	-	13
New Haven, CT	2	-	3	-	2	-	-	-	45	36	-	-	88
Bridgeport, CT	4	-	-	-	-	-	6	-	43	17	-	-	70
Long Island, NY	-	-	-	-	-	-	-	-	29	52	-	-	81
<b>Mid-Atlantic Ports of New York/New Jersey</b>													
New York City, NY	14	5	1,003	-	20	39	8	261	1	189	2	1	1,543
<b>Mid-Atlantic Delaware Bay</b>													
Philadelphia, PA	13	1	112	2	26	10	7	51	-	99	5	-	326
<b>Mid-Atlantic Chesapeake Bay</b>													
Baltimore, MD	15	-	216	-	24	18	2	278	-	60	4	1	618
Hampton Roads, VA	24	3	921	-	33	14	4	82	-	48	2	2	1,133
<b>Mid-Atlantic Morehead City and Beaufort, NC</b>													
Morehead City, NC	3	1	3	-	3	4	-	-	-	12	-	1	27
<b>Mid-Atlantic Wilmington, NC</b>													
Wilmington, NC	16	2	39	-	28	4	-	12	-	64	1	1	167
<b>Mid-Atlantic Georgetown, SC</b>													
Georgetown, SC	7	-	-	-	2	1	-	-	-	-	-	-	10
<b>Mid-Atlantic Charleston, SC</b>													
Charleston, SC	4	-	610	-	22	22	2	71	-	67	1	1	800
<b>Mid-Atlantic Savannah, GA</b>													
Savannah, GA	10	4	462	-	29	16	8	50	-	56	1	1	637
<b>Southeastern US</b>													
Brunswick, GA	5	-	6	-	7	1	-	68	-	-	-	-	87
Fernandina, FL	1	-	12	-	7	2	-	1	-	-	-	-	23
Jacksonville, FL	5	-	42	2	7	2	-	93	-	42	2	-	195
Port Canaveral, FL	2	-	4	-	4	7	-	8	-	4	1	-	30
<b>All Port Regions</b>	<b>190</b>	<b>18</b>	<b>3,506</b>	<b>6</b>	<b>260</b>	<b>262</b>	<b>37</b>	<b>1,201</b>	<b>123</b>	<b>978</b>	<b>33</b>	<b>8</b>	<b>6,287</b>

a/ Includes recreational vessels.

b/ Includes fishing vessels, industrial vessels, research vessels, and school ships.

Source: Prepared by Nathan Associates Inc. based on analysis of U.S. Coast Guard data on vessel calls at U.S. ports as described in text.

There are several reasons why the cumulative effect of multiple port calls at restricted ports could impact a vessel more than the sum of the individual direct impacts presented in the prior sections. First, the delays incurred from speed restrictions at one port when combined with speed restrictions at a subsequent port may diminish the ability of the vessel to maintain its schedule and could result in missed tidal windows. Second, even brief delays at arrival at the second port could result in increased costs for scheduled, but unused, port labor. Third, some shipping lines felt that the cumulative impact of three or four port calls at port areas with restrictions could cause them to rework vessel itineraries and could result in dropping of one of the port calls in order to maintain a weekly service without having to add an additional vessel to the service.

However, these cumulative factors will not affect every vessel making multiple port calls at restricted ports. Also the impact may vary from an 8-hour delay due to a missed tidal window to incurring charges for unused labor if a vessel is late arriving at the port. It is realistic to assume that the shipping industry will revise their itineraries to account for the delays imposed by the speed restrictions and that occurrences of missed tidal windows will be rare. We have used an average additional delay of 30 minutes for each vessel arrival that is part of a multi-port string to account for this cumulative impact. The economic value of this additional time has been calculated for each port area based on the 2005 vessel operating costs by type and size of vessel. The results by port area and type of vessel at a restricted speed of 12 knots are presented in Table 4-35 for 2003 and Table 4-36 for 2004.<sup>49</sup>

The additional direct economic impact of multi-port strings on the shipping industry in 2003 is estimated at \$5.7 million. The port area of New York/New Jersey has the largest additional economic impact at \$1.4 million followed by Hampton Roads at \$1.1 million, Charleston at \$0.8 million, Savannah at \$0.7 million and Baltimore at \$0.4 million. Containerships accounted for 64 percent of the additional economic impact of multi-port strings in 2003.

The additional direct economic impact of multi-port strings in 2004 is estimated at \$6.0 million. The ranking of the top six port areas in terms of largest impact remains unchanged from 2003.

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<sup>49</sup> The estimated impact at alternative restricted speeds of 10 and 14 knots are presented in Table 4-47. The impact at a restricted speed of 10 knots was assumed to be 20 percent higher than the estimate at 12 knots. The impact at a restricted speed of 14 knots was assumed to be 16 percent lower than the estimate at 12 knots. As explained above, it is realistic to assume that the shipping industry will revise their itineraries to account for the (known) delays due to the speed restriction in place. The additional impact for multi-port vessel calls applies more to unknown delays that may occur. At a restriction speed of 10 knots, the overall known delays are longer, thereby creating greater opportunity for the unknown delays to occur. This factor was judged to be proportionate to the change in the restricted speed.



**Table 4-35. Alternatives 3 and 5: Additional Direct Economic Impact of Multi-Port Strings on Shipping Industry by Port Area and Vessel Type, 2003 (\$000s)**

Port Area	Vessel Type												Total
	Bulk Carriers	Combination Carriers	Containerships	Freight Barges	General Cargo Vessels	Passenger Vessels a/	Refrigerated Cargo Vessels	Ro-Ro Cargo Ship	Tank Barges	Tankers	Towing Vessels	Other b/	
<b>Northeastern US - Gulf of Maine</b>													
Eastport, ME	2.1	-	-	-	3.8	-	-	-	-	-	-	-	5.9
Searsport, ME	-	0.5	-	-	-	126.4	-	0.4	-	17.9	-	-	145.2
Portland, ME	2.4	-	-	-	2.7	27.5	-	7.7	-	36.3	0.9	-	77.5
Portsmouth, NH	0.8	0.5	-	-	-	3.1	-	-	-	19.1	0.9	-	24.3
<b>Northeastern US - Off Race Point</b>													
Boston, MA	0.4	-	22.8	-	0.3	94.7	-	9.0	-	27.4	-	-	154.6
Salem, MA	0.5	-	-	-	-	1.7	-	-	-	0.6	-	-	2.8
<b>Northeastern US - Cape Cod Bay</b>													
Cape Cod, MA	-	-	-	-	-	14.0	-	-	-	2.9	-	-	16.8
<b>Mid-Atlantic Block Island Sound</b>													
New Bedford, MA	3.9	-	-	-	1.4	-	-	-	-	3.3	-	-	8.5
Providence, RI	1.3	0.5	-	-	1.0	31.8	2.0	14.1	-	14.9	-	-	65.6
New London, CT	2.2	-	1.9	-	1.8	3.1	-	-	0.9	2.0	-	-	11.7
New Haven, CT	4.3	-	1.1	-	5.3	-	-	-	9.8	24.6	1.7	-	46.8
Bridgeport, CT	1.4	-	-	-	-	-	7.3	-	8.0	10.6	-	-	27.3
Long Island, NY	-	0.5	-	-	-	3.1	-	-	7.1	35.7	-	-	46.4
<b>Mid-Atlantic Ports of New York/New Jersey</b>													
New York City, NY	6.1	2.6	1,050.9	-	2.2	51.8	11.9	191.0	5.3	123.2	3.5	-	1,448.6
<b>Mid-Atlantic Delaware Bay</b>													
Philadelphia, PA	13.4	-	105.0	-	11.4	14.7	15.9	26.9	1.8	60.4	4.3	-	253.9
<b>Mid-Atlantic Chesapeake Bay</b>													
Baltimore, MD	10.2	-	178.3	-	6.7	30.9	-	189.9	-	29.8	1.7	1.5	449.0
Hampton Roads, VA	11.8	1.1	965.9	-	12.5	19.4	-	78.4	-	23.2	-	1.5	1,113.8
<b>Mid-Atlantic Morehead City and Beaufort, NC</b>													
Morehead City, NC	1.2	-	4.4	-	2.4	-	-	1.0	-	3.1	-	0.5	12.6
<b>Mid-Atlantic Wilmington, NC</b>													
Wilmington, NC	8.4	2.0	42.7	-	16.4	-	0.9	6.2	5.5	31.5	0.9	-	114.5
<b>Mid-Atlantic Georgetown, SC</b>													
Georgetown, SC	1.7	-	0.7	-	3.2	-	-	-	-	-	-	-	5.6
<b>Mid-Atlantic Charleston, SC</b>													
Charleston, SC	4.7	-	632.9	-	10.8	22.4	-	48.3	2.8	39.8	1.7	-	763.3
<b>Mid-Atlantic Savannah, GA</b>													
Savannah, GA	8.8	2.4	536.9	-	25.7	8.7	14.1	33.0	1.8	26.4	-	0.5	658.3
<b>Southeastern US</b>													
Brunswick, GA	2.4	-	4.5	-	2.8	3.1	-	36.6	-	-	-	-	49.3
Fernandina, FL	-	-	3.0	-	5.4	3.1	-	-	-	-	-	-	11.5
Jacksonville, FL	2.5	-	41.8	-	4.0	-	-	53.2	2.8	15.3	0.9	-	120.4
Port Canaveral, FL	0.8	-	2.8	-	3.0	2.4	-	3.1	-	-	-	-	12.0
<b>All Port Regions</b>	<b>91.2</b>	<b>10.2</b>	<b>3,595.3</b>	<b>0.0</b>	<b>123.0</b>	<b>461.7</b>	<b>52.2</b>	<b>698.7</b>	<b>45.8</b>	<b>547.9</b>	<b>16.5</b>	<b>4.0</b>	<b>5,646.4</b>

a/ Includes recreational vessels.

b/ Includes fishing vessels, industrial vessels, research vessels, and school ships.

Source: Prepared by Nathan Associates Inc. based on analysis of U.S. Coast Guard data on vessel calls at U.S. ports as described in text.

**Table 4-36. Alternatives 3 and 5: Additional Direct Economic Impact of Multi-Port Strings on Shipping Industry by Port Area and Type of Vessel, 2004 (\$000s)**

Port Area	Vessel Type												Total
	Bulk Carriers	Combinati on Carriers	Containers hips	Freight Barges	General Cargo Vessels	Passenger Vessels a/	Refrigerated Cargo Vessels	Ro-Ro Cargo Ship	Tank Barges	Tankers	Towing Vessels	Other b/	
<b>Northeastern US - Gulf of Maine</b>													
Eastport, ME	3.6	-	-	-	5.6	-	-	-	-	-	-	-	9.2
Searsport, ME	-	-	-	-	0.3	77.5	-	-	0.9	22.6	1.8	-	103.1
Portland, ME	5.3	-	-	-	6.0	42.7	-	5.7	1.8	32.9	3.1	-	97.5
Portsmouth, NH	1.8	0.9	-	-	1.5	3.1	-	-	-	12.3	0.5	-	20.0
<b>Northeastern US - Off Race Point</b>													
Boston, MA	0.4	-	6.8	-	-	31.6	-	6.1	-	14.8	-	-	59.6
Salem, MA	4.1	-	-	-	-	10.4	-	-	-	-	-	-	14.5
<b>Northeastern US - Cape Cod Bay</b>													
Cape Cod, MA	-	-	-	-	-	25.2	-	-	-	2.8	-	-	27.9
<b>Mid-Atlantic Block Island Sound</b>													
New Bedford, MA	6.8	-	-	-	1.0	-	-	-	-	2.9	-	-	10.8
Providence, RI	4.1	-	-	-	0.3	49.6	-	15.8	-	10.2	0.5	-	80.5
New London, CT	0.4	-	2.9	-	4.2	2.4	-	-	1.8	2.0	-	-	13.7
New Haven, CT	0.9	-	2.3	-	1.0	-	-	-	40.0	24.9	-	-	69.0
Bridgeport, CT	1.8	-	-	-	-	-	6.2	-	37.9	14.5	-	-	60.4
Long Island, NY	-	-	-	-	-	-	-	-	25.6	38.2	-	-	63.7
<b>Mid-Atlantic Ports of New York/New Jersey</b>													
New York City, NY	5.7	2.3	1,075.8	-	13.1	92.4	9.7	206.2	0.9	118.2	1.7	0.5	1,526.5
<b>Mid-Atlantic Delaware Bay</b>													
Philadelphia, PA	5.4	0.5	93.3	1.3	12.9	17.3	17.8	29.2	-	64.3	4.3	-	246.4
<b>Mid-Atlantic Chesapeake Bay</b>													
Baltimore, MD	8.3	-	194.8	-	14.8	37.5	3.0	198.9	-	36.8	2.6	0.3	497.0
Hampton Roads, VA	12.6	1.4	982.5	-	18.4	32.8	5.9	81.3	-	26.9	1.7	0.7	1,164.1
<b>Mid-Atlantic Morehead City and Beaufort, NC</b>													
Morehead City, NC	1.6	0.4	2.8	-	2.1	12.2	-	-	-	6.2	-	0.5	25.9
<b>Mid-Atlantic Wilmington, NC</b>													
Wilmington, NC	7.2	1.0	38.5	-	25.3	10.8	-	11.9	-	37.7	0.9	0.5	133.7
<b>Mid-Atlantic Georgetown, SC</b>													
Georgetown, SC	2.9	-	-	-	1.3	3.1	-	-	-	-	-	-	7.3
<b>Mid-Atlantic Charleston, SC</b>													
Charleston, SC	1.6	-	676.8	-	16.1	49.7	3.0	49.6	-	38.9	0.5	0.5	836.7
<b>Mid-Atlantic Savannah, GA</b>													
Savannah, GA	4.3	1.9	539.6	-	28.3	42.6	19.9	37.0	-	32.7	0.9	0.5	707.5
<b>Southeastern US</b>													
Brunswick, GA	2.0	-	4.7	-	6.7	3.1	-	47.9	-	-	-	-	64.3
Fernandina, FL	0.4	-	5.7	-	8.0	6.1	-	1.4	-	-	-	-	21.5
Jacksonville, FL	2.0	-	36.8	1.3	3.7	4.7	-	55.4	-	24.3	1.7	-	130.1
Port Canaveral, FL	0.9	-	3.7	-	3.1	16.5	-	5.2	-	2.1	0.9	-	32.3
<b>All Port Regions</b>	<b>89.6</b>	<b>8.3</b>	<b>3,717.8</b>	<b>3.9</b>	<b>195.1</b>	<b>601.6</b>	<b>65.5</b>	<b>861.4</b>	<b>108.7</b>	<b>592.6</b>	<b>23.7</b>	<b>3.3</b>	<b>6,023.2</b>

a/ Includes recreational vessels.

b/ Includes fishing vessels, industrial vessels, research vessels, and school ships.

