

From:

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

Absolutely. Marine highways make a great argument for reducing coastal highway congestion, lowering greenhouse gas emissions, and substantially reducing the consumption of transportation diesel fuel. However, while all of these “green” arguments are perfectly valid, the key to the realization of a viable, large scale marine highway program is the economic model. It is safe to say that the “green” benefits of short sea transportation will likely never be fully developed until or unless marine highway business models deliver a meaningful net savings in the supply chain. For example, at SeaBridge Freight our customers benefit from the inherent efficiencies (fuel and equipment utilization) of tug & barge relative to either truck or rail. However, they also receive a geographic benefit, i.e., SBF eliminates over 500 miles of travel using its direct route across the Gulf of Mexico. These efficiencies of the marine highway model become even greater as incremental capacity is added.

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

The maritime industry needs to understand clearly that a good marine highway business model is not enough to overcome long-term, institutionalized resistance to change. For many years the U.S. has benefited from and depended on a large, cost-effective trucking industry that operates on the world’s most expansive national highway system. The marine highway clearly is not a replacement but certainly can be a meaningful compliment to the coastal truck transportation routes. But, there are some barriers to achieving an efficient, large scale marine highway system. First, there must be investment in port infrastructure and cargo handling facilities/equipment. The infrastructure needs range from new dock construction to the addition of intermodal cargo handling facilities. This investment in port efficiency is large but is relatively insignificant when compared to building a lane-mile of interstate highway. Second, the current U.S. flag fleet is simply too small to have a measurable impact on the marine highway. The Congress needs to consider legislation that will encourage new domestic vessel construction and provide incentives for vessel financing. Third, sailing frequency—not speed—is the critical variable in delivering value to shippers who need and expect to move products daily. The marine highway fleets will have to emulate the systems of their intermodal trucking partners to be viable in the long term. And that will require many more short sea vessels to be in service.

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

There is little doubt that DOT/MARAD supports the development of a viable marine highway as part of our National Transportation System. Current and pending legislation also supports this proposition. The economic and environmental arguments for a viable marine highway are laudable. But the reality is that the marine highway industry is still quite new and, as a result, is little more than policy at this time. It is ultimately the task of the marine highway industry management to finance, operate, and grow their operations while effectively interfacing with the incumbent intermodal operators. To make marine highway a meaningful part of the National Transportation System, policy makers need to help by clearing the barriers cited above.

Hank's bio:

Mr. Hoffman has over twenty-five years experience in the transportation industry. Prior to joining SeaBridge Freight, Mr. Hoffman was the founder, CEO, and Chairman of SiriCOMM, Inc., the largest wireless network and applications service provider dedicated to the commercial trucking industry.

From 1996 to 2000 he was President and Chief Operating Officer of Hook Up, Inc., the nation's second largest truck driveaway company. In his four years with this niche motor carrier, profit margins expanded while gross revenue more than tripled.

From 1990 to 1995 Mr. Hoffman was President and COO of Tri-State Motor Transit, the nation's largest transporter of munitions for the U.S. Government. Under his direction the Tri-State business grew from \$40 million to over \$100 million annual revenue and a capacity base of over 750 drivers.

Prior to his term at Tri-State, he served in several Operations/Management positions with both Schneider National, Inc. and Viking Freight System.

As an industry leader he has been a Vice President of the American Trucking Associations, President and Chairman of the Board of the Munitions Carriers Conference, member of the Board of Directors of the National Automobile Transporters Association, and Forum Co-Chairman of the National Defense Transportation Association.

Prior to his trucking industry career, Mr. Hoffman served as an officer in the United States Army Field Artillery for six years where he completed two successful command assignments. Mr. Hoffman earned a Bachelor of Science degree from the United States Military Academy, West Point, NY and a Master of Business Administration from the University of Wisconsin, Oshkosh, WI.