



U.S. Department of
Transportation



Maritime
Administration

Marine Community Day

Maritime Administration
U.S. Department of
Transportation
February 26, 2009

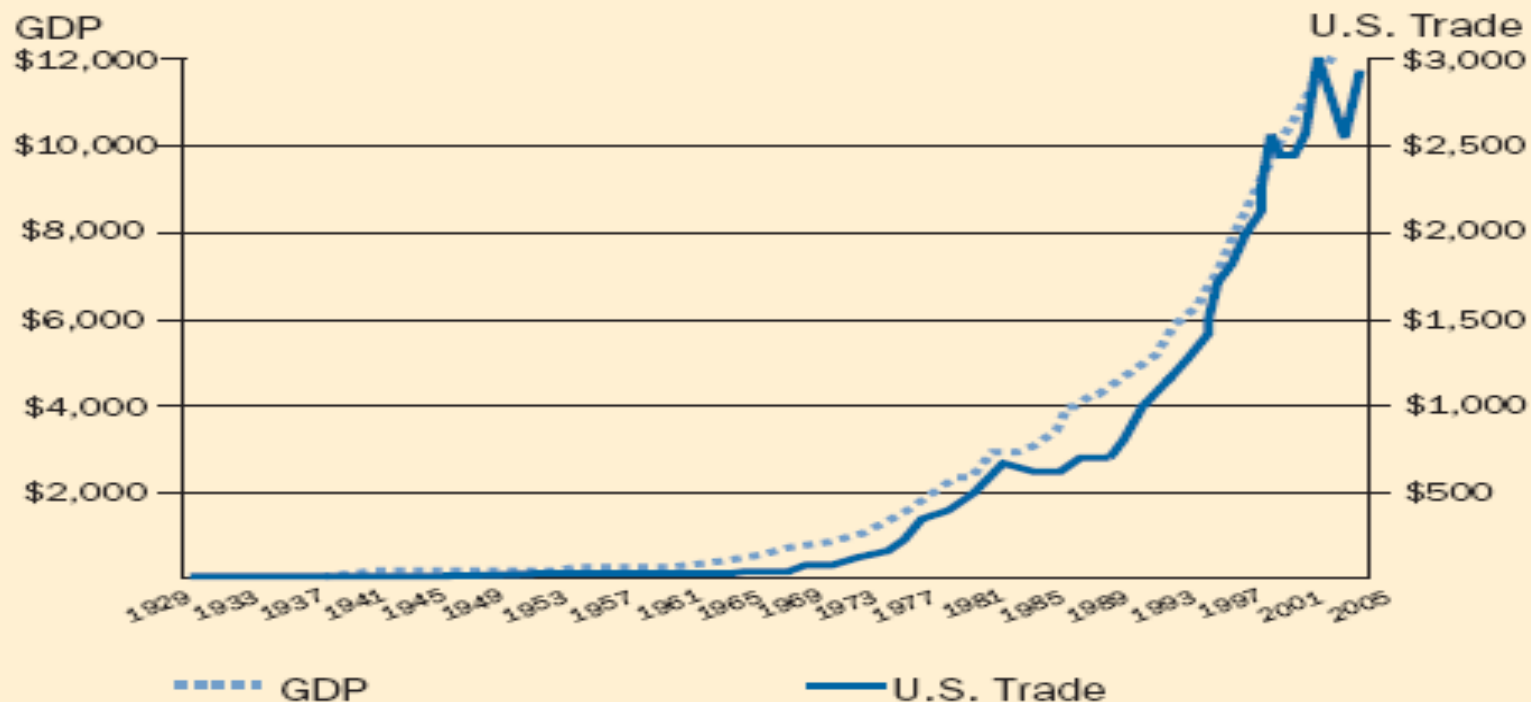
Vision for the 21st Century

- Move a larger volume of goods and people reliably and efficiently
- Improve flexibility, resiliency, cost effectiveness, and environmental friendliness
- Support national or international emergencies

