

New York: The Port as Gateway to America

by Edward J. Kelly, Executive Director of the Maritime Association of the Port of New York/New Jersey

IN THE YEAR 1542 Giovanni da Verrazano became the first European explorer to see what would one day be called New York Harbor. He entered in his log, “We have found a beautiful harbor.”

Today, almost 500 years later the Port of New York/New Jersey is still welcoming ships and commerce into our great harbor.

One of North America’s largest ports, the Port of NY/NJ is a bustling, vibrant and modern port serving a major portion of the population. The Port serves its local market which contains some of the most prosperous consumers and producers in the world, and also serves as a primary gateway for goods flowing to and from the inland areas of the continent.

The lifeblood of our Nation flows in its waterways. New York City exists because of its natural harbor and estuary networks. Our financial markets were based on the burgeoning waterborne trade on our piers. With the opening of the Erie Canal, we became a gateway to the vast interiors of the continent and brought their goods to market. This harbor welcomed the waves of immigrants that came in search of the American Dream, and from this harbor sailed the men and materiel that fought the wars that made the world safe for democracy.

We may no longer see the masts of tall ships, but this is not just an historic Port...it is a vibrant Port that moves people and freight...and delivers the American Way of Life!

In a recent economic study, it was determined that in the year 2015 the Port Region was responsible for handling:

- Over \$203 Billion Cargo Value
- Over 36 Million tons of general cargo
- Over 37 Million tons of bulk cargo
- 477,170 vehicles (up 21.2% from prior year)
- 6,371,720 TEU of containerized cargo (up 10.4% from prior year)
- Petroleum products, making it the largest USA petroleum product port
- 4298 International vessel arrivals
- Over 400, 000 harbor transits/annum
- 522,244 units on the on-dock Express Rail (up 12.2% from prior year)
- 51.9% of all North Atlantic Port cargo (up 2.4% from prior year)

As a result of the foregoing operational activity, according to the New York Shipping Association’s study, “The Economic Impact of the New York-New Jersey Port Industry”, in the year 2014 the commercial maritime industry in our Port produced:

- 190,100 Direct JOBS
- 336,600 Full-time JOB equivalents
- \$21.2 Billion in Personal Income

- \$53.5 Billion in Business Income
- \$4.7 Billion Federal Tax Revenue
- \$2.3 Billion Local and State Tax Revenue

In recent years, our Port has enjoyed a resurgence of the Cruise Industry, with over 1.5 Million passengers being served in 2015 at our modern cruise terminals located in Bayonne, Brooklyn and New York City. According to a study published by the Cruise Line International Association, our Port’s cruise industry had the following impact:

- \$1.6 Billion in direct spending
- 23,611 JOBS
- \$1.42 Million in personal wages

Additionally, it is well recognized that the marine transportation mode is:

- The cleanest
- Most fuel efficient
- Minimal Infrastructure
- Reduces roadway congestion and wear/tear
- Reduces emissions (air and water)
- Eliminates over 3.1 Million truck trips in NYC annually (per a New York City Economic Development study)

In consideration of the foregoing facts, it should be clear that the safe, clean and efficient waterborne transport of people and freight is essential to the economy and environment of our Region. In fact, due to the strenuous efforts of all of our Port partners, despite a major increase in Port business, since 2006 we have seen a DECREASE of 41.5% in port-related emission pollutants. This has been achieved by enacting such programs as terminal electrification, the replacement of old non-compliant harbor trucks, vessel speed reduction programs, and vessel fuel upgrade programs, among many other efforts.

The water quality of the harbor is also cleaner than it has been in decades, and new generations of recreational users have flocked to the waterfront, whether to embark on recreational boats, fish, or just enjoy the view.

The continued growth of the Port has resulted in the creation of many new jobs. As of April 1, 2016 the New York Shipping Association reported an active population of 3,503 longshoremen and checkers. Port growth was responsible for creating 568 new hires in 2014, and an additional 287 new hires in 2015. It is gratifying to note that 51% of all new jobs were reserved for qualified veterans of the US Armed Forces. In fact the Port has witnessed a 13% increase in all Port-related full time jobs from the years 2012 to 2014!

The Port of NY/NJ has been a primary gateway to the inland areas of the continent ever since the opening of the Erie Canal in 1825. Since that time, the Hudson River

and other estuarine systems that feed our Port have been active with large volumes of cargoes moving between the Port and various local and inland locations. Most recently the new production of domestic petroleum products has drastically increased the tug/barge and Articulated Tug Barge (ATB) traffic within the Port.

