

A Briefing for Congress from the North Atlantic Ports Association:

America's Marine Highway

North Atlantic Ports Association (NAPA): Membership organization for the seaports between Norfolk, Virginia and Halifax, Nova Scotia and for governmental agencies and private sector businesses connected to ocean commerce in the North Atlantic. Mission: Promotion of world trade; development of foreign and domestic commerce to and from North Atlantic ports; engineering, design, construction and management; standardization of rules and services; exchange of ideas on port activities.



America's Marine Highway / Short Sea Shipping – Overview

America's Marine Highway (AMH) / Short Sea Shipping (SSS) system accommodates the waterborne movement of passengers and non-bulk freight between origins and destinations otherwise served solely by roads and railways. Its corridors run parallel to many of the nation's most important land-based routes and connectors. These corridors are important components of the nation's broader domestic marine transportation system, which consists of 25,320 miles of navigable waterways, including rivers, bays, and channels, and many thousands of additional miles on the Great Lakes Saint Lawrence Seaway System and deep sea routes.¹

Short Sea Shipping: Energy Independence and Security Act of 2007 - Definition

With regard to freight, the Energy Independence and Security Act of 2007 specifically defines SSS to mean "the carriage by vessel of cargo – (1) that is (A) contained in intermodal cargo containers and loaded by crane on the vessel; or (B) loaded on the vessel by means of wheeled technology...", the latter of which largely consists of highway trailers.

Domestic Wheeled Cargo: (1) Tractor trailers make a short haul trip to port; (2) A vessel transports the wheeled trailers to a partner port; (3) The trailers are moved from the ship to a staging area; (4) A cab comes to pick up the trailer and make a short haul move to the final destination. (53-footer tractor trailers constitute 90% of the traffic on the highway system).

International Containers: AMH Ports have opportunity to participate in the SSS network as a feeder service port importing international shipping containers that initially arrive in larger ports with direct shipping service to international markets with cargo destined for regional U.S. markets, e.g., New England, Mid-Atlantic markets.

Benefits of AMH Program: Improved Public Safety and National Security; Jobs and Economic Stimulus; Reduced Congestion; Reduced Fuel Consumption; Reduced Emissions

AMH shipping will boost economic development in urban ports, draw business to regional economies, and offset congestion problems and bottlenecks on the Interstate corridors that if not addressed will strangle the state's economy. In summary, benefits are:

- ⇒ Waterborne movement of freight costs taxpayers nine times less than moving freight by road²;
- ⇒ Support for new and existing vessels and mariner jobs that are useful to the nation in times of both peace and national emergency;
- ⇒ Transportation congestion: Waterborne carriage of freight reduces congestion on roadways, causing fewer accidents, reducing noise pollution, and improving quality of life³;
- ⇒ Abundant and cost-effective new freight capacity;
 - MARAD determined there is a virtual congestion tax to each rush hour traveler of \$850 to \$1,600 in lost time and fuel (this traveler spends 8 work days each year in traffic).
 - One barge tow can take 456 trucks off the road.
 - Fuel efficiency benefits are significant -
 - ✓ Inland marine moves 576 tons of cargo for every gallon of fuel consumed
 - ✓ Truck freight moves 155 tons of cargo for every gallon of fuel consumed
- ⇒ Reductions in highway and bridge maintenance and repair costs; Creation of a diverse and more resilient transportation system. Waterborne carriage of freight reduces the amount of maintenance and expansion of our highways and bridges⁴;
- ⇒ Improved environmental sustainability: Waterborne movement of freight is the greenest, most cost-effective mode of freight transportation - it uses less fuel per ton-mile⁵; and
- ⇒ Benefits to public safety and security: (1)SSS takes hazardous cargoes off congested corridors; (2) reliance on only two forms of freight transport, leave the country vulnerable to attacks on roads, bridges, railways and hubs⁶, and (3) Waterborne carriage of freight provides redundancy in our transportation network preventing catastrophic economic failure at the hands of a terrorist attack, or infrastructural failure, on truck or rail⁷.

AMH and Short Sea Shipping Advocates

The AMH and SSS create a new paradigm for transportation within the U.S. through the modal shift of domestic cargo to our waterways. Advocates, including Federal, State and Local governments, MPO's, Port Authorities, Transportation Organizations, Shippers, Labor Unions and Industry recognize the existing impact of higher fuel and transport costs and support of the development of AMH. President Obama said the U.S. must "maintain a world-class logistics network" as part of his transportation agenda. AMH must be more greatly utilized as part of the U.S. transportation system solution to realize our National goals for sustainability and security."

