

What's All This About Marine Highways?

Northeast Diesel Collaborative Ports Working Group
May 19, 2010

Coastwise Coalition

- Ports and Terminal Operators
- Longshore and Shipboard Labor
- Vessel Architects and Builders
- Vessel Owners and Operators
- Non Federal Agencies
- Transportation Planners
- Academicians and Consultants
- Truckers

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What's It Mean?

Geographically

- Short Sea: U.S., neighbors
- Policy Discussion: US/US, US/CN on Great Lakes-SLS
- AMH: US Contiguous, US/CN on Great Lakes
- Intermodal, non-bulk
- International container and domestic freight

Cabotage Requirements*

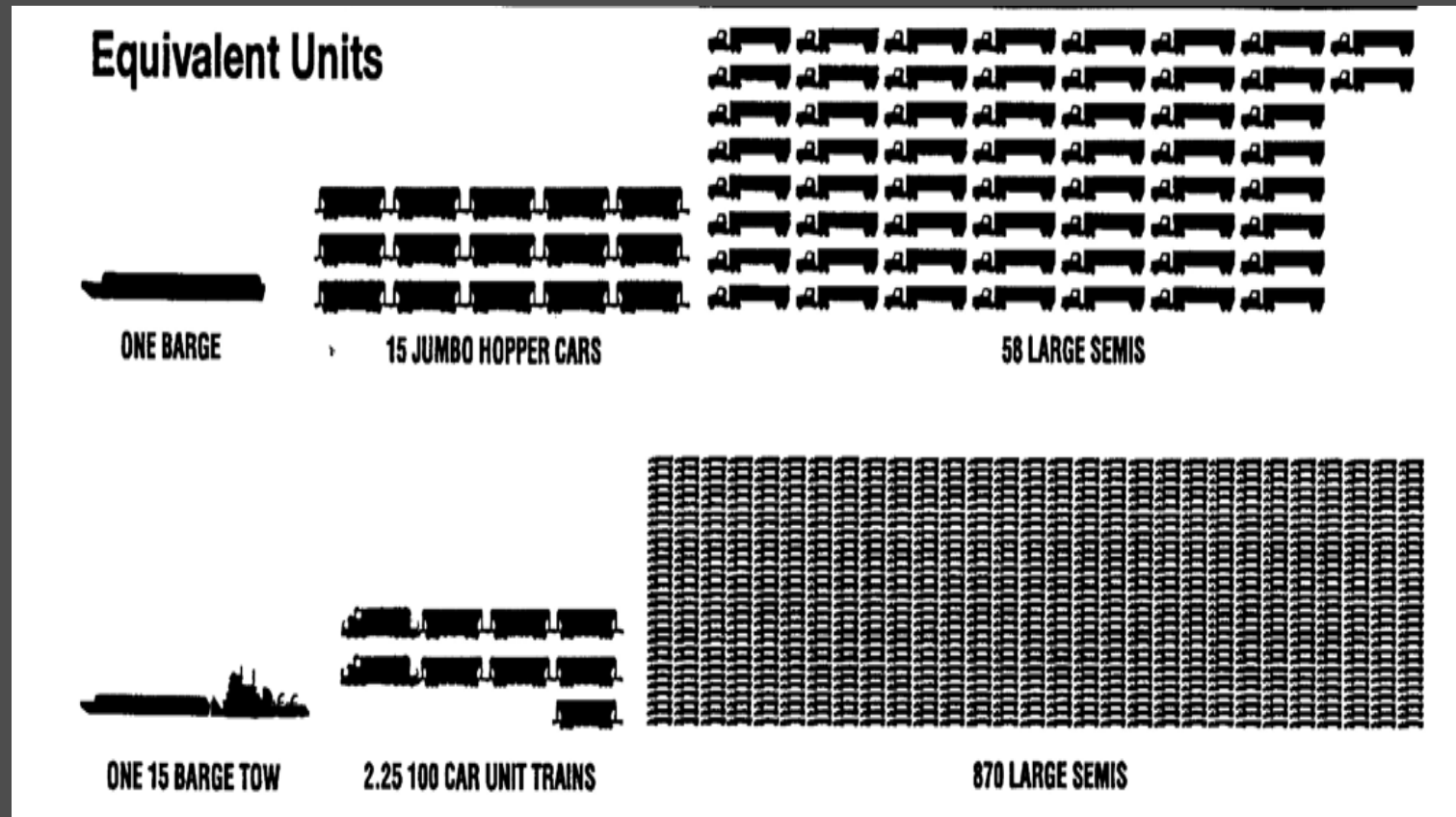
- American Built
- American Crewed
- Carriage between US ports

* Jones Act, Passenger Vessel Services Act

What's Driving It?

