



Maritime Administration
America's Marine Highway
Program Update
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Maritime Administration

Mission:

To improve and strengthen the U.S. marine transportation system - including infrastructure, industry and labor - to meet the economic and security needs of the Nation.

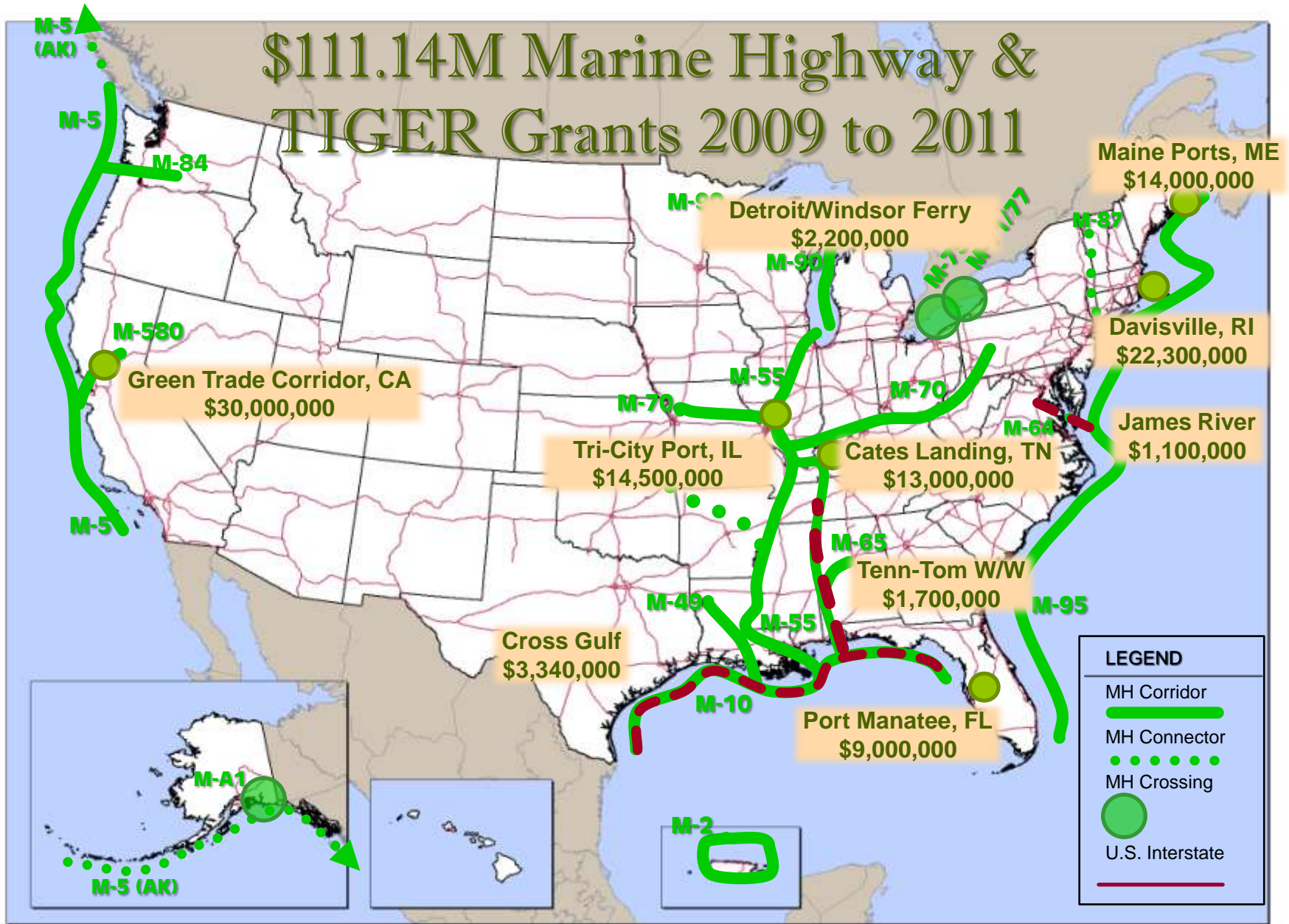


Our Vision: America's Marine Highway

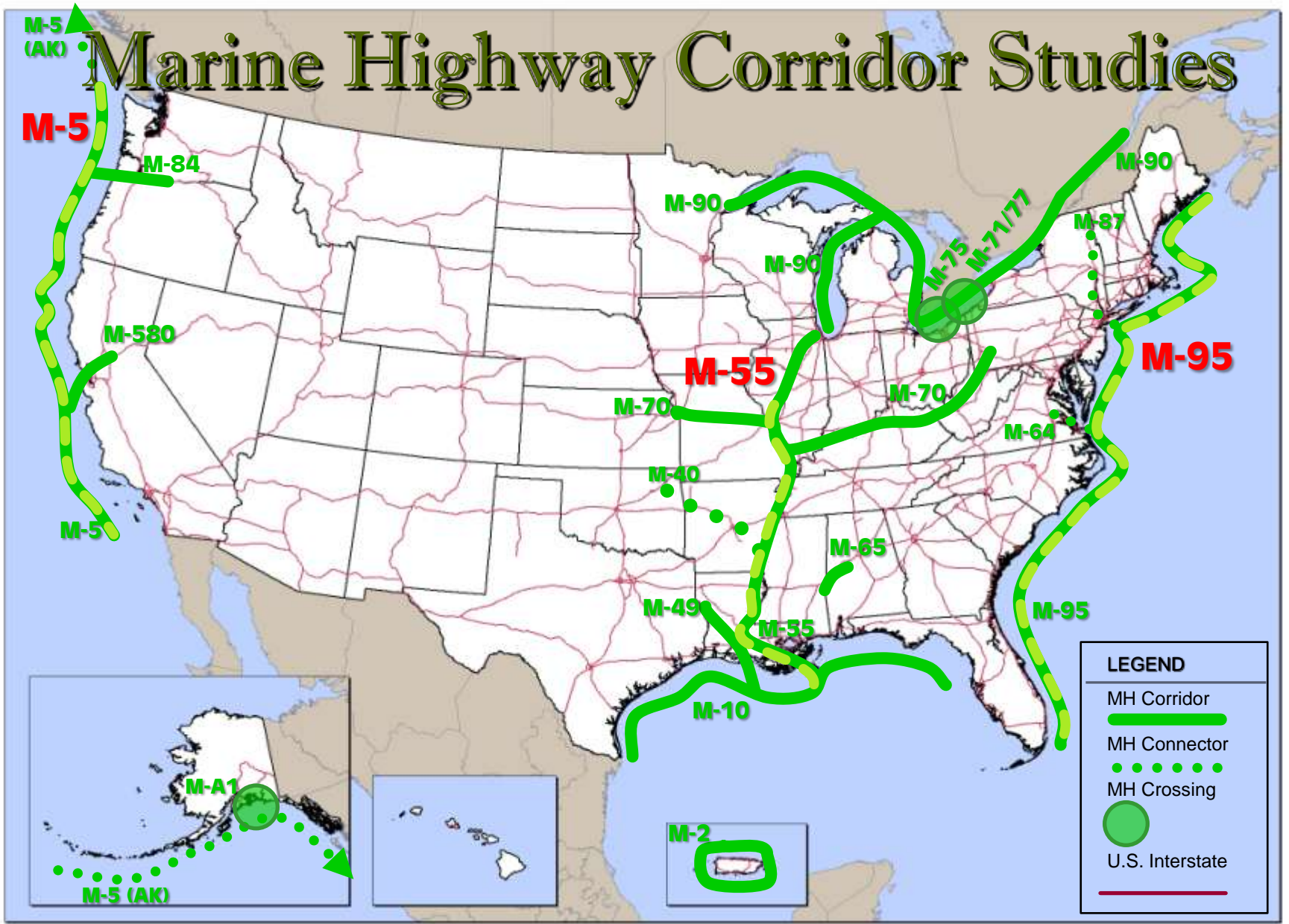
Reliable, regularly scheduled, competitive and sustainable services employing U.S. ships and tugs are a routine choice for shippers.



