

# MARITIME ADMINISTRATION

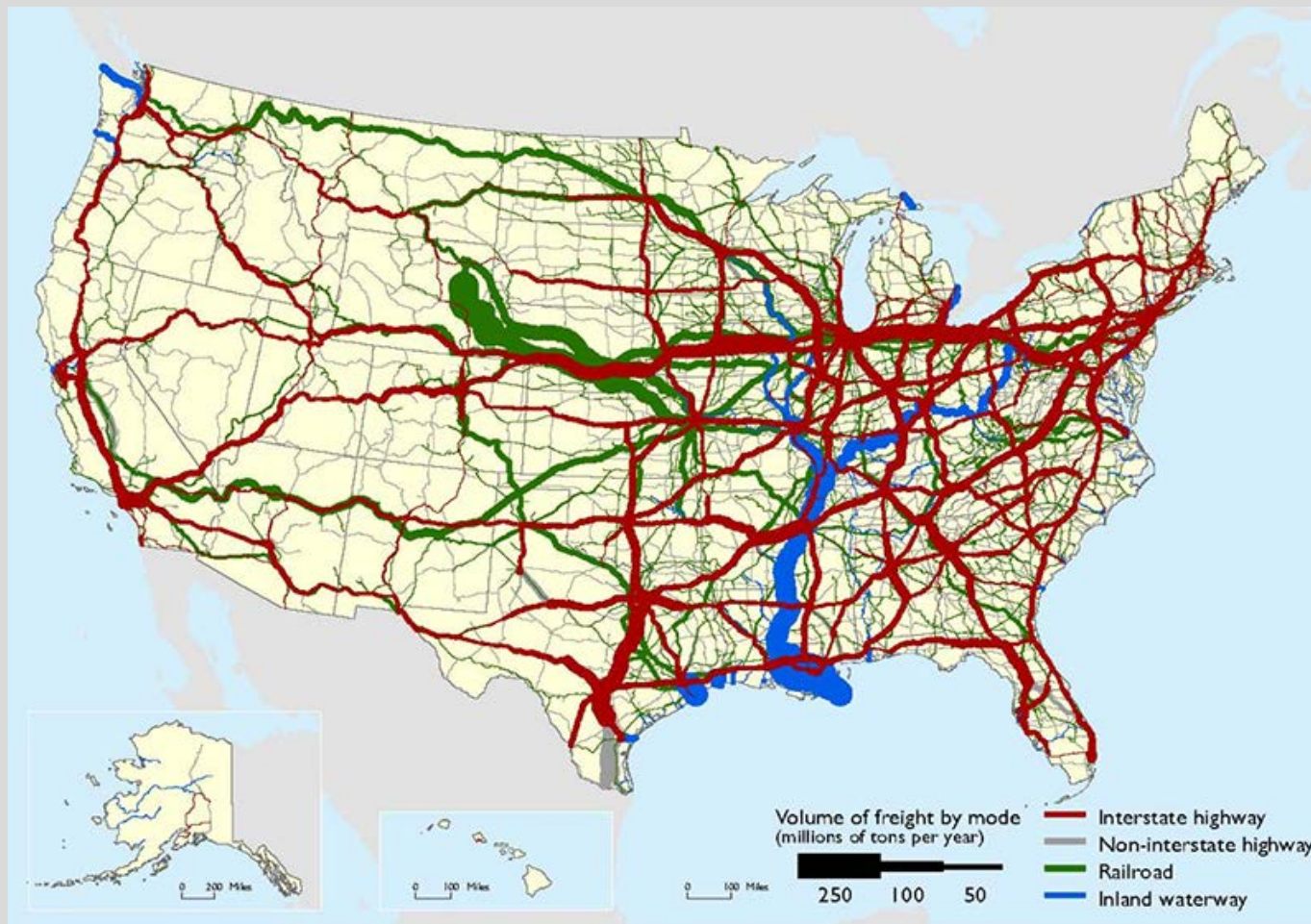
## America's Marine Highway Program Overview

Office of Ports & Waterways Planning



**America's  
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U.S. Department of Transportation

## Why do we exist?



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## How do we exist?

### Founding Legislation

The America's Marine Highway Program was established by Section 1121 of the **Energy Independence and Security Act of 2007** to reduce landside congestion through the designation of Marine Highway Routes.

### Amendments

**Coast Guard and Maritime Transportation Act of 2012** further **expanded the scope of the program beyond reducing landside congestion to efforts that generate public benefits** by increasing the utilization or efficiency of domestic freight or passenger transportation on Marine Highway Routes between U.S. ports.

**The National Defense Authorization Act for Fiscal Year 2016** added to the definition of short sea shipping to include cargo shipped in discrete units or **packages that are handled individually, palletized or unitized for purposes of transportation; or freight vehicles carried aboard commuter ferry boats.**



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## What do we do?

