



7 Fish Island | New Bedford, MA 02740
(774) 202-9292

March 24, 2022

Mr. Robert Davis
Woods Hole, Martha's Vineyard & Nantucket Steamship Authority
P.O. Box 284
Woods Hole, MA 02543

Ref.: Tug & Barge Freight Service – Pilot Program
New Bedford, MA – Nantucket, MA

Subject: Request for License Agreement

Dear Mr. Davis:

41 North Offshore, LLC (41N) submits the attached proposal in support of its request for a license agreement with the Woods Hole, Martha's Vineyard & Nantucket Steamship Authority (SSA) to operate a tug & barge freight service pilot program between New Bedford, MA and Nantucket, MA. Specific details of the pilot program, including the dates for the program, are outlined in the proposal.

To meet the dates proposed for the program, 41N requests the SSA consider the proposal and 41N's request for a license agreement at its upcoming Port Council meeting on April 5, 2022, and Board of Governors' meeting on April 19, 2022. 41N is available to answer questions the proposal and license agreement request generate and provide additional information both in advance of and at the meetings.

41N appreciates the SSA's consideration of 41N's proposal and license agreement request and would welcome an opportunity to discuss further at the Port Council and Board's meetings. Please let us know if 41N's request will be added to the Port Council and Board's meeting agendas and if 41N should plan to attend one or both meetings.

Respectfully submitted,

41 North Offshore, LLC


Jonah Mikutowicz, Manager

Cc.: Matthew Fisher | 41 North Offshore, LLC
Mark Giuffre | United Parcel Service
Albert Murat | United Parcel Service
Anthony Nuckles | United Parcel Service
Elaine Mooney | Woods Hole, Martha's Vineyard & Nantucket Steamship Authority

Encl.



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Tug & Barge Freight Service – Pilot Program
New Bedford ↔ Nantucket

March 24, 2022

1.0 – General Overview

41 North Offshore, LLC (41N) is proposing a pilot program (Pilot) to determine the feasibility of offering a tug & barge freight service between New Bedford and Nantucket. 41N has partnered with the United Parcel Service (UPS) for the Pilot, with UPS engaged as the initial seed customer. The Pilot would run from over a five (5) month period from mid-May 2022 until mid-October 2022 and consist of up to seventy (70) round trips, each trip carrying an average of three (3) tractor trailer equivalent units. Loading and offloading in New Bedford would occur at the Fish Island Terminal (FIT) located on Fish Island in New Bedford Harbor and in Nantucket at the Woods Hole, Martha's Vineyard & Nantucket Steamship Authority's (SSA) Nantucket Terminal.

2.0 – Pilot Participants

A. *41 North Offshore, LLC*

41N is a tug & barge operator based in New Bedford, MA. Established in 2011, 41N operates a fleet of three (3) tugboats, one (1) push boat and three (3) barges. 41N's primary services include marine transportation, coastal marine towing and dredge support.

41N has extensive experience operating tugs and barges between New Bedford and Nantucket, including delivering modular houses and loose bulk aggregate to the SSA's Nantucket Terminal and offloading at the Terminal. 41N has historically averaged one (1) to two (2) barge deliveries per week to the SSA's Nantucket Terminal, but currently is averaging three (3) to four (4) barge deliveries per week to the Terminal.

41N is experienced working with SSA Nantucket Terminal personnel and management and understands the operational aspects and constraints required when docking and working at the Terminal and around the SSA's ferries in Nantucket Harbor.

B. *United Parcel Service*

UPS is the largest package delivery provider operating on Nantucket. UPS's service delivers critical, time sensitive packages including medication, healthcare items and food service packages. UPS is vital to commerce on Nantucket and the majority of local business inventory is transported by UPS.

UPS's delivery volume on Nantucket increases by 70% during the Summer months and averages five thousand (5,000) packages per day. Delivery of these packages to Nantucket is made using two (2) to three (3) tractor trailer units per day.

C. *Fish Island Terminal*

The FIT is an industrial marine terminal located on Fish Island in New Bedford Harbor. The FIT consists of a mix of upland staging space and waterside dockage for industrial barges, tugboats and fishing vessels. Current uses of the FIT include barge loading of rolling and bulk cargo, marine construction staging, and dockage for tugboats, barges and fishing vessels.

