

Response to the Desirability and Convenience Study for the Puerto Rico Maritime Transportation Services Project.



Fajardo II and Culebra II are reported on page 15 to be “in service 30 January 2018”. Really?

This study clearly shows the intent, goals, and objectives of the Puerto Rican government, the Governor, and the ATM:

1. The primary and overriding objective of this project is to cut operating losses (as in the government is short of funds) of the ferry service and move financial risks to a private operator.
2. The Governor is attempting to establish a general model of Public Private Partnerships to solve some of the PR bankruptcy issues, and he would like this to be the first one.
3. The urgent looming goal of the ATM is to maintain the power structure as it is.

While the ferry system has long been a thorn in the side of government officials due to its abysmal record of service, corruption, and mismanagement, the result for the inhabitants of Vieques has been devastating. While the mission of the ATM has ostensibly been built around the need to provide a ferry service between Fajardo and the islands of Vieques and Culebra, the actual goals and objectives of the organization have been formulated in the context of what is good for the ATM. The residents of Vieques and Culebra are merely viewed as the excuse for creating ATM employment, bonuses, and overtime. But the ferry system is first and foremost **supposed to be a community service and a physical and economic lifeline**, not a government welfare business.

In the current guiding documents for the ATM the real needs of the islands are not mentioned, nor is there any mechanism for the residents or the municipal governments to increase capacity, specify operations, alter schedules, or in any way influence the system to address the necessities of the citizens. Likewise, this new RFQ totally ignores the requirements of the

communities it should be charged with serving. This government organization is again shutting out the stakeholders and forcing a solution to satisfy their desires and solve their problems while foreclosing input from the islands and ensuring the destruction of their small economies.

ANALYSIS OF THE ANALYSIS

Demand

Use of quasi-sophisticated professional tools to justify desired conclusions does not hide the fact that this study is merely recommending a huge cut in services to save money and a bailout effort to recruit a private firm to absorb the risks. The effort to predict future demand for cargo or passenger service by extrapolation of the typical services historically provided is flawed to the core. Due to the constrained capacity of the system and the horrible, unpredictable service, demand has been obscured, dramatically suppressed, and distorted.

We do have a small window into real demand for cargo transport:

Until 2010 or so, Vieques had 15 ATM cargo ferries allocated to service the island per week, which equated to about 320 vehicles. During the ferry maintenance crisis at that time period resulting in the loss of several boats, the PR Fast Ferry was hired to augment the service with their own boats and crews. Because the passenger ferries were out of service, the ATM used cargo ferries (with limited passenger space) for all Vieques runs. Although meeting schedules was still most often impossible, the seven ATM round trips a day (4 each on weekends) were all cargo vessels and brought the intended total ATM cargo trips per week to a total of 43 – almost three times the normal allotment – and with a far more useful range of departure times. The 15 supplemental trips by PRFF resulted in just under 60 roundtrips per week – almost four times the vehicle capacity of previous years and about twice as many as currently scheduled. Assuming that the boats all ran, we had the capacity to move 1200 vehicles. *Many local ATM personnel resented the PRFF and often would not allow reservations, forcing many to waste time going standby. On many occasions agents refused to sell tickets while the boats had space available. Despite this subversion, the boats tripled the cargo volume to an estimated 800 vehicles.* The point here being that there is significantly more demand at the current horrible level of service than is being met. With a more reliable, better scheduled service, the pent-up demand could fund a significant increase in service.

The project analysis suffers fatally from initial assumptions formed around data from a constrained system. **Worse yet, the schedule of the recommended solution is oblivious to the resulting economic death to Vieques:**

- *Vieques – Ceiba Cargo (Ro-Pax): 2 round trips per day (large ferry); 1 round trip per day (small ferry)*
- *In addition to the above trips, 2 fuel trips per week are assumed to each island. The P3 service does not include any unscheduled runs. This represents approximately a **40% reduction in the overall level of service** to the islands.*

Ferry Justification

The study states:

The survey results also suggested that 77% of non-residents traveling to the Municipal Islands are primarily doing so for vacation. Residents of the Municipal Islands traveling to the Puerto Rico mainland have varying

reasons for doing so, including work, visiting relatives or friends, shopping, or personal business.

