

Summary of the Economic Impact of the NH Port Study

The Economic Impact of the Piscataqua River and the Ports of Portsmouth and Newington study was sponsored by the Piscataqua River Economic Development Committee to gain a better understanding of the economic impact of maritime commerce in the region of southeast New Hampshire and southwest Maine. The authors of the study are Matt Magnusson (the University of New Hampshire), Charles Colgan (the University of Southern Maine), and Ross Gittell (the University of New Hampshire).

The following were some of the facts and conclusions as determined by the study:

- In the local economy, 987 jobs paying \$90.2 million in wages and benefits were directly employed by 16 businesses utilizing the ports along the Piscataqua River. The economic impacts of the Portsmouth Naval Shipyard were not included in the analysis for this study. Approximately 90% of the economic impacts are experienced in NH and 10% of the economic impacts are experienced by Maine.
- The total regional impacts of the port-related activities include 2,357 jobs (2,078 in NH and 280 in Maine) paying \$156 million in income and \$274.5 million in value added. In addition, \$25 million in state and local taxes are generated as a result of these activities.
- Approximately 90% of the world trade is carried by ship. The Panama Canal has been a historical driver of vessel sizes; the maximum dimensions for ships using the Panama Canal are currently 110 feet wide by 965 feet long. An upgrade of the canal is scheduled to be completed in 2015. The new locks will accommodate ships up to 180 feet wide by 1,400 feet long.
- The widest ship the Piscataqua River ports can accommodate is 106 feet wide because of the restrictions caused by the horizontal opening of the Sarah Long Bridge. There are already ships 118 feet wide operating in the Northeastern shipping market and the current trend of wider ships will only increase the number of ships the Piscataqua River ports cannot support.
- A review of the shipping activity of the four Northern New England ports in millions of tons found the following:

Ports	2005	2006	2007	2008	2009	% Change 2005 - 2009
Boston, MA	43.1	42.5	43.6	41.1	40.1	-7%
Chelsea River, MA	6.2	5.9	6.8	6.4	6.9	11%
Portland, ME	29.3	25.2	24.3	22.1	21.0	-28%
Portsmouth, NH	5.3	4.8	4.0	3.8	3.6	-32%
Total	83.9	78.5	78.7	73.4	71.6	-15%

- Average shipping activity at the terminals along the Portsmouth Harbor and the Piscataqua River consists of 150 to 250 inbound commercial vessels per year. Peak vessel traffic occurred in 2003 with 287 vessels recorded. The historical trend of the Portsmouth Region’s shipping activity includes 1.8 million tons of waterborne commerce in 1969, 3.1 million tons in 1981, a peak of 5.5 million tons in 2005, and 3.0 million tons in 2010.
- The annual percentage change of shipping tonnage in the Northern New England ports was:

Ports	2006	2007	2008	2009
Boston, MA	-1%	3%	-6%	-2%
Portland, ME	-14%	-4%	-9%	-5%
Chelsea River, MA	-6%	15%	-6%	8%
Portsmouth, NH	-8%	-17%	-5%	-7%
Total	-6%	0%	-7%	-3%

- In 2011, terminals along the Portsmouth Harbor and the Piscataqua River handled \$1.7 billion in cargo, consisting of 3.1 million tons and 162 inbound vessels. This was an increase of 2% in tonnage but a decrease of 11% in vessels compared with 2010 (3.0 million tons and 182 vessels).
- Fossil-fuel based products (oil, propane, and coal) is the primary commodity transported by marine traffic accounting for approximately 55% (measured by value) of the marine commerce.
- In 2011, 80% of the cargo transported by marine traffic in the region passed under the Sarah Long Bridge, including 132 of the 162 vessel trips. Twenty-three of these ships had a width of 106 feet, the maximum width the Sarah Long Bridge can accommodate.
- The study concluded that “increasing the horizontal clearance of the Sarah Long Bridge would be expected to have a positive impact on the operations of the Port and the Piscataqua River terminal operators” due to the “underlying trend towards larger vessels in the overall merchant fleet.” This trend means “the current width of the Sarah Long Bridge is a constraint to shipping activity in the harbor, which will only be expected to grow worse with time.”
- If no action is taken to increase the horizontal opening of the bridge, the result will be a competitive disadvantage for the Port and the Piscataqua River businesses due to an increase in cost to products shipped to the area by maritime traffic. This will put the approximately \$275 million added to the regional economy and the 2,350 jobs generated at risk. The study concludes that the worst-case scenario is the Port ceasing operations as a result of the negative impacts of not addressing the horizontal opening of the Sarah Long Bridge.