Source: Prepared by Nathan Associates Inc. based on analysis of U.S. Coast Guard data on vessel calls at U.S. ports as described in text.

## *Alternative 6*

Seasonal speed restrictions by port area under Alternative 6 were presented earlier in Figure 4-9. They include speed restrictions during March and April in the Northeastern U.S., from November 1 through April 30 for the Mid-Atlantic region, and from November 15 through April 15 for the Southeastern U.S.

Table 4-37 presents vessel arrivals in 2003 for port areas with speed restrictions that are part of multi-port strings when at least two port areas in the string would contain speed restrictions. In 2003, there were 4,829 such total vessel arrivals with the 2,870 containerships arrivals accounting for 59 percent of the total multi-port vessel arrivals during speed restricted periods. Ro-ro cargo ships with 1,075 arrivals (22 percent) and tankers with 722 arrivals (15 percent) were the other vessel types with the most port calls as part of multi-port strings during restricted periods.

The total of 4,829 multi-port string restricted arrivals in 2003 represents roughly 41 percent of total U.S. East Coast Alternative 6 restricted vessel arrivals (see Table 4-21). For containerships, the multi-port string restricted arrivals represents 69 percent of the total containership restricted period arrivals. For ro-ro cargo ships the multi-port string restricted arrivals represents 73 percent of those vessels total restricted arrivals in 2003.

The port area of New York/New Jersey had the most multi-port string restricted arrivals with 1,236 arrivals in 2003. The port area of Hampton Roads was second with 912 arrivals followed by the port areas of Charleston (620 arrivals), Savannah (523 arrivals), Baltimore (481 arrivals) and Philadelphia (289 arrivals).

Table 4-38 presents similar information for 2004. The total number of multi-port string restricted arrivals increased by 6.6 percent to 5,147 arrivals. The ranking by type of vessel remained unchanged from 2003 with the exception of general cargo vessels moving ahead of bulk carriers for fourth place. In terms of vessel arrivals by port area, the rankings for the top 8 port areas remained unchanged from 2003.

The additional direct economic impact of multi-port strings on the shipping industry in 2003 is estimated at \$4.4 million (Table 4-39). The port area of New York/New Jersey has the largest additional economic impact at \$1.2 million followed by Hampton Roads at \$0.9 million, Charleston at \$0.6 million, Savannah at \$0.5 million and Baltimore at \$0.4 million. Containerships accounted for 69 percent of the additional economic impact of multi-port strings in 2003.

The additional direct economic impact of multi-port strings in 2004 is estimated at \$4.8 million. The ranking of the top six port areas in terms of largest impact remains unchanged from 2003.

**Table 4-37. Alternative 6: U.S. East Coast Restricted Vessel Arrivals that are part of Multi-Port String, by Port Area and Vessel Type, 2003**

Port Area	Vessel Type											Total	
	Bulk Carriers	Combination Carriers	Container ships	Freight Barges	General Cargo Vessels	Passenger Vessels a/	Refrigerated Cargo Vessels	Ro-Ro Cargo Ship	Tank Barges	Tankers	Towing Vessels		Other b/
<b>Northeastern US - Gulf of Maine</b>													
Eastport, ME	1	-	-	-	-	-	-	-	-	-	-	-	1
Searsport, ME	-	-	-	-	-	-	-	-	-	9	-	-	9
Portland, ME	1	-	-	-	-	-	-	5	-	20	-	-	26
Portsmouth, NH	-	-	-	-	-	-	-	-	-	15	-	-	15
<b>Northeastern US - Off Race Point</b>													
Boston, MA	1	-	9	-	1	-	-	7	-	26	-	-	44
Salem, MA	1	-	-	-	-	-	-	-	-	-	-	-	1
<b>Northeastern US - Cape Cod Bay</b>													
Cape Cod, MA	-	-	-	-	-	-	-	-	-	4	-	-	4
<b>Mid-Atlantic Block Island Sound</b>													
New Bedford, MA	3	-	-	-	4	-	-	-	-	5	-	-	12
Providence, RI	3	1	-	-	3	-	2	20	-	17	-	-	46
New London, CT	3	-	2	-	2	1	-	-	1	2	-	-	11
New Haven, CT	7	-	1	-	5	-	-	-	11	30	1	-	55
Bridgeport, CT	2	-	-	-	-	-	6	-	9	10	-	-	27
Long Island, NY	-	1	-	-	-	1	-	-	8	42	-	-	52
<b>Mid-Atlantic Ports of New York/New Jersey</b>													
New York City, NY	11	5	814	-	5	1	7	226	6	159	2	-	1,236
<b>Mid-Atlantic Delaware Bay</b>													
Philadelphia, PA	25	-	103	1	19	1	7	40	2	86	5	-	289
<b>Mid-Atlantic Chesapeake Bay</b>													
Baltimore, MD	17	-	164	-	14	4	-	236	-	44	1	1	481
Hampton Roads, VA	18	2	764	-	22	1	-	69	-	35	-	1	912
<b>Mid-Atlantic Morehead City and Beaufort, NC</b>													
Morehead City, NC	2	-	3	-	3	-	-	1	-	4	-	1	14
<b>Mid-Atlantic Wilmington, NC</b>													
Wilmington, NC	18	4	33	-	12	-	1	5	6	46	1	-	126
<b>Mid-Atlantic Georgetown, SC</b>													
Georgetown, SC	4	-	1	-	2	-	-	-	-	-	-	-	7
<b>Mid-Atlantic Charleston, SC</b>													
Charleston, SC	10	-	459	-	10	4	-	75	3	57	2	-	620
<b>Mid-Atlantic Savannah, GA</b>													
Savannah, GA	16	5	387	-	29	2	5	37	2	39	-	1	523
<b>Southeastern US</b>													
Brunswick, GA	7	-	6	-	3	1	-	70	-	-	-	-	87
Fernandina, FL	1	-	6	-	10	1	-	-	-	-	-	-	18
Jacksonville, FL	5	-	53	1	6	-	-	107	3	36	2	-	213
Port Canaveral, FL	-	-	-	-	-	-	-	-	-	-	-	-	0
<b>All Port Regions</b>	<b>169</b>	<b>18</b>	<b>2,870</b>	<b>3</b>	<b>169</b>	<b>19</b>	<b>28</b>	<b>1,075</b>	<b>54</b>	<b>722</b>	<b>16</b>	<b>4</b>	<b>4,829</b>

a/ Includes recreational vessels.

b/ Includes fishing vessels, industrial vessels, research vessels, and school ships.

Source: Prepared by Nathan Associates Inc. based on analysis of U.S. Coast Guard data on vessel calls at U.S. ports as described in text.

**Table 4-38. Alternative 6: U.S. East Coast Restricted Vessel Arrivals that are part of Multi-Port String, by Port Area and Vessel Type, 2004**

Port Area	Vessel Type											Total	
	Bulk Carriers	Combination Carriers	Container ships	Freight Barges	General Cargo Vessels	Passenger Vessels a/	Refrigerated Cargo Vessels	Ro-Ro Cargo Ship	Tank Barges	Tanker	Towing Vessels		Other b/
<b>Northeastern US - Gulf of Maine</b>													
Eastport, ME	3	-	-	-	-	-	-	-	-	-	-	-	3
Searsport, ME	-	-	-	-	-	-	-	-	1	10	-	-	11
Portland, ME	3	-	-	-	1	-	-	5	2	19	-	-	30
Portsmouth, NH	-	1	-	-	-	-	-	-	-	6	-	-	7
<b>Northeastern US - Off Race Point</b>													
Boston, MA	-	-	3	-	-	-	-	5	-	11	-	-	19
Salem, MA	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Northeastern US - Cape Cod Bay</b>													
Cape Cod, MA	-	-	-	-	-	1	-	-	-	3	-	-	4
<b>Mid-Atlantic Block Island Sound</b>													
New Bedford, MA	8	-	-	-	2	-	-	-	-	5	-	-	15
Providence, RI	5	-	-	-	-	5	-	22	-	15	-	-	47
New London, CT	1	-	3	-	3	-	-	-	2	3	-	-	12
New Haven, CT	2	-	3	-	2	-	-	-	39	33	-	-	79
Bridgeport, CT	3	-	-	-	-	-	6	-	42	12	-	-	63
Long Island, NY	-	-	-	-	-	-	-	-	24	46	-	-	70
<b>Mid-Atlantic Ports of New York/New Jersey</b>													
New York City, NY	9	4	843	-	16	5	7	224	1	151	2	-	1,262
<b>Mid-Atlantic Delaware Bay</b>													
Philadelphia, PA	8	1	100	2	22	4	7	41	-	88	5	-	278
<b>Mid-Atlantic Chesapeake Bay</b>													
Baltimore, MD	10	-	182	-	23	6	2	240	-	49	2	-	514
Hampton Roads, VA	19	3	779	-	28	8	4	69	-	40	2	-	952
<b>Mid-Atlantic Morehead City and Beaufort, NC</b>													
Morehead City, NC	3	1	3	-	3	4	-	-	-	10	-	-	24
<b>Mid-Atlantic Wilmington, NC</b>													
Wilmington, NC	13	2	33	-	23	3	-	10	-	58	1	-	143
<b>Mid-Atlantic Georgetown, SC</b>													
Georgetown, SC	6	-	-	-	2	1	-	-	-	-	-	-	9
<b>Mid-Atlantic Charleston, SC</b>													
Charleston, SC	4	-	519	-	20	14	2	69	-	60	-	1	689
<b>Mid-Atlantic Savannah, GA</b>													
Savannah, GA	8	4	390	-	23	15	8	42	-	52	1	1	544
<b>Southeastern US</b>													
Brunswick, GA	6	-	6	-	11	4	-	80	-	-	-	-	107
Fernandina, FL	-	-	15	-	9	5	1	1	-	-	-	-	31
Jacksonville, FL	5	-	54	2	10	6	-	103	-	53	1	-	234
Port Canaveral, FL	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>All Port Regions</b>	<b>127</b>	<b>16</b>	<b>3,008</b>	<b>6</b>	<b>228</b>	<b>96</b>	<b>38</b>	<b>1,095</b>	<b>111</b>	<b>777</b>	<b>15</b>	<b>2</b>	<b>5,147</b>

a/ Includes recreational vessels.

b/ Includes fishing vessels, industrial vessels, research vessels, and school ships.

Source: Prepared by Nathan Associates Inc. based on analysis of U.S. Coast Guard data on vessel calls at U.S. ports as described in text.

**Table 4-39. Alternative 6: Additional Direct Economic Impact on Shipping Industry by Port Area and Vessel Type, 2003 (\$000s)**

