



Maritime Administration

North Atlantic Gateway Office

**America's Marine Highway
Program Update**

**Delaware Valley
Regional Planning Commission - July 2011**



MARAD's Mission

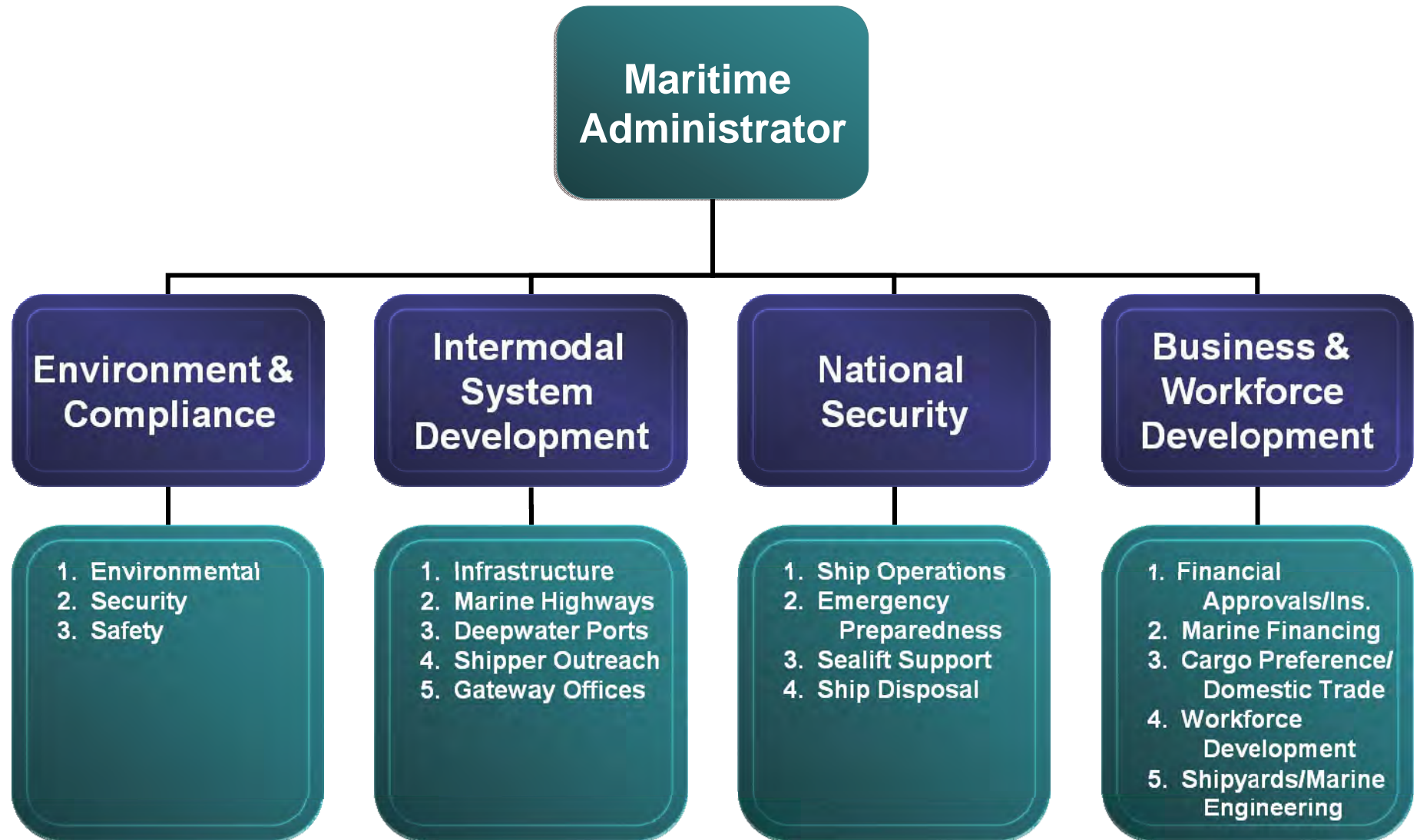
- To improve and strengthen America's marine transportation system -- including infrastructure, industry and labor -- to meet the economic and security needs of the United States.
- MARAD is one of the 11 modal administrations within the U.S. Department of Transportation.



