

THE ECONOMIC CASE FOR THE *S.S. UNITED STATES HAS ARRIVED.*

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As an economics teacher by trade, I tend to look at the world through a different lens than many. Efficiency, markets, scarcity, the role of government, and financial viability are just a few of many topics that I apply to most topics that cross my mind, as paradoxical as they may appear to be.

On November 7th, nautical aficionados like myself were treated to yet another exciting presentation on the future of the *SS UNITED STATES*. What was different this time? Economics.

It's been frustrating all these years hearing of grand plans for this once beautiful liner only for them never to come to fruition. These days, I even get a little anxiety when I simply see her name in the news, fearing an announcement will be made that she's on her way to the scrapyards. But fear no more; econ to the rescue!

Her fate seems very much alive; potentially anyway. Attendees learned that the ship is still physically quite solid, thanks to her old-school steel content lacking today's added recycled impurities and her (almost 30 year) Philadelphia River home lacking an excessive amount of corrosive salt (the water is brackish at worst). This presentation has alleviated many fears and came with a dose of economic viability that's been absent in previous plans. Part of the reason why we haven't heard much detail recently is that these developments have been kept super quiet due to the various confidentiality agreements amongst the involved parties. So unbeknownst to her fans like myself, the due diligence has largely been completed. And get this; little to NO public funds will be necessary to redevelop her. RXR Realty has partnered with legendary hotelier MCR (the same company that gave us the beautiful hotel repurposed from the old TWA terminal at JFK). That kind of experience matters and brings in a new level of authenticity and viability to the project.

What are some of these ideas? According to Greg Clancy, RXR Realty's Executive Vice President, the ballroom would serve as a grand entrance to this marvelous mixed-use development of hotel accommodations, event space, and food & beverage areas.

The iconic funnels would be used as a stunning atrium space, once all the equipment and machinery are removed, of course. Or perhaps make them into infinity pools. Or maybe one large pool can be designed in between the funnels where the tennis courts used to be.

How about replacing all of her two dozen missing lifeboats offloaded in Svesterpol for creative idea of creating cabanas in their place was pitched.

What can be done with her darkened engine room and the many awkwardly angled cramped mechanical areas in the bowels of the ship? Embrace the machinery and make an industrial-like bar venues, of course! How clever things can be envisioned when art and econ coexist!

Many have thought making this economically viable would mean transforming this vessel into something that comes at the expense of her historical beauty. But a welcome nod to her history will be seen throughout, such as preserving the below deck areas fore and aft where her lines were

pulled and stowed during her numerous trans-Atlantic crossings. Keeping the portholes in tact would reflect her immense size with the sheer that they form naturally along the hull. even if they need to be enlarged. Also, a unique way to cater to today's demand for stateroom balconies would be to integrate them into the superstructure similar what was done on the REGAL EMPRESS in the 1990's and preserve her existing exterior look.

The biggest hurdle remains in finding her a suitable homeport. Many possibilities have been explored such as New York, Philadelphia, Florida and even New Jersey. But the criteria needed is so specific and there needs to be political support. That's where we need to extoll the virtues of economics. The developer estimated a \$450 million dollar price tag, which divided among the 1,000 keys (150 luxury suites, 350 upscale guestrooms, and 500 tourist guestrooms), make the cost per room quite attractive. Add this to other revenue- producing spaces such as 40,000 square feet of food & beverage spaces and 25,000 square feet of event space. This is a delicious economic recipe for success. Perhaps some nominal income for the planned maritime museum, too!

Did I mention the estimated 5,700 jobs? What politician would turn that down? What can you do? Organize a meeting with one of these policymakers if you live near a potential homeport. Put on your economic professor hat and extoll the virtues of keeping this iconic symbol of American greatness alive. The plans are done, the economics will work; now we just need the political muscle and a good maritime crew that would maintain her ship worthiness.