- The Marine Highway System consists of over **25,000 miles of the Nation's navigable waterways** including inland waterways, coastlines and the Great Lakes
- The Marine Highway Program has **three steps** –
  1. **Designating Marine Highway Routes** which are navigable waterways capable of moving freight
  2. **Designating Marine Highway Projects** which create new or expand existing marine highway services are then designated along those Routes
  3. Applicants of designated Marine Highway Projects or private sector partners with written referrals from the public applicants can then apply for **Marine Highway Grants**

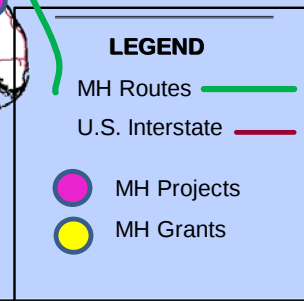
Grants can be used to alleviate the upfront capital risk associated with starting new services



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# Step 2: Marine Highway Projects

- **Project Designation is a vetting process for Marine Highway Grants**
- **Eligible applicants include:**
  - State governments or State Departments of Transportation
  - Metropolitan or Regional Planning Organizations
  - Local governments, Port Authorities, Tribal governments
- **Purpose of the Project Designation:**
  - Create a new or expand an existing Marine Highway service
  - To realize public benefits (e.g., reduced congestion, reduced road maintenance)
  - To become eligible for Marine Highway Grants



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# Step 3: Marine Highway Grants

- **Eligible applicants include:**
  - Sponsors of Designated Projects, or
  - Private entities with the approval of the Designated Project Sponsor
- **What can Marine Highway Grant funds be used for?:**
  - **Development and expansion of Port and landside infrastructure (including Cargo handling equipment)**
  - **Development and expansion of documented vessels**
  - Planning, preparation and design efforts in support of marine highway projects (cannot be used for market related studies)



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# Recent Program Funding

|                         |                                                                 |             |
|-------------------------|-----------------------------------------------------------------|-------------|
| <b>FY 2016</b>          | Baton Rouge–New Orleans Shuttle on the M-55                     | \$1,758,595 |
| <b>\$5 Million</b>      | Illinois Intrastate Shuttle on the M-55                         | \$ 713,000  |
| <b>Six recipients</b>   | James River Expansion Project on the M-64                       | \$ 476,748  |
|                         | New York Harbor and Container and Trailer on Barge              | \$1,632,296 |
|                         | M-55/M-35 Container on Barge Project                            | \$ 96,000   |
|                         | Potomac River Commuter Ferry Project                            | \$ 173,361  |
| <b>FY 2017</b>          | Baton Rouge–New Orleans Shuttle on the M-55                     | \$2,507,200 |
| <b>\$5 Million</b>      | Port of Davisville/Brooklyn/Newark Container on Barge Service   | \$ 855,200  |
| <b>Six recipients</b>   | James River Expansion Project on the M-64                       | \$ 456,000  |
|                         | New York Harbor and Container and Trailer on Barge              | \$ 298,423  |
|                         | Cross Sound Enhancements                                        | \$ 503,927  |
|                         | Paducah-McCracken Riverport Container on Barge Service          | \$ 251,927  |
| <b>FY 2018</b>          | <b>SEACOR AMH</b> - Baton Rouge–New Orleans Shuttle on the M-55 | \$3,155,622 |
| <b>\$7 Million</b>      | <b>JRBL</b> - James River Expansion Project on the M-64         | \$1,822,093 |
| <b>Three Recipients</b> | Harbor Harvest Long Island Sound Service                        | \$1,812,285 |
| <b>FY 2019</b>          | Notice of Funding Opportunity to be released late spring 2019   |             |
| <b>\$7 Million</b>      |                                                                 |             |
| <b>TBD</b>              |                                                                 |             |

## Virginia Port Authority

James River Expansion Project

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## Connecticut Port Authority

Harbor Harvest Long Island Sound Project

- **The Port of Richmond, VA**

- **2010** – Icelandic Lines terminated the last service to call the Port of Richmond, VA.

**Decision: Should Richmond reinvest in the Port or close the port and redevelop the waterfront?**

**The Richmond MPO decided on a long-term lease to the Virginia Port Authority**

- **2010** – VPA received a Marine Highway Grant for \$1.1M in 2010 to acquire a container barge and start a **one-day/week service**.
- **2016** – the MPO set aside land near the port for light industrial and port related intermodal services and VPA received a grant for a top loader.
- **2017** – VPA received grant funds for a 26,000 lb forklift and a generator set for the barge to handle unitized cargo, frozen and refrigerated cargo.
- **2018** – James River Barge Lines, the tug operator hired by VPA, received a \$1.8M grant for a purpose built barge – VPA plans to start a **daily service**.
- The Port of Richmond is tied to an **inland port** via rail at Front Royal VA, approximately 50 miles from Washington. Similar growth has occurred in Front Royal and surrounding areas.