- Underutilized Maritime Sector
- Over-utilized Landed Transport System
- Energy & Environmental Imperatives
- Greater Attention to System Resiliency
- Greater Awareness of Options to Trucking as We Have Known It

RELATIVE CAPACITY: BARGE, RAIL, TRUCK



National Strategy
for the
Marine Transportation System:
A Framework for Action



“...including the establishment of a pilot program to designate Marine Highway Corridors to relieve congestion on roadways.”

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What's Driving It?



Institute for Global Maritime Studies

in cooperation with

The Fletcher School of Law and Diplomacy, Tufts University

AMERICA'S DEEP BLUE HIGHWAY

HOW COASTAL SHIPPING COULD REDUCE TRAFFIC
LOWER POLLUTION, AND BOLSTER NATIONAL SECURITY



I-95 Corridor Coalition

Short-Sea and Coastal
Shipping Options Study

Executive Summary



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What Is It?

- Existing Service
- Planned Service

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Existing Service



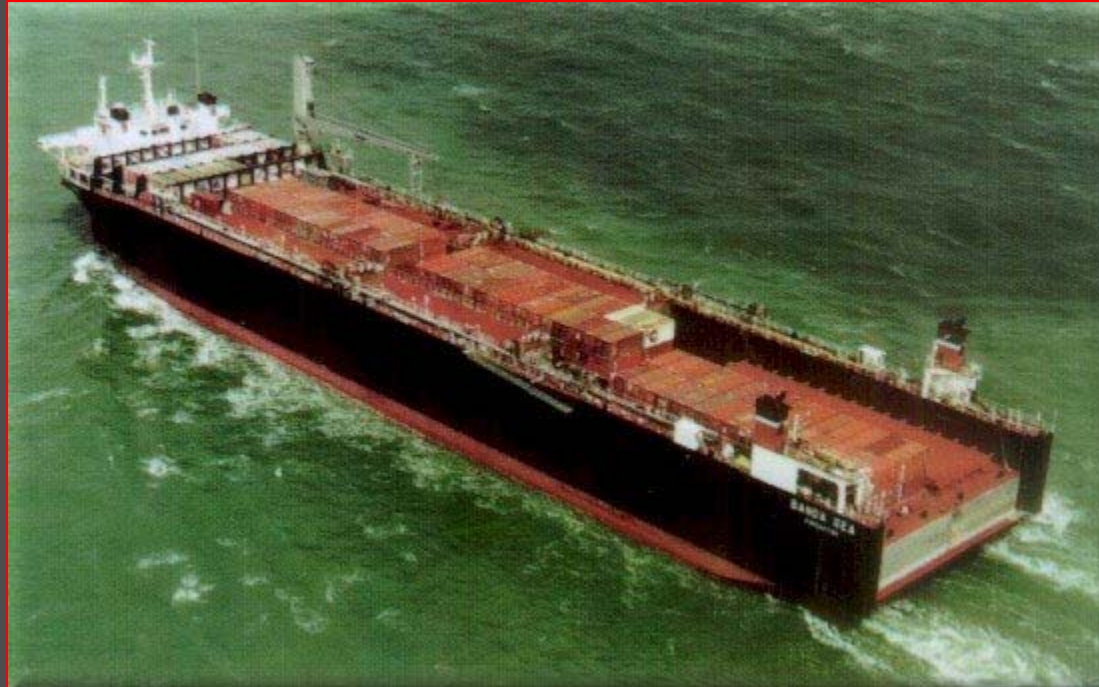
Osprey Line

Tote Ocean Trailer Express





Detroit-Windsor Truck Ferry



ISC Rail Ferry
Mexico - Mobile

Columbia Coastal Transport



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Existing Service

64 Express Norfolk - Richmond



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SeaBridge Freight Brownsville - Manatee