Snapshot

- Established 1950
- FY 2010 Budget - \$346 million
- Total Employees - 760
 - Headquarters - 268
 - US Merchant Marine Academy - 234
 - Area/Gateway Offices & Fleet Sites - 258

Organizations of Programs





MAR-500

Intermodal System Development

- Responsible for:
 - Infrastructure Development & Congestion Mitigation
 - Marine Highways & Passenger Services
 - Deepwater Ports & Offshore Activities
 - Shipper & Carrier Outreach
 - Gateway Offices

Marine Highways Update

- **Current Situation**

- Existing congestion is already a serious problem.
- International trade growth can only increase congestion.
- Existing landside infrastructure can't support the growth.
 - Roads and railroads are near capacity, are costly and take decades to expand.
- The U.S. moves about 2% of our domestic freight by water:
 - Europe - 44%
 - China - 61%

- **America needs an effective Marine Highway**

Marine Highway

Legislative & Regulatory history

- Energy Independence & Security Act of 2007 (Dec. 2007)
 - Authorized America's MH Program
- Interim Final Rule (Oct. 2008)
 - Defined America's MH Program
 - Requested comments
- National Defense Authorization Act for FY2010 (June 2009)
 - Authorized America's MH Grant Program

Marine Highway

Legislative & Regulatory history

- Consolidated Appropriations Act of 2010 (Dec. 2009)
 - Funded America's MH Grant Program
- Final Rule (April 2010)
 - Addressed comments
 - Refined America's MH Program, including MH Projects
- Call for Projects (April 2010)
 - Requested MH Project applications
- Grants.gov Notice (September 2010)
 - Requested grant applications for designated MH Projects

Marine Highway Report to Congress

- This Report to Congress is required by the Energy Independence and Security Act of 2007.
- Delivered in March 2011
- http://www.marad.dot.gov/ships_shipping_landing_page/mhi_home/mhi_home.htm

What are we talking about?



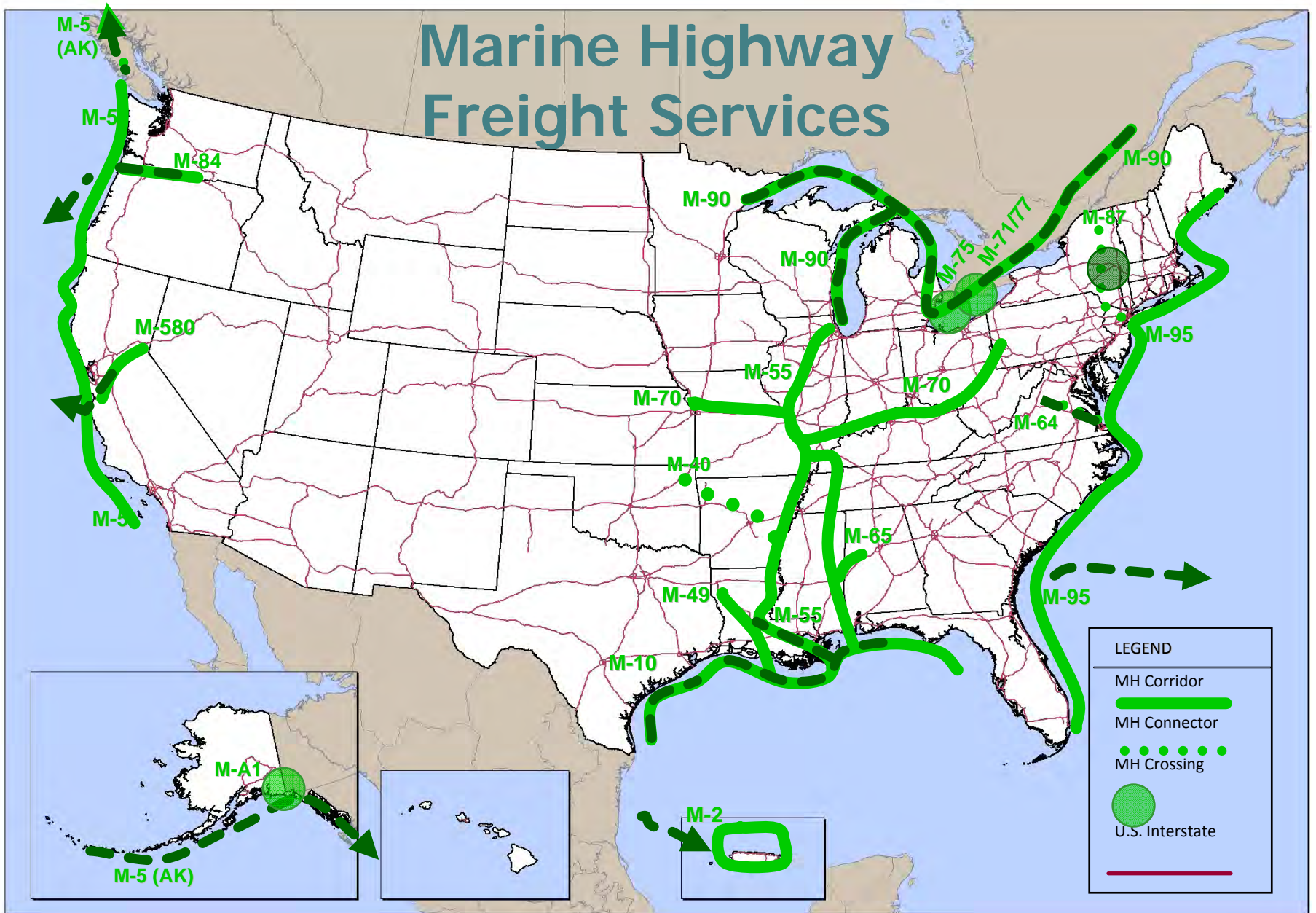
Now we have a third intermodal option to work with.