Port Area	Vessel Type												Total
	Bulk Carriers	Combinati on Carriers	Container ships	Freight Barges	General Cargo Vessels	Passenger Vessels a/	Refrigerated Cargo Vessels	Ro-Ro Cargo Ship	Tank Barges	Tankers	Towing Vessels	Other b/	
<b>Northeastern US - Gulf of Maine</b>													
Eastport, ME	0.4	-	-	-	-	-	-	-	-	-	-	-	0.4
Searsport, ME	-	-	-	-	-	-	-	-	-	5.2	-	-	5.2
Portland, ME	0.4	-	-	-	-	-	-	2.0	-	11.8	-	-	14.2
Portsmouth, NH	-	-	-	-	-	-	-	-	-	8.0	-	-	8.0
<b>Northeastern US - Off Race Point</b>													
Boston, MA	0.4	-	9.4	-	0.3	-	-	3.0	-	13.9	-	-	27.0
Salem, MA	0.5	-	-	-	-	-	-	-	-	-	-	-	0.5
<b>Northeastern US - Cape Cod Bay</b>													
Cape Cod, MA	-	-	-	-	-	-	-	-	-	2.3	-	-	2.3
<b>Mid-Atlantic Block Island Sound</b>													
New Bedford, MA	2.3	-	-	-	1.4	-	-	-	-	2.8	-	-	6.5
Providence, RI	1.3	0.5	-	-	1.0	-	2.0	11.4	-	10.6	-	-	26.8
New London, CT	1.3	-	1.9	-	1.8	3.1	-	-	0.9	1.5	-	-	10.3
New Haven, CT	3.1	-	1.1	-	3.8	-	-	-	9.8	20.3	0.9	-	38.9
Bridgeport, CT	0.9	-	-	-	-	-	6.3	-	8.0	8.7	-	-	23.9
Long Island, NY	-	0.5	-	-	-	3.1	-	-	7.1	29.1	-	-	39.8
<b>Mid-Atlantic Ports of New York/New Jersey</b>													
New York City, NY	4.7	2.6	889.0	-	2.2	2.4	10.9	162.6	5.3	100.1	1.7	-	1,181.5
<b>Mid-Atlantic Delaware Bay</b>													
Philadelphia, PA	10.6	-	88.4	0.8	10.1	2.4	15.9	22.3	1.8	51.0	4.3	-	207.7
<b>Mid-Atlantic Chesapeake Bay</b>													
Baltimore, MD	7.3	-	151.6	-	7.0	9.4	-	166.8	-	24.0	0.9	0.8	367.7
Hampton Roads, VA	8.9	1.1	823.3	-	11.1	2.4	-	65.7	-	19.9	-	0.8	933.1
<b>Mid-Atlantic Morehead City and Beaufort, NC</b>													
Morehead City, NC	1.2	-	2.5	-	2.0	-	-	1.0	-	2.5	-	0.5	9.7
<b>Mid-Atlantic Wilmington, NC</b>													
Wilmington, NC	8.0	2.0	34.5	-	11.2	-	0.9	5.1	5.5	26.8	0.9	-	94.8
<b>Mid-Atlantic Georgetown, SC</b>													
Georgetown, SC	1.7	-	0.7	-	2.3	-	-	-	-	-	-	-	4.6
<b>Mid-Atlantic Charleston, SC</b>													
Charleston, SC	4.2	-	531.6	-	8.2	8.7	-	52.3	2.8	35.3	1.7	-	644.8
<b>Mid-Atlantic Savannah, GA</b>													
Savannah, GA	6.8	2.4	452.1	-	22.5	4.7	14.1	27.2	1.8	24.4	-	0.5	556.3
<b>Southeastern US</b>													
Brunswick, GA	2.9	-	5.4	-	2.8	3.1	-	47.9	-	-	-	-	62.1
Fernandina, FL	0.5	-	3.0	-	8.9	3.1	-	-	-	-	-	-	15.4
Jacksonville, FL	2.1	-	49.7	0.8	5.2	-	-	62.9	2.8	20.9	1.7	-	146.0
Port Canaveral, FL	-	-	-	-	-	-	-	-	-	-	-	-	0.0
<b>All Port Regions</b>	<b>74.9</b>	<b>9.2</b>	<b>3,102.1</b>	<b>2.3</b>	<b>118.8</b>	<b>48.2</b>	<b>50.1</b>	<b>740.9</b>	<b>48.5</b>	<b>440.0</b>	<b>13.9</b>	<b>2.4</b>	<b>4,427.7</b>

a/ Includes recreational vessels.

b/ Includes fishing vessels, industrial vessels, research vessels, and school ships.

Source: Prepared by Nathan Associates Inc. based on analysis of U.S. Coast Guard data on vessel calls at U.S. ports as described in text.

**Table 4-40. Alternative 6: Additional Direct Economic Impact on Shipping Industry by Port Area and Vessel Type, 2004 (\$000s)**

Port Area	Vessel Type												Total
	Bulk Carriers	Combinati		Freight Barges	General Cargo Vessels	Passenger Vessels a/	Refrigerated Cargo Vessels	Ro-Ro		Towing Vessels	Other b/		
		on Container ships	Tank Barges					Ship	Tankers				
<b>Northeastern US - Gulf of Maine</b>													
Eastport, ME	1.2	-	-	-	-	-	-	-	-	-	-	-	1.2
Searsport, ME	-	-	-	-	-	-	-	-	0.9	5.2	-	-	6.1
Portland, ME	1.2	-	-	-	0.3	-	-	2.0	1.8	11.3	-	-	16.6
Portsmouth, NH	-	0.5	-	-	-	-	-	-	-	3.1	-	-	3.5
<b>Northeastern US - Off Race Point</b>													
Boston, MA	-	-	3.4	-	-	-	-	2.0	-	5.7	-	-	11.1
Salem, MA	-	-	-	-	-	-	-	-	-	-	-	-	0.0
<b>Northeastern US - Cape Cod Bay</b>													
Cape Cod, MA	-	-	-	-	-	2.4	-	-	-	1.6	-	-	4.0
<b>Mid-Atlantic Block Island Sound</b>													
New Bedford, MA	5.6	-	-	-	0.7	-	-	-	-	2.4	-	-	8.7
Providence, RI	2.5	-	-	-	-	10.4	-	13.2	-	8.1	-	-	34.1
New London, CT	0.4	-	2.9	-	4.2	-	-	-	1.8	2.0	-	-	11.3
New Haven, CT	0.9	-	2.3	-	1.0	-	-	-	34.7	23.3	-	-	62.2
Bridgeport, CT	1.3	-	-	-	-	-	6.2	-	37.0	10.2	-	-	54.7
Long Island, NY	-	-	-	-	-	-	-	-	21.2	33.9	-	-	55.1
<b>Mid-Atlantic Ports of New York/New Jersey</b>													
New York City, NY	3.7	1.9	905.0	-	9.8	10.4	8.7	174.6	0.9	96.4	1.7	-	1,213.1
<b>Mid-Atlantic Delaware Bay</b>													
Philadelphia, PA	3.3	0.5	82.5	1.3	10.5	7.3	17.8	23.7	-	57.7	4.3	-	208.9
<b>Mid-Atlantic Chesapeake Bay</b>													
Baltimore, MD	5.5	-	164.8	-	14.5	13.4	3.0	169.8	-	30.1	1.7	-	402.8
Hampton Roads, VA	10.4	1.4	834.3	-	14.6	18.8	5.9	68.4	-	22.2	1.7	-	977.7
<b>Mid-Atlantic Morehead City and Beaufort, NC</b>													
Morehead City, NC	1.6	0.4	2.8	-	2.1	12.2	-	-	-	5.2	-	-	24.4
<b>Mid-Atlantic Wilmington, NC</b>													
Wilmington, NC	5.8	1.0	32.7	-	22.4	9.2	-	9.8	-	34.9	0.9	-	116.7
<b>Mid-Atlantic Georgetown, SC</b>													
Georgetown, SC	2.5	-	-	-	1.3	3.1	-	-	-	-	-	-	6.9
<b>Mid-Atlantic Charleston, SC</b>													
Charleston, SC	1.6	-	579.1	-	15.6	35.8	3.0	50.1	-	34.7	-	0.5	720.3
<b>Mid-Atlantic Savannah, GA</b>													
Savannah, GA	3.4	1.9	453.9	-	23.8	43.7	19.9	31.4	-	30.5	0.9	0.5	609.9
<b>Southeastern US</b>													
Brunswick, GA	2.4	-	4.7	-	10.4	12.2	-	57.1	-	-	-	-	86.9
Fernandina, FL	-	-	7.5	-	9.6	15.3	1.0	1.4	-	-	-	-	34.9
Jacksonville, FL	2.0	-	47.4	1.3	5.9	16.9	-	61.4	-	31.1	0.9	-	167.0
Port Canaveral, FL	-	-	-	-	-	-	-	-	-	-	-	-	0.0
<b>All Port Regions</b>	<b>59.8</b>	<b>7.4</b>	<b>3,182.8</b>	<b>3.9</b>	<b>172.9</b>	<b>255.5</b>	<b>66.5</b>	<b>784.8</b>	<b>98.2</b>	<b>480.8</b>	<b>13.0</b>	<b>0.9</b>	<b>4,837.9</b>

a/ Includes recreational vessels.

b/ Includes fishing vessels, industrial vessels, research vessels, and school ships.

Source: Prepared by Nathan Associates Inc. based on analysis of U.S. Coast Guard data on vessel calls at U.S. ports as described in text.

## RE-ROUTING OF SOUTHBOUND COASTWISE SHIPPING

Coastwise shipping or cabotage trade along the U.S. East Coast has always been an important segment of our nation's maritime heritage. In recent years, attention has been focused on the further development of coastwise shipping (also referred to as short-sea shipping) as a means of reducing highway congestion on the Eastern Seaboard. Benefits of coastwise shipping also include lowering transport and environmental costs and reducing our demand for imported fuel. For these reasons, it is important that the speed restrictions not unduly affect the development of increased coastwise shipping.

However, for commercial and navigation purposes, it appears unlikely that the speed restriction would significantly affect coastwise shipping. Northbound vessels prefer to use Gulf Stream further offshore and benefit from the enhanced operating speed and fuel efficiency. Southbound traffic routes closer to the U.S. East Coast; generally within 7-10 nautical miles of the shoreline. However, during the proposed seasonal management periods, masters of southbound vessels would likely route outside of seasonal speed restricted areas incurring an overall increase in distance. This affects southbound vessels between the entrance to the Chesapeake Bay and Port Canaveral.

For Alternative 3 the proposed speed restrictions would be in effect for a distance of 25 nautical miles from the entire mid-Atlantic coastline. Containerships and ro-ro cargo ships are the vessel types that would be most affected by speed restrictions at intermediate seasonal speed restricted areas.<sup>50</sup> In 2003, there were 4,142 containership and ro-ro cargo ship restricted period arrivals at U.S. east coast port areas from Baltimore thorough Port Canaveral. Assuming half of these calls were in the southbound direction and that the typical vessel made calls at three U.S. East Coast ports per service, there would be about 690 southbound vessels that would need to route outside of the seasonal speed restricted areas. Based on an increase in routing of 108 nautical miles<sup>51</sup> and an average operating speed of 20 knots, the containership would have increased sailing time of 5.4 hours. Using an average hourly operating cost at sea of \$1,000, the estimated economic impact for each southbound vessel would be \$5,400. For 2003, the additional economic impact for containerships for coastwise shipping under Alternative 3 is estimated at \$3.7 million. In 2004, the same assumptions result in an estimated economic impact of \$3.8 million.

For Alternative 6, the proposed speed restrictions in the mid-Atlantic region would be implemented for a radius of 30 nautical mile buffer around each port area. Hence the additional distance incurred by southbound vessels would be 80 nautical miles (20 nautical per arrival and departure at intermediate port calls). In 2003, there were 3,688 containership and ro-ro cargo ship restricted period arrivals at U.S. east coast port areas from Baltimore thorough Port Canaveral. Assuming half of these calls were in the southbound direction and that the typical vessel made calls at three U.S. East Coast ports per service, there would be about 615 southbound

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<sup>50</sup> Again this analysis pertains equally to Alternative 5.

<sup>51</sup> The vessels are assumed to sail at a distance of 25 nautical miles offshore instead of 8 nautical miles. Based on a diagonal routing to the further offshore sailing route an additional distance of 27 nautical miles is assumed per arrival and departure at the intermediate port calls.



vessels that would need to route outside of the seasonal speed restricted areas. Based on an increase in routing of 80 nautical miles<sup>52</sup> and an average operating speed of 20 knots, the containership would have increased sailing time of 4 hours. Using an average hourly operating cost at sea of \$1,000, the estimated economic impact for each southbound vessel would be \$4,000. For 2003 and 2004, the additional economic impact for containerships for coastwise shipping under Alternative 6 is estimated at \$2.5 million.

## **DIRECT ECONOMIC IMPACT ON SHIPPING INDUSTRY RELATIVE TO VALUE OF U.S. EAST COAST TRADE AND OCEAN FREIGHT COSTS**

In Chapter 2, we presented data collected by the U.S. Census Bureau on volume and value of goods carried by vessels calling at U.S. East Coast ports. We also presented information on vessel import charges that represent the aggregate cost of all freight, insurance and other charges (excluding U.S. import duties) incurred in bringing the merchandise from alongside the carrier at the port of exportation and placing it alongside the carrier at the first port of entry. In this section we will compare the estimates of the direct economic impact on the shipping industry to these indicators of the economic significance of U.S. East Coast maritime activity.

Table 4-41 presents for each port area, the significance of the estimated economic impact of the operational measures relative to the value of U.S. East Coast trade in 2003 and 2004. This comparison is useful to determine whether increased shipping costs associated with the proposed operational measures would significantly affect the price and volume of traded goods via U.S. East Coast ports. The direct economic impact on the shipping industry for each alternative is based on the base case analyses presented in this chapter including a speed restriction of 12 knots. The value of trade merchandise is the same as reported in Chapter 2 for U.S. East Coast imports and exports by Customs District and Port. In 2003, the total annual direct economic impact on the shipping industry is of Alternative 5 is \$61.8 million while the value of U.S. East Coast trade is \$298.7 billion. Thus the direct economic impact represents two hundredths of one percent of the value of traded merchandise in 2003. For other alternatives the direct economic impact is even smaller. These results indicate that implementation of the proposed operational measures will not have any measurable impact on the volume of merchandise traded through U.S. East Coast ports.

To measure the significance of the operational measures on the shipping industry, it is interesting to compare the estimated direct economic impact with ocean freight costs associated with U.S. East Coast trade. Ocean freight costs are considered as a conservative proxy for shipping industry revenues. In Chapter 2 we determined that ocean freight charges averaged 5.3 percent of the value of imports. Given the composition of our trade, it is reasonable to assume that ocean freight charges would represent no less than the same percentage of the value of our exports. Based on these factors, we estimate that the direct economic impact on the shipping industry for Alternative 5 represents less than four tenths of one percent of the ocean freight costs for U.S. East Coast trade. For other alternatives the relative economic impact is even smaller. For Alternative 6,

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<sup>52</sup> The vessels are assumed to sail at a distance of 25 nautical miles offshore instead of 8 nautical miles. Based on a diagonal routing to the further offshore sailing route an additional distance of 27 nautical miles is assumed per arrival and departure at the intermediate port calls.

the direct economic impact represents only two tenths of one percent of the ocean freight costs. These results indicate that the implementation of the proposed operational measures would have an insignificant impact on the financial revenues and hence the financial performance of the vessel operators calling at U.S. East Coast ports.

