



September 29, 2023

Steven T. James, House Clerk  
Office of the Clerk of the House  
Massachusetts State House  
24 Beacon Street, Room 145  
Boston, MA 02133

Michael D. Hurley, Senate Clerk  
Office of the Clerk of the Senate  
Massachusetts State House  
24 Beacon Street, Room 335  
Boston, MA 02133

Dear Sirs,

On behalf of the Massachusetts Port Authority (Massport), please accept this letter as the Authority's annual report to the chairs of the House and Senate committees on Bonding, Capital Expenditures and State Assets on improvements at the Paul W. Conley Terminal (Conley Terminal) in South Boston as required by the 2016 Act Relative to Job Creation and Workforce Development.

The funding authorized in Section 6720-1340 of the Act is for improvements to Conley Terminal to accommodate the large container vessels being deployed by ocean carriers that service Massachusetts importers and exporters. Prior to the terminal modernization, Conley Terminal connected to 7 ports globally. After the completion of the infrastructure improvements, Conley Terminal now connects weekly to 30+ ports globally in China, Southeast Asia, North Europe, the Mediterranean, the Middle East, and Latin America. Conley Terminal is the region's only full service container terminal with deep-water access capable of servicing large ships. Conley Terminal processed nearly 221,000 TEUs in FY2023 - a 58% increase in container volume over FY2022.

Key infrastructure improvements had to be made so Conley Terminal could continue to grow the Massachusetts economy. The State bonding authorization helped to fund the construction of a new deep-water berth and procurement of three new cranes capable of servicing the larger ships at Conley. These improvements, together with the dredging of Boston Harbor and modernization of Conley Terminal's existing facilities, ensured the continued competitiveness of the Port of Boston, which is responsible for over 9,000 direct jobs and \$8.2 billion in annual economic impact.

The Authority's annual report in connection with these improvements is provided below.

**I. Progress on Dredging Boston Harbor**

The Boston Harbor Dredging Project was completed in June 2022. There were two major components of the Boston Harbor dredging project: maintenance dredging to preserve the ability

of vessels to deliver home heating oil, jet fuel, and salt to terminals along the Chelsea and Mystic Rivers and improvement dredging to accommodate larger container vessels being deployed by ocean carriers. Maintenance dredging, which received \$12 million in federal funds, was completed in December 2017.

The first phase of the Improvement Dredging Project, which dredged approximately 11.4 million cubic yards of materials, commenced in July 2018 and was completed in November 2020. The second phase of the Improvement Dredging Project, the Rock Blasting and Removal Contract, commenced in June 2021 and was completed in June 2022, four months ahead of schedule. The dredging project received federal funding that built on the support from the Commonwealth. While the closeout of the entire Boston Harbor Deepening project is ongoing, it is expected that the total Federal funding share will come in at around \$155.5 million.

## **II. Updates on berth construction and crane procurement**

Construction on the new deep-water Berth 10 to handle larger ships began in July 2018 and was completed in late 2020. In August 2018, Massport issued an RFP for three new ship-to-shore cranes that can reach across ships as wide as 22 containers. ZPMC was selected as the vendor for the crane procurement. The new Berth 10 and the new cranes were fully commissioned and put into operation in November 2021.

## **III. Progress on efforts to seek federal funds and reimbursement**

On September 7, 2016, Massport was awarded a \$42 million FASTLANE grant to help maintain and modernize the existing facility at Conley Terminal. The \$103 million FASTLANE Program, partially funded with this federal grant, provided for rehabilitation and deepening of Berth 11, structural repair of Berth 12, new gate facilities and other technology and equipment upgrades. The FASTLANE projects were substantially completed by the end of 2022 and the federal grant was recently closed in September 2023.

In 2017, Massport applied for a \$63 million Federal INFRA Grant (formerly FASTLANE) to help fund the new Berth 10, but was not successful. In 2018, Massport applied for a Federal BUILD Grant (formerly TIGER Grant program) to expand Conley Terminal's capacity for container storage, but was not selected. In March 2019, Massport submitted a 2019 INFRA Grant application to expand container storage and create a new freight corridor, but was not awarded the grant. In July 2019, Massport was awarded a \$20 million BUILD grant to facilitate the full build out of the container yard at the former Coastal Oil site at Conley, to deploy innovative terminal technologies and to construct the Cypher Street/E Street Freight Corridor, which will facilitate the safe and efficient movement of trucks between the interstate highway system and the container terminal. The BUILD grant agreement with MARAD was executed in June 2021. In May 2023, MassDOT and Massport entered into a MOU by which Massport assumed the responsibility of bidding and constructing the Cypher Street/E Street Freight Corridor Project. In addition, MassDOT agreed to transfer \$27 million to Massport to help fund the construction of the Cypher Street/E Street Freight Corridor Project. Lastly, in May 2023, Massport submitted an application to MARAD for an additional 2019 BUILD Grant funding opportunity. On August 28, 2023, Massport received notification from MARAD that the Authority had been awarded an additional \$5 million for the 2019 BUILD Grant, bringing the total grant award amount to \$25 million. The current estimated total program cost for the 2019

BUILD Grant is \$89.2 million. As of this date, Massport has commenced all three components of the BUILD grant program.

#### **IV. The economic benefits derived from this investment**

The Port of Boston is a vital transportation and economic resource that serves the shipping needs of more than 2,500 businesses across New England. Some Massachusetts companies that rely on the Port include Jordan's Furniture and International Forest Products in the southeast region; Ruby Wines and The Acushnet Company on the South Shore; Affordable Interior Systems and FW Bryce Seafood in Northern Massachusetts, Webstone and BJ's Wholesale Club in the Worcester area; and Olympic Manufacturing (OMG) Inc. and Chemetal in Western Massachusetts. Companies throughout New England that rely on Conley Terminal include Ocean State Job Lot, Bob's Discount Furniture, Nine Dragons (ND) Paper, Autopart International, America Chung Nam, and Trader Joe's. Conley Terminal facilitates the movement of goods to New England's markets with speed and efficiency ensuring that the region's 15 million consumers have the products they need, when they need them while also providing a gateway to the world for the region's exporters.

Massport is grateful for the leadership of the Legislature and the Healey-Driscoll Administration to keep the Port of Boston, which produces more than \$8 billion of economic impact, competitive in the global shipping industry. We look forward to continuing this partnership as the remaining initiatives are implemented to make sure the working port continues to support Massachusetts businesses and workers.

Sincerely,



Joseph Morris  
Port Director

cc: Lisa Wieland, Massport, Chief Executive Officer