3.0 – Background

In late 2020, 41N started discussing the concept of operating a freight service between New Bedford and Nantucket. Discussions continued through 2021 and into 2022. As restrictions from the

global COVID-19 pandemic were lifted and travel began to increase, 41N started receiving an increasing number of calls from parties trying to move their vehicles and cargo to Nantucket. The common theme in the calls 41N received was that the SSA was unable to offer a reserved space on its ferries due to the ferries being fully booked.

In late 2021, UPS inadvertently missed the SSA's filing deadline for bulk ferry reservations for the 2022 Summer window. Upon realizing the deadline had been missed, UPS immediately contacted the SSA and both parties have been working together to find a solution to ensure uninterrupted service for UPS's freight to Nantucket.

While discussions with the SSA were ongoing, UPS contacted 41N to discuss an alternative contingency solution to provide transportation for UPS's freight to Nantucket on one of 41N's barges. Discussions between 41N and UPS about a potential freight service to Nantucket led to the full development of the service proposed by this Pilot.

To limit the number of trips that UPS would need to utilize 41N's service, UPS undertook an extensive internal investigation to ensure that their freight transport to Nantucket was as efficient as possible. Items investigated by UPS included ensuring the space utilization in trailers transiting on the SSA was maximized and utilizing different truck and trailer combinations to fit in spaces that the SSA still had available for reservations. In addition, UPS investigated the option of transporting freight by air and considered trips that may still be able to be made with the SSA on a standby basis.

Despite the ongoing concerted efforts of both the SSA and UPS, there will most likely still be tractor trailer trips that UPS would need to utilize 41N's proposed service to cover. The number of tractor trailer trips that UPS would need to utilize 41N's service to cover is still being finalized, however UPS's number of trips without guaranteed reservations is projected to be between one hundred fifty (150) and two hundred (200) trips. Covering these tractor trailer trips utilizing 41N's service is estimated to require seventy (70) barge trips.

4.0 – Service

The Pilot is designed with a focus on two things; first to determine if a tug and barge freight service between New Bedford and Nantucket is a viable transportation method that could supplement the existing SSA ferry service between Hyannis and Nantucket; and second, to solve the immediate need of a critical transporter of products, medicine and supplies to Nantucket (UPS), that is not able to meet all its Nantucket transportation needs using the SSA during the busy Nantucket Summer season.

The goal of the Pilot is to determine if, as the service develops, other SSA customers that cannot reserve a guaranteed spot with the SSA will participate in the service. The service is not designed nor intended to take customers and freight traffic away from the SSA, but rather supplement the SSA at times when the SSA cannot offer a guaranteed reservation.

Utilizing 41N's service would be a last resort for most parties due to the additional factors that come into play when traveling by barge between New Bedford and Nantucket. Tug and barge service to Nantucket has factors that inherently make it less efficient and desirable than traditional ferry service. Transit of a tug and barge is slower than a traditional ferry, is more restricted by the weather conditions that it can operate in, must transit a greater distance from New Bedford than a ferry must transit from Hyannis and is more expensive on a per-unit basis.

The Pilot would operate around UPS's needs and not as a regular everyday service. While UPS has engaged as the seed customer for the service, UPS intends to continue to work with the SSA to

identify openings or standby slots on SSA ferries for trips that UPS does not currently have a reservation for. As UPS's needs are met by the SSA, UPS will cancel trips tentatively scheduled for 41N's service. Unless other parties are scheduled to utilize the service, 41N would in-turn cancel scheduled trips when UPS is able to obtain coverage on SSA ferries. Both 41N and UPS expect some portion of the trips outlined in this proposal to occur, however exactly what percentage of the potential trips utilize 41N's service would be driven by the number of trips UPS is able to cover utilizing the SSA.

5.0 – Service Details

A. Roles

41N would be the operator of the service and provide the tug, barge and crew that would transport trucks and trailers between New Bedford and Nantucket. 41N would handle directing trucks and trailers on the barge during loading and offloading and securing and un-securing all trucks and trailers while on the barge. 41N would be the point of contact for coordination with the SSA on the service.