**Table 4-41. Economic Impact as a Percent of Value of U.S. East Coast Maritime Trade and Ocean Freight Costs, 2003 and 2004 (\$ millions unless otherwise specified)**

Item	Alternative				
	2	3	4	5	6
<b>2003</b>					
Direct economic impact	9.8	50.5	1.0	52.4	28.7
Additional direct economic impact due to cumulative effect of multi-port strings	-	5.7	-	5.7	4.4
Direct economic impact of re-routing of southbound coastwise shipping	-	3.7	-	3.7	2.5
Total direct economic impact on shipping industry	9.8	59.9	1.0	61.8	35.6
Trade Merchandise Value	298,741	298,741	298,741	298,741	298,741
Total direct economic impact as a percent of trade value (%)	0.003%	0.020%	0.000%	0.021%	0.012%
Ocean Freight Costs	15,833	15,833	15,833	15,833	15,833
Total direct economic impact as a percent of ocean freight cost (%)	0.062%	0.378%	0.006%	0.390%	0.225%
<b>2004</b>					
Direct economic impact	10.8	53.9	1.1	56.1	30.8
Additional direct economic impact due to cumulative effect of multi-port strings	-	6.0	-	6.0	4.8
Direct economic impact of re-routing of southbound coastwise shipping	-	3.8	-	3.8	2.5
Total direct economic impact on shipping industry	10.8	63.7	1.1	65.9	38.1
Trade Merchandise Value	325,051	325,051	325,051	325,051	325,051
Total direct economic impact as a percent of trade value (%)	0.003%	0.020%	0.000%	0.020%	0.012%
Ocean Freight Costs	17,228	17,228	17,228	17,228	17,228
Total direct economic impact as a percent of ocean freight cost (%)	0.063%	0.370%	0.006%	0.383%	0.221%

Source: Prepared by Nathan Associates from U.S. Census Bureau Foreign Trade Statistics for 2003 and 2004 and analysis of U.S. Coast Guard data on vessel calls at U.S. ports as described in text.

## Estimated Indirect Economic Impact

Depending on the nature and significance of the direct economic impact, it is possible that implementation of the proposed operational measures could have indirect economic impacts. Potential indirect economic impacts were raised by port authorities, shipping industry representatives, and community leaders during the public stakeholder meetings. Potential indirect economic impacts include:

- Diversion of traffic to other ports
- Increased intermodal costs due to missed rail and truck connections
- Impact on local economies of decreased income from jobs lost to due traffic diversions

There are many factors that influence a shipping line's decision to call at specific ports. These include the adequacy and suitability of port facilities and equipment, the ability of the terminal operator to quickly turnaround the vessel, overall cargo demand, efficiency of intermodal transportation, port charges, and the port location relative to other ports and cargo markets. At the stakeholders meeting in Boston, there was particular concern raised over the possibility of traffic diverting to other ports such as Halifax.

As described earlier in this Chapter, under Alternative 3 there would be year-round speed restrictions established for a large area eastward of Massachusetts Bay which would extend through the Great South Channel critical habitat area. This speed restricted area would significantly affect vessel traffic in the Northeast region and port areas from Hampton Roads northward in the mid-Atlantic region. As shown in Table 4-13, the average minutes of delay for a containership in Boston would be 100 minutes per arrival and another 100 minutes per departure. A permanent delay of 3.3 hours per call year-round would be sufficient for shippers and vessel operators to look at alternative ports such as Halifax that would not be affected by the proposed regulations.

A good portion of a port's traffic is often considered captive to that port. For cargoes that are destined for the port's immediate hinterland, it does not make economic sense to call at a distant port and then to ship back to the port via expensive land transport. However, most ports also accommodate traffic that is not destined for its immediate hinterland but is through traffic that may have economically attractive routing alternatives. Port areas in the Northeast and northern parts of the mid-Atlantic region serves as gateways to the inland population centers and industrial areas such as western New York, western Pennsylvania, Ohio, Indiana, Illinois and Michigan. These areas may be served via the Canadian ports of Halifax and Montreal without incurring delays caused by the right whale ship strike reduction measures.

For Alternative 3, we have assumed that 20 percent of the containership and ro-ro cargo ship calls at Northeast ports would divert to Canadian ports with a speed restriction of 12 knots.<sup>53</sup> Port areas in the Block Island are assumed to lose 10 percent of their vessel calls during restricted periods while the port areas of New York/New Jersey, Philadelphia, Baltimore and Hampton roads are assumed to lose 1.5 percent of their containership and ro-ro cargo ship vessel calls during restricted periods.

We have also assumed that a 12-knot speed restriction under Alternative 3 would lead to the diversion of three percent of the containership and ro-ro cargo ship calls from the port areas of Savannah during restricted periods. The speed restrictions will be in effect in Savannah for 212 days as compared to 121 days for the nearby Southeastern port areas of Brunswick, Fernandina and Jacksonville. We have assumed that 25 percent of the diverted Savannah calls would be handled each at Brunswick and Fernandina and the remaining half of the diverted calls would be handled at Jacksonville.

On the other hand, we have assumed that 10 percent of the restricted period cruise vessel calls at Jacksonville would divert to the nearby port area of Port Canaveral under Alternative 3. The diversion is due to over 2.4

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<sup>53</sup> Other types of vessels are less likely to divert as their cargo are more likely to be for the port's immediate hinterland.

hour savings per vessel call since the effective distance of speed restriction in Port Canaveral is only 4.5 nautical miles compared to the 30.9 nautical miles at Jacksonville

Table 4-42 presents the assumed diversion rates for Alternative 3 with restricted speeds of 10 knots and 14 knots.

**Table 4-42. Percent of Restricted Period Vessel Calls Assumed to be Diverted by Alternative and Port Area, 2003 and 2004**

Port Area	Alternative 3			Alternative 4			Alternative 5			Alternative 6		
	Restricted speed in knots			Restricted speed in knots			Restricted speed in knots			Restricted speed in knots		
	10	12	14	10	12	14	10	12	14	10	12	14
Northeastern US	25.0%	20.0%	15.0%	-	-	-	27.0%	22.0%	17.0%	15.0%	10.0%	7.0%
Mid-Atlantic Block Island Sound	15.0%	10.0%	5.0%	-	-	-	16.0%	11.0%	6.0%	3.0%	2.0%	1.0%
Selected Mid-Atlantic Ports a/	3.0%	1.5%	0.5%	-	-	-	3.5%	1.7%	0.7%	1.5%	0.5%	0.1%
Savannah, GA	5.0%	3.0%	1.0%	-	-	-	-	-	-	-	-	-
Brunswick, GA	-	-	-	5.0%	3.0%	1.5%	-	-	-	3.0%	2.0%	1.0%
Fernandina, FL	-	-	-	5.0%	3.0%	1.5%	-	-	-	3.0%	2.0%	1.0%
Jacksonville, FL	15.0%	10.0%	5.0%	15.0%	10.0%	5.0%	40.0%	30.0%	20.0%	40.0%	30.0%	20.0%

a/ Includes port areas of New York/New Jersey, Philadelphia, Baltimore and Hampton Roads.

Source: Prepared by Nathan Associates as described in text.

Under Alternative 4, the port areas of Brunswick and Fernandina will have delays due to the increased distance associated with the use of recommended routes. Because of these delays, it is assumed that 3 percent of the containership and ro-ro cargo ship calls at these two port areas would divert to the port area of Savannah that has no operational measures proposed. Under Alternative 4, cruise vessels are assumed to divert again to Port Canaveral where no operational measures have been proposed.

Under Alternative 5, the rates of diversion for the affected port areas in the Northeast and Mid-Atlantic regions are similar to Alternative 3, except that the additional impact of DMAs and use of recommended routes are assumed to increase the rate of diversion slightly. The port area of Savannah is assumed not to incur any diversions under Alternative 5 as the delays associated with the increased recommended routes for the Southeast port areas are assumed to offset the longer duration of speed restrictions at Savannah. The port area of Jacksonville is doubly disadvantaged under Alternative 5 relative to Port Canaveral. First Jacksonville is subject to the increased distance associated with the use of recommended routes, and second the speed restrictions are in effect for 30.9 nautical miles as compared to the 4.5 nautical miles at Port Canaveral. For these reasons we have assumed that 30 percent of the restricted period cruise vessel calls will divert from Jacksonville to Port Canaveral.

Under Alternative 6, the speed restrictions for the large area in the Northeast will be in effect during the month of April.<sup>54</sup> Hence the diversion is assumed at 10 percent for containerships and ro-ro cargo ships during the

<sup>54</sup> Speed restrictions will be in effect for other months in the Northeast region but not the large combined area encompassing Massachusetts Bay and the Great South Channel critical habitat area.

restricted period.<sup>55</sup> For the port areas in Block Island Sound, we have assumed a diversion rate of 2 percent for containerships and ro-ro cargo ships due to the limited duration of the large speed restriction area. For the affected Mid-Atlantic ports we have assumed a diversion of 0.5 percent of restricted period containership and ro-ro cargo ship vessel calls.

An additional diversion was assumed to occur under Alternative 6 for the port area of Providence. This port area has speed restrictions in effect for 181 days as compared to 61 days for the port area of Boston. Hence we have assumed that 15 percent of the containership and ro-ro cargo ship restricted period calls at Providence would divert to the nearby port area of Boston.

The Southeastern region ports of Brunswick and Fernandina are assumed to have 2 percent of their restricted period arrivals of containerships and ro-ro cargo ships diverted to Savannah as the effect of the use of recommended routes creates additional delays relative to Savannah. Finally, 30 percent of the restricted period cruise vessel calls at Jacksonville are assumed to divert to Port Canaveral as that port is not affected by speed restrictions or the use of recommended routes.

The Maritime Administration (MARAD), an agency of the U.S. Department of Transportation has developed a Port Economic Impact Kit that allows users to assess the economic impact of port activity on a region's economy. The MARAD Port Economic Impact Kit uses an adaptation of input-output analysis that is a widely established tool for undertaking economic impact assessments. The model calculates the total economic impacts or multiplier effect of deep-draft port industry and includes an indirect effect that reflects expenditures made by the supplying firms to meet the requirements of the deep-draft port industry as well as expenditures by firms stocking the supplying firms.

The model also includes an induced effect that corresponds to the change in consumer spending that is generated by changes in labor income accruing to the workers in the deep-draft port industry as well as employment in the supplying businesses.

The MARAD Port Economic Impact Kit was applied in two recent studies of the economic implications of port calls in Boston.<sup>56</sup> These studies estimate that an average containership port call in Boston results in a positive economic impact for the region of approximately \$900 thousand. We have used this estimate for the port area of Boston and other major ports and to estimate the impact of port calls diverted to Canadian ports<sup>57</sup>. For other port areas such as Portland and Providence that would generally have smaller vessels calling at the port, we have used an estimate of \$500 thousand of total economic impact per port call.

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<sup>55</sup> For Alternative 6, speed restrictions are only in place for the months of March and April thus the 10 percent diversion only applies to vessel calls during those months.

<sup>56</sup> Haute Kite-Powell, Economic Implications of Possible Reductions in Boston Port Calls due to Ship Strike Management Measures, a report produced for NOAA National Marine Fisheries and MASSPORT, March 2005.; and Leigh Fisher Associates, Economic Impact Study of Massachusetts Port Authority and Port of Boston facilities, prepared for MASSPORT and the Greater Boston Chamber of Commerce, Draft Technical Report June 30, 2005.Draft

<sup>57</sup> For purposes of this section, other major port areas are New York/New Jersey, Philadelphia, Baltimore, Hampton Roads, Charleston, Savannah, Jacksonville and Port Canaveral.

The indirect economic impact of port diversions in 2003 by alternative, port area and restricted speed is presented in Table 4-43. There are no significant indirect economic impacts associated with the use of DMAs in Alternative 2. For Alternative 3, the net indirect economic impact is estimated at a total of \$81.5 million in 2003 at a speed restriction of 12 knots. The port areas of New York/New Jersey (\$24.1 million), Savannah (\$23.3 million), Boston (\$19.8 million) and Hampton Roads (\$14.8 million) have the largest indirect economic impacts. Note that the port areas of Jacksonville, Brunswick, and Fernandina show a positive net economic impact (in parentheses) as they gain vessel calls diverted from Savannah.