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# Richmond Area Port Users

| CY16 RICHMOND REGION PORT-RELATED ECONOMIC DEVELOPMENT |                 |                     |              |
|--------------------------------------------------------|-----------------|---------------------|--------------|
| Company                                                | Location        | Investment          | Job Creation |
| Premier Store Fixtures                                 | Richmond        | New                 | 150          |
| Polykon Manufacturing, LLC.                            | Henrico County  | \$60M New           | 50           |
| McKesson Pharmaceutical                                | Caroline County | \$6M Expansion      | 30           |
| L Knife & Son, Inc.                                    | Henrico County  | New                 | 110          |
| Specialty Coating and Laminating, LLC.                 | Hanover         | \$2.5M Expansion    | 52           |
| R1 International                                       | Richmond        | \$1M Expansion      | 15           |
| Hudson Industries                                      | Henrico County  | \$750,000 Expansion | 87           |
| <b>Total</b>                                           |                 | <b>\$188.25M</b>    | <b>494</b>   |

West Rock  
Scoular\*  
Philip Morris\*  
Universal Leaf  
Evergreen Enterprises  
Lumber Liquidators\*  
Country Vintner  
DuPont\*  
Honeywell\*  
Alcoa

AMF  
Evonik  
Bondioli and Pavesi  
Southern States  
Amsted Rail  
Marva Marble  
Maruchan  
American Signature  
Reynolds  
Alfa-Laval

\*Denotes current RMT user

The metrics gathered by the Program Office:

- All grant agreements contain “volume of containers or TEUs transported” as well as “vehicle miles avoided” to be reported quarterly
  - FHWA formulas are used to measure the impact of removing trucks from the highway.
- In the case of Virginia Port Authority (VPA), the state received \$476,748 for a container reach stacker. That investment returned the following data for FY16:
  - 35,215 TEUs moved by the service in FY16.
  - 3,310,210 Vehicle miles avoided – 50% urban / 50% rural
  - Road Maintenance savings - \$942K
  - Congestion Savings - \$595K

Notes: \*Grant recipients are required to report to the Program Office on a quarterly basis.



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# Benefits of Marine Highway Funding

| Year | Containers (TEUs) | Truck Miles Avoided |           | Road Maintenance Savings | Congestion Savings | Total Value   |
|------|-------------------|---------------------|-----------|--------------------------|--------------------|---------------|
|      |                   | Urban               | Rural     |                          |                    |               |
| 2016 | 35,215            | 1,655,105           | 1,655,105 | \$ 942,262               | \$ 594,995         | \$ 1,537,257  |
| 2017 | 83,394            | 3,919,518           | 3,919,518 | \$ 2,231,408             | \$ 1,409,031       | \$ 3,640,439  |
| 2018 | 113,300           | 5,325,100           | 5,325,100 | \$ 3,031,615             | \$ 1,914,325       | \$ 4,945,940  |
|      |                   |                     |           |                          |                    | \$ 10,123,636 |

2016 – One Marine Highway service operating (64 Express)

2017 – Two Marine Highway services operating (+ Baton Rouge-New Orleans)

2018 – Three Marine Highway services operating (+ NY Cross Harbor Service)



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*Hourigan Development, a commercial real estate development and consulting company led by CEO Mark Hourigan and President Joseph Marchetti III, announced Friday that it **purchased 110 acres at 3021 Commerce Road** for its future Deepwater Industrial Park.*

## DEVELOPER PICKS 62-ACRE SITE NEAR RICHMOND MARINE TERMINAL FOR 1 MILLION-SQUARE-FOOT DISTRIBUTION CENTER

Richmond Times-Dispatch Aug 2, 2017

*A California-based developer **has acquired 62 acres near the Richmond Marine Terminal** for a 1 million-square-foot distribution center, the city announced Wednesday.*

*The project could at last deliver on what local business and political leaders have historically lamented as the wasted potential of the terminal, which went under a long-term lease last year to the Port of Virginia, to drive development in the area.*



# Harbor Harvest

A truly unique and innovative service in the Long Island Sound using custom built, hybrid-electric LTL/LCL service between LI, NY and CT



**The Blue Arrow representing a 9 to 12 hour truck round trip**  
**The Yellow Hybrid routes representing 45-60 minutes on the water**



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1. 65' Incat Catamaran
2. 28 standard pallets as cargo
3. Full refrigerated space over 1500 cubic feet
4. 16 knot maximum speed
5. Full Hybrid EV propulsion
6. Self discharge – 2 ton crane and RoRo ramp
7. Shallow draft – dock anywhere – 3'
8. Two man crew
9. Built & Repaired locally at Derecktor Shipyard
10. Completely GENTRIFIED, no noise, emission or environmental impact

**HybriDrive®**  
PROPULSION SYSTEMS

# Harbor Harvest



**The first vessel to be built at  
Derecktor Shipyard, Mamaroneck, NY  
Launched April 12, 2019  
Operational: May 2019**

**1500 cubic feet of  
refrigerated space +  
28 std pallet positions**



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# Questions?



U.S. Marine (Gunny) Highway

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