UPS would be the seed customer for the service and provide trucks and trailers that would utilize the service. UPS would handle transporting the trucks and trailers to/from the FIT, loading the trucks and trailers on/off the barge in both New Bedford and Nantucket, and transporting the trucks and trailers to/from the SSA's Nantucket Terminal.

Since UPS is the seed customer for the Pilot, this proposal describes UPS is the sole "customer" of the service. If other non-UPS customers engage 41N to utilize the service, their roles would be the same for their trucks and trailers as the roles outlined and planned to be handled by UPS.

The FIT would serve as the departure and arrival point in New Bedford. Trucks and trailers would stage at the FIT in advance of a barge loading and following offloading on the return trip. Trucks and trailers would utilize the FIT transfer bridge to load and offload from the barge.

The SSA would serve as the arrival and departure point in Nantucket. 41N would utilize the SSA's Nantucket Terminal dock space for securing the tug and barge while in Nantucket, transfer bridge for loading and offloading trucks and trailers, upland space for trucks and trailers arriving for loading and departing following offloading and SSA personnel for operating the transfer bridge.

B. Schedule & Frequency

41N intends to operate the Pilot from Tuesday, May 17, 2022 through Wednesday, October 19, 2022 and make two (2) to five (5) trips per week, Monday through Friday only, with a weekly average of three (3) trips per week. One (1) to five (5) tractor trailer equivalent units would transit each way on the barge with an average of 1 ¼ units transiting from New Bedford to Nantucket and 1 ¾ units transiting from Nantucket to New Bedford on the return leg of the trip.

C. Notice of Cancellation

41N would endeavor to provide a minimum notice of cancellation to the SSA twenty four (24) hours in advance of a scheduled offload in Nantucket. Due to weather factors outside of 41N's control, there may be trips that would need to be canceled twelve (12) to twenty four (24) hours in advance of a scheduled offload in Nantucket.

D. Route

The route between New Bedford and Nantucket would transit Buzzard's Bay, Vineyard Sound and Nantucket Sound, covering a total distance of fifty two (52) nautical miles one way.

E. Transit Time

The transit would take an average of eight (8) hours one way at a speed of six and one half (6 ½) knots. Tug and barge speeds are highly influenced by tides and sea conditions so the transit time could vary by up to an hour above or below the average depending on the day.

F. Arrival & Departure Times

Transit from New Bedford to Nantucket would occur overnight, with departure from New Bedford at 1800 the day before a scheduled Nantucket offload and arrival in Nantucket around 0200 the day of the offload. Upon arriving in Nantucket, 41N's tug and barge would secure in Slip #2 at the SSA's Terminal and standby for offloading and loading in the morning.

Transits from Nantucket to New Bedford would occur the same day as a Nantucket offload, with departure from Nantucket at 0730 and arrival back in New Bedford around 1530. In the event a delay in the offload/reload in Nantucket delays 41N's departure for New Bedford beyond 0730, 41N's tug and barge would either hold and depart after the arrival and docking of the first freight boat from Hyannis, if offloading in Slip #2, or temporarily clear the Nantucket terminal by 0730 and then return following the departure of the 0915 passenger ferry, if offloading in Slip #1.

G. Passengers

The service is planned to transport trucks and trailers only, without passengers onboard. UPS would meet the trucks and trailers at the dock in both New Bedford and Nantucket to offload and load them off and on the barge.

H. Staging in New Bedford

Loaded trucks and trailers scheduled to be delivered to Nantucket would be delivered by UPS to the FIT and staged in advance of loading. UPS drivers delivering loaded trucks and trailers to the FIT would backhaul empty trucks and trailers that had returned from Nantucket to UPS's offsite facility.

I. Offloading & Loading in New Bedford

Offloading & loading at the FIT would occur between 1700 – 1800 the day before a scheduled offload in Nantucket. Empty trucks and trailers that returned on the barge from Nantucket would be driven off the barge by UPS, using the FIT transfer bridge, and parked at the FIT. Following offload of the empty trucks and trailers, loaded trucks and trailers would be backed onto 41N's barge by UPS and secured on the barge by 41N.