**Table 4-43. Indirect Economic Impact of Port Diversions by Alternative, Restricted Speed and Port Area, 2003 (\$000s)**

Port Area	Alternative 2			Alternative 3			Alternative 4			Alternative 5			Alternative 6		
	Restricted	speed in knots		Restricted	speed in knots		Restricted	speed in knots		Restricted	speed in knots		Restricted	speed in knots	
	10	12	14	10	12	14	10	12	14	10	12	14	10	12	14
<b>Northeastern US - Gulf of Maine</b>															
Eastport, ME	-	-	-	625	500	375	-	-	-	675	550	425	75	50	35
Searsport, ME	-	-	-	125	100	75	-	-	-	135	110	85	-	-	-
Portland, ME	-	-	-	8,375	6,700	5,025	-	-	-	9,045	7,370	5,695	825	550	385
Portsmouth, NH	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Northeastern US - Off Race Point</b>															
Boston, MA	-	-	-	24,750	19,800	14,850	-	-	-	26,730	21,780	16,830	(700)	(150)	(10)
Salem, MA	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Northeastern US - Cape Cod Bay</b>															
Cape Cod, MA	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Mid-Atlantic Block Island Sound</b>															
New Bedford, MA	-	-	-	75	50	25	-	-	-	80	55	30	15	10	5
Providence, RI	-	-	-	3,375	2,250	1,125	-	-	-	3,600	2,475	1,350	4,750	2,850	1,900
New London, CT	-	-	-	150	100	50	-	-	-	160	110	60	30	20	10
New Haven, CT	-	-	-	75	50	25	-	-	-	80	55	30	15	10	5
Bridgeport, CT	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Long Island, NY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Mid-Atlantic Ports of New York/New Jersey</b>															
New York City, NY	-	-	-	48,222	24,111	8,037	-	-	-	56,259	27,326	11,252	20,507	6,836	1,367
<b>Mid-Atlantic Delaware Bay</b>															
Philadelphia, PA	-	-	-	10,044	5,022	1,674	-	-	-	11,718	5,692	2,344	4,293	1,431	286
<b>Mid-Atlantic Chesapeake Bay</b>															
Baltimore, MD	-	-	-	16,686	8,343	2,781	-	-	-	19,467	9,455	3,893	7,155	2,385	477
Hampton Roads, VA	-	-	-	29,646	14,823	4,941	-	-	-	34,587	16,799	6,917	12,636	4,212	842
<b>Mid-Atlantic Morehead City and Beaufort, NC</b>															
Morehead City, NC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Mid-Atlantic Wilmington, NC</b>															
Wilmington, NC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Mid-Atlantic Georgetown, SC</b>															
Georgetown, SC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Mid-Atlantic Charleston, SC</b>															
Charleston, SC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Mid-Atlantic Savannah, GA</b>															
Savannah, GA	-	-	-	38,835	23,301	7,767	(3,250)	(1,950)	(975)	-	-	-	(2,490)	(1,660)	(830)
<b>Southeastern US</b>															
Brunswick, GA	-	-	-	(9,709)	(5,825)	(1,942)	2,325	1,395	698	-	-	-	1,845	1,230	615
Fernandina, FL	-	-	-	(9,709)	(5,825)	(1,942)	925	555	278	-	-	-	645	430	215
Jacksonville, FL	-	-	-	(19,418)	(11,651)	(3,884)	540	360	180	1,440	1,080	720	2,880	2,160	1,440
Port Canaveral, FL	-	-	-	(540)	(360)	(180)	(540)	(360)	(180)	(1,440)	(1,080)	(720)	(2,880)	(2,160)	(1,440)
<b>All Port Areas</b>	-	-	-	141,608	81,489	38,803	-	-	-	162,536	91,777	48,911	49,601	18,204	5,303

Source: Prepared by Nathan Associates based on analysis of U.S. Coast Guard data on vessel calls at U.S. ports, 2003-2004 as described in text.

**Table 4-44. Indirect Economic Impact of Port Diversions by Alternative, Restricted Speed and Port Area, 2004 (\$000s)**

Port Area	Alternative 2			Alternative 3			Alternative 4			Alternative 5			Alternative 6		
	Restricted speed in knots			Restricted speed in knots			Restricted speed in knots			Restricted speed in knots			Restricted speed in knots		
	10	12	14	10	12	14	10	12	14	10	12	14	10	12	14
<b>Northeastern US - Gulf of Maine</b>															
Eastport, ME	-	-	-	500	400	300	-	-	-	540	440	340	150	100	70
Searsport, ME	-	-	-	375	300	225	-	-	-	405	330	255	-	-	-
Portland, ME	-	-	-	5,125	4,100	3,075	-	-	-	5,535	4,510	3,485	825	550	385
Portsmouth, NH	-	-	-	125	100	75	-	-	-	135	110	85	-	-	-
<b>Northeastern US - Off Race Point</b>															
Boston, MA	-	-	-	24,750	19,800	14,850	-	-	-	26,730	21,780	16,830	(200)	150	190
Salem, MA	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Northeastern US - Cape Cod Bay</b>															
Cape Cod, MA	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Mid-Atlantic Block Island Sound</b>															
New Bedford, MA	-	-	-	75	50	25	-	-	-	80	55	30	15	10	5
Providence, RI	-	-	-	3,150	2,100	1,050	-	-	-	3,360	2,310	1,260	4,250	2,550	1,700
New London, CT	-	-	-	375	250	125	-	-	-	400	275	150	60	40	20
New Haven, CT	-	-	-	225	150	75	-	-	-	240	165	90	45	30	15
Bridgeport, CT	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Long Island, NY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Mid-Atlantic Ports of New York/New Jersey</b>															
New York City, NY	-	-	-	49,680	24,840	8,280	-	-	-	57,960	28,152	11,592	21,209	7,070	1,414
<b>Mid-Atlantic Delaware Bay</b>															
Philadelphia, PA	-	-	-	9,369	4,685	1,562	-	-	-	10,931	5,309	2,186	3,996	1,332	266
<b>Mid-Atlantic Chesapeake Bay</b>															
Baltimore, MD	-	-	-	16,605	8,303	2,768	-	-	-	19,373	9,410	3,875	6,980	2,327	465
Hampton Roads, VA	-	-	-	29,052	14,526	4,842	-	-	-	33,894	16,463	6,779	12,366	4,122	824
<b>Mid-Atlantic Morehead City and Beaufort, NC</b>															
Morehead City, NC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Mid-Atlantic Wilmington, NC</b>															
Wilmington, NC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Mid-Atlantic Georgetown, SC</b>															
Georgetown, SC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Mid-Atlantic Charleston, SC</b>															
Charleston, SC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Mid-Atlantic Savannah, GA</b>															
Savannah, GA	-	-	-	39,015	23,409	7,803	(3,175)	(1,905)	(953)	-	-	-	(2,265)	(1,510)	(755)
<b>Southeastern US</b>															
Brunswick, GA	-	-	-	(9,754)	(5,852)	(1,951)	2,500	1,500	750	-	-	-	1,800	1,200	600
Fernandina, FL	-	-	-	(9,754)	(5,852)	(1,951)	675	405	203	-	-	-	465	310	155
Jacksonville, FL	-	-	-	(15,458)	(9,005)	(2,552)	4,050	2,700	1,350	10,800	8,100	5,400	15,480	11,610	7,740
Port Canaveral, FL	-	-	-	(4,050)	(2,700)	(1,350)	(4,050)	(2,700)	(1,350)	(10,800)	(8,100)	(5,400)	(15,480)	(11,610)	(7,740)
<b>All Port Areas</b>	-	-	-	139,406	79,603	37,251	-	-	-	159,582	89,308	46,956	49,695	18,280	5,355

Source: Prepared by Nathan Associates based on analysis of U.S. Coast Guard data on vessel calls at U.S. ports, 2003-2004 as described in text.

From the perspective of the national economy, there are no net indirect economic impacts under Alternative 4. The diverted vessel call at the Southeastern port areas of Brunswick, Fernandina and Jacksonville are offset by the gains in vessels calling at the port areas of Savannah and Port Canaveral.

For Alternative 5, the net indirect economic impact at a restricted speed of 12 knots is estimated at \$91.8 million which is about 13 percent higher than under Alternative 3. The ranking of results is similar to Alternative 3

with the exception that the port of Savannah is not assumed to have vessel calls diverted to the Southeastern ports.

For Alternative 6, the net indirect economic impact at a restricted speed of 12 knots is estimated at \$18.2 million. The largest indirect economic losses are generated in the port areas of New York/New Jersey (\$6.8 million), Hampton Roads (\$4.2 million), Providence (\$2.9 million), Baltimore (\$2.4 million), Philadelphia (\$1.4 million) and Brunswick (\$1.2 million). The following port areas experience a net indirect economic impact gain: Port Canaveral (\$2.2 million) and Savannah (\$1.7 million).

Table 4-44 presents the indirect economic impact for 2004. In general, the estimated indirect economic impacts match closely with those described for 2003. It is interesting to note the large increase in indirect economic impact in Jacksonville under Alternative 6 in 2004 as cruise vessel arrivals increased substantially.

## **Estimated Economic Impact on Other Market Segments**

As described earlier, the estimates of economic impact by port area and vessel type are based on U.S. Coast Guard data on the arrival of vessel 150 GRT or greater at U.S. East Coast ports. The USCG data captures the vast preponderance of commercial maritime activity that would be subject to the speed restrictions and other operational measures. However, there are some market segments that may be impacted by the speed restrictions and other operational measures whose maritime activities are not adequately captured in the USCG data. In this section, we identify the most relevant of these market segments and discuss the potential economic impact.

### **COMMERCIAL FISHING**

Commercial fishing is a multimillion dollar industry along the U.S. East Coast. In 2004, commercial fish landings at U.S. East Coast ports totaled \$706 million (Table 2-11). The port of New Bedford, MA is the leading U.S. port in terms of value of commercial fish landings with \$206.5 million in 2004.

The operational measures of the right whale ship strike reduction strategy and alternatives apply to vessels with a length of 65 feet and above. Because the USCG data excludes data on commercial fishing vessels that are less than 150 GRT, we also evaluated data which included fishing vessels which are over 65 feet in length and weight less than 150 tons, using information provided by NMFS' database of commercial fishing permits. In Chapter 2, we identified that for the Southeast region approximately 84 percent of the fishing vessels over 65 feet are less than 150 tons. For the Northeast region, nearly 67 percent of the fishing vessels over 65 feet are less than 150 tons.

The estimated economic impact of the operational measures on commercial fishing vessels in 2003 is presented in Table 4-45. The analysis is based on the fishing permits issued in the Northeast and Southeast regions to vessels over 65 feet of LOA and under 150 GRT. The analysis assumes that the commercial fishing vessels are



affected for an effective distance of 25 nautical miles under Alternatives 3 and 5 and 30 nautical miles under Alternative 6 each way as they steam to and from fishing areas.

Many commercial fishing vessels steam at 10 knots or below and will not be affected by the operational measures if they were implemented at the 12-knot speed restriction. Also the typical steaming speed for other commercial fishing vessels is assumed at 12 knots. Based on these assumptions, the commercial fishing vessels will not be affected by alternative speed restrictions of 12 knots or higher. However, these vessels will be impacted by the proposed alternative speed restrictions of 10 knots.

**Table 4-45. Estimated Economic Impact of Proposed Operational Measures on Commercial Fishing Vessels by Region, 2003**

Item	Alternatives 3 and 5		Alternative 6	
	Northeast Region	Southeast Region	Northeast Region	Southeast Region
Commercial fishing permits for vessel over 65 ft LOA and under 150 GRT	572	290	572	290
Percent with steaming speed over 10 knots	40%	40%	40%	40%
Vessels potentially affected by speed restrictions	229	116	229	116
Typical steaming speed of affected vessels (knots)	12	12	12	12
Number of trips per year per vessel	20	20	20	20
Minutes of delay per trip with restricted speed of				
12 knots	-	-	-	-
10 knots	50.0	50.0	60.0	60.0
Operating cost per hour of steaming (dollars)	150	150	150	150
Estimated impact per year with restricted speed (dollars)				
12 knots	-	-	-	-
10 knots	572,000	290,000	686,400	348,000

Source: Prepared by Nathan Associates Inc.

With a speed restriction of 10 knots, the estimated impact in 2003 on commercial fishing vessels under Alternatives 3 and 5 is estimated at \$572 thousand for the Northeast Region and \$290 thousand for the Southeast Region. Under Alternative 6, the estimated impact in 2003 on commercial fishing vessels is estimated at \$686 thousand for the Northeast Region and \$348 thousand for the Southeast Region. The combined Northeast and Southeast regional economic impact of slightly more than \$1 million is approximately two-tenths of one percent of the U.S. East Coast commercial fishery landings of \$628.2 million in 2003.

These results indicate that the implementation of the operational measures will not have an undue adverse impact on the commercial fishing industry along the U.S. East Coast.

## **CHARTER FISHING**

During the stakeholder meetings, concerns were raised by representatives of the charter fishing industry regarding the negative effects of the speed restrictions on the industry. In some areas, charter vessels travel up to 50 nautical miles offshore to reach prime fishing areas. At vessel speeds of up to 17 knots they can reach their fishing areas in less than 3 hours. Under Alternative 6, a speed restriction of 12 knots for 30 nautical miles would add about 90 minutes to the roundtrip steaming time, and could severely affect client demand.

The charter fishing industry is active along the U.S. East Coast with concentration in the Carolinas, Virginia, Florida, New Jersey and Massachusetts. The industry consists of half-day charters of about 6 hours that typically go up to 20 nautical miles offshore; full-day charters of 11-12 hours that can go up to 40 nautical miles offshore; and extended full day charters that can be from 18-24 hours and go up to 50 miles offshore. The vast majority of the charter fishing industry consists of modern and well-equipped fishing boats of less than 65 feet LOA and thus would not be subject to the speed restrictions and other operational measures.

A small segment of the industry referred to as head boats often uses vessels of 80 feet LOA and above that can accommodate 60 to 100 passengers. These vessels go up to 50 miles offshore stop and anchor over wreck and rock formations for fishing species as red snapper, grouper, trigger fish, amberjack. The charter fee for a head boat is typically \$50- \$80 per person.

As described above an increase of 1.5 hours roundtrip steaming time would reduce the competitiveness of the larger head boats (more than 65 foot LOA) particularly for the half-day and full-day charters. It is expected that vessels of less than 65 foot LOA would increase their share of those market segments. For extended full-day charters, head boats of LOA in excess of 65 feet would incur additional costs associated with the 1.5 hour increase in roundtrip steaming time. It is estimated that annual economic impact of a speed restriction of 12 knots for these vessels over 30 nautical miles for Alternative 6 would be approximately \$720 thousand<sup>58</sup>. For Alternatives 3 and 5 with a speed restriction over 25 nautical miles, the annual economic impact is estimated at \$600 thousand.

## **PASSENGER FERRIES**

As described in Chapter 2, the vast majority of passenger vessels operating along the U.S. East Coast sail within the COLREGS line and as such will not be affected by the proposed operational measures of the Right Whale Ship Strike Reduction strategy and alternatives. However, in the southern New England area, there is a well-developed passenger ferry sector that operates beyond the COLREGS line and hence is subject to the proposed operational measures. A list of major southern New England passenger ferry operators, routes served and service characteristics are presented in Table 4-46.

