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1 NATIONAL OCEANIC & ATMOSPHERIC ADMINISTRATION

2 AND

3 AMERICAN ASSOCIATION OF PORT AUTHORITY

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9 W/Up 10D

10 Law Making Issue Process

11 August 22, 2006

12 at

13 U.S. Department of Commerce

14 National Oceanic & Atmospheric Administration

15 14th & Constitution Avenue, N.W., Room 5810

16 Washington, D.C. 20230

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A P P E A R A N C E S

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3 ON BEHALF OF NOAA:

4

KEVIN ALLEXON

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SHANNON BETTRIDGE

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STEWART HARRIS

7

EDWARD SHAW

8

CARLA SULLIVAN

9

DONNA WIETING

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11 ON BEHALF OF THE AMERICAN ASSOCIATION OF PORT

12 AUTHORITIES:

13

BERNARD S. GROSECLOSE

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MEREDITH MARTINO

15

KURT J. NAGLE

16

17 ALSO PRESENT:

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LAUREN BATTE

19

DEBORAH BEN-DAVID

20

JEFF DONALD

21

ALEXIS GUTIERREZ

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1 PROCEEDINGS

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3 MR. NAGLE: Well, first off, we  
4 appreciate all of you taking your time to meet  
5 with us. We very much appreciate it.

6 Just to give you a real quick intro of us  
7 and who we are and our organization is, I'm Kurt  
8 Nagle. I'm president of the American Association  
9 of Port Authorities, which is essentially -- I'm  
10 the full-time staff director essentially at the  
11 association.

12 Bernie Groseclose is the president and  
13 CEO of the South Carolina State Ports Authority  
14 and this year is also AAPA's Chairman of the Board  
15 representing all of our ports.

16 Meredith Martino is in our government  
17 relations department, and one of the issues that  
18 she is dealing with is the right whale  
19 proposed rule-making.

20 Our organization represents essentially  
21 all of the public port authorities/public agencies  
22 throughout, not only the United States, but also

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1 Canada and the Caribbean and Latin America.

2 For all intents and purposes, all of the  
3 major ports in the Western Hemisphere are part of  
4 our organization and we, obviously, for our U.S.  
5 members also deal with legislative and regulatory  
6 issues here in Washington that might impact the  
7 port industry and maritime commerce.

8 And we thank you for taking the  
9 opportunity to meet with us on this. We, as an  
10 organization, have some significant concerns about  
11 the proposed rule-making regarding the right whale  
12 and not only the economic and potential job  
13 impacts on the port industry, but more broadly, on  
14 maritime commerce and international trade and the  
15 entire maritime community.

16 Some of the -- I guess some of the  
17 critical issues, again, we have concerns both with  
18 the economic impact of this on, not only industry,  
19 but international trade, the impacts that it  
20 likely will have on ship diversions, particularly  
21 related to -- if you look at the ships that will  
22 be transiting the Panama Canal, they have very

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1 strict schedules that they need to meet.

2           And if they're required to significantly  
3 alter their -- either their schedules and/or their  
4 speeds in order to meet their required schedules  
5 that they have at the Panama Canal, they likely  
6 will essentially stop calling on one or more ports  
7 to make it essentially back through the canal on  
8 their needed schedules.

9           That, obviously, not only impacts the  
10 ports, but also impacts how you get the goods to  
11 ultimately the final destinations.

12           While it may take something off of a  
13 port, it likely then would need to take it off at  
14 another port and then ship it by truck on I-95 or  
15 some other highway up or down the coast to its  
16 ultimate destination. So we think that's  
17 critical.

18           Also, a similar type of scenario is  
19 likely on the cruise ship side of things, where,  
20 again, the cruise ship itineraries are, if  
21 anything more specific than cargo, but certainly  
22 no less so.

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1           And if they're forced to significantly  
2 alter their speed, a lot of the ports that  
3 currently handle cruise ships may well see those  
4 itineraries leave their ports as the cruise ships  
5 are not able to make it to and from where they  
6 essentially need to go for their destinations to  
7 and from those ships.