In 2007, Congress passed legislation making our nation's waterways part of the surface transportation system.

America's Natural Marine Highway's



Marine Highway Freight Services



Developing Marine Highway Services

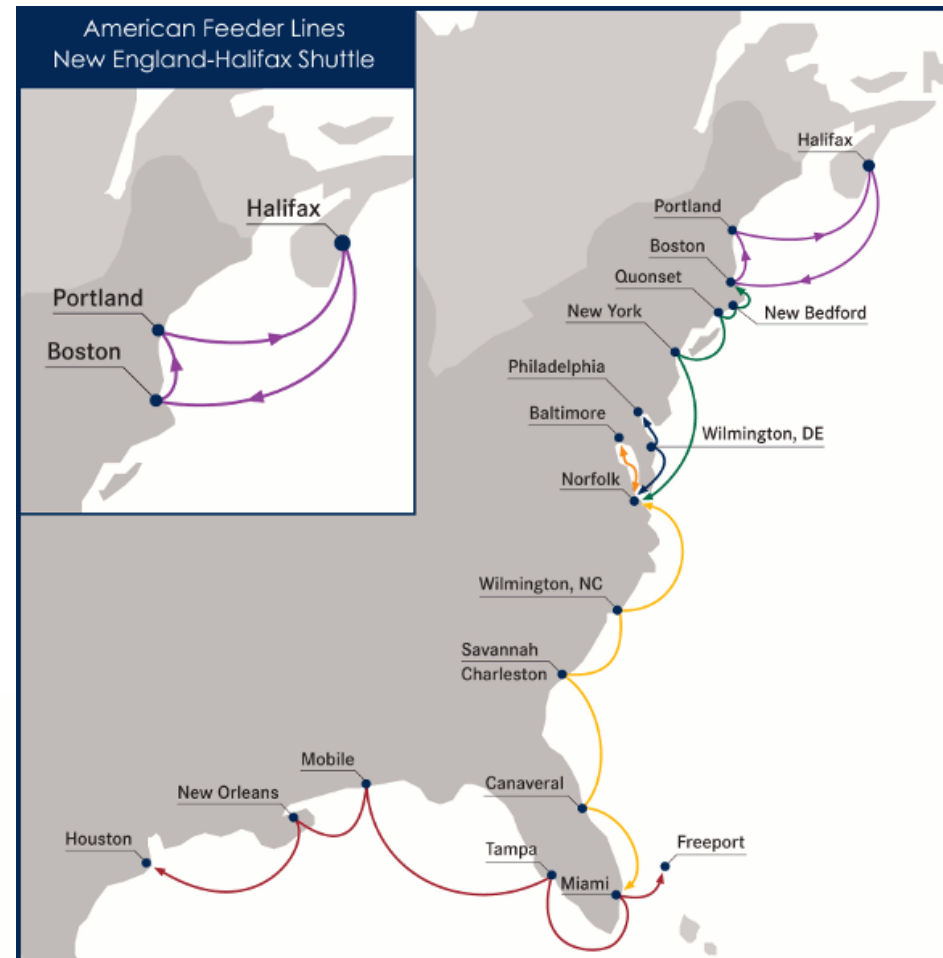
East Coast

- American Feeder Lines
 - New England-Halifax Shuttle
 - Feeder service from Halifax to Portland, ME & Boston, MA
 - AFL is developing future US Flag feeder service
- National Shipping of America
 - M95 Express Marine Highway Service
 - Weekly roundtrips Chester, PA to Port Everglades, FL
- Intermodal Marine Lines
 - Long haul intermodal service Jacksonville, FL to Paulsboro, NJ

American Feeder Lines



- American Feeder Lines will build, own, and operate the first fully compliant Jones Act Short Sea container liner service in the United States.
- AFL will build ships based on proven European designs and deploy its vessels into a fully integrated container Short Sea service.



