

From:

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Note: These are Jim's views, and not the official position of DOT or MARAD.

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

Marine highway services have been in existence for decades in the United States. Coastal services, Great Lakes services, Alaskan services, and inland waterway services have been around for a long time. Congress recognized that the expansion of water transportation for freight and passengers could offer significant public benefits, and passed the Energy Bill in 2007 that directed the Secretary of Transportation to formally establish a short sea transportation program to reduce congestion and improve air quality. The Maritime Administration has implemented a program called America's Marine Highways to meet this requirement.

The purpose of the America's Marine Highways program is to build coalitions of public and private sector interests to address congestion and air quality in major freight corridors. These groups will have a shared commitment to solving our capacity constraints on the land transport networks by developing alternative water transport services that have substantial public benefits. The expansion of existing services, and creation of new services, can take advantage of unused capacity on the waterways by extending the road and rail networks to include water transport where this alternative is available.

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

It is difficult to generalize about barriers because most marine highway markets are niche markets. Certainly, there are some institutional barriers like the Jones Act and Harbor Maintenance Tax that preclude some new services from being offered. However, from my perspective, the major barrier to developing new services is the lack of purpose-built vessels to serve the largest market segments in a cost effective manner. Water transport is a very efficient mode for freight and passengers, but other factors related to terminals add costs that are difficult to absorb and still offer competitive rates in many instances. There is also a lack of door-to-door service offerings, which is the key to integrated transportation solutions for major shippers.

The current economic climate may not be conducive to new business ventures, thus limiting the expansion of marine highways in the near term. But it must be said that the operating environment may change as a result of fuel price increases and traffic restrictions in the future that will make water transport even more attractive in some markets.

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

Water transportation has not been officially recognized as part of the surface transportation system because we do not have a complete national transportation policy. Efforts are underway

to have water transport more fully integrated into transportation planning at the various levels of government, however there are still systemic infrastructure issues like maintenance dredging and lock expansion that limit future developments. The environmental challenges facing our society and our need to remain economically competitive in the world will force us to develop a more fully integrated transportation solution to future capacity growth.

Jim's bio:

Jim Pugh is the Director of the Office of Marine Highways & Passenger Services at the Maritime Administration. In that capacity he is responsible for increasing the use of America's coastal and inland waterways to relieve congestion, improve air quality and increase safety. Prior to joining the Maritime Administration, he was Deputy Division Chief of the Domestic Ports Division based at U.S. Coast Guard Headquarters. He was also the Coast Guard Program Manager for Marine Transportation System Recovery.

Jim has over thirty years of broad experience in ports, shipping and international trade. This experience includes being the port director in San Diego, Houston and Indiana. He was also president of Americas Marine Express, an innovative containership service between Memphis and Central America. His professional consulting experience in transportation and logistics covers projects throughout the world. He has been an active leader in the transportation industry for many years and has served in numerous leadership positions, including Vice Chairman of the American Association of Port Authorities. He is Certified in Transportation and Logistics, and registered to practice before the Federal Maritime Commission.