Increasing Importance of Waterborne Transportation

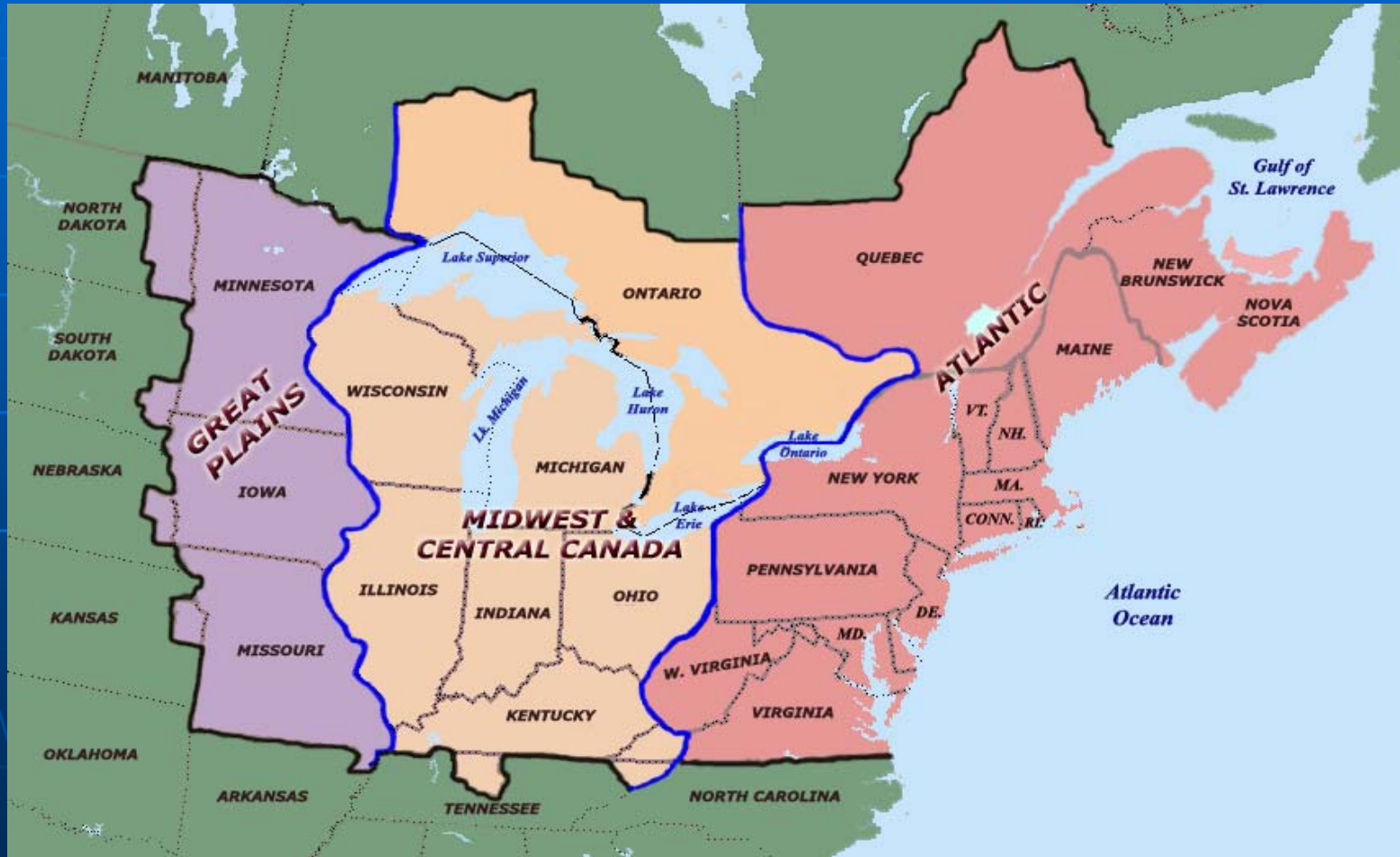
U.S. Trade and Gross Domestic Product

billion dollars



Source: U.S. Department of Transportation based on U.S. Department of Commerce data

Regional Economic Importance



Marine Highways

Energy Independence and Security Act of 2007

- Congress established a Short Sea Transportation (America's Marine Highway) Program to be managed by the Maritime Administration*
- To encourage the expansion of America's Marine Highway through development of –
 - U.S. Merchant Fleet
 - Shipper utilization
 - Port and landside infrastructure
 - Marine transportation strategies by state and local governments