M-95 Express Service

- National Shipping of America will provide the first long-haul container ship service in the Maritime Administration's recently designated M-95 corridor.
- The weekly roundtrip service will connect South Florida with the Northeast on a fixed day of the week basis, and provide congestion relief along the I-95 highway and parallel rail networks.



- NSA will offer transshipment service for international carriers' containers while offering domestic customers the use of high cube 40'/45' dry containers and 40' High Cube refrigerated containers.



- New domestic Intermodal Marine Highway
- Service start: 2015 with 1st ship delivery
- Dual Fuel/Multi-modal/Hi-Capacity RoRo
- 285-53' Containers and/or Trailers and unitized cargoes
- Jacksonville / Paulsboro – 1st Developed Route – MOU with South Jersey Port Corporation
- Additional M95, M5 & M10 Long haul routes under development



DOT Funding & Other Resources

- Maritime Administration
 - America's Marine Highway Program
 - America's Marine Highway Program Grant Program
 - Dual-Use Vessel Design Study
- Federal Highway Administration
 - Ferry Discretionary Grant Program
 - Detroit-Windsor Marine Highway Project
 - Washington State Counties (Puget Sound Ferries)
 - Congestion Mitigation and Air Quality (CMAQ) Grant Program
 - 64-Express Marine Highway Project
- Multimodal - TIGER Grant Programs
 - Cross Gulf Marine Highway Project
 - Various Multimodal Transportation Center Projects
 - California Green Trade Corridor
 - Quonset Wind Energy/Surface Transportation



What Else is Happening?

Transportation Reauthorization Proposal

- House Committee on Transportation & Infrastructure
Transportation Reauthorization proposal:
 - Restores Trust to the Harbor Maintenance Trust Fund
 - Ties Harbor Maintenance Trust Fund to revenues, ensuring fees paid by shippers go to channel maintenance.
 - Expedites Permit Processing
 - Permanently extends the Corps of Engineers' Section 214 program.
 - Permit backlogs impact the timeliness and cost of these investments - costs ultimately borne by U.S. consumers and shippers.

Transportation Reauthorization Proposal

- **Expedites Navigation Studies**
 - Allows non-federal project sponsors to contract with the Corps to expedite their study for an enhanced navigation project.
 - Exempts navigation projects from having to participate in reconnaissance phase of a project study.
- **Provides Equity for Deepening Projects**
 - Ensures that ports requesting the construction of deeper channels are not penalized for attempting to attract larger vessels.
- **Provides Incentives for Domestic Waterborne Transportation**
 - Eliminates double-taxation on shippers engaged in coast-wise or short-sea shipping.
 - Expands the allowable use of Capital Construction Fund accounts to expand the U.S. flagged fleet and spur domestic shipbuilding.

Marine Highway Studies

- M5 West Coast Marine Highway Study
 - **Contractor:** TEC (Erik Stromberg-project lead).
Parsons Brinkerhoff (Sub)
 - **Contracted:** April 2011
 - **Sponsor:** West Coast Corridor Coalition (Fiduciary-
Whatcom COG, WA)
 - **Objective:** Develop Market Analysis, Outline
Business Plan, Programmatic EIR for potential MH
service on the marine corridor parallel to I-5 on the
West Coast

Marine Highway Studies

- M55 Initiative Study
 - **Contractor:** RNO Group
 - **Contracted:** April 2011
 - **Sponsor:** Missouri DOT, Port of Peoria IL
 - **Objective:** Make Recommendations to enable a sustainable Container on Barge Service between Peoria and US Gulf Ports on the Inland Waterway System.

Marine Highway Studies

- M95 East Coast Marine Highway Initiative
 - **Contractor:** Parsons Brinkerhoff
 - **Contracted:** July 2011
 - **Sponsors:** Port of New Bedford Harbor, Maryland Port Administration and Canaveral Port Authority
 - **Objective:** Examines the potential for MH service(s) along the I-95 and connecting Marine Highway Corridors, Connectors and Crossings including the AMH I-95 Corridor Service Project and New Jersey Marine Highway Platform

Dual Use Vessel Study

- Joint Study:
 - Maritime Administration
 - U.S. Navy
- Scope/Purpose:
 - To address both commercial & military cargo requirements
 - Commercial survey
 - Industry requirements
 - Vessel design
 - Including potentially both LO/LO & RO/RO

Missouri River Study

- **Interagency Cooperative Effort**
 - Maritime Administration – LEAD AGENCY
 - Department of Energy
 - Department of Commerce
 - US Department of Agriculture
- **Scope/Purpose:**
 - Develop recommendations on how to minimize impediments to growth and maximize benefits related to energy production and efficiency, congestion relief, trade and transport efficiency and air quality.