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<sup>58</sup> This calculation assumes 40 headboat vessels with 60 roundtrips per year and an hourly steaming operating cost of \$200. For alternative speed restrictions of 10 and 11 knots, the estimated impact would be \$1.2 million and \$ 924 thousand, respectively.

**Table 4-46. Southern New England Ferry Operators, 2005**

Operator	Route	Vessel Speed	Distance	Summer Schedule	Average Adult Fare
<b>Fast Ferries</b>					
Bay State Cruises	Boston-Provincetown	30	50	6 trips daily	32
Boston Harbor Cruises	Boston-Provincetown	39	50	4 trips daily	30
Cross Sound Ferry Service	New London-Block Island	35	30	10 trips daily	15
Cross Sound Ferry Service	New London-Orient Point LI	30	16	12 trips daily	15
Freedom Cruise Line	Harwich-Nantucket	24	30	6 trips daily	26
Hy-Line Cruises	Hyannis- Nantucket	30	27	10 trips daily	31
Hy-Line Cruises	Hyannis-Martha's Vineyard	24	20	8 trips daily	14
Island High Speed Ferry	Point Judith-Block Island	33	11	12 trips daily	15
New England Fast Ferry	New Bedford- Martha's Vineyard	30	30	10 trips daily	25
Steamship Authority	Hyannis- Nantucket	30	27	10 trips daily	28
Vineyard Fast Ferry	Quonset Point-Martha's Vineyard	33	50	4 trips daily	30
<b>Regular Ferries</b>					
Bay State Cruises	Boston-Provincetown	16	50	2 trips Sat and Sun	15
Capt. John Boats	Plymouth-Provincetown	14	25	2 trips daily	18
Cross Sound Ferry Service	New London-Orient Point LI	13	16	30 trips daily	10
Hy-Line Cruises	Hyannis- Nantucket	15	27	6 trips daily	16
Hy-Line Cruises	Hyannis-Martha's Vineyard	12	20	6 trips daily	16
Hy-Line Cruises	Nantucket-Martha's Vineyard	16	20	6 trips daily	16
Interstate Navigation Company	Point Judith-Block Island	12	11	8 trips daily	10
Interstate Navigation Company	Newport-Block Island	12	22	2 trips daily	12
Patriot Party Boats	Falmouth- Martha's Vineyard	15	5	8 trips daily	7
Pied Piper	Falmouth-Edgartown	12	9	6 trips daily	15
Steamship Authority	Woods Hole-Martha's Vineyard	12	7	32 trips daily	6
Steamship Authority	Hyannis- Nantucket	12	27	12 trips daily	14

Source: Prepared by Nathan Associates from data on operator websites and selected interviews.

Passenger ferry operations in southern New England generally fall into two categories- fast ferry service with vessel speeds ranging from 24-39 knots and regular ferry service with vessel speeds from 12-16 knots. As shown in Table 4-46 there are nine operators providing fast ferry service on eight routes utilizing eleven vessels. Key destinations include Provincetown, Block Island, Nantucket, and Martha's Vineyard, while important origins include Boston, New London, Hyannis, Harwich, Point Judith and Quonset Point.

Regular ferry service is provided by eight operators on eleven routes utilizing 16 vessels. Vessel speeds range from 12-16 knots and serve many of the same origins and destinations as the fast ferry service. Additional origins served by regular ferries include Plymouth, Falmouth and Woods Hole.

Passenger ferry service will be impacted by operational measures proposed under Alternatives 2, 3, 5, and 6. Under Alternative 2, a DMA will be established over a 39.6 nautical mile buffer square based on the trigger conditions described earlier in this chapter. Interviews with passenger ferry operators identified their particular concern of the situation where a DMA were to be implemented during the peak summer season. For fast ferry operator, a DMA implemented directly along their route would result in the suspension of service for the entire period that the DMA is in effect. There are several reasons for this conclusion. First, the demand for fast ferries that normally operate between 24-39 knots would virtually disappear if the ferries were restricted to

speed ranging from 10-14 knots. Second, any remaining demand would not be sufficient to cover vessel operating costs, and third, many of the handling and comfort characteristics of fast ferries would suffer at these reduced speeds.

We have estimated the net economic loss of the implementation of a single DMA for these eleven fast ferry operators at \$2.2 million (Table 4-47).<sup>59</sup> This is based on a daily operating cost of a fast ferry vessel of \$13,320 excluding fuel costs. Some operators have stated that the loss of income and profits from a single 15-day DMA during peak season would cause them to go out of business. However, we assume that many of the fast ferry operators who also operate regular ferries would be able to remain in business as they would generate some incremental profits from passengers that would have otherwise used the fast ferry service.<sup>60</sup>

**Table 4-47. Estimated Economic Impact of Proposed Operational Measures on Southern New England Ferry Operators, 2005 (\$)**

Type of vessel and alternative	Restricted speed in knots		
	10	12	14
<b>Fast Ferries</b>			
Alternative 2	2,178,000	2,178,000	2,178,000
Alternative 3	3,564,000	3,564,000	3,564,000
Alternative 6	2,577,600	2,577,600	2,577,600
<b>Regular Ferries</b>			
Alternative 2	2,950,000	1,966,667	983,333
Alternative 3	2,950,000	1,966,667	590,000
Alternative 6	3,015,625	1,994,792	992,708
<b>Total</b>			
Alternative 2	5,128,000	4,144,667	3,161,333
Alternative 3	6,514,000	5,530,667	4,154,000
Alternative 6	5,593,225	4,572,392	3,570,308

Source: Prepared by Nathan Associates from data on operator websites and selected interviews.

Operators of regular ferry services would also be adversely affected by the DMAs. For these operators it is assumed that a speed restriction of 12 knots would cause an average delay of 20 minutes for each ferry trip. The 118 daily trips of regular ferry services would incur additional costs of \$2.0 million for the implementation of a single DMA. With a restricted speed of 10 knots the average delay increases to 30 minutes and the estimated economic impact to regular-speed ferries is \$3.0 million. With a restricted speed of 14 knots, the average delay is 6 minutes and the estimated economic is \$1.0 million.

<sup>59</sup> This same estimate applies to alternative restricted speeds of 10, 12 and 14 knots as it is assumed that the fast ferry service would be temporarily suspended under any of those speeds.

<sup>60</sup> It is very difficult to estimate the portion of passenger demand that would cancel their travel by ferry entirely during a DMA. Relevant factors include the purpose of the trip, the availability of alternative ferry origins that may not be affected by the DMA, availability of other economically viable transport modes and competing entertainment options.

Under Alternative 3, speed restrictions would be in place year round in Cape Cod Bay and for the months of October –April for Block Island Sound.<sup>61</sup> The two fast ferry operations from Boston to Provincetown would cease and be replaced by regular ferry service. However, overall ferry demand would diminish as passengers curtail day trips or seek alternative transport modes. It is assumed that the fast ferry operators would either sell their vessels or deploy them in other routes. While a loss for the distressed sale of the vessels may be incurred, this would not represent a recurring annual economic impact and is not included in this assessment.

Fortunately, the proposed speed restrictions for Block Island Sound are outside the peak summer season. Hence, it is assumed that the nine fast ferry operators in this area would lose an average of 30 business days per year. The economic impact of suspending operations for these 30 days for these nine operators is calculated as double the impact of the DMA described above. The resulting estimate is \$3.6 million annually.

Regular ferries will incur average delays of approximately 20 minutes per trip with a speed restriction of 12 knots. As the restrictions are during the off-peak season for Block Island Sound, these delays can be absorbed in the more open ferry schedule without losing any round-trip daily service. The estimated incremental cost of the delay is estimated at \$2.0 million annually at 12 knots, \$3.0 million at 10 knots and \$0.6 million at 14 knots.

Under Alternative 6, speed restrictions for Cape Cod Bay are implemented from January 1 through May 15. As such the fast ferry service from Boston to Provincetown would remain in operation. Speed restrictions for Block Island Sound would be from November 1 through April 30. However, the speed restricted area for Block Island Sound under Alternative 6 would not extend to the shoreline and hence would not impact fast ferry operations.<sup>62</sup> DMAs would also be implemented under Alternative 6 and the economic impact of those are estimated to be the same as under Alternative 2 above. The estimated economic impact for fast ferry service under Alternative 6 is thus similar to Alternative 2 with an increment for speed restrictions on the Boston-Provincetown route during January through May 15. The resulting estimated economic impact is \$2.6 million annually.

For regular ferries, the economic impact for Alternative 6 is again similar to Alternative 2 with an increment for speed restrictions on the Boston-Provincetown route during January through May 15. The estimated economic impact is \$2.0 million at 12 knots, \$3.0 million at 10 knots and \$1.0 million at 14 knots.

## **WHALE WATCHING INDUSTRY**

The whale watching industry also can be categorized into operations that deploy high-speed vessels with speeds ranging from 25-38 knots; and operations that deploy regular speed vessels with speeds from 16-20 knots. Table 4-48 presents information for the major whale watching operators in Massachusetts Bay. There are four operators of high-speed vessels; two are based in Boston, one in Barnstable and one in Provincetown (2

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<sup>61</sup> The analysis in this section for Alternative 3 also applies to Alternative 5.

<sup>62</sup> The rectangular area proposed has its northern limits running approximately in a line from Montauk to the southwestern coast of Block Island.

vessels). There are five operators of regular speed vessels that have operations based in Newburyport, Boston, Gloucester, Plymouth (6 vessels) and Provincetown (4 vessels).

Under Alternative 2, the high-speed vessels are assumed to suspend operations during periods when DMAs are implemented along their route. The estimated economic impact of the suspension of the five high-speed vessels for a single 15-day DMA is \$0.4 million.<sup>63</sup> The estimated economic impact at 12 knots is \$0.3 million for the 13 regular-speed vessels, which incur a 30-minute delay each way for two trips per day. At 10 knots, the estimated economic impact to regular-speed whale watching vessels is \$0.5 million and at 14 knots \$0.2 million.

**Table 4-48. Massachusetts Bay Whale Watching Operators, 2005**

Operator	Location	Vessel Speed	Vessels
<b>High-Speed Vessels</b>			
Boston Harbor Cruises	Boston, MA	37	1
Hyannis Whale Watcher Cruises	Barnstable, MA	38	1
New England Aquarium	Boston, MA	25	1
Portuguese Princess Excursions	Provincetown, MA	25	2
<b>Regular Speed Vessel</b>			
Massachusetts Bay Lines	Boston, MA	18	1
Capt. John Boats	Plymouth, MA	17	6
Newburyport Whale Watch	Newburyport, MA	20	1
Yankee Whale Watching	Gloucester, MA	20	1
Dolphin Fleet of Provincetown	Provincetown, MA	16	4

Source: Prepared by Nathan Associates from data on operator websites and selected interviews.

Under Alternative 3, the year-round speed restrictions in the Northeast region and Cape Cod Bay would render the high-speed whale watching vessels uneconomic and they would be sold or diverted into other service.<sup>64</sup> As this would not be a recurring economic cost, any loss associated with the sale of the vessel is not included in this economic assessment. It is also assumed that regular-speed whale watching vessels would be put into service in their place. However, demand for whale watching from locations such as Boston would diminish as the additional time required to reach whale feeding areas will discourage passengers. It is possible some of this demand would divert to other whale watching operations located closer to the feeding areas.

Regular-speed whale watching vessels would be subject to the year-round speed restrictions extending 25 nautical miles from the Northeast region coastline and in Cape Cod Bay. It is assumed that at 12 knots, the 13 regular-speed vessels would incur a 30-minute delay each way for two round-trips daily during a 90-day summer whale-watching period. The estimated economic impact is \$1.6 million for a speed restriction of 12 knots, \$2.8 million at 10 knots and \$0.9 million at 14 knots (Table 4-49).

Under Alternative 6, speed restrictions for Cape Cod Bay are implemented from January 1 through May 15. Hence, the peak summer whale watching season would not be affected for high-speed or regular speed vessels.

<sup>63</sup> Calculated at \$13,320 daily operating costs excluding fuel times 15 days for 5 vessels.

<sup>64</sup> This analysis also applies to Alternative 5.

Similarly, the proposed speed restrictions for an extended Off Race Point are proposed for March through April would not impact the whale watching season. Accordingly, the economic impact of Alternative 6 is assumed to be the same as Alternative 2 due to the implementation of DMAs.

**Table 4-49. Estimated Economic Impact of Proposed Operational Measures on Massachusetts Bay Whale Watching Operators, 2005**

Type of vessel and alternative	Restricted speed in knots		
	10	12	14
<b><u>High-Speed Vessels</u></b>			
Alternative 2	399,600	399,600	399,600
Alternative 3	-	-	-
Alternative 6	399,600	399,600	399,600
<b><u>Regular Speed Vessel</u></b>			
Alternative 2	468,000	260,000	156,000
Alternative 3	2,808,000	1,560,000	936,000
Alternative 6	468,000	260,000	156,000
<b><u>Total</u></b>			
Alternative 2	867,600	659,600	555,600
Alternative 3	2,808,000	1,560,000	936,000
Alternative 6	867,600	659,600	555,600

Source: Prepared by Nathan Associates from data on operator websites and selected interviews.

## Summary

In this section we summarize the findings regarding the economic impact of the proposed operational measures of the right whale ship strike reduction strategy and alternatives on U.S. East Coast maritime activity.

Table 4-50 presents the direct and indirect economic impacts by alternative and restriction speed for 2003 and 2004. The direct economic impact is shown for each sector or element analyzed.