*By delegation from the Secretary of Transportation

Identify Marine Highway Corridors

- Designate and establish corridors as an extension of the surface transportation system.
- Intended to focus public and private efforts and encourage multi-jurisdictional partnerships to relieve landside congestion along Marine Highway corridors.
- Offers the maximum potential public benefit in congestion and emissions reduction, energy efficiency, and infrastructure maintenance cost savings

Marine Highway Projects

- Mitigate landside congestion by designating projects that will provide the greatest benefit to the public:
 - Congestion relief
 - Improved air quality
 - Reduced energy consumption
 - Infrastructure construction and maintenance savings
 - Improved safety
 - Long-term economic viability
- Designated Marine Highway Projects may receive direct support from the Department of Transportation.

Impediments, Incentives and Solutions

- The creation of a stakeholder board that will recommend solutions to impediments blocking the expansion of the marine highway.
- A public/private partnership to identify potential short term incentives.
- A coordinated effort with state and regional planners to integrate the Marine Highway in their respective surface transportation planning process.

Research and Capital Construction

- Research: Partner with EPA to conduct research, including environmental and transportation benefits, technology, vessel design, and solutions to Marine Highway impediments. To support:
 - Designated Corridors
 - Designated Projects
- Capital Construction Fund: Container and ro/ro vessels engaged in Marine Highway operations qualify for benefits to assist owners and operators in accumulating the capital necessary for modernization and expansion.

Initial Program Progress

- Port of Virginia to Port of Richmond Service
 - The Richmond MPO has approved \$2.25M in seed money to open an operation beginning October 2008.
- Department of Defense to utilize the Marine Highways
 - US TRANSCOM and its subordinate commands are developing policies and procedures to use water in the shipment of military cargoes where it is feasible.
 - DOD used the Marine Highway for a troop exercise, saving \$1.5-2 million.
- Maritime Administration is working with stakeholders on other proposed projects to include:
 - New York to Bridgeport
 - Stockton to Sacramento
 - Oregon to Seattle Washington
 - Western Gulf of Mexico to NE U.S.

Great Lakes – Seaway Potential

- Feeder line services for international container shipping
- Developing container terminals at Great Lakes ports

Barriers to Success

1. Competitive disadvantage posed by:

- Harbor Maintenance Tax (HMT)
- 24-Hour Advance Notice Rule
- Multiple Lift Fees for Marine Transport

2. Lack of Awareness of Marine Highway benefits

- Availability of Financing and Investment
- State/Local Authorities and Shippers

3. Inadequate Port Infrastructure

4. Shortage of Assets (i.e., cranes, chassis, barges, etc.)

Timeline Implementation

- Publish Interim Regulation - Fall 09
 - America's Marine Highway Program guidelines
 - Corridor and project designation criteria
 - Stakeholder dialogue
- Establish Marine Highway Advisory Board – Summer 09
 - Development of public/private partnerships to integrate water into the overall National transportation system
- Publish Final Regulation – Summer 09
 - Expanded use of the marine highway by US TRANSCOM
 - Public transportation planning forum series – “the advantages of the marine highway”
- Report to Congress – Spring 09
 - Summarize initiative progress
 - Further policy recommendations
 - Expansion and funding opportunities

Ballast Water

- Invasive species in ballast water are a national problem that requires a standard solution
- Individual state regulations create a haphazard regulatory environment
- Stakeholders want Federal regulations for nationwide consistency

Great Ships Initiative

- Joint Maritime Administration, NOAA, and Northeast Midwest Institute project
- Test technologies to destroy aquatic nuisance species in ballast water
- World's only fresh water testing facility

Stimulus for Water Transportation

- \$1.5 billion for DOT/OST discretionary grants, including ports and road and rail connectors that improve the efficiency of freight movement (\$20 to \$300 million each; no match needed).
- \$100 million for small shipyards grant program (MARAD).
- \$150 million for port security grants via FEMA (no cost-share).
- \$100 million for scanning equipment via CBP.
- \$60 million for ferry boats and terminal facilities via FHWA.
- Share of \$400 million of new DOE program to electrify transportation sector (i.e., shoreside power for ships at berth).
- Plus \$4.6 billion for Corps of Engineers, \$830 million for NOAA, and \$300 million for EPA to reduce diesel emissions.