Marine Highway Cooperative

- Published Online Benefits Calculator
 - User friendly planning tool
 - Calculates the public benefits of new or expanded marine highway services
 - Available at no charge to the public at:
www.marinehighways.org



Marine Highway Advisory Board

- MTSNAC Subcommittee
 - Authorized by the Energy Independence & Security Act of 2007
- Purpose:
 - Identify and seek solutions to impediments hindering effective use of short sea transportation.
- FACA Committee
 - Status: Currently being established

Memorandum of Cooperation with EU

- July 1, 2011 US DOT signed a Memorandum of Cooperation with the European Union addressing Short Sea Shipping initiatives:
 - Research
 - Application of intelligent transportation systems to advance intermodal transfers
 - Establishment of Performance Measures
 - TEUs moved per ton/mile (ton/kilometer)
 - Measure emissions reductions
 - Establish benchmarks (emissions reduced per ton/mile) for future

Upcoming Meetings

- Delaware Valley Regional Planning Commission's Freight Advisory Committee
 - July 13th, Philadelphia
- Corridor Workshops being scheduled
 - East Coast / West Coast/ Inland Waterway/Gulf
 - August 2011
- AASHTO/FHWA Freight Partnership IV Meeting
 - August 2011, Kansas City
- IANA/NITLeague Annual Conference
 - November 11-16, Atlanta



Questions?

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Maritime Administration
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New York, New York 10004





Marcellus Shale Development

**Williamsport
Lycoming County**

Initial Activity

2003-04

- Early test wells

2008

- Landmen begin to focus on area
- Establishment of County Gas Taskforce
- Local Contingency Trip to Fort Worth
- Lots of Chatter & Speculation About Everything Which Led To...