8           Maybe just with that, some of the overall  
9 concerns we have from the economic and commerce  
10 side, Bernie, do you want to give some of your  
11 perspective?

12           MR. GROSECLOSE: Sure. I guess what I  
13 bring to this, as chairman for a year, is some  
14 personal experience from a port.

15           As Kurt said, I'm from Charleston, the  
16 South Carolina State Ports Authority. And I guess  
17 we have become most familiar with this issue of  
18 late because of having a permit application in for  
19 a new terminal that we're planning to build.

20           We started the permitting process in  
21 January of 2003, and the draft EIS was published  
22 last year. We had a public hearing last November

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1 and the Corps was planning to issue the final EIS  
2 a few months ago.

3           Shortly after the proposed rule-making  
4 came out, the issue was raised about right whales  
5 migrating past Charleston, and so forth, and those  
6 impacts.

7           And the way it has affected us is that,  
8 basically, the Corps has deferred any final  
9 decision on the permit for this new terminal until  
10 National Marine Fisheries is able to determine  
11 what its requirements might be or to issue a  
12 biological opinion.

13           A few weeks ago some of our people went  
14 down to St. Petersburg and met with David  
15 Bernhardt and Karla Reece, I believe, and the  
16 Corps people to discuss this.

17           I think it was a very useful meeting in  
18 terms of giving us a better understanding of the  
19 issues of the right whale and the concerns there,  
20 and also, I think for the people at National  
21 Marine Fisheries there in the region to understand  
22 some of the commercial concerns, economic impact

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1 and so forth, some of the issues that we have had.

2           Since that time, we've had some follow-up  
3 calls. We had a meeting late yesterday, in fact,  
4 in trying to determine what appropriate action  
5 might be taken.

6           And while, you know, we certainly have  
7 the broader concerns of east coast ports in this,  
8 what we had suggested was the fact that it's going  
9 to be roughly six years before our terminal opens;  
10 that, obviously, there's no new impact that's  
11 going to be created for quite some time.

12           First, it was suggested that, perhaps, we  
13 could do -- we could pay for the cost of flights  
14 along the coast, and so forth, to identify the  
15 location of right whales and to assist in  
16 notifying mariners, and so forth.

17           I guess one of the problems that we have,  
18 in general, in the industry is the uncertainty of  
19 the methodologies that are used today versus  
20 something a little more technologically based in  
21 terms of being able to identify the locations of  
22 whales and to identify where the problems might

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1 occur and to be able to give timely notice to  
2 mariners about the location of whales in a  
3 particular area.

4           What we pointed out to National Marine  
5 Fisheries is there are certainly capabilities of  
6 the Coast Guard to identify the vessel locations,  
7 to have the tracking devices to be able to know  
8 where the vessels are and to be able to  
9 communicate with those vessels and the crews to be  
10 able to send direction should there be a need to  
11 alter speed or course, and so forth.

12           But I think what's missing is the science  
13 that helps us to know the position of the whales.

14           What has been suggested -- and we've not  
15 come to any conclusions on this -- first, was the  
16 suggestion that we pay for the cost of the flights  
17 for a period of about five years following the  
18 opening of the terminal.

19           MS. WIETING: That was suggested by Corps  
20 of Engineers?

21           MR. GROSECLOSE: That was suggested by  
22 National Marine Fisheries.

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1           We were -- we've made an offer of paying  
2 for them for three years following the opening of  
3 the terminal during the migratory season and we've  
4 not been able to reach any agreement.

5           We, last night, agreed to doing the five  
6 years following the opening of the terminal. But  
7 now, there seems to be some question about, well,  
8 we prefer to do it earlier before there's any  
9 impact out there before we see the new terminal  
10 built or the new vessel activity being built, and  
11 so I guess, you know, the uncertainty of that.

