

# MMARAD

U.S. MARITIME ADMINISTRATION



## America's Marine Highway Program Red River/Atchafalaya River Roundtable

Fred Jones  
Maritime Administration  
U.S. Department of Transportation

1200 New Jersey Ave., SE | Washington | DC 20590  
[www.dot.gov](http://www.dot.gov)

# Mission

**To lead the development and expansion of Marine Highway services and to facilitate their integration into the U.S. surface transportation system.**

# Vision

**The full integration of reliable, scheduled, competitive, and sustainable Marine Highway services as a routine choice for shippers.**



## Why do we do it?

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

## What does it mean for you?

- Credibility of Concept
- Eligibility for Potential Grant Funding
- U.S. Department of Transportation Support

- Clearinghouse of Lessons Learned
- Promoting & Developing Partnerships
- Linking Services with the Larger System
- Access to Gov't Programs
- Market Analyses
- Infrastructure Gap Analyses

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

## Four Key Stories.....

- Your Market and Value Proposition
- Your Service
- Your Costs
- Your Public Benefits



## Tell the Market Story

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

## Tell the Service Story

- Type of Vessel
- Capacity
- Frequency
- Transit Capability
- Type of Equipment
- Business Partnerships

Sample Basic Costs	Sample Cost Model			
Description	Weekly Costs with 1 voyage/week	Cost/Box based on 300/voyage, 1 voyages/week	Weekly Costs with 2 voyage/week	Cost/Box based on 400/voyage, 2 voyages/week
Origin Drayage	\$ 60,000.00	\$ 200.00	\$ 160,000.00	\$ 200.00
Origin Port Gate Charge	\$ 1,500.00	\$ 5.00	\$ 4,000.00	\$ 5.00
Linehandling	\$ 3,500.00	\$ 11.67	\$ 7,000.00	\$ 8.75
Origin Port Loading	\$ 10,000.00	\$ 33.33	\$ 20,000.00	\$ 25.00
Vessel Charter per Week	\$ 45,000.00	\$ 150.00	\$ 45,000.00	\$ 56.25
Fuel Cost per Voyage	\$ 5,904.00	\$ 19.68	\$ 11,808.00	\$ 14.76
Destination Port Discharge	\$ 10,000.00	\$ 33.33	\$ 20,000.00	\$ 25.00
Destination R/T Drayage	\$ 60,000.00	\$ 200.00	\$ 160,000.00	\$ 200.00
Destination Port Return Loading	\$ 10,000.00	\$ 33.33	\$ 20,000.00	\$ 25.00
Destination Port Linehandling	\$ 3,500.00	\$ 11.67	\$ 7,000.00	\$ 8.75
Origin Port Discharge	\$ 10,000.00	\$ 33.33	\$ 20,000.00	\$ 25.00
Origin Port Gate Charge	\$ 1,500.00	\$ 5.00	\$ 4,000.00	\$ 5.00
Destination Drayage	\$ 60,000.00	\$ 200.00	\$ 160,000.00	\$ 200.00
Insurance	\$ 1,250.00	\$ 4.17	\$ 1,250.00	\$ 1.56
Overhead	\$ 3,750.00	\$ 12.50	\$ 3,750.00	\$ 4.69
<b>Total Service Cost/box Door to Door</b>	<b>\$ 150,904.00</b>	<b>\$ 953.01</b>	<b>\$ 643,808.00</b>	<b>\$ 804.76</b>
Door to Door R/T Service Rate		\$ 953.01		\$ 804.76
Comparative R/T Truck Rate		\$ 1,000.00		\$ 1,000.00
Service vs Truck Difference		\$ 46.99		\$ 195.24
Cost per FreightTon via Truck (46,000 capacity dry van)		\$ 43.48		\$ 43.48
Cost per FreightTon AMH Service (62,000 capacity dry box)		\$ 30.74		\$ 25.96

## Tell the Public Benefits Story

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

## Identify Partnerships

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

## Recognize Impediments

- Infrastructure Gaps
- Equipment Gaps
- Market Forces Beyond Control

- 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

# Factors of Success



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

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

- Know your Competition
- Know the Market
- Know your Customer and Understand their Total Supply Chain
- Offer a Better Solution than the Status Quo

# Route Designation, Project Designation, & Grant Application

1. Marine Highway Route Designation – a public entity must apply and receive route designation prior to any grant funding

**My service is in proximity to a designated route**



2. Project Designation – a public entity must apply and receive a Project Designation prior to any grant funding

**The Marine Highway Project has been designated by the Secretary of Transportation**



3. Grant Funding - provided to successful eligible applicants if the proposed project directly relates to a project that has been designated and is submitted by or with support of the original Project Applicant

**I am the original designated Project Applicant or have a referral to utilize a project designation for Grant application purposes**  Check!

IF NOT: You are not eligible to apply. Contact the Gateway Director in your region.

