



The Society of Naval Architects and Marine Engineers

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THE ECONOMICS OF JONES ACT PRODUCT DISTRIBUTION

Friday, October 21, 2005, 10:30 am to 12:30 pm (Room 307 E/F)

Moderator: Tim Colton, President, Maritime Business Strategies, LLC

The decline in the Jones Act product carrier fleet is a matter of concern. Why is it that, when Americans are consuming ever-increasing quantities of refined products, the demand for ships to move products from refining centers to the market appears to be declining? Can this trend be reversed? A two-hour panel session and discussion will address these issues.

10:30 to 11:00: Demand and Supply: David G. St. Amand, President, Navigistics, LLC

What are the historical geographic patterns of production and consumption of refined products? What are the projected future trends? How have refined products been distributed in the past? How extensive is the use of pipelines, rail, inland water, etc? How have the methods used changed over the years? What other techniques are used that reduce the need for coastal transportation, such as product swaps, imports? What drives these trends? What are the forecasts?

11:00 to 11:30: Technology: Joseph P. Comer III, President, Maritime Solutions South, LLC

What technological changes have we seen in this industry in recent years and what might we expect in the years ahead? How can technology make shipping more attractive? Will we see larger and/or faster ships and/or ATBs? Will we see improved cargo-handling technology? What other improvements are in the works?

11:30 to 12:00: The Future: L. Stephen Willrich, President, Seabulk Tankers, Inc.

What would need to be done to bring about an increase in demand for shipping as a means of distribution of refined products? Lower capital costs? Lower operating costs? Lower cost per barrel delivered? Is the ATB really more efficient than the self-propelled tanker? What could or should the shipping industry be doing?

12:00 to 12:30: Open Discussion