12           And it was also suggested that, you know,  
13 if there is a rule-making in place that will apply  
14 equally to all ports in the range, certainly from  
15 a competitive standpoint, that makes a lot more  
16 sense; you know, otherwise, we're being  
17 cost-penalized or, you know, competitively  
18 penalized in another fashion by controls on the  
19 vessels where neighboring ports will not have  
20 those types of controls.

21           And certainly, I think we all feel that  
22 once the appropriate rule-making is in place, you

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1 know, we're all going to comply with that and find  
2 a way to work within that.

3           And we've made contact with the Coast  
4 Guard and the Project Seahawk Operation, which is  
5 in Charleston, to share the necessary information  
6 with National Marine Fisheries on the location of  
7 vessels and to offer the ability to communicate  
8 with those.

9           And I think we're looking for, you know,  
10 where is that middle ground that, you know, allows  
11 us to move ahead with our project, allows us to  
12 create the kind of economic impact that we need,  
13 but at the same time, reasonably protect the  
14 endangered species.

15           MS. WIETING: I just wanted to ask a  
16 question on the Corps of Engineers. It's a Corps  
17 of Engineers permit; is that what it is?

18           MR. GROSECLOSE: Right.

19           MS. WIETING: What is their process?

20           MR. GROSECLOSE: Well, they are the lead  
21 regulatory agency in terms of issuing the permit  
22 for --

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1           MS. WIETING:  And it's for the  
2  construction of the --

3           MR. GROSECLOSE:  The construction of this  
4  new terminal, right.

5           MS. WIETING:  I see.

6           MR. GROSECLOSE:  National Marine  
7  Fisheries is, I think, probably a cooperating  
8  agency in this.  Other federal agencies, Federal  
9  Highways -- I'm trying to think -- the Service  
10 Transportation Board, and others, are also  
11 involved in that in terms of commenting.

12           But we're sort of -- I guess the message  
13 is -- is we're down to the end here.  The final  
14 EIS has been delayed and the outstanding issue is  
15 really the question of, given the proposed  
16 rule-making, what are we going to do with a new  
17 project that's in the hopper here in advance of  
18 that rule-making.

19           MR. NAGLE:  I think one of the areas that  
20 our membership is, I think, concerned about,  
21 Bernie mentioned the -- right now, I guess, the  
22 somewhat reliance on the aerial flights, as well

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1 as kind of essentially identifying an area that  
2 would require reduced vessel speeds.

3           And I guess from our perspective, we  
4 would encourage kind of an enhanced look toward --  
5 maybe additional focus on research, development of  
6 technologies that would help us.

7           Bernie said if you can identify -- I  
8 think from our perspective we believe it's  
9 important to try and identify -- how best to  
10 identify from a technological standpoint the  
11 location of the right whales and then be able to  
12 convey that information, which -- as Bernie said,  
13 the technologies available to convey that to the  
14 mariners.

15           If they're told where those whales are,  
16 they are able to take essentially action,  
17 diversion to not strike the whale, as opposed to a  
18 blanket speed restriction which there are some, I  
19 guess, questions or concerns regarding the -- you  
20 know, the science that is directed toward the  
21 proposed ten-knot limit.

22           And in addition to the -- kind of the

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1 potential commerce and economic impacts of that  
2 speed restriction, a separate issue that's  
3 probably, at least, if not even more important  
4 certainly from a safety and potential  
5 environmental standpoint, is the safety of being  
6 able to navigate vessels, these size vessels that  
7 are handling cargo, cars, et cetera, at that slow  
8 of a vessel speed, particularly in areas where  
9 there are cross-currents and other -- potentially  
10 other things that the pilots need to navigate.

11 I think there have certainly been a lot  
12 of indications from our ports, as well as  
13 separately from pilots, about their concerns or  
14 feeling that they are not going to be able to  
15 safely potentially navigate their vessels at a  
16 10-knot speed.