## Federal Award Information – Purpose, Notice, & Timeline

- **On April 21, 2022, the Amended NOFO for the FY 2022 AMH Grant Program was published on [Grants.gov](https://www.grants.gov).**
- **The Program Office will now accept applications until 5:00 p.m. EDT on June 17, 2022.**
- **Guidance on Federal Award Information is found in Section B of the Notice of Funding Opportunity.**
- **The total funding available under this NOFO is \$39,819,000.**
- **MARAD will retain 3% of the funding for administrative expenses.**
- **There is no minimum or maximum award size.**
- **MARAD will seek to obtain the maximum benefit from the available funding by awarding grants to as many qualified projects as possible; however, MARAD will give preference to those projects or components that present the most financially viable transportation services and require the lowest percentage of Federal share of costs.**

## Eligible Grant Projects

Eligible projects or components of projects must support the development and expansion of vessels documented under 46 U.S.C. Chapter 121 or port and landside infrastructure. This includes projects for:

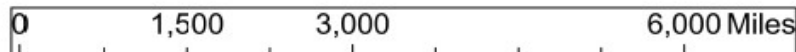
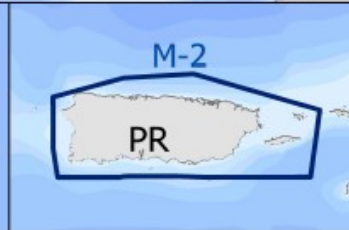
- port and terminal infrastructure
- cargo and/or vessel handling equipment
- new or used vessel purchase, lease, or modification
- demonstration projects of a limited duration
- planning, preparation, and design efforts in support of designated Marine Highway Projects

However, operating subsidies and market-related studies are ineligible.

## Funding Restrictions

- Funds may not be used as an operating subsidy or for market-related studies.
- Funds may not be used for improvements to Federally owned facilities.
- Unless authorized in writing by MARAD after award announcement, any costs incurred before a grant agreement is executed will not be reimbursed and will not count towards cost share requirements.
- Prohibition on using covered telecommunications equipment or services. See 2 CFR 200.216 & 200.471.

# America's Marine Highway Grants



Map updated - June 2020

- Marine Highway Grants
- Marine Highway Routes
- Impacted States

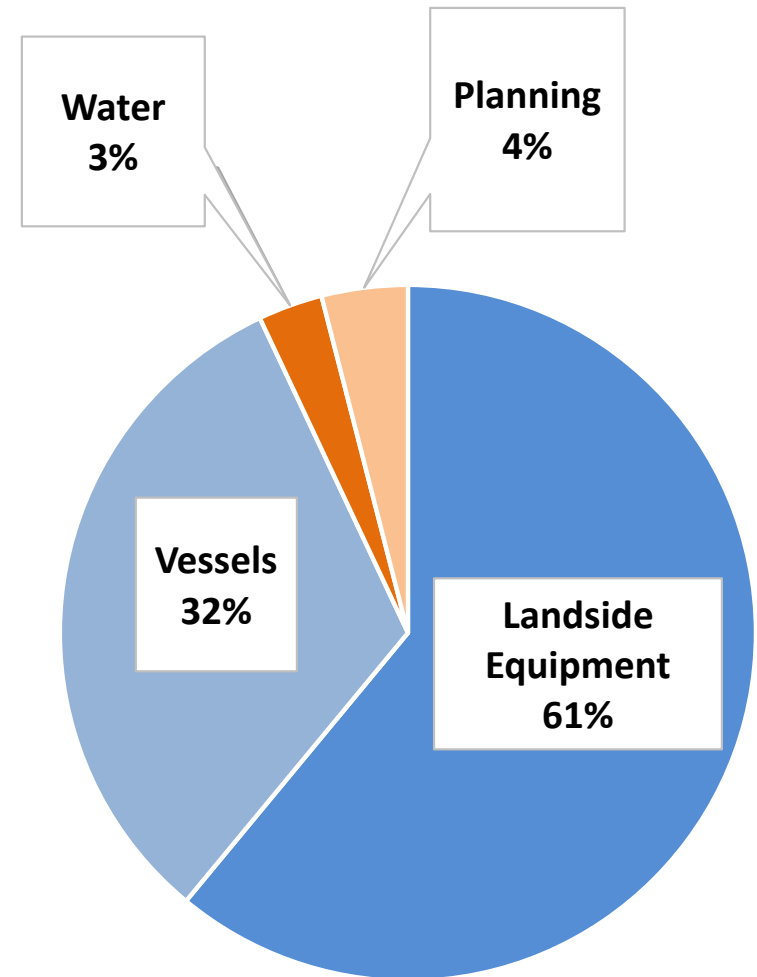
Projection: WGS 1984 Web Mercator Aux. Sphere

1. International Boundaries: IPUMS
2. Bathymetry Data: Michael Baker International
3. Marine Highways and Grants: MARAD/DOT