J. Staging in Nantucket

Due to the limited terminal space at the Nantucket Terminal and ongoing ferry operations, there would be no staging of trucks and trailers at the Terminal. Loaded trucks and trailers that

were delivered to Nantucket on the barge would be driven directly from the SSA's property after offloading from the barge. Empty trucks and trailers that are to be loaded on the barge in Nantucket would only arrive at the Terminal once the barge was ready to be loaded and would be immediately loaded onto the barge.

K. Offloading & Loading in Nantucket

Offloading and loading in Nantucket would occur between 0630 – 0730, with a secondary window of 0930 - 1115. Offloading and loading would utilize either the Slip #1 or #2 transfer bridges, with which slip utilized being determined by the SSA's Terminal Manager on a trip-by-trip basis. Operation of the transfer bridge would be completed by SSA personnel with 41N personnel securing the bridge to the barge. Once the bridge was secured to the barge, loaded trucks and trailers would be driven off the barge by UPS and from the Terminal. Once all trucks and trailers that had been delivered to Nantucket had been offloaded from the barge and departed the Terminal, the empty trucks and trailers would arrive at the Terminal and be immediately loaded onto the barge.

L. Barge

41N plans to utilize its deck barge "THING 2" to carry the trucks and trailers on the service. "THING 2" is a flat steel deck barge with overall dimensions of 130' x 40'. Fitted to the deck of "THING 2" are steel bin walls across the bow and down both sides of the barge with a concrete wearing deck inside the bin walls. "THING 2" can carry a maximum of five (5) fifty, seven foot (57') total length tractor trailer equivalent units. Attached under Appendix A is information on "THING 2".

Offloading and loading of rolling cargo on "THING 2" occurs over the stern end of the barge, which is flat and does not have a radius like the SSA's ferries. To utilize the SSA's head dolphin fenders and transfer bridge, 41N would outfit the barge with a cantilevered, radiused platform that would match the stern radius of the SSA's ferries. The cantilevered platform would be designed and constructed to support the same loads that the SSA's transfer bridges can support. 41N engaged a licensed Structural Engineer to develop preliminary details and calculations for the barge radius platform. Attached under Appendix B is a preliminary detail showing the barge and radiused platform, positioned as it would sit in Slip #2 during loading and offloading.

6.0 – License Fee

41N proposes a license fee structure like the fee structure charged to non-SSA entities whose vessels utilize SSA facilities for the loading and discharging of passengers.

For the use of the SSA's facilities in Nantucket and providing SSA personnel to operate the transfer bridge, 41N proposes paying the SSA a flat fee of One Hundred Dollars (\$100.00) per docking.

For the use of the SSA's facilities in Nantucket to offload and load trucks and trailers as outlined in this proposal, 41N proposes a fee for each one-way unit equivalent to Ten percent (10%) of the SSA's regular one-way fare to provide the same service on its ferries between Hyannis and Nantucket.



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Appendix A
“THING 2” Data Sheet



Deck Barge “THING 2”

Hailing Port	New Bedford, Massachusetts	Flag & Compliance	United States Jones Act
Builder	Feeney Enterprises	USCG Official Number	638791
Year Built	1981	Trade	Coastwise
Tonnage, Displacement & Dimensions		Cargo Bin	
Registered Gross Tonnage	524	Inside Dimensions	114' x 36' 10" x 3' 9"
Registered Net Tonnage	524	Stern Opening Width	25' 7" Centered
Displacement – Light	380 ST	Side Wall Air Draft - Light	13'
Registered Length	130'	Bin Wall Construction	Steel Plate
Overall Length	130'	Deck Surface	Reinforced Concrete
Registered Breadth	40' 1"	Capacities	
Overall Breadth	40' 1"	Cargo Bin – Top of Coaming	580 CY
Registered Depth	11'	Cargo Bin – Heaped	1,360 CY
Draft – Light	2' 6"	Cargo – Loaded Draft	975 ST
Draft – Loaded	9' 0"		
Stern Freeboard - Light	10'		
Maximum Air Draft – Light	14' 9"		