17 And so there's significant concerns on  
18 that side of it, as well as, I guess, you know, a  
19 question of, if you're traveling at ten knots  
20 through the -- you know, the -- essentially the  
21 zone of concern, you're in that zone of concern  
22 for a longer period of time at a different speed.

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1                   And whether there's definitive science  
2 that says ten knots is the best speed to avoid a  
3 strike is something that, I guess from our  
4 perspective, we feel there needs to be additional  
5 consideration of that, particularly given the  
6 safety navigation issues in the diversion and  
7 economic and commerce-related issues to that.

8                   And again, we'd encourage a significant  
9 focus on the potential technology approaches to  
10 identifying the whales, as opposed to requiring  
11 every vessel to slow for certain periods of the  
12 year in certain locations to a certain speed which  
13 may or may not be significantly of value in  
14 protecting or reducing the concern about a ship  
15 strike.

16                   MS. WIETING: As we --

17                   MR. ALLEXON: Before you do, Donna, I  
18 suspect you've already known that because of where  
19 we are in the rule-making process, obviously we're  
20 greatly limited in what we can say.

21                   MR. NAGLE: Sure.

22                   MR. ALLEXON: So please don't take our

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1 reticence as rudeness. It's not --

2 MR. NAGLE: No, we understand.

3 MS. SULLIVAN: Although Kevin --

4 MR. NAGLE: We've heard about Kevin,  
5 yeah.

6 MR. ALLEXON: I just wanted to make sure  
7 that that was -- that wasn't left unspoken.

8 MR. NAGLE: Sure.

9 MS. WIETING: I appreciate your comments.

10 As we're in the proposed rule stage and seeking  
11 comments, we would -- I know you tried to be  
12 general because of where we are here, but if you  
13 have any specific information from your  
14 constituents, we would really appreciate any of  
15 that information.

16 And looking back, for example, on -- you  
17 talked about the Panama Canal diversions and  
18 whether, you know, you have any information on the  
19 types of ships that might be going through there,  
20 whether there are times of years that are --  
21 seasons that they're more likely to be going  
22 through there.

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1           So if there's any way that you can give  
2 us more specific information, that will help us  
3 greatly as we go from the proposed rule to the  
4 final rule stage and being able to be responsive  
5 to the comments that come in.

6           The same thing on the economics. I know  
7 that when we went out with the advanced notice of  
8 proposed rule-making, we did receive a lot of  
9 comments on the economic analysis. We did go out  
10 and do more extensive analysis.

11           So it would be really helpful for us to  
12 know what part of that still needs -- you believe  
13 still needs some work or, if there are things that  
14 we did not fully address or could better address,  
15 that would help us in going from a proposed rule  
16 to our final rule, to see if there's anything else  
17 there.

18           And as well as you mentioned on the  
19 safety of navigation. Are there certain ships,  
20 either hull designs or certain types of ships and  
21 the way that they operate that are more of a  
22 concern than others.

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1           So you understand what I'm trying to say.

2           MR. NAGLE:    Sure.

3           MS. WIETING:  The more specific you can  
4 be, the better we can then go through our process.

5           MR. NAGLE:  One of the things, we'll  
6 certainly provide more specific information, maybe  
7 just as a -- from my understanding, one of the  
8 things that some of our members have indicated on  
9 the economic -- I guess the economic analysis  
10 included in the EIS portion of it on -- went, as I  
11 understand it, primarily on kind of a port-by-port  
12 basis, but -- and looked at maybe the impacts of  
13 either speed or otherwise.

14           But part of what that would not pick up  
15 is -- and I understand what we need to do is kind  
16 of give you that information to kind of help with  
17 that process -- would not pick up the cumulative  
18 effect of the slowing of the speeds in those  
19 individual ports results in that route being  
20 changed because, if I -- you know, if this carrier  
21 needs to slow down here, here and here, they're  
22 going to decide, well, we can't go here, here and

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1 here.

