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1) Is there the potential for a Marine Highway Program in the United States?

2) What are some of the barriers to making MH a reality on a larger scale?

3) Is MH a part of a National Transportation System?

There is great potential and untapped capacity for marine highways in the United States, and the answers to the first and third questions go hand in hand. Congestion plagues most modes of transportation in the United States. Highway congestion, for example, costs Americans nearly \$90 billion every year in wasted time and fuel.

As construction costs rise, and as the resources to address our growing infrastructure needs become stretched thinner by the day, it is increasingly important that we use all of our transportation assets more wisely and effectively.

I have advocated for the development of a national strategic transportation plan that considers our various modes of transportation as components of one comprehensive system, drawing on the strengths of each mode, rather than as separate unrelated transportation systems.

The nation would clearly benefit from the greater use of coastwise trade on our nation's marine highways as part of a national transportation strategy. One 15-barge tow can remove 1,050 tractor-trailers from the highways. Just a gallon of diesel fuel can move one ton of cargo 576 miles on a barge. A rail car using the same amount of fuel moves that ton of cargo 413 miles, and a truck only 155 miles. By 2035, freight volumes are expected to almost double.

Marine highways are energy efficient and can yield positive environmental benefits.

Despite these factors, the maritime sector represents only about 6 percent of total freight tonnage transported within the U.S. each year. We must work to dramatically increase this number.

Marine highways is one particular area where we can tap into an underutilized transportation asset to address the increasing need to reduce congestion and move goods, making the entire transportation system work more efficiently.

Coastwise trade has proven a particularly cost-effective way to move heavy, non-time-sensitive goods. However, the market has not developed fully to compete with

regularly scheduled truck, rail or air routes. If waterborne routes are to be fully used, industry must develop new options that are better suited for moving higher value and more time-sensitive goods.

Congress addressed this issue in 2007 by establishing a federal program to identify and support the development of marine highway transportation projects that help mitigate landside congestion.

However, there are still roadblocks that may limit the establishment of new waterborne transportation routes. Chief among these is the imposition of the Harbor Maintenance Tax on cargo carried by vessel between U.S. ports. In cases where the cargo originated at a foreign port, shippers are obligated to pay this tax twice (once when the cargo is received at the first U.S. port and again at the final destination), which creates a competitive disadvantage compared to other transportation modes.

Several changes will likely need to be made to port infrastructure to support the expansion of current waterborne transportation initiatives. Most major U.S. ports are built to service large, ocean-going vessels and are equipped with large cranes to serve these large ships. If these ports are to service smaller vessels in an expansion of coastwise trade, some new infrastructure may be necessary. Some have suggested that increased coastwise cargo could be directed to smaller, less congested ports.

Of course, all proposals to better use our transportation system faces challenges. The expansion of marine highways is no exception. Financing ships without the commitment of cargo is not easy. Obtaining a commitment for cargo without existing ships and an established schedule is not easy. Financing and permitting for the expansion of port facilities is never a simple or easy task, and covering the “last mile” from the docks to the cargo’s destination will, in some cases, require a transfer of cargo that may not be required for truck and rail cargoes.

However, these are challenges we can and must overcome. We simply cannot build enough new highways, airports and rail lines to meet all the capacity demands we face. Development of marine highways offers a cost-effective means of gaining additional use from an underutilized asset and should be part of a national transportation strategy.