The bustling domestic barge trades move the heavy, bulk commodities like aggregate, fuel oil, chemicals, sand, salt, as well as recyclables and municipal trash. Every barge takes 57 truckloads off our roads, and reduces infrastructure wear/tear, and roadway congestion.

It should also be noted that vessels and cargoes transiting the Hudson River navigation channel have increased in both size and volume. The website of the Albany Port District Commission currently states that “With the increased New York State interest in revitalizing the Erie and Champlain Canal Systems, comes increased potential for moving commercial products via water.” Clearly, it is intended that the Hudson will see increased traffic and commercial activity by ever-larger and frequent vessels.

The Federal Maritime Administration has designated the Hudson as one of their targeted American Marine Highway routes in recognition of the essential nature of this vital inland waterway which links inland areas with international marine transportation networks.

Our Port has seen an explosive growth in our passenger ferry networks as more commuters, residents and tourists are drawn to our rapidly expanding ferry network as an ideal mode of clean and effective transport in our dense, urban environment. Both New York and New Jersey have invested in expanding ferry network infrastructure and carrying capacity.

Concurrently, residential development rises along our shorelines as people enjoy waterfront living. New vibrant, waterfront communities thrive among sites for commercial maritime industry, recreational access facilities, and environmentally friendly projects.

The Port Authority of NY/NJ has committed significant funds to ensure that our Port remains clean, safe, and ready for the future. The Port Authority 2016 Capital Budget of \$175 Million includes \$65 Million to maintain port assets in good repair, \$64 Million devoted to revenue producing products, \$28 Million to system enhancement,

\$18 Million to mandatory projects, and \$1 Million for security projects.

As the world begins to see ever-bigger, cleaner, and more efficient vessels, the Port has invested in the requisite infrastructure that will enable us to maintain, and expand our position as a world-class Port. Our 50 foot dredging project will be completed this year, the on-dock Express Rail facility has been expanded to accommodate 1.5 Million moves per annum, and the \$1.3 Billion raising of the Bayonne Bridge to a height of a 215 air gap navigational clearance will be completed by late 2017.

The Port Authority of NY/NJ is now undertaking the development of a long range Master Plan to provide a framework towards maximizing land use utilization, ensuring an appropriate diversity of uses, increasing operational efficiency, and providing for enhanced new revenue opportunities.

To ensure that Port growth is efficient and sustainable, our Port partners have worked together to create a Council on Port Performance which brings all Port stakeholders together to evaluate and improve logistical problems and opportunities.

Since 1873 the Maritime Association has been a primary advocate of the commercial maritime industry in the Port of NY/NJ. Our paid membership of over 540 members includes such a broad gamut of industrial maritime concerns as international shipping lines, marine terminals, organized longshore labor, maritime and docking pilots, agents, tug and barge owners/operators, Port Authority of NY/NJ, admiralty attorneys, marine underwriters, ship repair/construction facilities, and many others.

Our Port is alive with the pulse of international trade, the movement of domestic commodities, the recreational enjoyment of the waterways, the enhancement of the marine environment, and the resurgence of waterside communities.

The Port can, and should be a vital part of the evolution of our waterfronts as our waterways continue to shape the destiny of our lives. With the requisite commitment and management, the Port will continue the proud heritage of being a modern, efficient, environmentally friendly, world class Port that delivers commerce, jobs, and the products that shape our lives to our “beautiful harbor”.

ABOUT THE AUTHOR: Edward J. Kelly, Executive Director of the Maritime Association of the Port of New York/New Jersey



Edward J. Kelly is the Executive Director of the Maritime Association of the Port of New York/ New Jersey. In his current position, Ed is responsible for managing the diverse activities of the Association and helping to develop the enhanced safety, security, ecological sustainability, and economic viability of the many maritime –related industries in our Port.

Prior to joining the Maritime Association,

Ed had held a series of senior executive level positions in the Liner business. His prior positions include: President and CEO of Cho Yang (America), Inc.; Senior Vice President of Inchcape Shipping Services; President and CEO of Nippon Liner Systems (USA); and Executive Vice President of Y.S. Line (USA). He has also provided executive level consulting services to such notable firms as Maher Terminals, Inc. and The Port Authority of New York and New Jersey. He has been named as a member of the New York City

Mayor's Maritime Advisory Board. He is also currently serving as a member of NOAA's Hydrographic Services Review Panel. Ed also serves as an Industry Advisor to the Urban Assembly School for Global Commerce.

A graduate of the U.S. Merchant Marine Academy (B.S, Nautical Science), he sailed as a deck officer on several U.S. Flag ships. Ed completed his MBA studies at Pace University in New York City. In March, 2009, the Journal of Commerce named Ed to their Leadership Roll in the Global Logistics Industry.