

Furnishing shelter in fiscal storm

Port 'chugging along,'
cargo traffic steady

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Off Interstate 95, down Terminal Road and behind a security gate with armed guards sits one Providence business seemingly unaffected by the global economic downturn. Port of Providence officials say traffic there remains on par with historic levels and is actually growing, even as declining imports hurt other ports.

Executives at Waterson Terminal Services, the company that operates the port, attribute the steady business to the port's diverse mix of tenants, its ability to host ships requiring deep water and to federal stimulus money. And most cargo entering the 105-acre port is for industrial uses not connected to the tumbling consumer market.

"It's very different than Los Angeles, which is very dependent on Wal-Mart imports," said William Brody, legal counsel for ProvPort, the nonprofit company that since 1994 has controlled the port area.

Waterson Terminal Services President Bruce Waterson said industrial markets fluctuate, but the port's varied tenant base self-corrects. When home construction tanked last year the port saw a drop in cement deliveries. But federal stimulus money sparked road-

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paving projects and asphalt deliveries shot up. The federal "Cash for Clunkers" program provided a steady stream of scrap metal for export, and used-car exports remain robust, with the port sending 1,500 to 1,800 vehicles a month overseas.

Waterson said he expects 45 long-shoremen, who load and unload visiting vessels, to work 60,000 hours during the 12-month period that ends Sept. 30. That's almost exactly what they worked last year. At Waterson Terminal Services itself, the company has not laid off any of its 16 full-time staffers or reduced its operations in light of the economic climate.

"I think everything's just kind of chugging along," Waterson said.

About 300 trucks a day visit the port tucked off Allens Avenue. Brody said few Rhode Islanders realize the amount of goods that come through the port, which includes easy access to Route 95 and a rail spur. Last year, the port moved about 3.2 million tons of goods, a 300 percent increase from seven years ago. The port handles more than 100 vessel calls a year.

The steady freight stream contrasts with national figures that show foreign imports and exports at the nation's ports on the decline. Imports fell 12.9 percent and exports fell 15.4 percent during the first six months of 2009 compared with the same time last year, according to the U.S. Census Bureau.

Michael Leone, the incoming chairman of the American Association of Port Authorities, said container traffic — which carries primarily consumer goods — has taken a nosedive after a streak of double-digit growth. Leone said many ports serve as a "linchpin" between manufacturers and retail businesses and when the retail industry crashed, ports took "a serious hit."

At the Port of Los Angeles, one of the largest container ports in the world, container traffic fell 16 percent during the first six months of the year compared with the same period last year. Spokesman Phillip Sanfield said the downward spiral has led to job losses, fewer hours for dockworkers and efforts by the port and its tenants to lower expenses.

"Everything's coming in here from Asia, and when you've got high levels of unemployment it affects consumer purchasing," Sanfield said. "They're not buying the flat-screen TVs or sneakers."

Adding to the West Coast port's troubles, exports are also down and many containers head back to Asia empty.

The outlook is only marginally better on the East Coast.

Leone, director of the Port of Boston, said container traffic there fell about 7 percent during the first seven months of the year compared with the same period last year.

Providence, however, has no container traffic, and mostly handles commodities, which have seen less of a decline. Tenants at the port include industrial companies such as road-salt provider Morton Salt, scrap metal reseller Three Flags Holdings, used-autos merchant Abbu Merhi Lines, and UNIVAR, a company specializing in waste-water treatment services. Large ships like the 647-foot long Gypsum Integrity, which arrived in early August, dock regularly and unload thousands of tons of coal



PBN PHOTO/MARY LAUZON

PORT AUTHORITY: The Gypsum Integrity recently arrived in Providence with 45,000 tons of coal, which was unloaded within 24 hours.

using an automated system.

"Since Providence is mostly in the bulk area, they may not very well see the impact a large retail port that handles a lot of consumer goods may [feel]," Leone said.

South of Providence, the Port of Davisville at Quonset, buoyed by car imports, also has seemingly escaped the port downturn. The number of vehicles imported increased to 108,368 during the first six months of 2009 compared with 82,988 during the first half of 2008. The numbers make Davisville the fifth-largest auto importer in North America.

Trouble at a port can have a domino effect on the region's economy. Leone said thousands of trucking businesses have closed up shop because of decreased port traffic.

"This is something that the entire country is concerned about because the

ports are really economic engines," Leone said.

ProvPort officials say the Providence port creates a \$200 million regional economic impact that remains, for the most part, steady. Officials also say that more than 1,000 workers are employed by port activities and the port creates an additional 1,500 indirect jobs.

That said, Waterson continues to aggressively market the port and is working to bring back lumber deliveries that stopped when home construction slowed.

Waterson said his company also persuaded the U.S. Maritime Administration in June to designate Providence on maps as a stop on the short-sea shipping route. In theory, the designation opens the door for Providence to receive goods from a network of barges operating along the East Coast. Widely used in

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BRUCE WATERSON

Waterson Terminal Services
director



PHOTO COURTESY OF PROVPORT

HEAVY CARGO: The Port of Providence is considering expanding onto a city-owned piece of property, shown above in red, and using it as a storage area.

Europe, the concept relies on vessels — smaller than deep-draft container ships — to cherry-pick containers off ships arriving in U.S. waters and bring them into port. Such a system would deliver goods closer to their ultimate destination and potentially eliminate trucking routes. (A spokeswoman at the U.S. Maritime Administration last week could not confirm that the agency put Providence on its maps.)

Today just one company operates such a system on the East Coast and does not stop at Providence. Waterson said he's hopeful that money from the federal stimulus will encourage companies to enter the market and stop in Providence. Right now Waterson said the economics favor berthing in large ports and trucking material to its final destination.

"It's a mere piece of the puzzle for us," he said. "Anything we can touch to add volume, to bring jobs, it's a plus. It would be nice to have but we're still going to be here if it doesn't happen."

ProvPort is also looking to expand onto 8 acres at the southern end of its property. Brody said the organization is in talks with the city to use the former landfill as a storage area for goods making their way through the port.

The overall plan has the support of **Save The Bay**, the port's southern neighbor. Spokesman John Torgan called the plan, which includes creating a public access way to the bulkhead, a "very positive step."

A spokeswoman for the port's other big neighbor, **Johnson & Wales University**, said the school had not seen plans for the proposed expansion and could not comment.

State lawmakers are also exploring the potential for the state's industrial ports. A General Assembly commission toured the Providence facility in March and is readying a report.

"We're going to try and focus on identifying some responsible actions that will enable Rhode Island ports to make greater contribution to the economic well-being of our state," said Sen. William Walaska, a Warwick Democrat from who co-chairs the commission. ■