

The Newsletter of the Port of Pittsburgh Commission

2021 Vol 2 (issue #5)

EXECUTIVE DIRECTOR'S MESSAGE



As we begin the second quarter of 2021, optimism remains high for the inland waterways in our region. Legislatively, we received big wins on the cost-share programs on our locks and dams, the new start designation for the Montgomery Locks and Dam, and the ability for private industries along the waterway to be eligible for federal grants for upgrades and improvements to terminals.

As spring begins, we welcome the many recreational boaters on our three rivers. Sharing our rivers safely with the commercial industry is of the utmost importance. As summer approaches and our rivers become increasingly more congested, it is important to know how to stay safe. We are dedicating much of this issue to safety on our waterways. Enjoy the issue, your spring, and our rivers.

Mary Ann Bucci Executive Director, Port of Pittsburgh Commission

PA Fish and Boat Commission Continues Emphasis on Safety for the Upcoming Boating Season

The upcoming boating season promises to be another busy one for the Pennsylvania Fish and Boat Commission. Waterways Conservation Officers in the Pittsburgh/Allegheny District continue to emphasize safe boating practices on our waterways.



Specific to the Three Rivers, a new, extended slow no wake zone, from the Fort Pitt Bridge over the Monongahela River and beyond the 9th Street Bridge to the Veterans Bridge over the Allegheny River to the West End Bridge over the Ohio River, will be enforced. This zone shall be in effect on weekends from May 1 to November 1 from 3 p.m. Friday until midnight Sunday and from 3 p.m. on the day preceding Memorial Day, July 4 and Labor Day until midnight of the holiday.

A no-wake speed is the slowest possible speed a boat can go while maintaining left and right steering without creating a disturbance behind the boat. Slow no-wake speed is defined as the slowest possible speed a boat can go, while still maintaining navigational control. Our region's Waterways Conservation Officers goal this year will be to educate the public regarding the new no-wake zone.

Also, as sunshine and warm breezes draw winter-weary anglers and a variety of boaters to the region's waterways, water

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3 RIVERS, 3 QUESTIONS

with *Jennie Granger*

Deputy Secretary for
Multimodal Transportation,
PennDOT



Jennie Granger is with the Pennsylvania Department of Transportation and serves as the Deputy Secretary for Multimodal Transportation. She provides oversight for department initiatives and policy related to public transportation, aviation, rail freight, passenger rail, bike/pedestrian, and ports.

1. As Deputy Secretary for Multimodal Transportation, you oversee every mode: airports, bicycles and pedestrian, passenger and freight rail, public transit, and ports. Can you tell us a bit about that role and your responsibilities?

While roads and bridges may be the framework of transportation, Multimodal offers the fabric of the system with the diverse opportunities in transportation which we offer. My role is to continue to weave that fabric into a robust, safe, sustainable system of transportation opportunities for both people and goods. This involves community outreach, planning, funding, and growth.

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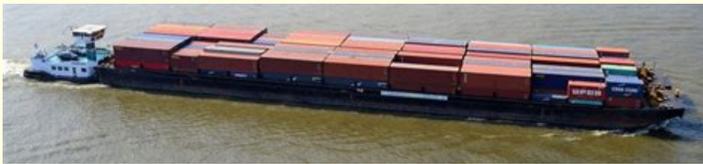
PA Fish and Boat Commission continued

temperatures in this early season remain bone chilling and potentially deadly.

In 2020, there were 11 boating-related deaths across the state. None of the individuals who lost their lives were wearing a life jacket. Already in 2021, three fatal boating incidents have occurred — all on private ponds without life jackets onboard. As our attention turns to the rivers, amongst all waterways, Officer Mike Johnson an officer in the Pittsburgh/Allegheny District, stresses the following message, “Life jackets save lives. Plain and simple.”



Container-on-Barge Today by Mike Brinza



Container-On-Barge (COB) transport has been discussed in the context of inland river ports for decades. Many attempts have been made, and there have been both failures and successes. Most importantly, much has been learned, the successes are outnumbering the failures, and services are lasting longer than some of the ones attempted in the past.

However, the decline in some bulk commodities like coal has certain rivers being reclassified by the U.S. Army Corps of Engineers as “Low-use” rivers due to a drop in tonnage (and subsequently lock-throughs). This is particularly true in the Port of Pittsburgh where the Allegheny and the Monongahela have been given the low-use river designation and is resulting in the Corps reducing the schedules of lock availability and proposing to close some locks completely.