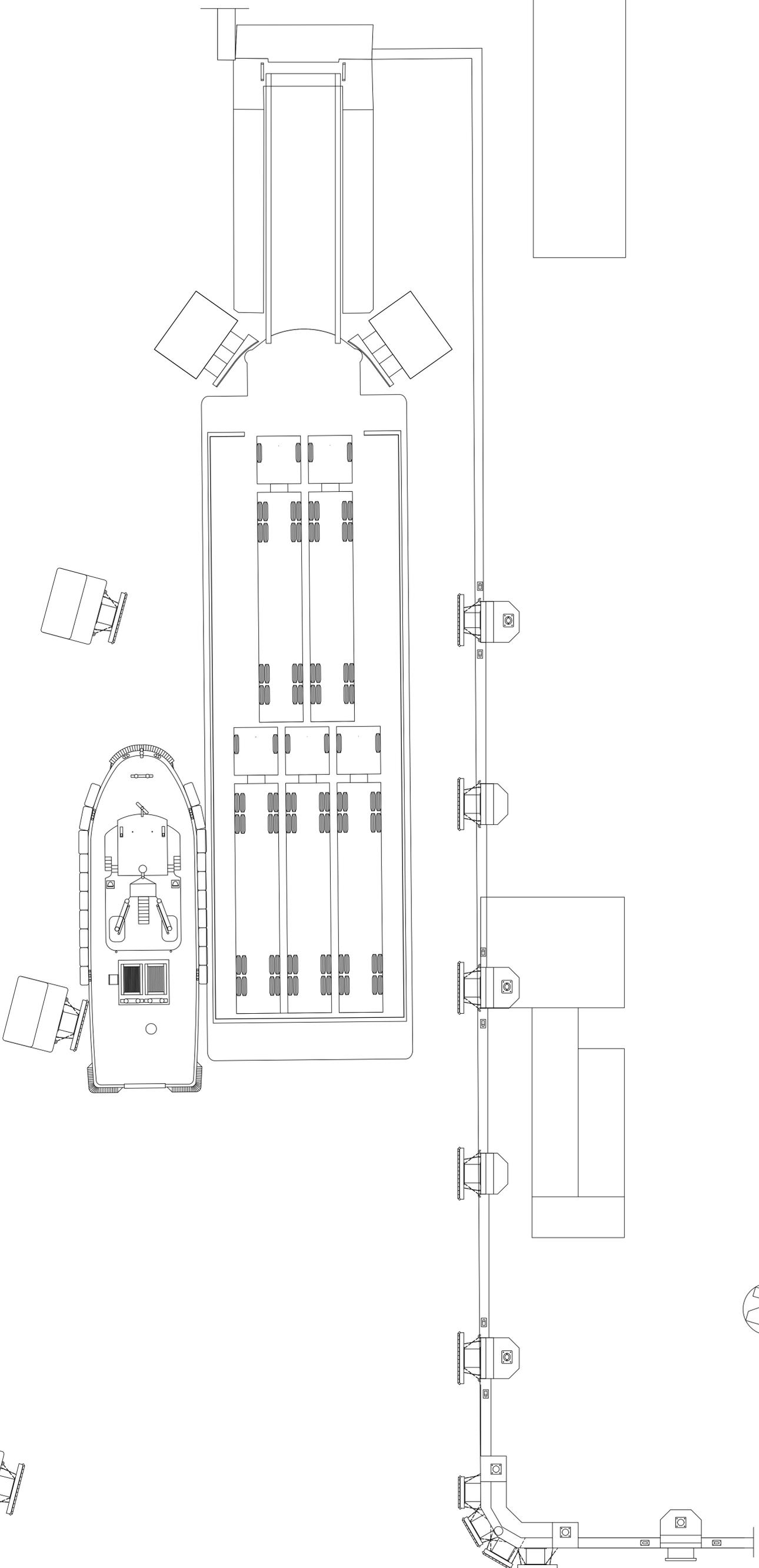


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Appendix B

Typical Docking Arrangement

SLIP #2 - NANTUCKET TERMINAL



DATE	DESCRIPTION	REV
22MAR2022	INITIAL RELEASE	0



TUG & BARGE FREIGHT SERVICE
DOCKING ARRANGEMENT

DRAWING
B1

SCALE
NTS