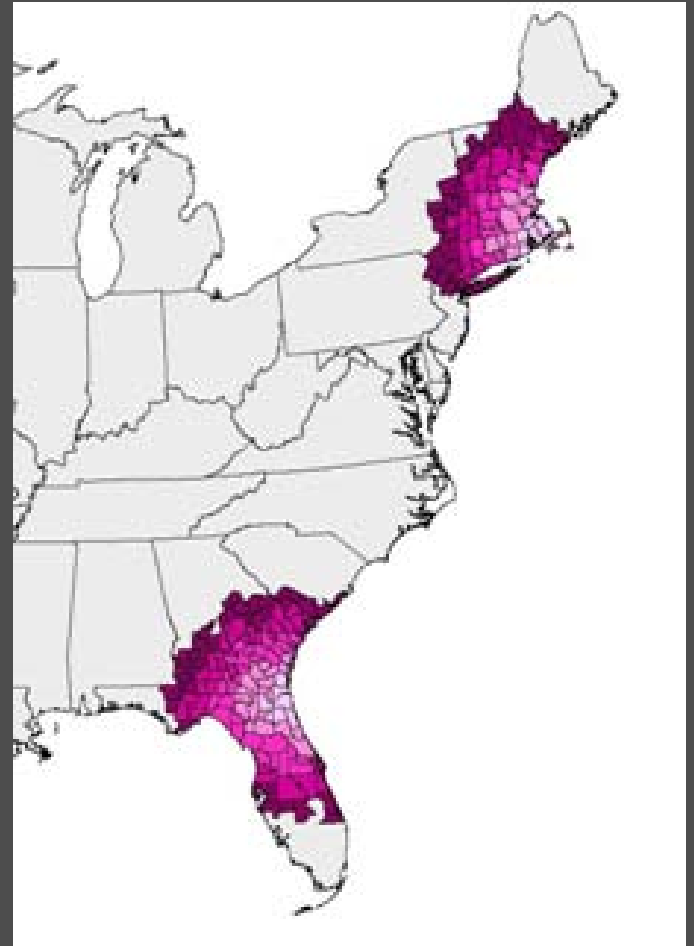
Existing Service



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Planned Service

New Bedford - Canaveral





Eco Transport
Oakland-West Sacramento-Stockton

Planned Service

RARITAN EXPRESS *Answering the Problem of Port & Highway Congestion in New Jersey*

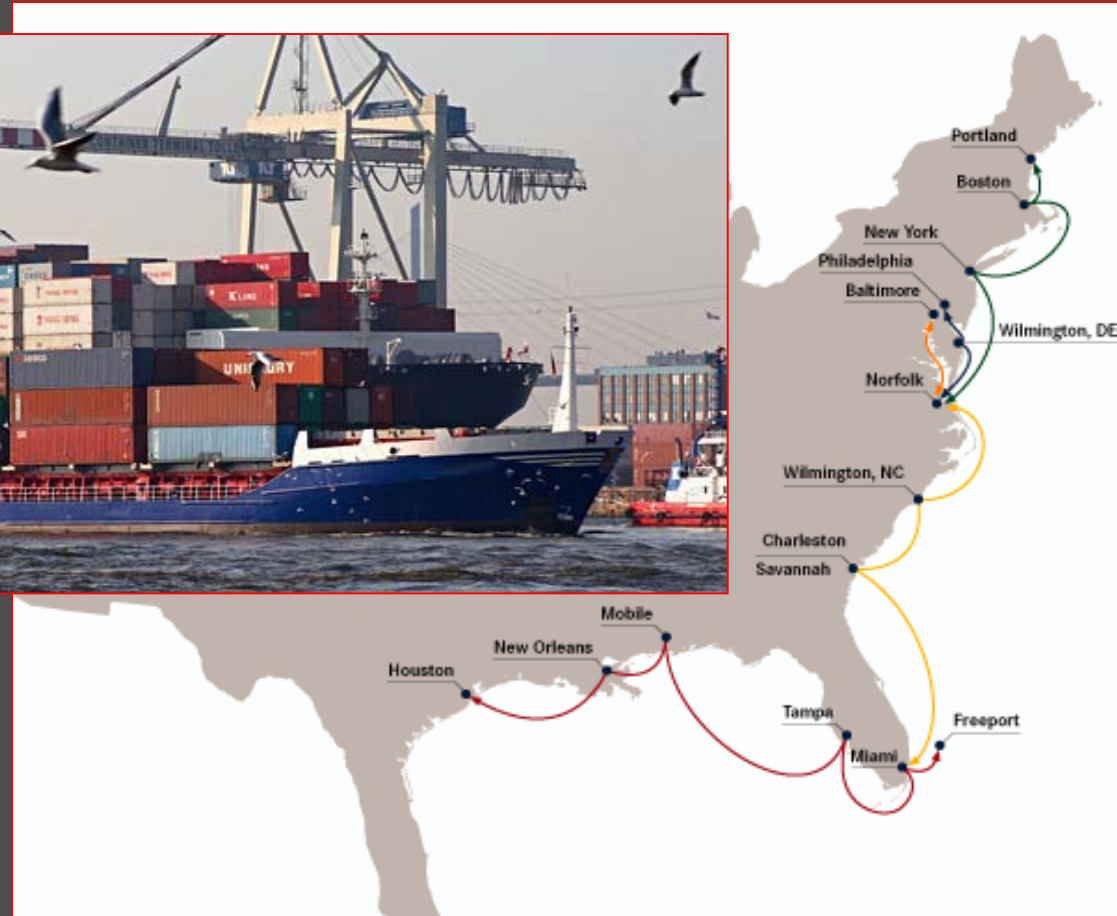
- Container on barge service
- Port of New York/New Jersey
Manhattan/Port Elizabeth
- Connectivity to rail at industrial park
- Capital needs = \$19.5 million
- Reconstruction of wharf