- Alternative 5 has the largest estimated economic impact in terms of direct economic impact, indirect economic impact and total economic impact. In 2004, the estimated total economic impact of Alternative 5 at a speed restriction of 12 knots is \$163 million annually. The operational measure of speed restrictions year-round under Alternative 5 (and Alternative 3) will have substantial repercussions through the Northeast region port areas and the northern Mid-Atlantic port areas. The combination of DMA, recommended route designations and speed restrictions also contributes to substantial total economic impact for Alternative 5. The brunt of the direct economic impact is borne by the commercial shipping industry with a combined direct economic impact of \$66 million. This represents 87 percent of the total direct economic impact for a speed restriction of 12 knots.

The total annual economic impact with a speed restriction of 10 knots is estimated at \$272 million and with a speed restriction of 14 knots at \$94 million.

- Alternative 3 has the second largest annual economic impact of \$151 million with a speed restriction of 12 knots. The direct economic impact is estimated at \$71 million while the indirect economic impact is estimated at \$80 million. The total economic impact at 10 knots is estimated to be \$249 million, while at 14 knots, it is estimated to be \$83 million.
- Alternative 6, which is the preferred alternative, has the third largest total economic impact of \$62 million with a speed restriction of 12 knots. This is comprised of \$44 million in direct economic impact and \$18 million in indirect economic impact. The total economic impact with a speed restriction of 10 knots is \$116 million and with a speed restriction of 14 knots the total economic impact is \$35 million.
- Alternative 2 ranks fourth in terms of the largest total economic impact with an annual impact of \$16 million for a speed restriction of 12 knots. This alternative did not have any estimated indirect economic impact as vessel calls were assumed not to be diverted to Canadian ports. The total economic impact at 10 knots is estimated to \$23 million and at 14 knots, it is estimated to be \$10 million.
- Alternative 4 has the lowest total economic impact at \$1 million annually. This alternative consists only of use of recommended routes and port areas that may incur negative indirect economic impacts were offset by port areas with gains. The change in speed restriction is not relevant for this alternative.



**Table 4-50. Total Direct and Indirect Economic Impact by Alternative and Restriction Speed, 2003 and 2004 (\$000s)**

Item	Alternative 2			Alternative 3			Alternative 4			Alternative 5			Alternative 6		
	Restriction speed in knots			Restriction speed in knots			Restriction speed in knots			Restriction speed in knots			Restriction speed in knots		
	10	12	14	10	12	14	10	12	14	10	12	14	10	12	14
<b>2003</b>															
Direct economic impact															
Shipping industry vessels	15,401.6	9,840.3	5,925.9	80,969.3	50,457.7	29,362.5	1,026.3	1,026.3	1,026.3	83,527.8	52,423.5	30,820.0	45,764.0	28,700.5	17,112.4
Cumulative effect of multi-port strings	-	-	-	6,775.7	5,646.4	4,743.0	-	-	-	6,775.7	5,646.4	4,743.0	5,313.2	4,427.7	3,719.3
Re-routing of southbound coastwise shipping	-	-	-	3,700.0	3,700.0	3,700.0	-	-	-	3,700.0	3,700.0	3,700.0	2,500.0	2,500.0	2,500.0
Commercial fishing vessels	-	-	-	862.0	-	-	-	-	-	862.0	-	-	1,034.4	-	-
Charter fishing vessels	-	-	-	1,100.0	600.0	200.0	-	-	-	1,100.0	600.0	200.0	1,200.0	720.0	240.0
Passenger ferries	5,128.0	4,145.7	3,161.3	6,514.0	5,530.7	4,154.0	-	-	-	6,514.0	5,530.7	4,154.0	5,593.2	4,572.4	3,570.3
Whale watching vessels	867.6	659.6	555.6	2,808.0	1,560.0	936.0	-	-	-	2,808.0	1,560.0	936.0	867.6	659.6	555.6
Subtotal direct economic impact	21,397.2	14,645.6	9,642.8	102,729.0	67,494.8	43,095.5	1,026.3	1,026.3	1,026.3	105,287.5	69,460.6	44,553.0	62,272.4	41,580.2	27,697.6
Indirect economic impact of port diversions	-	-	-	141,608.0	81,489.0	38,803.0	-	-	-	162,536.0	91,777.2	48,911.2	49,600.5	18,203.5	5,302.7
Total economic impact	21,397.2	14,645.6	9,642.8	244,337.0	148,983.8	81,898.5	1,026.3	1,026.3	1,026.3	267,823.5	161,237.8	93,464.2	111,872.9	59,783.7	33,000.3
<b>2004</b>															
Direct economic impact															
Shipping industry vessels	16,989.3	10,815.9	6,509.1	86,822.9	53,895.7	31,237.0	1,145.2	1,145.2	1,145.2	89,745.6	56,114.6	32,889.4	49,406.8	30,863.9	18,355.3
Cumulative effect of multi-port strings	-	-	-	7,227.8	6,023.2	5,059.5	-	-	-	7,227.8	6,023.2	5,059.5	5,805.5	4,837.9	4,063.8
Re-routing of southbound coastwise shipping	-	-	-	3,800.0	3,800.0	3,800.0	-	-	-	3,800.0	3,800.0	3,800.0	2,500.0	2,500.0	2,500.0
Commercial fishing vessels	-	-	-	862.0	-	-	-	-	-	862.0	-	-	1,034.4	-	-
Charter fishing vessels	-	-	-	1,100.0	600.0	200.0	-	-	-	1,100.0	600.0	200.0	1,200.0	720.0	240.0
Passenger ferries	5,128.0	4,145.7	3,161.3	6,514.0	5,530.7	4,154.0	-	-	-	6,514.0	5,530.7	4,154.0	5,593.2	4,572.4	3,570.3
Whale watching vessels	867.6	659.6	555.6	2,808.0	1,560.0	936.0	-	-	-	2,808.0	1,560.0	936.0	867.6	659.6	555.6
Subtotal direct economic impact	22,984.9	15,621.2	10,226.0	109,134.7	71,409.6	45,386.5	1,145.2	1,145.2	1,145.2	112,057.5	73,628.5	47,038.9	66,407.5	44,153.8	29,285.0
Indirect economic impact of port diversions	-	-	-	139,406.0	79,603.0	37,251.0	-	-	-	159,582.0	89,308.4	46,956.4	49,695.0	18,280.0	5,355.0
Total economic impact	22,984.9	15,621.2	10,226.0	248,540.7	151,012.6	82,637.5	1,145.2	1,145.2	1,145.2	271,639.5	162,936.9	93,995.3	116,102.5	62,433.8	34,640.0

Source: Prepared by Nathan Associates as described in text.

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## 5. Economic Analysis for a Regulatory Flexibility Act Determination

This section presents the economic analysis for a Regulatory Flexibility Act (RFA) threshold assessment of whether the proposed operational measures of the Strategy will have a significant economic impact on a substantial number of small entities. The analysis includes an identification of the number of small entities affected using size standards issued by the U.S. Small Business Administration, Office of Advocacy; an estimate of the economic impact on small entities based on the approach and methodology presented in Section 4; and an assessment of the significance of the economic impact within the context of the RFA standards.

### Size Standards for Small Entities

According to the U.S. Small Business Administration<sup>65</sup>, a small business is a concern that is organized for profit, with a place of business in the United States, and which operates primarily within the United States or makes a significant contribution to the U.S. economy through payment of taxes or use of American products, materials or labor. Further, the concern cannot be dominant in its field, on a national basis. Finally, the concern must meet the numerical small business size standard for its industry. SBA has established a size standard for most industries in the U.S. economy.

Size standards for the industries potentially affected by the Strategy are presented in Table 5-1. For international and domestic commercial shipping operators, the SBA size standard for a small business is 500 employees or less. The same threshold applies for international cruise operators and domestic ferry service operators. For whale watching operators and charter fishing operators the SBA threshold is \$6.0 million of average annual receipts. For commercial fishing operators, the SBA threshold is \$3.5 million of average annual receipts.

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<sup>65</sup> United States Small Business Administration, Frequently Asked Questions About Small Business Size Standards, [www.sba.gov/size/indexfaqs.html](http://www.sba.gov/size/indexfaqs.html)

**Table 5-1. Small Business Size Standards and Firms by Employment Size and NAICS Code, 2002**

Type of entity	NAICS Code      NAICS U.S. Industry Title		Size Standard (\$ millions, Employees)		Firms			
					Employment size			
					Total	< 20	< 500	500+
International commercial shipping operator	483111	Deep Sea Freight Transportation	n.a.	500	229	156	206	23
International cruise operator	483112	Deep Sea Passenger Transportation	n.a.	500	94	71	85	9
Domestic commercial shipping operator	483113	Coastal and Great Lakes Freight Transportation	n.a.	500	377	242	349	28
Domestic ferry service operator	483114	Coastal and Great Lakes Passenger Transportation	n.a.	500	124	97	123	1
Whale watching operators	487210	Scenic & sightseeing transportation, water	6	n.a.	1,756	1,632	1,748	8
Charter fishing operators	487210	Scenic & sightseeing transportation, water	6	n.a.	1,756	1,632	1,748	8
Commerical fishing	114111	Finfish Fishing	3.5	n.a.	1,100	1,058	1,093	7
	114112	Shellfish Fishing	3.5	n.a.	791	774	791	-
	114119	Other Marine Fishing	3.5	n.a.	10	9	10	-

Source: U.S. Small Business Administration, Table of Small Business Size Standards matched to North American Industry Classification System Codes, January 28, 2004 and SBA Office of Advocacy, Firm Size Data provided by U.S. Census Bureau on Employer Firms and Employment by Employment Size of Firm by NAICS Codes, 2002.

Table 5-1 also presents information on the total number of firms in the U.S. in 2002 by employment size ranges for these industries. The preponderance of firms involved in these industries is considered as small entities by the SBA size standards. In 2002, there were 229 firms involved in deep sea freight transportation industry of which 206 firms had 500 employees or less. In the deep sea passenger transport industry, 85 firms of the total 94 firms had 500 or fewer employees. In the Coastal and Great Lakes freight transportation industry, 349 firms of the total 377 firms had 500 or fewer employees. In the Coastal and Great Lakes passenger transportation industry, all but one firm of the 124 total firms had 500 or fewer employees.

There were 1,756 firms providing scenic and sightseeing water transportation in 2002 of which 1,748 firms had 500 or fewer employees. For the finfish fishing industry 1,093 firms of the total 1,100 firms had 500 or fewer employees; while all 791 firms involved in shellfish fishing had 500 or fewer employees.

## Number of Small Entities Potentially Affected

We first present estimates for the number of small entities involved in commercial shipping along the U.S. East Coast that are potentially affected by the operational measures of the Strategy followed by estimates for other maritime industries.

### COMMERCIAL SHIPPING

Many of the firms operating within the international commercial shipping industry and international cruise industry have foreign ownership and have their primary place of business outside the U.S. and hence would not qualify as a U.S. small entity.

To identify vessel owned by U.S. entities, we analyzed information provided by the U.S. Coast Guard regarding parties owning vessels that had arrivals at the U.S. East Coast in 2004. We were able to identify the vessel owner and/or managing owner for 99.6 percent of the vessels that had U.S. East Coast vessel arrivals in 2004.<sup>66</sup> The USCG data provides information on the address of the vessel owner and/or managing owner in terms of zip code, state and country. Using that information we identified vessels with U.S. East Coast arrivals in 2004 that were owned by U.S. entities or foreign entities.

Of the 27,385 U.S. East Coast vessel arrivals in 2004, 6,540 arrivals or 23.9 percent were recorded by vessels owned by parties with U.S. address (Table 5-2). The U.S. East Coast arrivals were made by 4,114 vessels of which 620 or 15.1 percent were by vessels owned by parties with a U.S. address. In terms of number of parties, the 2004 vessel arrivals were made by 3,505 parties of which 432 or 12.3 percent had a U.S. address.

**Table 5-2. U.S. East Coast Vessel Arrivals by Vessels with U.S. or Foreign Parties, 2004**

Item	Party address		Total
	U.S	Foreign	
Number of vessel arrivals	6,540	20,845	27,385
Percent	23.9%	76.1%	100.0%
Number of vessels	620	3,494	4,114
Percent	15.1%	84.9%	100.0%
Number of parties	432	3,073	3,505
Percent	12.3%	87.7%	100.0%

Source: Prepared by Nathan Associates Inc. from analysis of U.S. Coast Guard as described in text.

We then conducted an analysis of the entire U.S. Coast Guard vessel characteristics database to identify the number and type of vessels owned by the U.S. parties with U.S. East Coast arrivals in 2004<sup>67</sup>. Approximately 71 percent of the U.S.-based parties owned only one vessel and 90.7 percent owned 4 or less vessels (Table 5-3).

<sup>66</sup> We were not able to match party information for 198 vessels of the 4,114 vessels that had U.S. East Coast arrivals in 2004. These vessels accounted for 3.8 percent of 2004 U.S. East Coast arrivals (1,004 of the 27,385 arrivals). However using information on U.S. or foreign flag of registry, we assigned these vessels by country of ownership.

<sup>67</sup> For this analysis, we included all vessels owned by the party, not just those with vessel arrivals at U.S. East Coast ports in 2004.

**Table 5-3. U.S.-Based Parties with U.S. East Coast Arrivals  
by Number of Vessels Owned, 2004**

Number of Vessels Owned	Number of Parties	Percentage of Parties	Number of Vessels	Percentage of Vessels
1	306	70.8	306	30.6
2	49	11.3	98	9.8
3	24	5.6	72	7.2
4	13	3.0	52	5.2
5	6	1.4	30	3.0
6	7	1.6	42	4.2
7	6	1.4	42	4.2
8	3	0.7	24	2.4
9	4	0.9	36	3.6
10	1	0.2	10	1.0
11	3	0.7	33	3.3
12	1	0.2	12	1.2
15	1	0.2	15	1.5
16	1	0.2	16	1.6
17	2	0.5	34	3.4
20	1	0.2	20	2.0
24	1	0.2	24	2.4
35	1	0.2	35	3.5
38	1	0.2	38	3.8
61	1	0.2	61	6.1
Total:	432	100	1,000	100

Source: Prepared by Nathan Associates inc. from U.S. Coast  
Guard data as described in text.