The above is not wrong, but it is incomplete. It minimizes the importance of the maritime link and totally ignores:

1. **HEALTHCARE.** Vieques residents have significantly greater health issues and mortality rates than the general US or PR population. Because healthcare services in Vieques are severely limited, main island hospitals, treatment centers, and specialists are essential components of the healthcare system for islanders. Constrained ferry capacity, poor schedules, and lack of reliability cause sick and potentially sick people to postpone, procrastinate, or abort seeking the medical help they need. The increased mortality rates bear witness to the negative effects of the often horrible and unpredictable ferry operation.
2. **ECONOMIC DEVELOPMENT - TOURISM.** The only significant businesses on the small islands relate to tourism - without it there is no external source of income other than transfer payments from the government. Most tourists are value conscious, and the typical Vieques traveler is more so than most. Flying to the island from San Juan can be more expensive than flying from the States to SJU. Fares range from \$149 to \$199 one way, airlines have suboptimal schedules, and free luggage is severely limited. A family of four could face a \$1,400 expense roundtrip. Given the almost-common-knowledge that the ferry system is horrible, **many opt to go elsewhere.** A \$100 taxi ride each way and four \$30 roundtrip ferry tickets provide a savings of 80%, more tourists come here, and business growth improves opportunities for the residents of the islands.
3. **ECONOMIC DEVELOPMENT – BUSINESSES & JOBS.** In order to create new jobs, new businesses must form and/or existing businesses must expand. The ferry system is the logistical lifeline. Constricted service acts like a noose choking the islands. Construction materials, food supplies, fuel, automotive repair, and scarcity of other essential elements slow down economic activity and employment. The new proposal will make things 40% worse while we need it to be 40% better.
4. **EDUCATION.** Vieques is number 78 of the 78 municipalities in school performance. Families have been leaving Vieques to place their children in better school systems. Current Vieques enrollment has been declining rapidly and has accelerated post Maria. 40% of the primary schools (PK – 6th) are closing within a month. Many students commute to alternative schools on the main island. There is a shortage of certified teachers in Vieques, and many are teaching on waivers to make up the slack. Better travel to the main island would help this situation.

The Route & Vieques Port

The short route discussed is NOT the Short Route we all know. **Ceiba – Isabel Segunda is the medium route:** 12 nm versus 8 nm – 50% longer! There are severe problems associated with the continuing use of Isabel Segunda. There are reasons of convenience, practicality, and economics, but, above all, safety for moving to Mosquito Pier:

1. The roads of Isabel Segunda become blocked and jammed every time the cargo ferry unloads as trucks depart and arrive via the small, crowded streets.
2. Travelers park on surface streets and reduce business parking in town.
3. Significant damage to municipal and other properties occurs as heavy and oversized vehicles destroy the local streets and impact signs, poles, and fences, not to mention cars, as they try to navigate the narrow roadways.
4. The concrete loading ramp is “fixed” and does not adjust to the different heights of the array of various onboard boat ramps – it should have a hydraulic ramp.

5. The port has become too shallow and causes severe maintenance problems and costs to repair the boats – clogged filters, reduced engine life, damaged props.
6. The terminal in Vieques is a covered dock and a ticketing office without adequate sun and rain protection while ticketing. The dock is known to need major work.
7. **The bridge adjacent to the dock which allows passage to the rest of the island has been tested and has a 15-ton safety limit. The trucks that must cross this bridge weigh up to 3 times this limit; it is illegal and unsafe.**
8. The high costs of rebuilding the dock, dredging the docking area, and rebuilding the bridge will exceed \$10M if done properly.
9. It is known that respiratory ailments in Vieques are rampant. Some blame the Navy, but studies everywhere show that diesel fumes contain very harmful and toxic particulate that is responsible for increased cancer levels and other afflictions. Young children are very susceptible to adverse health effects of such exposure. So why would any authority representing this community force all of these trucks (including tankers full of gasoline) across a weakened bridge, down the narrow streets of town, and passed three schools as they make it to their delivery points **when there is a less expensive alternative.**

It would be a disaster for the community should a bridge fail or a tanker accident should occur in town or near a school. But even the chance of such an event or the long-term dangers of diesel pollution creating health issues for our children creates an indefensible position for a professional study of the ATM operation. This is reckless endangerment of our citizens by government and highlights a total disregard by the ATM for the wellbeing of the community it is supposedly serving.

CONCLUSIONS

The government of Puerto Rico is NOT INTENTIONALLY trying to kill the economies of Vieques and Culebra. This study for the RFQ, however, is supporting actions that will, in fact, devastate these small islands – most especially Vieques.

- By failing to properly analyze the real demand, the study is invalid: garbage in – garbage out!
- By excluding community input, the study and the recommendations are answering solely a simple business and accounting issue posed by the ATM.
- Ignoring the known health and safety issues of the community reflects the disregard shared by every participant in the study to the welfare of the residents of Vieques.
- By structuring the solution as a PPP to shift the risks, the study attempts to support a business model that is hoped will solve many additional problems, but this one is doomed.

One can see that if the goal is to maximize the gain (or minimize the loss), the government should shut down the ferry system and reallocate resources to something profitable. **But the ferry system should be first and foremost a community service, not a government business.** As such, the community must have a seat at the table.

A much simpler and appropriate approach is to:

- Analyze the community's needs
- Create a specification of the service required to meet those needs
- Seek a contractor to provide the specified service through a competitive bid
- Subsidize the shortfall - like governments everywhere are required to do
- Retain oversight and ticket pricing within a community ferry commission