PORT AUTHORITY BOARD APPROVES PURCHASE AND REDEVELOPMENT OF GREENVILLE YARDS, INCLUDING A BARGE-TO- RAIL FACILITY TO TAKE TRUCKS OFF THE ROAD (May 18, 2010)

“... will serve as the lynchpin to removing up to 360,000 trash trucks annually from trans-Hudson crossings and New Jersey highways... Each year, the Port Authority spends more than \$30 million maintaining the deck of the George Washington Bridge upper roadway, due primarily to truck traffic. ...the reduction of up to 360,000 trash truck trips a year will significantly reduce [emissions]...”



AMERICAN FEEDER LINES

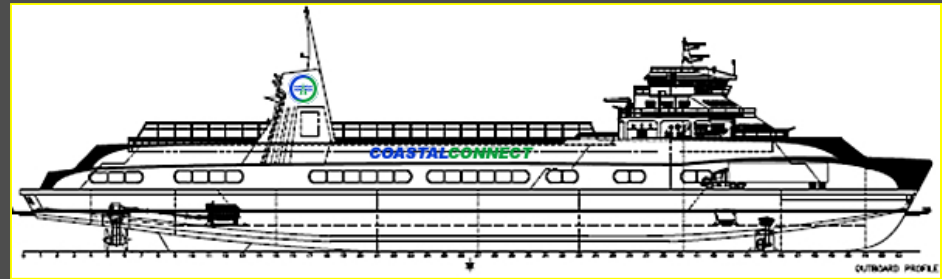


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Planned Service



Roadships



Coastal Connect



Marine Highways



SeaBridge

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What's the Policy?

- Recent Developments and Direction
- Potential Developments and Direction

ENERGY INDEPENDENCE AND SECURITY ACT OF 2007

Subtitle C—Marine Transportation

SEC. 1121. SHORT SEA TRANSPORTATION INITIATIVE.

(a) IN GENERAL.—Title 46, United States Code, is amended

by adding after chapter 555 the following:

“CHAPTER 556—SHORT SEA TRANSPORTATION

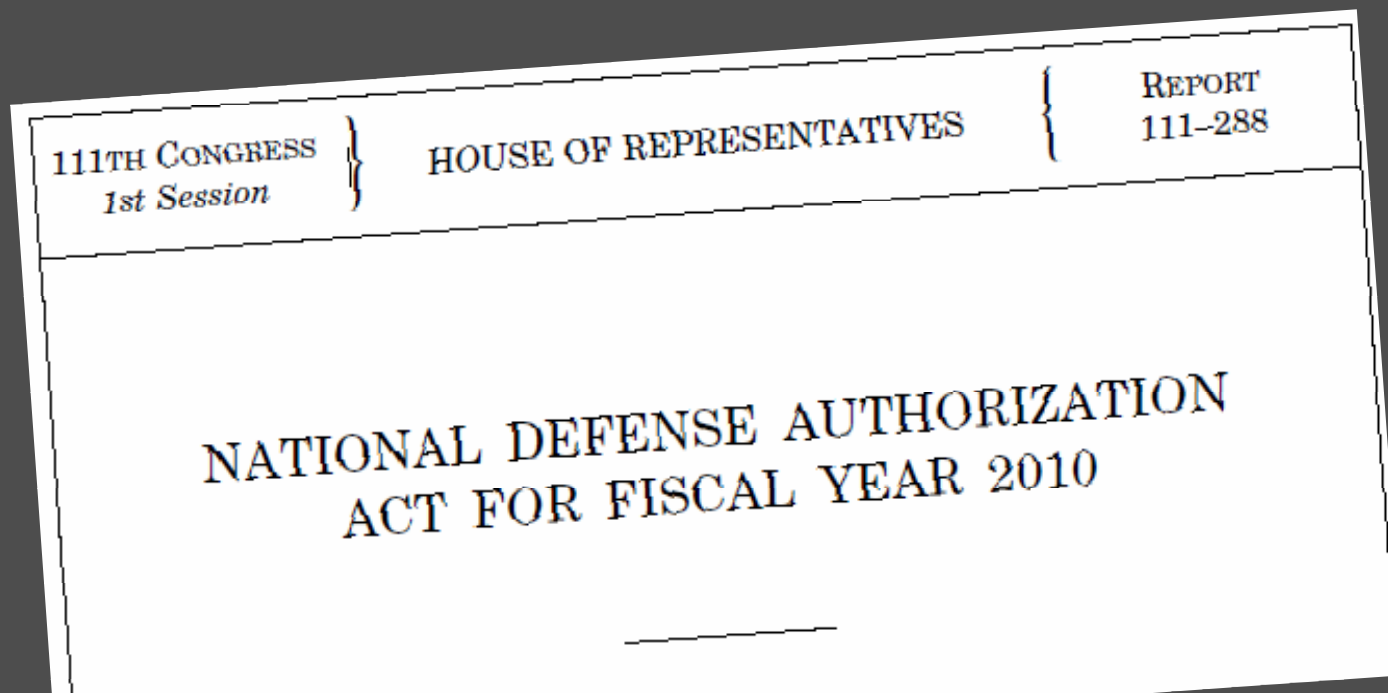
“Sec. 55601. Short sea transportation program.