\$111.14M Marine Highway & TIGER Grants 2009 to 2011



Marine Highway Corridor Studies



Corridor Study Objectives

Market analysis (current and future)

- a. What moves, How it moves, & Where it goes
- d. Which freight is a candidate for marine transportation
- e. Market share that might be achieved
- f. Required price point and delivery timeline

Key elements of a successful service

- a. Identify gaps (equipment/property/partners)
- b. Develop (or modify) business model
- c. Pro forma income and expenses
- d. Other business planning factors

Optimize the service

- a. Maximize efficiency
- b. Overcome obstacles/impediments
- c. Reduce cost



Programmatic Environmental Review



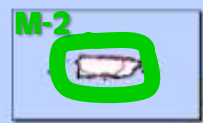
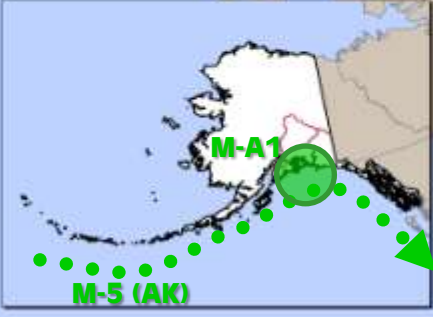
West Coast
(4 States)

Great Lakes &
St. Lawrence Seaway
(7 States)

Inland
Waterways
(13 States)

Gulf Coast
(5 States)

East Coast
(15 States)



Major Connector
MH Crossing
U.S. Interstate

Dual Use Vessel Initiative

Objective - Develop Commercial Marine Highway Services that benefit both our Economy and National Security interests.

- Identify the optimal vessel characteristics for commercially viable Marine Highway services.
- Incorporate National Defense Features.
- Develop design to the point that U.S. shipyards can provide accurate pricing to construct one or a series of vessels.
- Identify the optimal public/private funding mechanisms to begin construction and/or incentivize demand.



Policy Recommendations to Improve Marine Highways

- 2011 Reconstituted Advisory Committee to the Secretary on the Marine Transportation System (MTSNAC).
- Established a Marine Highway Subcommittee.
- Defined Three Key Objectives:
 - Integrate Marine Highways into Surface Transportation Sys.
 - Increase Demand for Marine Highway Services
 - Remove Impediments to Marine Highway Expansion
- First Report to Secretary of Transportation, June 13th



Call For Projects

- Round #2 of Project Applications Will be Solicited Later This Year.
- Project Designation Can Help Win Federal Support/Assistance.
- Some Funding Proposals May be Tied to Formally Designated Marine Highway Projects.
- Projects designated in 2010 will retain designation status, unless their project has substantially changed.



A Focus on States

- ✓ 37 State DOTs influence America's Marine Highways
- ✓ Which State DOT department will consider it?
 - 9 = maritime, ports, waterways or marine
 - 8 = planning
 - 6 = intermodal
 - 4 = freight
 - 3 = rail & marine/railroads & harbors
 - 1 = aviation & ports
 - 1 = trade development
 - 6 = have no department that addresses maritime





More Than Half Empty?

Institutional Barriers
(HMT, Govt Policy, etc.)

Freight & Shipper
Uncertainty

High Vessel
Construction Cost

High Operating Cost

Infrastructure Gaps



Or is it...



More Than Half Full?