2           So, you know, I mean, that analysis at  
3 the individual port basis wouldn't have kind of  
4 addressed the kind of cumulative analysis or  
5 cumulative impact on what those various speed  
6 restrictions might result in and changes of --  
7 kind of changes in the commerce flows  
8 competitiveness of, you know, our exports and  
9 things like that.

10           So we'll definitely look toward providing  
11 you additional information in that regard.

12           MS. WIETING: That would be great.

13           MR. GROSECLOSE: One thing I think that  
14 is driving particularly the Panama Canal issue and  
15 the East Coast is the strong growth in China  
16 trade.

17           And what we're finding is that --  
18 particularly in the southeast, is the population  
19 density grows and, you know, the consuming public,  
20 and so forth, continues to expand.

21           We see a shift of a lot of the activity  
22 that formerly went through West Coast ports and

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1 then moved by rail or truck inland or across  
2 country. A lot of that is now moving through the  
3 Panama Canal and coming direct to the East Coast.  
4 And Charleston and Savannah have seen a lot of  
5 that growth, particularly seen that in Norfolk as  
6 well.

7           But, you know, when you go back to  
8 talking about the Panama Canal and busy times of  
9 the year, and so forth, the reality is that all of  
10 the -- and we're talking mostly about container  
11 shipping because that's the predominant trade  
12 that's moving through there.

13           But the shipping schedules are such that  
14 they basically have regular weekly calls. So the  
15 volume of ships doesn't really change on a  
16 seasonal basis. What you do see is peak seasons,  
17 which we're in now, in terms of the amount of  
18 cargo.

19           So the ship may be carrying more July,  
20 August, September and October than maybe the  
21 January-December time frame, you know, in that  
22 part of the year. But the vessel schedules remain

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1 virtually the same.

2           And the Panama Canal, right now, has a  
3 limiting factor because of the size of the locks  
4 and so, you know, we see what are called Panamac  
5 ships which basically fit the lock and then we see  
6 the other ocean carriers that are not restricted  
7 by the locks because they basically just sail the  
8 Pacific or Atlantic Ocean or Asia to Europe trade.

9           MS. WIETING: I also don't know if you've  
10 had the opportunity to look at our website. We  
11 have a number of additional background white  
12 papers on different aspects supporting the  
13 proposed rule-making and EIS, and all of that.  
14 And we do have one on technologies in there.

15           I don't know if you've had an opportunity  
16 to look at that. That might be worthwhile.

17           MR. GROSECLOSE: What's the website?

18           MS. BETTRIDGE: I can write it down.

19           MR. GROSECLOSE: Okay, great. That was a  
20 question I had, I guess, in terms of more  
21 scientific tracking of the whales, and so forth,  
22 what is the technology or what are the

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1 considerations out there.

2 MS. WIETING: Yeah. I think you'll see  
3 the white paper that, right now, our ability to  
4 track to any great extent is limited by the  
5 biology of the animal and the technology of the  
6 tracking devices, just not that compatible at this  
7 point for any intensive use or any expanded use.

8 We're able to do a little bit of it, but  
9 there are a lot of concerns about the health of  
10 the animals, as well as the ability of those  
11 tracking devices to give you adequate information.  
12 And so we do talk about that, I believe, in that  
13 white paper in some detail.

14 MR. NAGLE: Are there issues that you can  
15 recall we haven't talked about based on some of  
16 your discussions?

17 MS. MARTINO: Well, kind of touching on  
18 what Bernie said is, I think, one of the things  
19 that maybe is not necessarily addressing the  
20 rule-making, and I'm not sure if it could be or is  
21 appropriate, but this idea of dealing with future  
22 expansion projects at ports and coming up with

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1 some uniform treatment of those projects. I think  
2 that was a concern.

3 MR. GROSECLOSE: And there are a couple  
4 of projects under way on the East Coast today,  
5 some recently permitted, some being permitted now.