“Sec. 55602. Cargo and shippers.

“Sec. 55603. Interagency coordination.

“Sec. 55604. Research on short sea transportation.

“Sec. 55605. Short sea transportation defined.



SEC. 3515. AMERICA'S SHORT SEA TRANSPORTATION GRANTS FOR THE DEVELOPMENT OF MARINE HIGHWAYS.

Section 55601 of title 46, United States Code, is amended by adding at the end the following:

“(g) GRANTS.—

“(1) IN GENERAL.—The Secretary shall establish and implement a short sea transportation grant program to implement projects or components of a project designated under subsection

National Marine Highway Policy

- Goods Movement Hierarchy... **“Keep goods movement on water as long as possible, and then on rail as long as possible and truck it for the last miles.”** Deputy Secretary Porcari, March 24, 2010.
- The DOT is working with ports... **“to take trucks off the road and to really utilize the Marine Highway.”** Secretary LaHood, 2010.
- Marine Highway Program implementation & Federal Partnerships.

Surface Transportation Authorization Act (Oberstar)

State Freight Corridor Plans

- *Short Sea Shipping Projects*
 - *The freight corridor plan may include transportation projects related to short sea shipping routes if the geographic, transportation, and economic characteristics of the corridor make short sea shipping routes operationally and financially viable.*

110TH CONGRESS
1ST SESSION

H. R. 1499

To amend the Internal Revenue Code of 1986 to exempt from the harbor maintenance tax certain commercial cargo loaded or unloaded at United States mainland ports.

To amend the Internal Revenue Code of 1986 to exempt from the harbor maintenance tax certain commercial cargo loaded or unloaded at United States mainland ports.

IN THE

Mr. CHAMBERS

110TH CONGRESS
1ST SESSION

H. R. 981

To amend the Internal Revenue Code of 1986 to exempt from the harbor maintenance tax certain commercial cargo loaded or unloaded at United States ports in the Great Lakes Saint Lawrence Seaway System.

IN THE HOUSE OF REPRESENTATIVES

110TH CONGRESS
1ST SESSION

S. 1683

To amend the Internal Revenue Code of 1986 to exempt from the harbor maintenance tax certain commercial cargo loaded or unloaded at United States ports in the Great Lakes Saint Lawrence Seaway System.

IN THE SENATE OF THE UNITED STATES

JUNE 22, 2007

Ms. STABENOW (for herself, Mr. VOINOVICH, and Mr. LEVIN) introduced the following bill; which was read twice and referred to the Committee on Finance

110TH CONGRESS
1ST SESSION

H. R. 1701

To amend the Internal Revenue Code of 1986 to provide an exemption from the harbor maintenance tax for certain shipping between United States mainland ports.

IN THE HOUSE OF REPRESENTATIVES

110TH CONGRESS
2D SESSION

S. 3199

To amend the Internal Revenue Code of 1986 to exempt certain shipping from the harbor maintenance tax.

IN THE SENATE OF THE UNITED STATES

JUNE 25, 2008

Mr. LAUTENBERG (for himself, Ms. CASTWELL, Mr. SMITH, Mrs. MURRAY, Mr. SCHUMER, Ms. STABENOW, and Mr. VITTER) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to exempt certain shipping from the harbor maintenance tax.