Advisory Committee
Recommendations to
DOT Secretary

Dual Use/M 55 Studies

DOD Support & TITLE
XI-CCF

LNG + Dual Use \$

\$111 Million Grants

GO

Tipping Point



Demand

Supply

Shipper
Incentives

Carbon Trading

Policy Changes

Fuel Costs

Start up funding risk

HMT & Tonnage Tax

Maritime as part of the
surface transportation
system

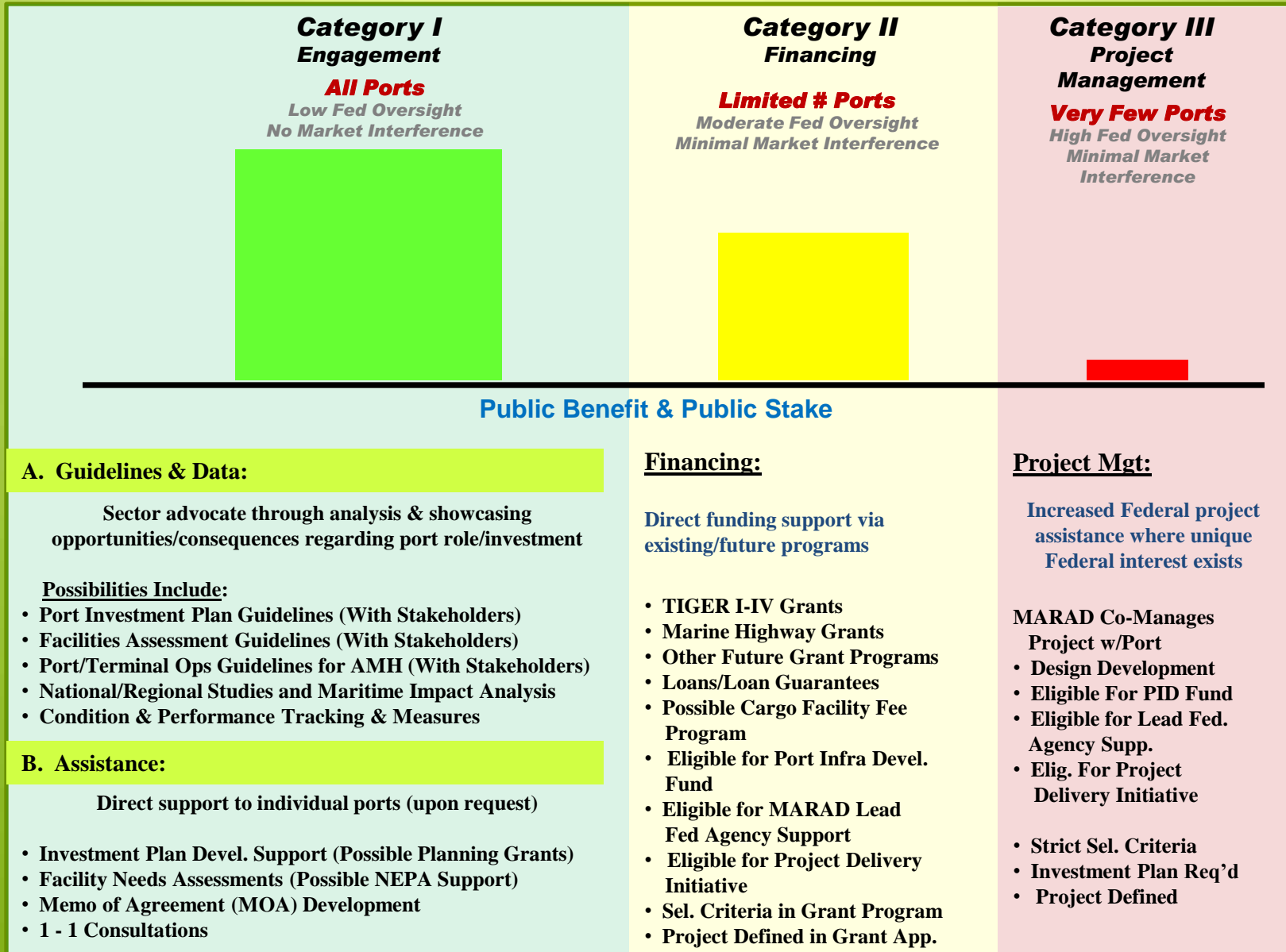


Bottom Line

- ❖ In the current market and regulatory environment launching new services is definitely challenging.
- ❖ However, changing dynamics may be bringing us closer to the tipping point.



DOT Proposed Port Infrastructure Development Program Framework



Thank you



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Extra Slides



America's Marine Highway

U.S. Flag

U.S. Built

U.S. Owned

U.S. Crew