6 Jacksonville has an issue similar to  
7 ours, but they're not as far along, I don't  
8 believe. There's a new shipping terminal plan  
9 there. Jacksonville is obviously in a similar,  
10 maybe more crucial situation.

11 But one of the issues to us is,  
12 certainly, in a competitive business as we are,  
13 we're always looking at wanting to have some  
14 assurance that rules are applied the same in one  
15 place versus another, whether that's Customs or  
16 Coast Guard, or whatever that might be.

17 And one example, not to point fingers,  
18 but I'll point fingers, is the recently permitted  
19 project in Portsmouth, Virginia, the ABM terminal,  
20 and so forth.

21 And we understand in checking with the  
22 Corps there that the right whale issue was not

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1 raised and is not addressed in the permit document  
2 that was done, environmental assessment that they  
3 did and so forth.

4 And, you know, it will be interesting to  
5 see. The Port Authority of Virginia is getting  
6 ready to begin the permitting of another terminal  
7 there and whether that will be an issue because,  
8 suddenly, you've got a competitive situation where  
9 one has to address it and another doesn't.

10 MR. ALLEXON: That last point is the kind  
11 of thing that we would typically deal directly  
12 with in, you know, rule-making, the response to  
13 comments at that appropriate time. After the  
14 comment period, correct?

15 MS. WIETING: Yes. And I think it also  
16 has to do with how the Corps of Engineers is doing  
17 their permitting. I'm not real familiar with  
18 that.

19 MR. ALLEXON: Never the same way twice,  
20 it seems.

21 MR. GROSECLOSE: Well, I guess that's,  
22 you know, again, going back to a personal example

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1 of sort of being caught in the midst of a proposed  
2 rule-making with the uncertainties of that.

3           And our message has been, you know, we're  
4 certainly happy and willing and we plan to be  
5 compliant with anything that's established as a  
6 regulation out there.

7           But lacking those regulations and the  
8 uncertainty of what might be enforced, we're very  
9 hesitant, suspicious, whatever about sort of  
10 stepping out as the test case and then finding  
11 that ports to either side of us are not paying  
12 that cost.

13           I mean, we're talking about a million  
14 dollars, where we were yesterday, and that wasn't  
15 adequate, apparently. So -- and as I pointed out,  
16 at the time, you know, we're talking about a  
17 million-dollar expenditure without having any  
18 revenue flow from that for, perhaps, six years or  
19 more.

20           So it's a significant additional cost of  
21 doing business without the benefit of receiving  
22 any payback from the business.

1                   MS. WIETING: Yeah. I'll just say that I  
2 haven't seen the Corps of Engineers EA or whatever  
3 kind of documents that they have done for that  
4 port, so I think that would be additional  
5 information that we should take a look at.

6                   MR. NAGLE: Yeah. I think, you know, not  
7 being specific to Charleston's project, both not  
8 to put words in Bernie's mouth, but also not to  
9 support or oppose any individual port projects,  
10 but just in general, I think, certainly, we want  
11 to provide and continue to provide comments and  
12 our perspectives as you develop your -- you know,  
13 through your rule-making process.

14                   But once that rule-making is final,  
15 obviously, every -- you know, every port and  
16 facility are going to be complying with those  
17 regulations.

18                   But whatever those regulations are, it  
19 is, at least, that it would be across the board,  
20 rather than having, you know, a particular  
21 facility or a port be required to do something  
22 over and above that.

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1           I mean, whatever -- at whatever point in  
2 time through your rule-making process those  
3 regulations would become final, obviously,  
4 everybody would be then in compliance at that  
5 point.

6           But to essentially require a port or a  
7 facility to do something outside of that, from my  
8 perspective, it's kind of -- if everybody is going  
9 to be in compliance at a certain date, then that's  
10 when everybody should be in compliance, rather  
11 than requiring somebody, regardless of who that  
12 is, to do something differently in advance of when  
13 you're not even sure what those final requirements  
14 are going to be.