1 Be it enacted by the Senate and House of Representatives
2 of the United States of America in Congress assembled,

America's Deep Blue Highway

- Develop/implement comprehensive transportation vision
- Eliminate HMT on coastal shipping
- Invest \$150M in Fed funds in prospective coastal ports
- Preserve working waterfronts
- Promote the use of alternative fuels for coastal shipping
- Encourage the development of more efficient ships
- Encourage shipbuilding industry to reinvent itself by building a new fleet of environmentally friendly coastal ships
- Incorporate American Marine Highway into homeland security and infrastructure protection plans
- Encourage hazmat to be offshore and away from pop. centers
- Improve Federal collection of transportation statistics

Intermodal Freight Modeling including Carbon Footprint

James J. Corbett

Theme: Air Emissions in the Maritime Industry

SHIP OPERATIONS COOPERATIVE PROGRAM

November 10 & 11, 2009

MITAGS in Linthicum, Maryland

GIFT Model Summary

- Most freight is transported *unimodally* by carbon-intense modes
- There may be economic and environmental benefits associated with *intermodal freight transport* – and all modes may benefit
- The GIFT model helps the user analyze the potential costs and benefits of intermodal routes and freight transportation policies

Geospatial Intermodal Freight Transportation (GIFT) Model

VISUALIZING GOALS MODELING ALTERNATIVES

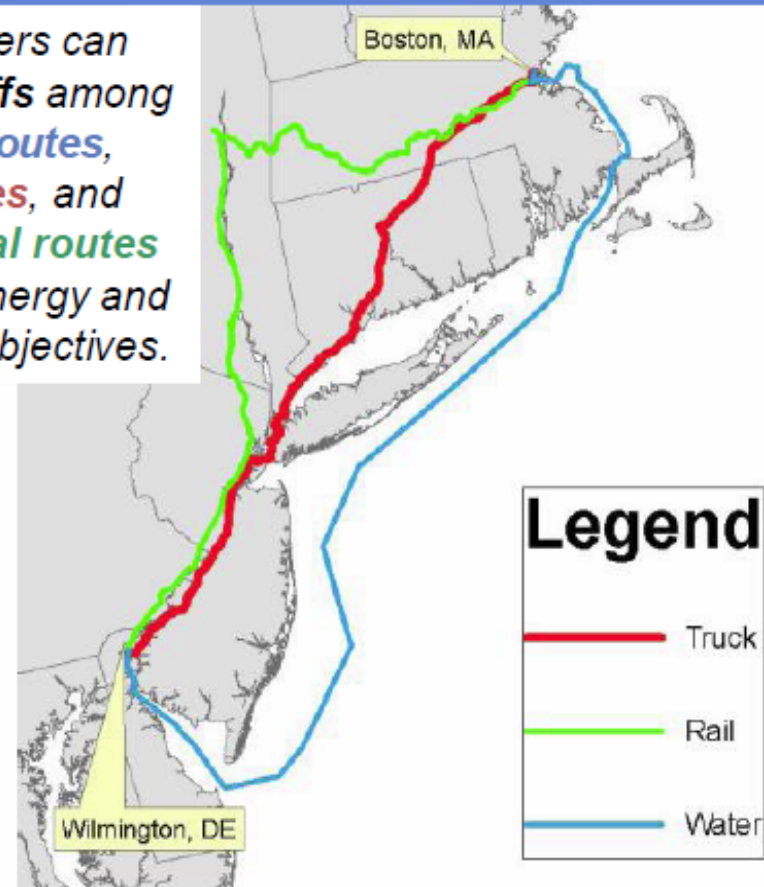
Intermodal freight network optimization model to evaluate objective tradeoffs.

Developing resources for “table-top” exercises with industry and agencies.

Evaluates performance against *benchmarks* and optimizes with respect to possible *targets*