Keeping the locks open fully will require increased demand. Increased demand requires an increase of commercial shipments. This of course requires finding “new” commodities that can be moved on the water to replace the lost cargo. One “commodity” that has the best chance of increasing demand for waterway transport is containers.

Besides the factor of increasing river traffic on low-use rivers, the appeal of COB in general is that it moves overland freight onto the water, reducing highway congestion and pollutants. Furthermore, the trucking industry has seen a shortage of drivers over the past 15 years, and to add to that, the pandemic has slowed down training, testing, and licensing of new drivers. Additionally, aging roads and bridges, and rail congestion offer other reasons that companies might want to move their freight by water.

Containers were first introduced in 1956 by Malcolm McLean who envisioned taking the body of a tractor-trailer and loading it directly onto a ship, which he then did by loading containers onto a converted tanker. Today, more than 90% of all manufactured goods are at some point moved by container, and there are 50,000 merchant ships

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3 RIVERS, 3 QUESTIONS continued

Jennie Granger

2. Obviously 2020 was a difficult year for all industries, not just the rivers & ports. Can you point to potential funding opportunities or upcoming projects which may benefit our stakeholders?

Yes, 2020 was a difficult year. My sincere, heartfelt condolences to those that lost loved ones and I extend my wish for the continued health of others. Like others, we are looking to our federal partners to expand the infrastructure programs, which will include ports. On the state level, we have a strong commitment to our waterways and their supporting terminals and facilities. Our multimodal transportation grants continue to offer funding for port projects along our waterways. We just announced the awardees for our latest round of grants and will reopen the application right after Labor Day, in September 2021.

3. You have public and private sector experience, and your success is evident. From your experience, what are some guiding principles to get both sides working together?

Truly communicate – reach out to others and provide an open platform for the exchange of ideas. Establish trust and relationships based on valuing all the ideas that are brought to the table as well as the needs of others. The PPC is a tremendous advocate for the inland waterways. I want to see you continue with your mission to improve infrastructure and increase water transportation.



NASBLA 2021 Conference Coming to Pittsburgh September 26-29.

The National Association of State Boating Law Administrators will be coming to Pittsburgh on September 26-29. NASBLA is a national organization that works to develop public policy for recreational boating safety and represents the recreational boating authorities of all 50 states and the U.S. territories, affect nearly 76 million boaters. Their mission is to be a professional community leading recreational boating safety through innovation and collaboration for excellence in policy development, national standards, and best practices. For more information on the NASBLA Annual Conference, visit www.nasbla.org/annualconference.



Container-on-Barge Today continued

currently operating. The latest generation of container ships is known as Post Suezmax or Ultra Large Container Ships, which are 400m in length and can carry up to 24,000 TEUs. The next generation of container ships, currently in the concept stage, is the MalaccaMax which will be 500m long and have a capacity of 25,000 TEUs. These will exceed the size of the largest oil tankers and will thus be the largest ships in the world.

Newer container-on-barge efforts have gained from the experiences of past failures. One of the latest endeavors in COB shipping is a connection between Brownsville, TX and Tampa Bay, FL which, since August 2020 has been transporting 53-foot-foot containers on a weekly basis, as many as 130 loads a week, on a four-day trip. Prior to this service, 100% of the goods being transported on this corridor were moved by 18-wheeler. A previous attempt at COB service on a similar route failed due to the service not always running on a regular schedule.

In June 2020, MARAD awarded \$5.7 million to five planned and existing COB efforts, two of them on the Mississippi (Illinois and Louisiana), two in New York (Port of NY/NJ (2 grants) and Brooklyn).

COB service has enabled shipping companies to participate in carbon offset programs, such as SEACOR AMH which operates a regular container service out of their St. Louis, Memphis, and Port Allen (LA) terminals, directly to the Port of New Orleans. They estimate that in the past four years, they have displaced 100,000 trucks, saved 4 million gallons of diesel fuel, and saved 40,000 metric tons of CO₂. Another important factor is that SEACOR is also moving empty containers from Memphis, TN, to Port Allen, LA.

The Central Ohio River Business Association (CORBA) announced a new short-haul service along the M-70 Marine Highway in February of 2020. This project connects Nucor Steel's facility in Gallatin, KY with customers from Cincinnati to Louisville, via a regularly scheduled barge service. The service moves steel coils, 60 at a time, compared to a single coil per flatbed tractor trailer. At the time, it was one of only two container services operating on the Ohio River.

