

S.B. No. 1067 (RAISED) COMMERCE. 'AN ACT CONCERNING THE CREATION OF A QUASI-PUBLIC STATE-WIDE PORT AUTHORITY'

The creation of a quasi public state-wide port authority as depicted in SB 1067 is not supported. On a strategic level, as written the Bill does not address the fundamental need for a statewide port authority. On a tactical level, the Bill lacks the details that are needed to give the concept of a statewide port authority a chance to succeed.

As detailed in Connecticut Economic Strategic Plan (Plan) prepared by the Connecticut Department of Economic Development in 2009, there are four main components of the maritime industry in the state. Three of the more significant components are:

- Maritime Transportation – These activities include “the movement of freight and passengers through Connecticut’s ports and involve ports, ships, ferries, and inland transportation linkages.”
- Maritime Recreation – These activities include “boating and sport fishing and involve marinas, boat dealerships and marine retailers.”
- Commercial Fishing – These activities include “the production, harvesting, processing and retail of finfish, shellfish and lobster.”

The Plan contained several “Key Findings” and some recommendations related to maritime transportation. One finding was that Connecticut’s commercial ports have limited land for cargo storage space (also referred to as lay down area) that results in missed opportunities for expanding sea transportation business. The recommendation was that the seaports need capital investment to expand storage capacity, and to increase intermodal connections between water, highway and rails. Another finding was that the state’s maritime advantage is literally eroding as silt collects in the deepwater ports.

The basic premise of a statewide port authority is to coordinate maritime economic development. A statewide port authority should complement not replace the statutorily authorized local port authorities, particularly those in the deep draft ports of Bridgeport, New Haven and New London. The need for a statewide port authority should also address the needs of the smaller ports along the Connecticut coast. The smaller Connecticut ports support thriving fishing fleets. Perhaps more importantly, the smaller ports serve as the base of operations for a billion dollar recreational boating industry.

As written, SB 1067 does not address the governance relationship between the proposed statewide port authority and the local port authorities. Nor does it address the relationship between the statewide port authority and the smaller Connecticut ports.

During the campaign, Governor Malloy toured the state’s three deep draft ports and released a port development plan that called for making port development a strategic transportation priority. The plan called for allocating \$50M in previously authorized Special Tax Obligation bonds, Urban Act and Manufacturing Assistance funds toward port development, including dredging to protect the integrity of the deepwater channels. The Governor has followed through on his plan by establishing \$50M in his proposed budget for port infrastructure improvements. The plan also called for the creation of a state port authority to market the ports, coordinate capital projects and jointly pursue federal funds.

Unfortunately, like SB 107 the outline of a state port authority presented during the campaign did not provide details on how the state port authority would be funded. SB 1067 would allow the quasi-public statewide port authority to hire staff, acquire real property, enter leasing agreements and perform other tasks as necessary. However, there is no language related to how the proposed quasi statewide port authority would pay for hired staff or other operational expenditures.

On a strategic level the creation of a statewide port authority, quasi or otherwise is a good idea. However, the devil is in the detail. With a few adjustments, SB 1067 could be used to create such an authority. The adjustments will obtain the same goals but at a reduced cost. One adjustment would be to limit the Governor's appointments to the state port authority board of directors to three (03). The three should be one each from the Connecticut Maritime Coalition (CMC), the Connecticut Marine Trades Association (CMTA) and the Connecticut Harbor Management Association (CHMA). The three organizations literally cover the waterfront. Their respective members represent large commercial maritime companies, marinas and recreational marine businesses and the municipal harbor management groups including harbor masters.

Three state agencies should be on the statewide port authority board of directors as proposed in SB 107. However, a substitution is recommended. Due to regulatory permitting issues related to port development, the Commissioner of Department of Environmental Protection (DEP) should replace The Secretary of the Office of Policy and Management (OPM) as a member of the statewide port authority board of directors.

The statewide port authority board of directors should consist of no more than nine (09) members: three (03) Commissioners (or their designees) from state agencies, three (03) Gubernatorial appointees from maritime organizations, three (03) from municipal deep draft port authorities.

To help meet the goal of being budget neutral, it is recommended that the statewide port authority be administratively attached to the Department of Transportation vs. OPM. The Connecticut General Statutes already provide the authority to administer the funds deposited in the Harbor Improvement Account created by PA 08-101 and execute maritime infrastructure projects to the Commissioner of the Department of Transportation. Alternatively, due to the economic development aspect the statewide port authority could be administratively attached to the Connecticut Department of Economic and Community Development. It is also recommended that the statewide port authority be chaired by the Lieutenant Governor. Doing so would provide fiscal oversight and alignment among other strategic state transportation and economic development projects.

In summary, the concept of a statewide port authority to work with the local port authorities and smaller ports to improve port infrastructure as an economic driver is a good idea. However, any legislation that creates a statewide port authority needs to specify the governance relationship between the statewide port authority and local authorities. The relationship between the statewide port authority and the multitude of federal and state agencies that oversee maritime operations and infrastructure development need to be addressed. Last but not least, any legislation that creates a statewide port authority needs to identify the revenue sources needed for the authority to meet its financial obligations.