Key Legislation that Supports and Promotes AMH Development

AMH Related Law and Legislation and introduced Bill under 112th Congress (Source: Coastwise Coalition)

SUBJECT	BILL/DATE	TITLE/SPONSOR	SUMMARY	STATUS
PRIOR CONGRESSES - MARINE HIGHWAY PROVISIONS IN LAW				
Short Sea Transportation Program & Policy	HR 6 1/12/07	Energy Independence and Security Act of 2007 Rep. Rahall (D-WV)	Original bill produced by Transportation & Infrastructure Committee included SST provisions by Oberstar (D-MN) and Cummings (D-MD). It was incorporated into HR 6; created a short sea transportation (SST) program, encourages agencies to move US cargo in domestic waters; authorizing financing of SST vessels with Capital Construction Fund monies; and more	12/13/07 passed Senate 86-8; 12/19/07 signed, Public Law 110-140
SST Grants	S. 1308 6/19/09	Maritime Administration Authorization Act of 2010 Sen. Lautenberg (D-NJ) and 5 co-sponsors	Sec. 12 amended EISA 2007 by adding a short sea transportation grants provision "to implement projects or components of a project" selected by the Secretary through the short sea transportation (AMH) program (PL 110-140); no specific dollar authorization; non-Federal cost share is at least 20%.	7/8/09 Rptd by Sen Commerce; 7/23/09 added as SA 1797 to S. 1390, DOD Auth.; Passed Senate 87-7; Conf Report H. Rpt. 111-288; 10/28/09 signed PL 111-84
112TH CONGRESS - MARINE HIGHWAY RELATED LEGISLATION				
<i>Harbor Maintenance Tax Exemption</i>				
National Exemption	HR 1533 4/14/11	Short Sea Shipping Act of 2011 Rep. Tiberi (R-OH) and co-sponsors	Exemption from HMT for non-bulk cargo between US ports and on international cargo in the Great Lakes; includes Nova Scotia as eastern boundary of Great Lakes-St. Lawrence Seaway System.	Referred to Ways & Means Committee

USDOT Maritime Administration: Status of AMH Program

- ⇒ The AMH Program was fully implemented April 9, 2010 through publication of a Final Rule in the Federal Register by the USDOT Secretary in accordance with the Energy Independence and Security Act of 2007;
- ⇒ The Secretary designated 18 Marine Highway Corridors and selected 8 Marine Highway Projects to operate on these corridors in August 2010;
- ⇒ \$7Million was programmed and awarded in the 2010 federal budget; and
- ⇒ No funding was in the 2011 budget and none has been programmed for the 2012 budget.

Recommendations: Support Key Legislation and AMH Development

- (1) Become a sponsor of AMH legislation (112th Congress) to encourage and provide financial incentives to cargo owners to use AMH transportation alternatives.
- (2) Support budget line item for AMH Program grants (2012 budget).
- (3) Support the integration of maritime transportation infrastructure projects as an extension of the U.S. surface transportation system in the reauthorization of the Surface Transportation Authorization Act; Create formula based funding opportunities for maritime projects.

¹ "America's Marine Highway Report to Congress," (2011), USDOT – MARAD. Accessed 5/17/11 from:

http://www.marad.dot.gov/documents/MARAD_AMH_Report_to_Congress.pdf

² "Surface Freight Transportation," (2011), USGAO. Accessed 5/8/11 from: <http://www.gao.gov/new.items/d11134.pdf>

³ "Federal Highway Cost Allocation Study Final Report," (1997), USDOT – FHWA. Accessed 5/10/11 from:

<http://www.fhwa.dot.gov/policy/hcas/final/three.htm>

⁴ "America's Marine Highway Report to Congress," , loc.cit, see endnote 1 above.

⁵ "A Modal Comparison of Domestic Freight Transportation Effects on the General Public," (2007), Texas Transportation Institute. Accessed 5/12/11 from: http://www.americanwaterways.com/press_room/news_releases/NWFSTudy.pdf

⁶ "America's Marine Highway Report to Congress," , loc.cit, see endnote 1 above.

⁷ "Terrorist Threat to U.S. Highway System," (2006), USDHS. Accessed 5/12/11 from: <http://publicintelligence.info/TSAhighwaysthreat.pdf>