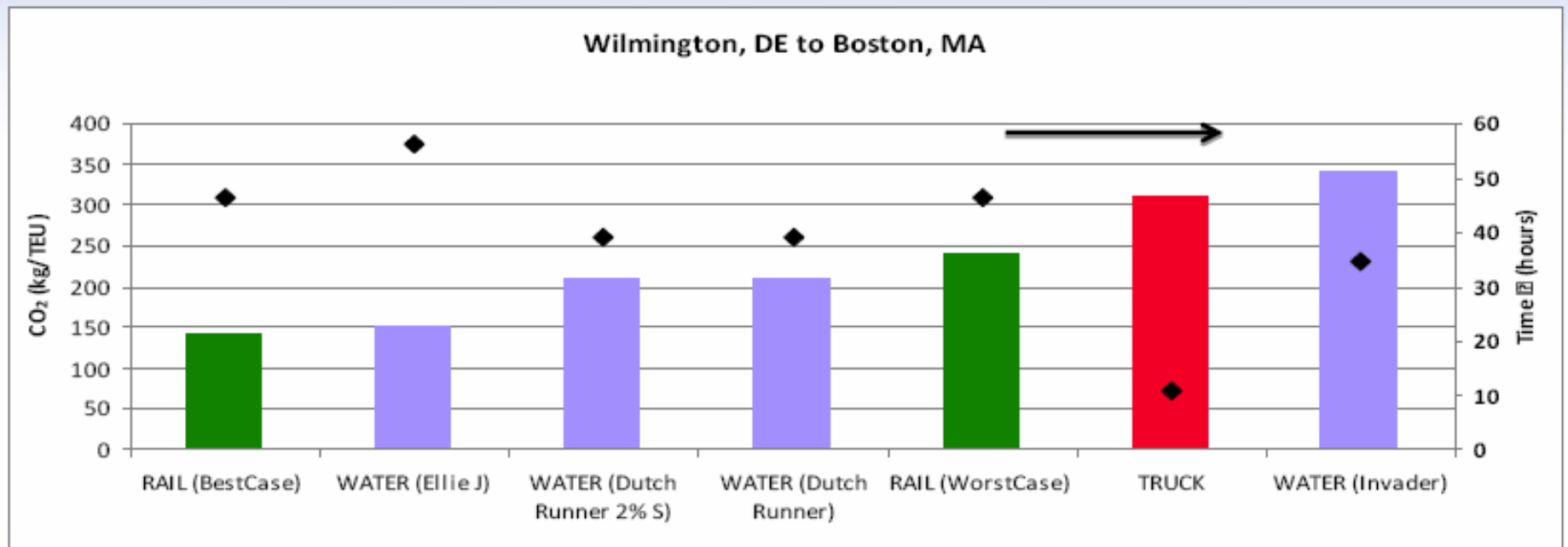
Web-version in development.

Decision makers can explore tradeoffs among alternative routes, across modes, and identify optimal routes for economic, energy and environmental objectives.



Which mode do you prefer?

Wilmington to Boston Scenario



Coastwise Coalition Some Questions What's the Policy?

- How do we develop more transportation capacity when parts of the system are at or near design capacity?
- How can we fix the many system chokepoints?
- As demand for freight and commuter service continues to grow how can we build new capacity in a rail system hemmed in by other land uses?
- How might marine technology be applied to these problems?
- How can we finance the system that we need?
- Can the nation's transportation deficiencies be adequately addressed without considering the underutilized maritime sector?

SAMPLE POLICY AGENDA

- Create a freight ferry program
- Authorize designation of water routes in highway system.
- Re-establish the Office of Intermodalism in OST
- Allow mode-blind decisions on infrastructure investment
- Provide short term incentives to shippers and truckers
- Provide incentives to invest in greener equipment
- Improved financing for marine highway vessels
- Improve and expand freight data
- Training of transportation planners and engineers
- Give the MARAD needed resources

Marine Highway Benefits



- Reduced Congestion
- Better Air Quality
- Fuel Conservation
- Infrastructure Cost Avoidance
- Safer HazMat Transportation
- Greater Surface Transportation Resiliency
- Improved Highway Safety

