



For Immediate Release  
(See below for media contacts)

## **Federal Approval Advances American Feeder Lines’ Coastal Shipping Project**

The principal parties in a successful bid for official American Marine Highway status view the development of coastwise feeder and domestic marine freight services as “essential and inevitable for the United States.” The project that was among those designated by Secretary of Transportation Ray LaHood under the new program is titled “Atlantic and Gulf Coast Short Sea / Feeder Service,” and was developed by American Feeder Lines.

The sponsors of the project’s application, James I. Newsome, President and CEO of South Carolina State Ports Authority (SCSPA), and Steven M. Cernak, Port Director of The Port of Galveston, were pleased to learn of the Secretary’s decision.

Jim Newsome noted the marine highway program's ability to serve as a forward-looking and environmentally-friendly alternative to traditional cargo flows. “The Port of Charleston enjoys a strategic location in the Southeast, so a feeder system out of Charleston to other seaports can provide significant benefits such as reduced congestion and enhanced environmental sustainability,” said Newsome. “Charleston is a natural fit for this kind of project.”

The Port of Galveston’s Steven Cernak stated, “This is good news for the Port of Galveston and for other American ports. The Maritime Administration understands the marine highway will be an increasingly important part of the country’s maritime activity.” He added, “Here on the Gulf we will take as much good news as Washington is able to give us in support of this initiative.”

American Feeder Lines’ plan is to establish container feeder and domestic freight service in support of the international container lines that serve the East and Gulf coasts. As the container lines put larger ships into service, especially with the planned opening of the Panama Canal’s new locks, a feeder system will complement the continuing drive toward greater efficiency. Ports like Charleston and Galveston will play key roles in this effort. (The application also had the support of Norfolk and New

York/New Jersey, and other ports.) AFL will build ten state-of-the-art, environmentally improved container ships in two U.S. shipyards for the start of the new system.

AFL began ten years earlier when partners Percy R. Pyne IV and Tobias Koenig concluded that the U.S. will have to look to the water for its growing transportation needs.

“It is a standard practice in logistics in Europe and elsewhere in the world,” AFL co-founder, Tobias Koenig of Koenig & Cie said. “Marine transportation and its efficiencies are recognized as important aspects of the Continent’s transportation network. And it makes perfect sense for the States.”

“It is significant that our application achieved this distinction in what is the first year of this new national program,” Percy Pyne, American Feeder Lines co-founder agreed. “It is great to know our government now is taking seriously the promise of the marine highway.”

“Marine highways and this particular project are made for these times,” said Jim Newsome. “I think American Feeder Lines is a forward-looking and environmentally-efficient alternative to current methods of transportation on the East Coast. They are experienced, credible owners”

“This project could help position the East and Gulf region to realize the benefits of larger ships serving our coasts following expansion of the Panama Canal in 2014 and before,” Jim Newsome continued. The Port of Charleston can handle ships up to 48 feet of draft and carrying more than 8,000 20-foot equivalent units (TEUs).

Steven Cernak said, “Early on in his administration Secretary LaHood talked about how the maritime sector is a great resource that has been underutilized in this country. With this new program he is taking steps to do something about it and I think the logistics sector will grasp the opportunity. We in Galveston certainly intend to.”

AFL co-founders Mr. Pyne and Mr. Koenig said, “We are grateful to Secretary LaHood and Maritime Administrator David Matsuda who have shown confidence in our project and for the support that it signifies from the Obama Administration.”

Information on the American Marine Highway program and the August 11,2010, announcement can be found on the MARAD website:

[http://www.marad.dot.gov/ships\\_shipping\\_landing\\_page/mhi\\_home/mhi\\_home.htm](http://www.marad.dot.gov/ships_shipping_landing_page/mhi_home/mhi_home.htm)

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***The Port of Charleston*** is a designated strategic seaport in the National Port Readiness Network that ranks among the top 10 U.S. seaports in terms of cargo value and container volume. The Port benefits the State of South Carolina’s economy at a level of \$45 billion annually. It is directly and indirectly responsible for 260,800 jobs statewide. The Port of Charleston is strategically located in the Southeast with access

to over 90 major metropolitan areas within 500 miles of the port and facilitating overnight delivery. It has the only new container terminal under construction on the U.S. East Coast today. The SCSPA is embarking with the U.S. Army Corps of Engineers on a further harbor deepening project to accommodate larger vessels, having just successfully completed the initial, reconnaissance phase of that project and seeking federal funding to begin the feasibility phase. For more information, please visit [www.scspace.com](http://www.scspace.com). Contact: Byron Miller - ( 843) 577-8197

**The Port of Galveston** is Texas' gateway for cruise sailings and international trade. Located at the entrance to Galveston Bay, the Port leases and maintains facilities situated on the north side of Galveston Island and on adjacent Pelican Island. Galveston Channel currently has an authorized depth of 45 feet. The Galveston Island operations are a diversified mix of traditional and non-traditional cargo operations including roll on-roll-off cargo, dry bulk, export grain, refrigerated fruit, general cargo, and project cargo. In addition, the Port handles over 600,000 cruise passengers annually. The Port's Pelican Island facilities comprise a combination of undeveloped property, an active ship and rig repair facility, and liquid bulk operations. The Port is served by both Class 1 western railroad operators and contributes significant economic impact to the State of Texas by providing more than 11,400 jobs and generating \$1.0 billion of economic activity of which \$587.8 million is annual income. For more information please visit [www.portofgalveston.com/](http://www.portofgalveston.com/). Contact: Cristina Galego - (409) 766-6119

**American Feeder Lines (AFL)** will operate a Jones Act Short Sea/Feeder container liner service on the U.S. East and Gulf Coasts for international container lines, shippers, and trucking/logistics companies. in the domestic freight sector. AFL will operate coastal container ships (1300 TEU) capable of carrying the full range of international and domestic sized boxes (including reefers) in scheduled service between ports serving the U.S. market. The vessels can be modified to include an onboard crane and other defense related features to meet U.S. Defense Department requirement. To further reduce the CO<sub>2</sub> impacts of marine transportation the vessels will operate on low sulfur fuel such as biodiesel fuel (waste fats) . They will comply with 2017 IMO Tier III regulation as well as 2017 ECA zone regulation for SO<sub>x</sub>, NO<sub>x</sub> and PM. One AFL ship carrying 992 containers (14t/TEU at 14 kts) would produce 0.024 kg CO<sub>2</sub>/ton mile or 27 percent less CO<sub>2</sub>/ton mile than if the same containers were moved on 246 railcars (double stacked), and 77 percent less than if they were moved on 744 trucks (The net savings of one ship is represented by 24 million gallons of diesel fuel (compared to trucking) and savings of 600,000 tons of CO<sub>2</sub> per year when the benefits of bio-diesel are taken into account.) For more information please visit [www.american-feeder-lines.com](http://www.american-feeder-lines.com). Contact: Ashleen O'Keeney - 212-269-8211.