

Newport company first in transport way above the Arctic Circle



A barge is set up for loading. [ROB LEE PHOTO]



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NEWPORT – A shipping company headquartered on Long Wharf has loaded and shipped the world’s northernmost dry bulk cargo in Greenland, far above the Arctic Circle.

Pangaea Logistics Solutions, founded in 1996 by Ed Coll in a one-room office on Pelham Street, planned and engineered the feat in August, a narrow weather window when floating icebergs are still present but at a minimum for that region.

"It's not for the faint of heart," Coll said last week. "There is a lot of risk, but it's not crazy risk."

The mining of the cargo took place in Moriusaq, where there are not any people, port, terminal or infrastructure of any type and totally ice-bound until just a decade or so ago.

But Bluejay Mining, based in London, has discovered large reserves of high-quality ilmenite, the primary ore of titanium that is needed to make a variety of high-performance alloys. The miners extracted 42,000 tons of it from the frozen terrain and wanted it all shipped south to Quebec for processing. They contacted Pangaea, because of its record in the region.

"We are the biggest dry bulk shipping group in the world working in the Arctic," Coll said.

"We're running a total of 65 ships now, 22 of which we own," he said. "The rest are leased. About one half of the ships we own are super-class ice ships."

Pangaea has formed many subsidiary companies to handle different aspects of its international operations.

Peter Koken, vice president and commercial director of Phoenix Bulk Carriers, a wholly owned subsidiary of Pangaea, led the Greenland project.

"We own a lot of companies, but they fall under the Pangaea umbrella," Coll said.

He started up Nordic Bulk Carriers in Denmark in the years after the 2008 recession, when Pangaea took over the ice class vessels of two companies in bankruptcy and had 10 additional ice class ships built in Japan.

The ice-class 1A Nordic ship Barents, which is 43,700 dead-weight tons, was sent to the northwest corner of Greenland to transport the cargo. Bluejay workers first built a 30-foot causeway from shore to a bulkhead.

Pangaea outfitted in Newfoundland a 400-foot barge with all the necessary equipment for the operation, including front-end loaders, conveyor systems, and generators and securing equipment. They positioned the barge perpendicular to the shore against the bulkhead. That gave them the water depth they needed to load the entire cargo.

"We had several Newport employees living on the barge in Greenland for extended periods of time to make this project work," Coll said. "We are very proud of them."

It's an eight or nine day trip from northwest Greenland to Port Alfred in Quebec, Coll said.

Preliminary samples have shown the Greenland ilmenite ore is valuable, and it is closer to North America and Europe than Africa, where most ilmenite is mined.

"It's really high quality stuff," Coll said.

"Once the analysis is done and it tests out well – and it will – we will build a permanent port there (in Moriusaq)," he said.

"With a bigger port, we will use bigger ships," Coll said. "We'll do that because we have most of the ice class ships in that region."

Pangaea has ordered four high ice class post-panamax dry bulk vessels, each with 95,000 deadweight tons, from Guangzhou Shipyard International in China. A panamax ship is the largest ship that will fit through the Panama Canal and is 75,000 deadweight tons, Coll said.

Two of the ships are planned for delivery in April and May 2021 and two for delivery in November 2021. The ships cost \$37.7 million each.

The ice class ships have a lot more steel in the hull, especially at the waterline, Coll explained. The engines are bigger and the water intake tubes are specially constructed so they don't suck in ice. Additional necessities include steam lines in the deck to melt any ice that forms there.

The project for obtaining these four large ice vessels is being led by Mark Filanowski, Pangaea's chief operating officer, and Mads Pederson, Nordic's managing director.

The ships will service Pangaea's growing Arctic customer base, Coll said.

For example, the company transports high-grade iron ore from the large Baffin Island that is part of the Arctic Archipelago in the far north of Canada, to Europe.

But Pangaea is involved in shipping all over the world.

"We have a giant trade in Jamaica," Coll said. "We bring bauxite from Jamaica to New Orleans. We have three ships going back and forth."

In Louisiana, the bauxite is processed first into alumina and then into aluminum by electrolysis.

The annual gross revenue for the company is \$373 million and total assets are about \$459 million, according to online market reports. Reports like Simply Wall St., which offers stock market analysis, say the company uses capital more efficiently than similar companies. This information is available because the company went public in 2014.

Coll said the company has close to 80 people in its offices in Newport, Denmark, Greece and Singapore, and 600 to 700 people on the ships.

"We don't have a giant organization," he said. "We do a lot with little. We teach people to be entrepreneurial. We have 65 ships – other companies have hundreds of ships.

The company is truly international not only geographically, but also in the nationalities of its employees.

"Fourteen different languages are spoken at our offices on Long Wharf," Coll said. "We have great employees here in Newport and around the world. The company is a family, completely dependent on the will and skills of its people."

Pangaea has its Seamar Management Company in Athens, Greece.

"The Greeks know how to run ships," he said.

"We have Russians and Ukrainians on many of our ice class ships because they know ice," Coll said. "They are good at it and we don't want any mistakes."

The Americans Bulk Transport subsidiary handles the chartering of ships, while the Bosco Bulk Ocean Shipping Co., named for Coll's dog, takes care of the purchase of fuel for the ships.

"We have a lot of companies doing so much more than that," he said. "And we are proud to have Newport as our home."

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