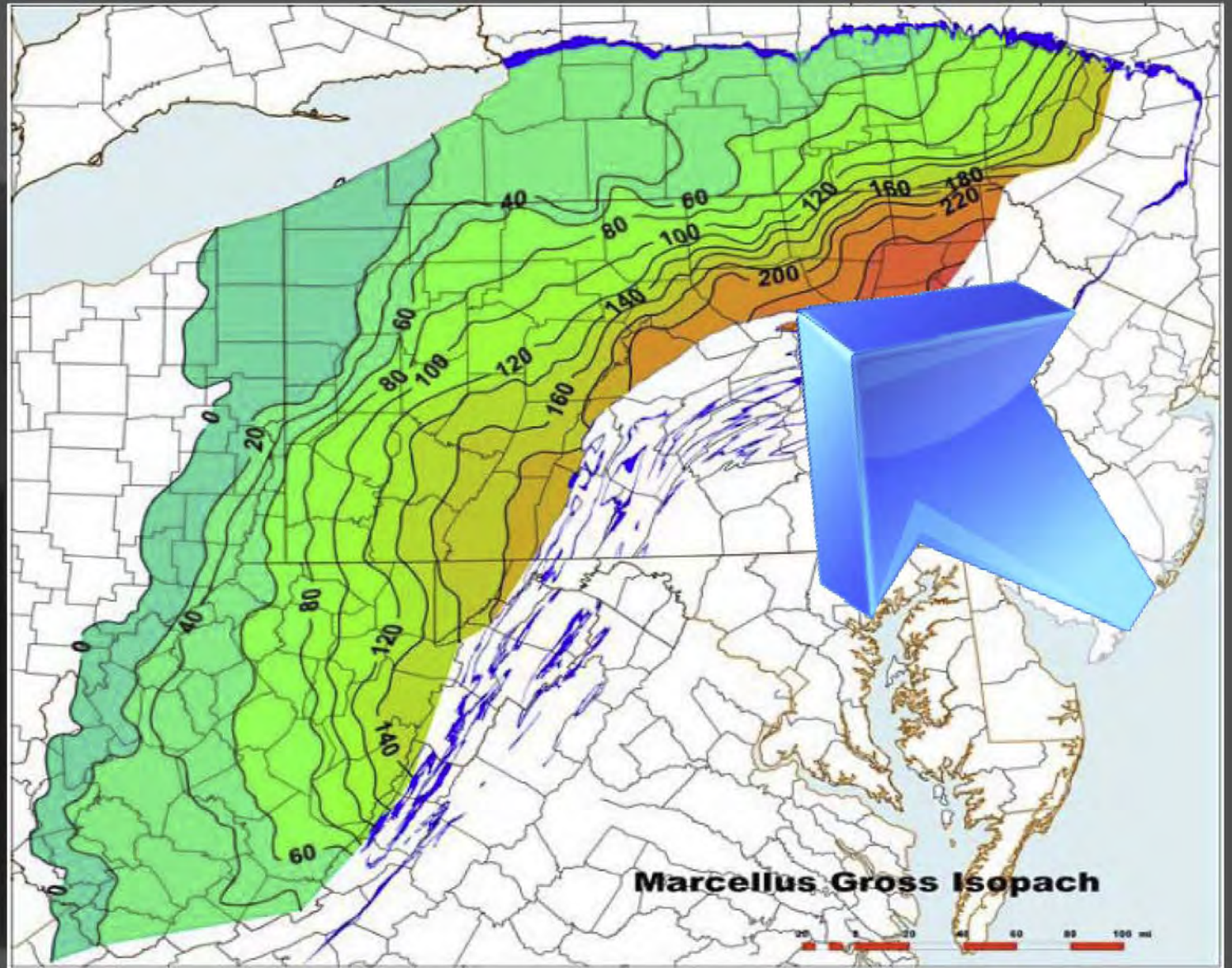
Why WilliamSPORT/
Lycoming County



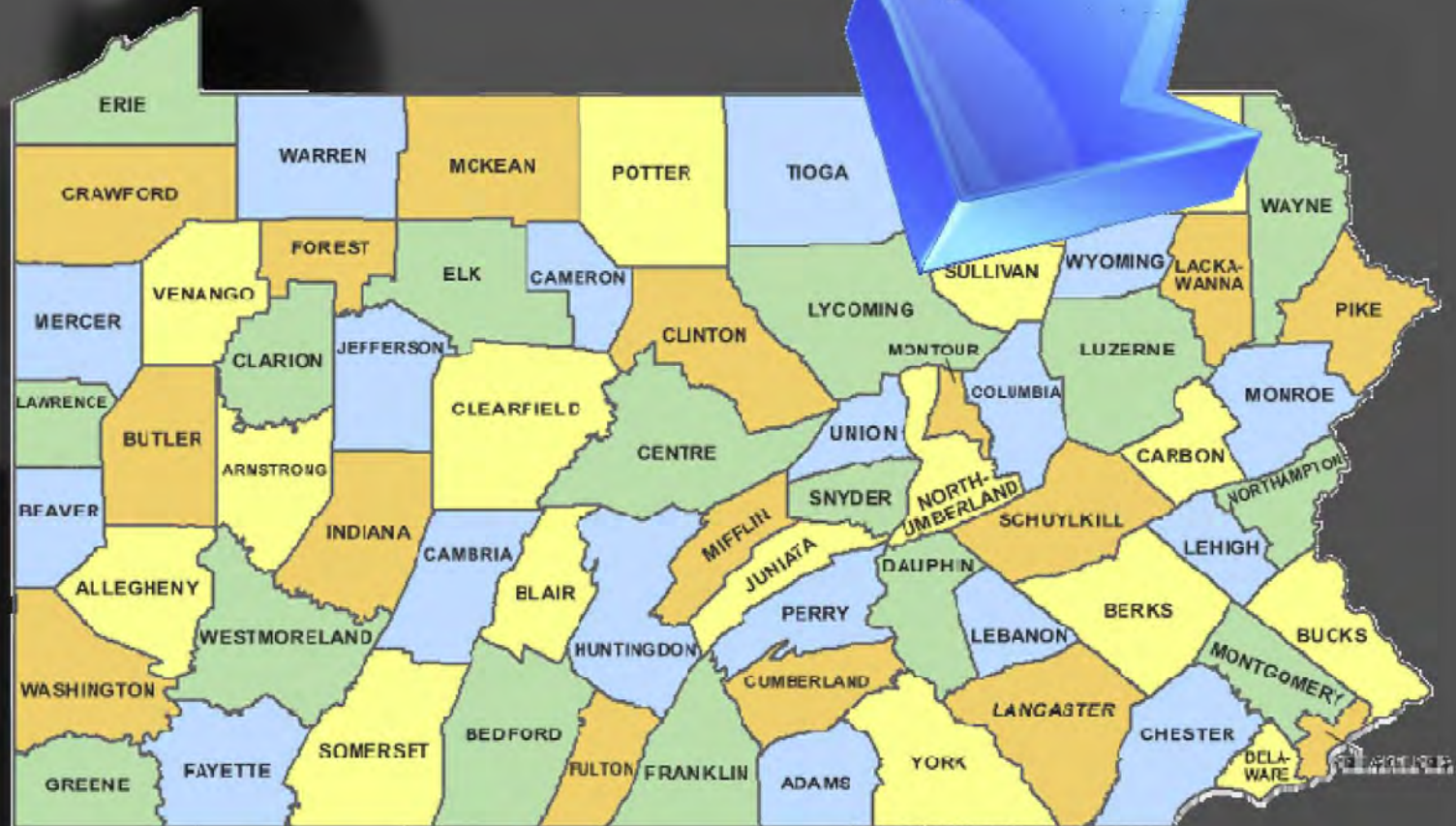
Luck is what happens
when preparation
meets opportunity.