In early 2019, three MARAD grants totaling \$6.79 million were awarded to three COB and catamaran projects. One was to the James River Barge Lines to expand its existing service between Hampton Roads, VA and the Port of Richmond. In 2018, the service handled 27,626 containers a week. It makes three round trips per week with 170 containers per trip. Another recipient was the Ports of Indiana where a new COB service was developed by members of the IRPT. This project was designed with the capability to transport goods between three major ports: The Port of Indiana-Mount Vernon, St. Paul MN, and Pittsburgh.

The primary reason cited for failed COB ventures is lack of market understanding, and probably the single most important factor for success (also based on the experience of failed ventures) is a regular schedule. It is also vital that both ends of a proposed cargo route are established initially with a rea-

sonable expectation of demand. Most MARAD grants fund both ends of a proposed cargo route as a single project, and a few grants have funded studies to provide further data to support COB service between terminals.

In a survey conducted for the Coalition of Alabama Waterway Association's "Alabama Freight Mobility Study" it was found that when shippers were asked their highest shipping priorities, 48% responded "reliability," while 37% said "cost," and only 15% said "transit time." These results are very telling in that they indicate that an alternative option does not have to be cheaper or faster. These respondents would choose a service that is reliable (i.e. predictable and scheduled) over one with a lower cost but not predictable. Cost savings are not necessarily more appealing if there is a perceived risk of lost productivity or lost revenue due to delivery disruptions. And the fact that only 15% of respondents indicated transit time as their highest priority counters the argument that barge transport is "too slow" for container shipping.

Another revelation of the survey is that 45% of shippers "weigh out" their containers before they "cube out," meaning that their weight limits are reached before the containers are filled volumetrically. This actually presents an opportunity for COB to offer over-weight container service. Although containers have their own structural limitations for how much weight they can be loaded with, truck transport is still bound by weight limits on roadways. This factor enables COB shippers to load containers with greater weight than limits imposed by over-the-road transport. In most cases, the weight capacity of containers is greater than allowable highway limits. COB can take advantage of this difference.

Effective COB service often benefits from the utilization of third-party logistics providers and freight forwarders. The survey recorded that 34% of respondents are already using 3PLs, and 66% are already using freight forwarders. Furthermore, 52% of respondents use autonomous customs brokers to coordinate their shipments.

Establishment of a successful COB service goes beyond offering a service with a regular schedule. It is critical to avoid underestimating the complexity of the market. Market factors to consider include: multiple distinct market segments; different pricing requirements for different segments; consideration of rail and truck rates when establishing COB prices; cost not always being the potential customer's determining factor; overcoming the customer's skepticism toward a new kind of service; and anticipation of competitive response from truck and rail.

The biggest challenges for the Port of Pittsburgh would be establishing the connection between customer and supplier (regardless of which one is located in the Pittsburgh port district); and maintaining the regularity of the schedule throughout unexpected lock closures. If barge-loads of containers are stuck waiting for several days to get through a lock, this could have a detrimental effect on the customer's willingness to continue using COB service. This issue will need to be addressed.



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WEEK

MAY 22-28, 2021

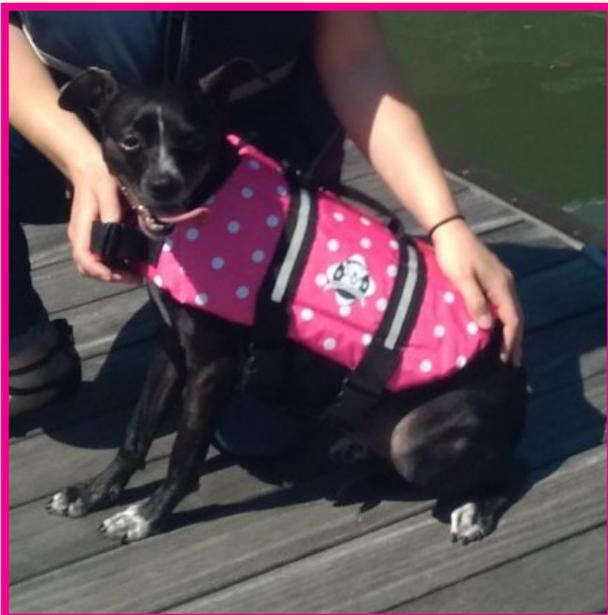
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*Micha the PortPitt Mascot says,
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