15           You know, if a port or facility is  
16 required to do X and your final regulations are Y,  
17 you know, at least to me, anyway, that doesn't  
18 seem to be either necessarily the best thing for  
19 the -- either the, you know, commerce or the  
20 whale.

21           And if you ultimately determine that Y is  
22 the best thing to do, then everybody should do Y

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1 and not some do X and some do Y.

2           That's kind of a generic statement, but  
3 there are a lot of other terminals or facilities  
4 that might ultimately be caught up in a similar  
5 scenario, you know, over the course of the process  
6 for this.

7           Are there other things based on some of  
8 the things that -- you know, you indicated some of  
9 the things that would be helpful to you all as you  
10 go through -- as part of the comments that the  
11 industry would provide that might help further  
12 clarify some of the specific -- your questions or  
13 concerns that we have?

14           MS. BETTRIDGE: Well, in our request for  
15 comments, we also specified that we'd like  
16 comments on 12 knots and 14 knots, as well as just  
17 10. So if you have differing concerns about the  
18 different speeds, I'd encourage you to submit  
19 those.

20           MS. WIETING: I think I hit all of the  
21 ones that stood out to me, really, based on your  
22 general comments.

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1                   And if there's any -- well, let me just  
2   add, on the cruise ship itineraries, as well, if  
3   you have any specific information on that, that  
4   would be helpful.

5                   MR. NAGLE:  Yeah, that's a case where  
6   there are a lot of -- I mean, we all kind of  
7   always recall the thought about cruise ships and  
8   you always kind of thought of, you know, Miami,  
9   and all that.

10                  And that certainly still is the major  
11   home port, in South Florida, whether it's, you  
12   know, Miami, Fort Lauderdale up as far as  
13   Canaveral are still very major.

14                  But there have been -- has been a  
15   dramatic change in the itineraries of cruise  
16   ships, frankly, in significant reaction to 9/11  
17   and the hesitancy of folks to fly.  They've moved  
18   a lot of their home ports to locations that people  
19   can drive to.

20                  New York has become a much larger home  
21   port.  And I guess, primarily looking at the  
22   region that might be impacted the most directly at

0030

1 this point on the right whale, certainly, Boston,  
2 also a lot of new cruise activity, New York,  
3 Philadelphia, really almost everybody.

4 Baltimore has become a major cruise port,  
5 just opened up a new cruise facility there.  
6 Charleston certainly has significant cruise  
7 activity, as does Norfolk.

8 So there are a lot of relatively new  
9 itineraries that are already pushing the envelop  
10 because of -- part of the reason -- kind of where  
11 we started primarily was directed in South  
12 Florida, was obviously their location proximity to  
13 the Caribbean. They could get there within, you  
14 know, reasonable cruise itineraries, three-,  
15 four-, seven-day itineraries.

16 With some of the new vessels being  
17 capable of higher speeds, they were able to start  
18 moving further north and still within  
19 reasonable-length-of-time itineraries that  
20 essentially vacationers are willing and interested  
21 in doing, start leaving out of some of the more  
22 northerly ports.

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1                   But again, speed restrictions would very  
2 dramatically impact that capability of being able  
3 to get into and out of those ports as they venture  
4 down into the Caribbean or where they might go.

5                   So a lot of that is, again, relatively  
6 new itineraries that are just over the last  
7 several years that likely would have significant  
8 impact.

9                   I don't know whether -- do you know if  
10 either ICCL or anybody else has been actively  
11 engaged in this at this point?

12                   MS. MARTINO: I don't think the cruise  
13 lines have been as engaged as the commercial cargo  
14 itineraries.

15                   MR. NAGLE: I know that we've heard from  
16 our Port Authorities about those.

17                   MS. WIETING: During the advanced notice  
18 of proposed rule-making public comment, we did  
19 receive some comments from the cruise industry.  
20 And I'm trying to remember the association, the  
21 association of cruise lines. And I believe they  
22 did attend one or two of our public meeting

0032

1 sessions.