Seneca Roman philosopher, mid-1st century AD

The Marcellus Play



Location



Copyright © 2000 by The Pennsylvania State University

Infrastructure

- Highway – US15, US14, US220, I-180
- Airport
- Rail – Main & Shortline

Infrastructure

- Hotels
- Restaurants
- Apartments
- Housing
- Recreational & Cultural Activities



Infrastructure

- Land for development
- Some existing building stock



Leadership Support

- Local and County Elected Officials
- Chamber/IPC
- Developer Community
- Pennsylvania College of Technology
- Workforce Development
- County and local planning
- Others



Brand New Industry

- **New Terminology**

Oilfield Service, Fishing, Pigs, Frac Job

- **New Culture**

Work Schedule, Tex-Mex, White Pick-ups



Market Impacts

Upside

- Re-use of current building stock
- Decreased unemployment
- Increased wages for employees
- Industrial and commercial property value increase
- Housing and rental market value increase

Challenges

- Labor wages for non-gas industry
- Warehousing
- Housing and rental market value increase

A black and white photograph of a mobile phone with a ball-and-socket joint, partially obscured by a dark grey overlay. The phone is positioned on the left side of the frame, with its ball-and-socket joint visible. The background is a light, neutral color. The dark grey overlay covers the right two-thirds of the image, creating a high-contrast background for the text.

New Developments A Snapshot

Halliburton



Allis Chalmers/Archer the Well Company



Express Energy



Dawn Trucking Man Camp



Bass Fishing & Tool



Weatherford



Flint Energy



Sooner Pipe





Existing Business Opportunities & Beneficiaries

Woolever Transfer



Glenn O. Hawbaker



Allison Crane & Rigging



Ralph S. Alberts Company



Comfort Inn



Candlewood Suites



Holiday Inn Express



Marriot Townplace Suites



Acme Barbecue



A black and white photograph of several lollipops on sticks, arranged in a cluster. The lollipops are of various shades of gray, and their shadows are cast onto the surface below. The word "Questions" is overlaid in a light blue, sans-serif font in the center-right area of the image.

Questions

Mid-Atlantic Dray Truck Replacement Program Highlights

July 13, 2011

Joanne Throwe

**University of
Maryland**

**Environmental
Finance Center**

Truck Replacements Programs showing up at Ports across the U.S.

- Several ports across the country are trying to replace older short haul trucks serving their ports.
 - Ports of Long Beach, LA, Oakland
 - Ports of Seattle & Tacoma
 - Port of Houston
 - Port of New York/New Jersey



Now in the Mid-Atlantic

\$3.3 million in total funds from EPA

- Port of Philadelphia
- Port of Delaware
- Port of Maryland
- Port of Virginia



Why a Truck Replacement Program for the Mid-Atlantic?

- Improve air quality at port terminals
- Reduces pollution impacts of heavy truck traffic in communities surrounding ports
- Addresses health issues (asthma, bronchitis, cancer, heart disease, premature death, etc.)
- Provide financing assistance to applicants



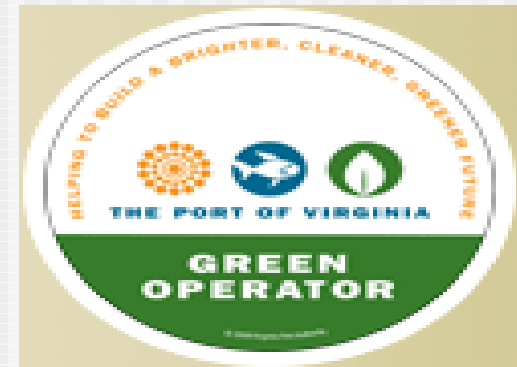
Typical Port Drayage Truck

- Truck starts out in large well-maintained fleet that travelled long distance, to smaller fleets, to drayage service
- Truck is older (pre 2000) with a million or more miles on it
- Travels through low-income areas



Improving Goods Movement

- Truck Program is voluntary in our region
- Program tries to ensure goods movement becomes cleaner, competitive, and sustainable
- Providing direct assistance to owner operators
- Prior programs at Port of VA & Baltimore
- Small program started in PA



About the Program:

