Disclaimer

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DESIGNATED MARINE HIGHWAY ROUTES
Project Designations

Why do we do it?

- Identify Areas of Opportunities
- Measure Public & Private Benefits
- Identify & Quantify Infrastructure Gaps
- Capital Costs
- Market Forces
Project Designations

What does it mean for you?

• Credibility of Concept

• Eligibility for Potential Grant Funding

• U.S. Department of Transportation Support
USDOT Support

• Clearinghouse of Lessons Learned
• Promoting & Developing Partnerships
• Linking Services with the Larger System
• Access to Gov’t Programs
• Market Analyses
• Infrastructure Gap Analyses
Designation Process

- Official “Call for Projects” Notice
- MARAD Internal Review Panel
- DOT Interagency Review Panel
- Recommendation to the Secretary
- Public Announcement
Application

Four Key Stories.....

• Your Market and Value Proposition
• Your Service
• Your Costs
• Your Public Benefits
Application

Tell the Market Story

• Customer Base
• Current Supply Chain Model
• Current Model vs. New Model
• Freight Rate Comparison
• Transit Time Comparison
• Value Proposition
Application

Tell the Service Story

• Type of Vessel
• Capacity
• Frequency
• Transit Capability
• Type of Equipment
• Business Partnerships
## Sample Basic Costs

<table>
<thead>
<tr>
<th>Description</th>
<th>Weekly Costs with 1 voyage/week</th>
<th>Cost/Box based on 300/voyage, 1 voyages/week</th>
<th>Weekly Costs with 2 voyage/week</th>
<th>Cost/Box based on 400/voyage, 2 voyages/week</th>
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</thead>
<tbody>
<tr>
<td>Origin Drayage</td>
<td>$60,000.00</td>
<td>$200.00</td>
<td>$160,000.00</td>
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<tr>
<td>Origin Port Gate Charge</td>
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<td>Vessel Charter per Week</td>
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<tr>
<td>Fuel Cost per Voyage</td>
<td>$5,904.00</td>
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<td>Destination Port Discharge</td>
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<td>Destination R/T Drayage</td>
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<td>Destination Port Return Loading</td>
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<tr>
<td>Destination Drayage</td>
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<tr>
<td>Insurance</td>
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<td>Total Service Cost/box Door to Door</td>
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<tr>
<td>Door to Door R/T Service Rate</td>
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<td>Comparative R/T Truck Rate</td>
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<td>Service vs Truck Difference</td>
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<td>Cost per FreightTon via Truck (46,000 capacity dry van)</td>
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<td>Cost per FreightTon AMH Service (62,000 capacity dry box)</td>
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Application

Tell the Public Benefits Story

• Route Miles Saved
• Air Emissions Impact
• Road Maintenance Savings
• Congestion Impact
• Resiliency Analysis
• Safety Impact
Application

Identify Partnerships

• Primary Customers
• Service Operator
• Workforce
• Terminal Operators
• Ports
• MPOs & Regional Councils
• State DOTs
Application

Recognize Impediments

• Infrastructure Gaps
• Equipment Gaps
• Market Forces Beyond Control
Factors of Success
Partnerships

• The Public has to be a Partner
  – State DOT
  – MPOs & Regional Councils
  – Air Pollution Districts
  – Economic Development Agencies

• Private Interests need a Stake
  – Terminal Operators
  – Workforce
  – Vessel Operators
  – Customers
People

- Leadership and Trust
- Communication and Cooperation
- Understand the Customer’s Needs
- Have a Marketing Plan
- Guaranteed Revenue Stream
Process

• Use the Right Equipment
• Look for Efficiencies
• Be Hyper-focused on Controlling Costs
• Productivity is Key
• Incentivize your Partners
Product

• Know your Competition

• Know the Market

• Know your Customer and Understand their Total Supply Chain

• Offer a Better Solution than the Status Quo

• Make it EASY for your Customer
Questions?

Contact:
Scott Davies
Office of Marine Highways & Passenger Services
U.S. Department of Transportation/Maritime Administration
MH@dot.gov
(202) 366-0951