2 MR. ALLEXON: Did we have any interaction  
3 with them in the Silver Spring-type meetings?

4 MS. WIETING: Yes, we had those as well,  
5 you know, when we met with you all. And that was  
6 all during that ANPR period.

7 MR. GROSECLOSE: One thing of interest,  
8 and particularly given this issue, the migratory  
9 seasons, and so forth, and how that changes the  
10 different ports of the coast, is if you look at  
11 our cruise business, we're typically sort of  
12 November to April.

13 That ship that would have that itinerary,  
14 and it's a weekly cruise during those months, that  
15 shifts up to Boston and sails April to November.

16 So it's -- you'll see a lot of that on  
17 the East Coast where, you know, during the warmer  
18 summer months, the cruises are coming out of New  
19 England and the northeast and then those ships  
20 will move during the winter months to the  
21 southeast.

22 MS. MARTINO: I think just one final

0033

1 thing is that we appreciate the extension on the  
2 comment period, but I think we would like to see  
3 the additional 30 days we had requested and 60-day  
4 extension.

5           And given that there are two dockets out  
6 for comment at the same time and that the draft  
7 EIS is 600-and-something pages long, it's  
8 definitely a lot to go through with a fine-tooth  
9 comb and I think we would have more meaningful  
10 comment.

11           And I know that our member ports feel the  
12 same way, that if we could have that additional  
13 month.

14           MR. NAGLE: As you mentioned, we had the  
15 meeting earlier and, again, we appreciate you all  
16 taking the time to meet with us.

17           And we know you're in the midst of your  
18 process, but, again, that's part of why it's so  
19 important and valuable to us being able to get in  
20 and talk with you because this is something from  
21 the ports perspective that's a very significant  
22 issue and something that we do believe very

0034

1 strongly can have very significant impacts on not  
2 only individual ports, but more importantly, the  
3 industry and commerce and jobs, et cetera.

4           So we wanted to kind of take the  
5 opportunity to raise with you the significance of  
6 the concerns and questions we have. And we will  
7 definitely provide you the additional information  
8 you asked for that would be helpful to you as you  
9 kind of move forward in your rule-making process.

10           MR. ALLEXON: We appreciate you wanting  
11 to come in and, you know, even understanding the  
12 restrictions that we have to operate under.

13           But it's still, I think, very useful to  
14 receive the input. Obviously, this is something  
15 we would do with any interested party that  
16 requested it, but this was of particular interest  
17 when Ed brought this to us. So we're happy to do  
18 it and make ourselves available and to listen.

19           And obviously, I think we've had -- you  
20 know, for not being able to say a whole lot, I  
21 think we've had a pretty good exchange of  
22 information. And hopefully, you'll -- you know,

0035

1 the feedback we've given you on particular items  
2 to tease out for, you know, specific comment, you  
3 know, I know that we'll be looking for those, as  
4 well.

5 MR. NAGLE: We don't consider you being  
6 rude, so --

7 MR. ALLEXON: I'm glad not. I'm glad  
8 not.

9 MS. SULLIVAN: I have the office next to  
10 him.

11 MR. NAGLE: You can give us the real  
12 skinny on him after the meeting. Once the  
13 reporter has left, you can tell us what he's  
14 really like. Thanks.

15 MR. GROSECLOSE: We do thank you for the  
16 time. We appreciate all of you being here.

17 (Whereupon, the proceedings at 3:40 p.m.  
18 were concluded)

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CERTIFICATE OF REPORTER

I, Wanda L. Granger, do hereby certify that the foregoing proceedings were taken by me in stenotype and thereafter reduced to typewriting under my supervision; that I am neither counsel for, related to, nor employed by any of the parties to the action in which these proceedings were taken; and further, that I am not a relative or employee of any attorney or counsel employed by the parties hereto, nor financially or otherwise interested in the outcome of the action.

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Wanda L. Granger