Available Funds

- Every state given portion of total grant funds to match their own leveraged fund
- Not to exceed \$500,000 in year 1
- Assessment of available funds and evaluation of state-by-state success and need, will determine the funding available in years two through four
- Funds should be leveraged dollar for dollar

Available Funds per Applicant

- Applicants allowed to submit one application per truck
- Total amount eligible to each applicant will not exceed \$15,000 towards a new vehicle
- Sponsors eligible to submit applications for multiple trucks but eligibility rules still apply

Financing

- Five lending companies available to applicants
- Terms are flexible based on credit history
- More relaxed lending requirements
- Typically lower than market rate – 36 month loan
- With \$15,000 down payment, project is attractive to lenders

Scrappage Requirement

- All vehicles need proof of scrappage
- Program assists applicant with scrappage
- Money from scrappage must be used towards down payment on a new truck

Scrappage Documentation

■ Photos needed:

- Before and after photos of truck
- Photo of VIN number of truck
- Photo of chassis cut in half
- Photo of hole in engine block
- Before photo of engine where hole is being drilled

■ Documents needed:

- Dated receipt stating that "X" truck with "X" VIN number was scrapped.
- Cancelled check showing amount received from scrappage
- Contact information for the scrap company

- **Applicants must not proceed with scrappage before consulting MARAMA.**

Truck Purchasing Coordination

- Established relationship with several vendors
- Program is encouraging bulk orders to expedite process of the applicant selecting and securing a new truck
- Creates efficiencies that result in lower per-truck cost which in turn reduces the loan-to-value ratio per applicant
- Wide selection of trucks available



Eligibility Requirements for the Program

- Old truck: MY 2003 and earlier (preference given to MY 1997 and earlier)
- New truck: 2007 or newer engine
- General requirements for application:
 - Trucks must be owned for a minimum of one year
 - Current title and registration in the name of the applicant
 - Truck is currently insured
 - Truck can document proof of regular service to one of the four ports
 - Scrappage conditions must be met prior to releasing funds
 - Photo of old truck with license plates clearly visible

Eligibility Requirements continued..

- Purchase a truck with a 2004 – 2006 MY engine:
 - a. Equipped with an OEM emission reduction device (DPF, DOC)
 - b. Retrofitted with an aftermarket emission reduction device (such as a DPF or DOC) that is EPA verified/CARB certified for that truck.

Program will provide a total down payment only- not DPF cost

Leveraged Funds

- Leveraging shows participation, partnership, interest
- In order to facilitate this process, there will be Gold, Silver, and Bronze sponsorship levels
- Opportunities for Tax deduction for sponsorships made to program
- In-kind support is allowed



Selection Process

- Applicants sorted by engine year
 - Waitlist then sorted into three tiers
 - Tier one → 1997 and older
 - Tier two → 1998- 2003
 - Tier three → 2004 and newer
- Additional criteria apply
- New applicants are currently being added to the list but applicants on the existing waitlist are priority

GOLD SPONSORSHIP

- Shippers such as “big-box” stores and other retailers
- Total amount requested from each shipper is \$30,000 cash only, equivalent to the grant cost of replacing two trucks
- Gold sponsors will be invited to submit up to ten trucks in their fleet for priority consideration

SILVER SPONSORSHIP

- Large carriers with 20 or more trucks
- State agencies, the Ports, and the terminals interesting in participating
- Donation of \$15,000, equivalent of the grant of replacing one truck
- In-kind contributions will be considered in lieu of cash payment, but this must be approved by MARAMA in order to make it useful to the overall support of the program
- Silver sponsors will be invited to submit up to five trucks in their fleet for priority consideration

BRONZE SPONSORSHIP

- Smaller carriers with less than 20 trucks
- Owner operators, non-profits, non-port related organization, company, or agency
- \$5,000 donation
- No restrictions placed on these contributions
- Bronze sponsors will be invited to submit up to two trucks in their fleet for priority consideration

OTHER SPONSORSHIP

- Sponsorship below \$5,000 will be recognized in program outreach materials
- Year 2 Sponsorship will allow for donations beyond initial amount to be applied towards future program incentives. This is to be determined after year 1 results.

Program benefits

- Upgrade dray truck and continue to offer reliable drayage services
- Benefits Cargo Owners by increasing the reliability of the available dray truck fleet, while reducing their carbon footprint
- Expands upon prior efforts to reduce diesel emissions related at ports
- Helps ports possibly avoid mandates when done voluntarily
 - shows proactive joint partnerships with all ports.
- Improves air quality throughout the region and health benefits
- Builds credibility with communities and environmental stakeholders



Thank You!

Questions and
Comments?

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