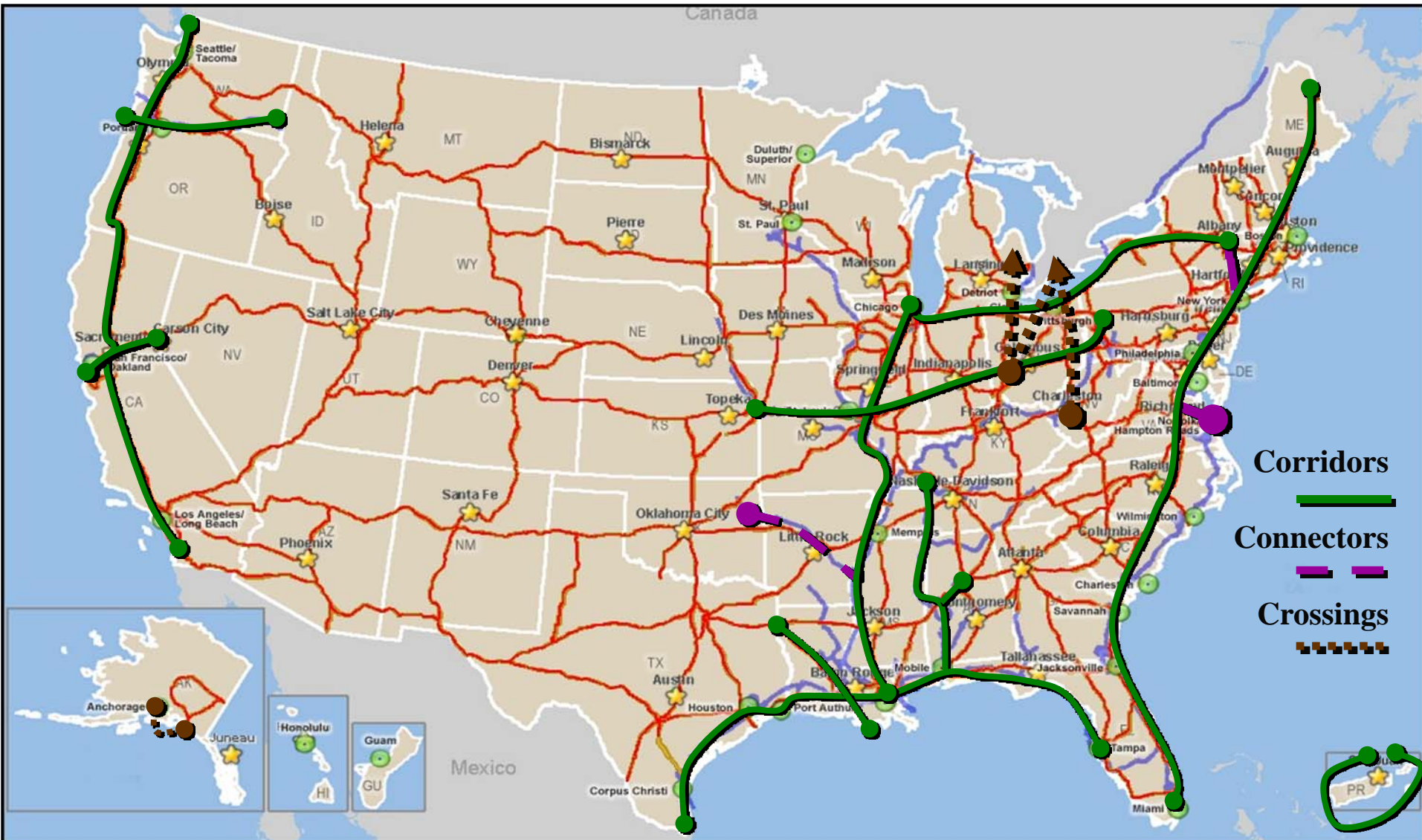
Water Transportation Network



America's Marine Highways



Proposed Corridors, Connectors and Crossings



- Corridors
- Connectors
- Crossings

2010 Marine Highways Program



▪ **Designate Marine Highway Corridors**

* Focus efforts and resources of multiple state, Transportation planners, local entities

▪ **Designate Marine Highway Projects**

* Identify projects that would offer best public benefit (congestion, emissions, energy and infrastructure savings)

* Provide support to expand or start new operations (promote, coordinate, research, and identify federal cargos. Remove impediments)

▪ **Identify Incentives, Impediments and Solutions**

- Report to Congress
- Establish Marine Highway Advisory Board
- Identify & propose short term incentives

▪ **Conduct Research**

- * Identify environmental and transportation benefits
- * Vessel design, technology, emissions, fuel economy & increase efficiency
- * Studies to identify and implement solutions for specific projects

▪ **Capital Construction Funds are available for vessels in Marine Highway trade.**



Marine Highway Grant Program

- Approved Marine Highway Project
- 20% Local Funding Required
- Grant Applications Due 8/1/10
- Grants Awarded September 2010
- Funds must be obligated within one year

Expected Timetable



- Final Rule published April 9, 2010
- DOT designates AMH Corridors in April 2010
- Federal Register notice calling for project applications published April 15, 2010
- AMH Grant Funding Notice in May 2010

America's Marine Highways



As we seek solutions to congestion, air quality, and infrastructure capacity, we must view the Marine Highways as a vital part of the surface transportation system.

America's Marine Highways offer immediate benefits to everyone:

Reduced Congestion

Better Air Quality

Fuel Conservation

Infrastructure Cost Avoidance

Safer HazMat Transportation

Improved Highway Safety

Increased System Resiliency

America's Marine Highways



*Michael Gordon
Sr. Program Manager,
Marine Highways & Passenger Services
Intermodal System Development
Maritime Administration, USDOT*

*Michael.Gordon@dot.gov
(202) 366-5468*

Coastwise Coalition

Paul Bea

pbea@phbpa.com

(202) 607 6415



**"YOU BET I'M GOING
BACK TO SEA!"**

"THE TRAFFIC IS HELL ASHORE!"

~ ~ Man the Short Sea Fleet ~ ~