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Due to Quonset Business Park improvements the Port of Quonset is well positioned for growth

September 26, 2007 - Spotlights

With rail improvements both inside and outside of the Quonset Business Park, and a new lease arrangement with North Atlantic Distribution (NORAD), the Port of Davisville is positioned to grow into one of the top ten auto importers in North America.

In March of this year, the Quonset Development Corp. (QDC) and NORAD entered into a new 40 year lease arrangement that creates a long term stable relationship which will enable the state's return on its investment to grow as the Port of Davisville takes further advantage of the new Freight Rail Improvement Project (FRIP). Since the FRIP allows for triple stacking of autos via rail it creates the potential to increase car importation well in excess of the current 100,000 cars per year arriving at the port. To put it in perspective, the number one auto importer in North America is the Port of New York/New Jersey with over 500,000 cars per year.

QDC is spending \$6 million to improve the rail infrastructure within the business park, and NORAD is making its own rail improvements to create a railhead within its lease hold. These improvements ultimately connect to the FRIP and will allow for a broader range of distribution.

Currently ships loading cars in Germany, Japan and Mexico bring Subaru's, Audis, VWs and Bentleys into the Port of Davisville. The cars that move through the Port of Davisville are transported by truck to locations in the northeast. The expanded distribution network will allow for transport to all of the continental United States and Canada.

This is just the first of what we anticipate will be a heightened use of rail by the business park tenants. Transport by rail generally is less expensive than truck and has a broader reach. Rail is an important transportation mode available to business park tenants. Several tenants have recently made improvements to take advantage of it. All American Foods, Inc., BB&S Treated Lumber of New England and Seafreeze, LTD. have constructed sidings and loading docks.

To further expand the synergy between rail and port, QDC has seen interest in the possibility of exporting cars and American made farm equipment. The Association of Equipment Manufacturers has already seen a dramatic demand for American made agricultural equipment and the new rail and port capacity provides the opportunity for fully loaded rail cars and ships coming into and leaving from Quonset.

On a related note, Quonset continues to implement new security measures at the Port of Davisville in keeping with the Department of Homeland Security regulations. As a Port that receives foreign flag vessels, QDC is eligible for federal grants and has received notice that it will be awarded \$103,600 this year. This is the second grant QDC has received from the Department of Homeland Security. The first grant received in 2004 was for \$500,000.

QDC will provide a \$34,500 match for the 2007 grant which will be used for security at the port in three general areas:

- * Maritime Domain Awareness for security and surveillance
- * Detection and Prevention for area radiation detection and
- * Transportation Workers Identification Credentials (TWIC) program for fencing, gates and infrastructure protection

Port security is a complex issue that involves federal, state, and local law enforcement, private sector businesses; and port employees. It is a key priority for QDC that continues to evolve with emerging technology and greater port usage.

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