## Elements the Marine Highway Program are authorized to support\*\*

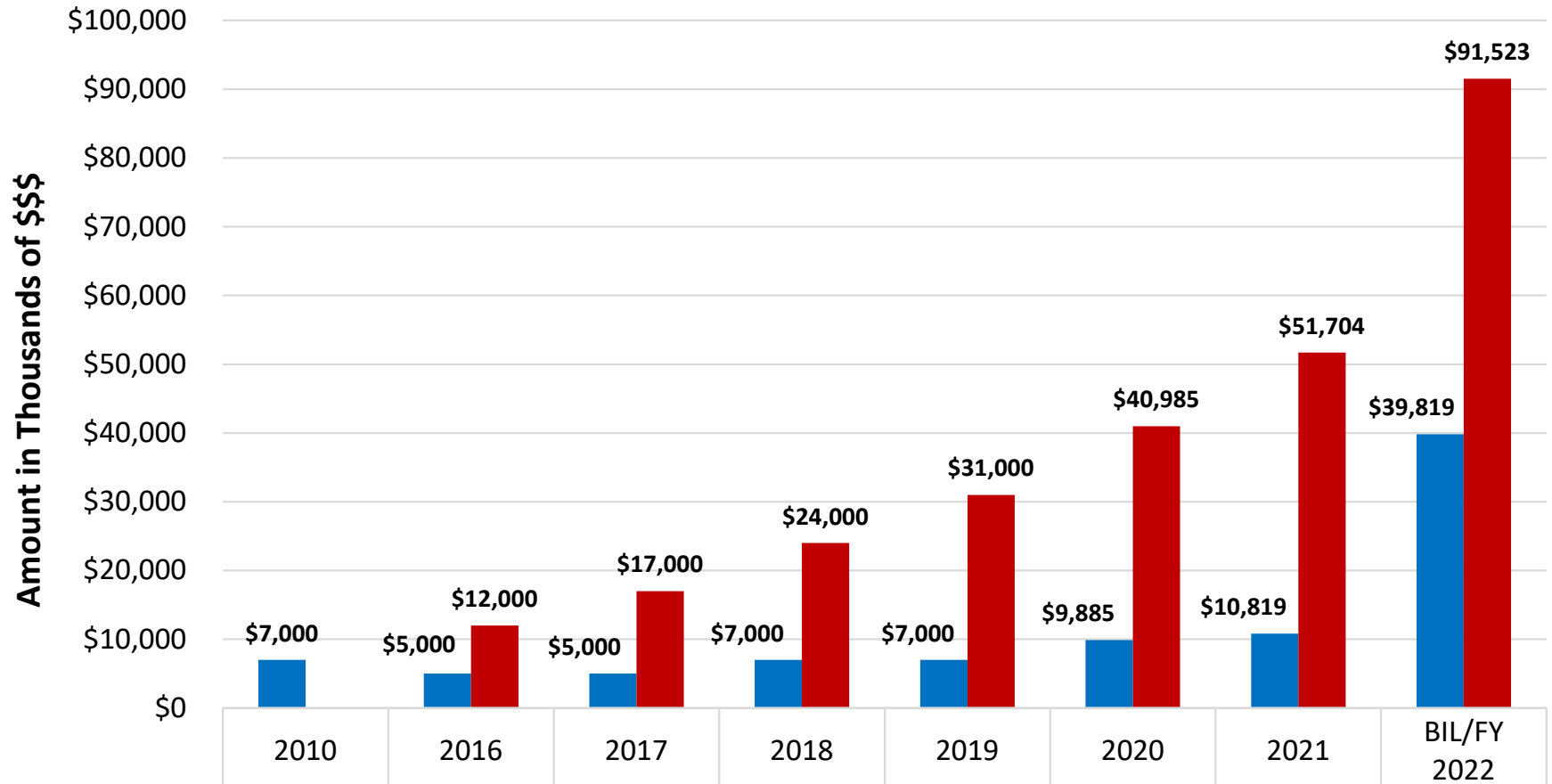
- **Landside equipment** is assorted Marine Handling Equipment (MHE),
- **Water** includes in-water items such as dredging of non-federal navigation channels,
- **Vessels** includes purchase, lease, construction or modification of documented vessels, and
- **Planning Grants** includes planning efforts to support the three categories above, but it excludes market related studies.



\*\*46 US Code § 55601(b1)(b3) – Marine highways transportation program (program elements)

# AMHP Grant Appropriation History

- Program growth has tracked closely with grant funding.
- From 2010-2015, the Program added only 3 Designated Projects.
- From 2016 to 2022, the Program added 53 Designated Projects.



■ Appropriation	\$7,000	\$5,000	\$5,000	\$7,000	\$7,000	\$9,885	\$10,819	\$39,819
■ Cumulative Grant Award		\$12,000	\$17,000	\$24,000	\$31,000	\$40,985	\$51,704	\$91,523