The next step was to determine which of these U.S. based parties should be considered a small-business for the RFA analysis. Information on the number of employees is not readily available for U.S.-based parties that own vessels with arrivals at the U.S. East Coast. However, we reviewed the list of U.S.-based parties and removed the 53 parties that obviously do not qualify as a small business such as Carnival Cruise Lines, Chevron, Maersk, Holland America Line, BP Oil Shipping, etc. A further classification was made to exclude an additional 17 parties that own 5 or more vessels from the set of small businesses on the assumption that a business with 5 or more capital intensive commercial cargo vessels would employ at least 500 employees throughout its organization. We assume that the remaining set of 362 US-based parties that own vessels that had U.S. East Coast arrivals in 2004 be assumed to be small businesses for the purposes of the RFA analysis. Table 5-4 presents information on vessels and vessel arrivals for this set of vessels assumed to be operated by U.S.-based small entities.

**Table 5-4. U.S. East Coast Vessel Arrivals by U.S.-Based Small Entities, 2004**

Vessel Type	Number of 2004 Vessel Arrivals	Number of vessels	Number of parties
Bulk Carrier	142	25	24
Container Ship	502	30	28
Fishing Vessel	2	2	2
Freight Barge	77	13	12
General Dry Cargo Ship	99	24	22
Industrial Vessel	28	9	8
Multiple	435	49	31
Passenger Ship	463	33	31
Refrigerated Cargo Ship	51	6	6
Research Vessel	35	3	3
Ro-Ro Cargo Ship	433	25	22
Tank Barge	702	61	51
Tank Ship	784	83	79
Towing Vessel	209	44	43
<b>Total:</b>	<b>3,962</b>	<b>407</b>	<b>362</b>

Source: Prepared by Nathan Associates Inc. from U.S. Coast Guard data as described in text.

The 362 parties assumed to be small businesses operated 407 vessels that had 3,962 vessel arrivals at U.S. East Coast ports in 2004. Tank ships and tank barges are the vessel types with the most parties, vessels and vessel arrivals for the set of vessels assumed to be owned by U.S. based small businesses.

## OTHER INDUSTRIES

In Section 4, we presented information on entities involved in other maritime industries that would potentially be affected by the operational measures of the Strategy. For purposes of this RFA analysis we have assumed that all U.S. East Coast entities involved in commercial fishing industry, domestic ferry service industry, and charting fishing industry are considered as small entities. In the whale watching industry all entities (except the New England Aquarium) are considered as small entities.

Thus as shown in Table 5-5, we estimate that there are 406 small entities potentially affected by the Strategy. Of these, 229 entities are involved in commercial fishing in the Northeast Region and 116 entities in the Southeast region. There are 13 entities identified involved in Southern New England passenger ferry service, 8 entities providing whale watching services in Massachusetts Bay and 40 entities providing charter fishing service along the U.S. East Coast. Note that only the subset of charter fishing entities operating larger headboats that accommodate 60 to 100 passengers is included in this analysis. The majority of charter fishing entities operates fishing boats of less than 65 LOA and thus would not be subject to the operational measures of the Strategy.

**Table 5-5. Number of Small Entities in Other Industries Potentially Affected by Strategy, 2005**

Industry	Number of Small Entities Potentially Affected
Commercial Fishing	
Northeast Region	229
Southeast Region	116
Southern New England Passenger Ferries	13
Massachusetts Bay Whale Watching	8
Charter Fishing	40
Total	406

Source: Prepared by Nathan Associates Inc. as described in Section 4.

## Economic Impact on Small Entities

The economic impact of the operational measures of the Strategy on small entities was estimated using the same approach and methodology for all entities described in Section 4. Below, we first present the economic impact on the small entities involved in the commercial shipping industry<sup>68</sup> followed the estimated impact on small entities in other maritime industries.

### COMMERCIAL SHIPPING

All of the operational measures of the Strategy described in Section 4 for Alternative 6 are assumed to apply to commercial shipping vessel operated by small entities. Table 5-6 presents the number of vessel arrivals by type of vessel and flag of registry that occurred in 2004 during proposed seasonal speed restriction periods. In total there were 1,745 such vessel arrivals consisting of 1,369 arrivals by U.S.-flagged vessels and 376 arrivals by foreign-flagged vessels. Tank barges and tankers each had 433 vessel arrivals during proposed seasonal speed restriction periods. Containerships were next with 260 vessel arrivals followed by ro-ro cargo ships with 244 vessel arrivals.

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<sup>68</sup> Passenger cruise vessels are included in this section as the data sources, approach and methodology applied for this market segment is same as those of the commercial shipping industry.



**Table 5-6. U.S. East Coast Restricted Period Vessel Arrivals and Economic Impact of Strategy at Alternative Restriction Speeds by Vessel Type, 2004**

Vessel type	2004 Restricted Period Vessel Arrivals			Estimated Economic Impact in (\$000s) at Restriction Speed of			Economic Impact as a percent of Annual Revenues at Restriction Speed of		
	U.S.Flag	Foreign	Total	10 knots	12 knots	14 knots	10 knots	12 knots	14 knots
	Bulk Carrier	47	25	72	91.3	24.1	0.2	0.07%	0.02%
Combination Carrier (e.g. OBO)	-	-	-	-	-	-	-	-	-
Container Ship	225	35	260	1,678.1	1,214.9	885.2	0.35%	0.25%	0.18%
Freight Barge	16	-	16	20.1	9.6	2.1	0.07%	0.03%	0.01%
General Dry Cargo Ship	8	42	50	99.7	57.2	29.8	0.08%	0.05%	0.02%
Passenger Ship	89	9	98	1,074.2	660.5	359.5	0.20%	0.12%	0.07%
Refrigerated Cargo Ship	-	27	27	122.7	68.2	28.6	0.19%	0.10%	0.04%
Ro-Ro Cargo Ship	129	115	244	1,482.7	1,083.5	806.5	0.37%	0.27%	0.20%
Tank Barge	433	-	433	772.7	307.4	9.7	0.10%	0.04%	0.00%
Tanker	325	108	433	947.9	457.2	138.8	0.13%	0.06%	0.02%
Towing Vessel	86	-	86	136.5	-	-	0.04%	-	-
Other a/	11	15	26	24.9	-	-	0.05%	-	-
<b>Total</b>	<b>1,369</b>	<b>376</b>	<b>1,745</b>	<b>6,450.8</b>	<b>3,882.6</b>	<b>2,260.4</b>	<b>0.18%</b>	<b>0.11%</b>	<b>0.06%</b>

a/ Other includes fishing vessels, industrial vessels, research vessels, school ships.

Note: Annual revenue estimated as average of daily operating cost at sea and daily operating cost in port by vessel type and size presented in Section 4 for 365 days for vessels accounting for 2004 restricted period arrivals. Daily operating cost in port was assumed at 60 percent of daily operating cost at sea.

Source: Prepared by Nathan Associates based on analysis of U.S. Coast Guard data on vessel calls at U.S. ports, 2003-2004.

With a speed restriction of 12 knots, the economic impact of the operational measures of the Strategy on small entities in the commercial shipping industry is estimated at \$3.9 million in 2004. This estimate includes the direct economic impact of the speed restrictions plus the cumulative effect of multi-port strings and the re-routing of southbound coastwise shipping. Containerships (\$1.2 million) and ro-ro cargo ships (\$1.1 million) together account for 59 percent of the economic impact on small entities in the commercial shipping industry.

The economic impact by small entities represents 10.2 percent of the total economic estimated impact of Alternative 6 on all commercial shipping entities shown in Section 4. In contrast, the restricted period vessel arrivals by small entities in 2004 represented 14.3 of the total of such arrivals shown in Section 4 for all entities. The reason for the differing level of representation is due to the much smaller share of containerships in the number of restricted period vessel arrivals for small entities (12.6 percent as compared to 34.9 percent overall).

With a speed restriction of 10 knots, the estimated economic impact in 2004 is \$6.5 million while a speed restriction of 14 knots has an estimated economic impact of \$2.3 million.

Table 5-6 also presents the economic impact on small entities as a percent of annual revenues for alternative speed restrictions by vessel type. Annual revenues for U.S.-flag and foreign-flag vessels were estimated from the 2005 vessel operating costs presented in Section 4 by size and type of vessel. For vessels operated by small entities it was assumed that they spend equal amounts of days at sea and in port.

Overall, the economic impact of a speed restriction of 12 knots represents about one-tenth of one percent of the annual revenues of vessels operated on the U.S. East Coast by small entities. For small entities operating ro-ro cargo ships and containerships, the economic impact increases to about three-tenths of one percent. The order of magnitude of the relative impact is similar for speed restrictions of 10 knots or 14 knots.

Based on these findings, we conclude that the operational measures of the Strategy would not have a significant economic impact on a substantial number of small entities involved in commercial shipping along the U.S. East Coast.

## OTHER INDUSTRIES

The estimated economic impact of the Strategy on small entities in other maritime industries is presented in Table 5-7. The economic impact is the same as presented in Section 4 for these industries with the exception of the high-speed vessel segment of the whale watching industry that excludes the economic impact associated with the New England Aquarium operations that is not considered a small entity. For purposes of the RFA determination we have segmented the passenger ferry and whale watching industries by high-speed vessel operators and regular-speed vessel operators.

With a speed restriction of 12 knots, the economic impact of the Strategy on small entities operating high-speed passenger ferries is estimated at \$2.6 million in 2004. For small entities operating regular speed passenger ferries, the annual estimated impact is \$2.0 million. In the whale watching industry, the estimated impact on operators of high-speed vessels and regular vessels is approximately \$0.3 million. The impact on small entities in the charter fishing industry is estimated at \$0.7 million. With a speed restriction of 12 knots there is no estimated economic impact on small entities in the commercial fishing industry.

*Table 5-7. Estimated Economic Impact of Strategy on Small Entities in Other Industries at Alternative Restriction Speeds, 2004 (\$000s unless otherwise specified)*

Industry	Estimated Economic Impact at Restriction Speed of			No. of Small Entities	Average Economic Impact per Small Entity at Restriction Speed of			Economic Impact as a percent of Annual Revenues at Restriction Speed of		
	10 knots	12 knots	14 knots		10 knots	12 knots	14 knots	10 knots	12 knots	14 knots
Passenger ferries										
High-speed vessels	2,577.6	2,577.6	2,577.6	9	286.4	286.4	286.4	9.8%	9.8%	9.8%
Regular-speed vessels	3,015.6	1,994.8	992.7	8	377.0	249.4	124.1	7.9%	5.2%	2.6%
Whale watching										
High-speed vessels	319.7	319.7	319.7	3	106.6	106.6	106.6	8.3%	8.3%	8.3%
Regular-speed vessels	468.0	260.0	156.0	5	93.6	52.0	31.2	3.8%	2.1%	1.3%
Commercial fishing	1,034.4	-	-	345	3.0	-	-	0.4%	-	-
Charter fishing	1,200.0	720.0	240.0	40	30.0	18.0	6.0	8.9%	5.4%	1.8%

Source: Prepared by Nathan Associates Inc. as described in text.

Table 5-7 also presents the average economic impact per small entity at alternative restriction speeds. At a speed restriction of 12 knots the average annual economic impact per entity is less than \$300 thousand for passenger ferries, \$106 thousand for high-speed whale watching vessel operators and about \$52 thousand for regular-speed whale watching vessel operators. The average annual economic impact on charter fishing operators is estimated at \$18 thousand.

Based on information provided by industry members, annual revenues for passenger ferries have been estimated using an average of \$20,000 per vessel per day during a peak season of 120 days. For whale watching vessels, an average of \$8,000 per vessel per day was assumed for a peak season of 120 days. Average annual

revenue per small entity also takes into account the average number of vessels operated by small entities in each industry segment.

For small entities operating high-speed passenger ferries, the economic impact of the operational measures of the Strategy will represent nearly 10 percent of their annual revenue. This is primarily due to the effects of a 15-day DMA assumed to be implemented on their routes during the peak season. For regular-speed ferries, a speed restriction of 12 knots would result in an economic impact of 5.2 percent of annual revenues of the small entities affected. These economic impacts on small entities operating high-speed ferries and regular-speed are considered significant and if the costs were not passed on to passengers would substantially affect the profitability and viability of these small entities. Even if the increased costs could be transferred to passengers, overall demand could be affected as the ferry industry competes with other transportation modes.

Small entities operating high-speed whale watching vessels would also be affected significantly by DMAs during their peak season with the estimated economic impact representing 8.3 percent of their annual revenues. The economic impacts on small entities operating high-speed whale watching vessels are considered significant and if the costs were not passed on to passengers would substantially affect the profitability and viability of these small entities. The impact on operators of regular-speed whale watching vessel is somewhat less at 2.1 percent of annual revenues (at a speed restriction of 12 knots) and is not considered significant in terms of affecting their ability to continue current operations. Even if the increased costs could be transferred to passengers, overall demand could be affected as the whale-watching industry competes with other entertainment options.

The annual revenue of a small entity operating a charter fishing headboat is estimated at \$336 thousand based on an average of 80 passenger paying \$70 for 60 charters. The estimated economic impact of the Strategy at 12 a speed restriction of 12 knots is 5.4 percent of their estimated annual revenue. This is considered significant and these operators could lose business to small entities operating vessels below the 65-foot threshold that are not affected by the proposed operational measures.