

From:

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

We are using the 'marine highway' today to move a lot of bulk cargo up and down the major rivers in the US. Columbia Coastal is moving over 100,000 international containers a year along the US East Coast. In the past, about 5 years ago, Columbia Coastal was moving 300,000 boxes a year. What has happened is that the trucking industry has continued to provide pricing to shippers that does not fully capture the real cost of moving trucks up and down our Interstates. The US tax payer is paying a high price for the subsidizing of low trucking rates. The Federal DOT has stated in past studies that a truck running down a road causes on average 21 cents a mile in damage to the road. Trucks are paying 18-19 cents a gallon in diesel tax. A truck getting 6 miles to a gallon is in effect only paying 6-7 cents a mile while causing an additional 13-14 cents a mile in damage...that eventually gets paid by U.S. tax payers. We are being fooled if we think trucking is cheaper than water. There is a very substantial hidden cost to maintain these interstates and state highways that trucks use every day.

There is a potential TODAY to significantly increase the number of intermodal- containers moving along our coasts using existing port infrastructure AND existing vessels/barges.

If trucking continues to receive the hidden subsidies as stated above- MH needs to get some assistance to gain an equal price point in the eyes of consumers. I would propose a Federal Tax Credit be granted to any Shipper/Railroad/Trucking company/Importer/Shipping line that moves a truck container along a coastal or river route.

Maritime Administration Economic models say that the economic benefits that are gained by moving cargo off shore far outweigh a modest tax credit that would affect initial tax collection by the federal government. See my attachment (separate document) which shows the Marad economic impact - loading one of our barges once a week- that's a short term benefit- long term benefit is captured is in the slide that shows what we could achieve just filling the slots that are available on my barge fleet alone. Granting a user a \$200 tax credit for each one way trip on a coastal/river route.

I believe the best way to jumpstart the use of the MH is to start incentivizing movers of international 'intermodal lift-on lift-off containers' with a tax credit...get that moving first.

Then, once this is moving, on existing port infrastructure on existing vessels/barges.

We then would be in a stronger position to attract venture capital to invest in shoreside RO/RO terminals AND new coastal RO/RO ships - articulate barge tonnage- that would allow 53 domestic trucks to move along the coasts. Water would become the middle leg of a long intermodal trip with local drop off and then delivery at destination by shuttle drivers. Much like the long haul trucking industry has incorporated intermodal rail on long East West routes, IE: JB Hunt, Schneider, etc. Eliminating millions of truck miles traveled along interstates with trucks handling boxes as the first and last leg.

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

See above regarding cheap subsidized truck rates.

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

I would say it already is today, and it needs to be revitalized as we continue to be challenged to put more cargo and people on our existing overtaxed land based infrastructure. We can't build our way out of the congestion that is anticipated in the next decade and beyond. Our water routes are there today for the using, they repair themselves, the energy used to move a ton of cargo a mile on water is significantly more efficient versus a freight train, and is "off the charts" more efficient versus a truck .

Before, we had the interstate highway built in the 1950's, which was basically given to the US driving public as well as the US trucking industry for "free".

We had a regular inter-coastal domestic cargo industry that moved cargo along the coast to avoid the *then* overtaxed jumble of state highways that existed. A truck trip from NY to FLA took a week back in the 50's lots of traffic lights- route 1. Trucks were limited to 30-35' length. A ship could go from NY to FLA in 3 days. It was the preferred route along the coast until Malcolm McClean started moving domestic trucks on the deck of a converted tanker. NJ- FLA - then TX.

If you ever took a family car trip in the 1950' -60's you know firsthand how slow transport was back then.

Our interstates are now where our state highways were back in the early 50's...not enough lanes - too many people - too many trucks .

MH is an obvious "cheap" and "environmentally responsible" alternative to building more highway lanes that will only attract more trucks and cars.

MH needs to be a part of our Surface Transportation Policy in the US. Water covers 3/4 of the earth's surface. It has been used since ancient time to move cargo where no road existed. Our policy planners and leaders need to start recognizing the true cost of trucking and look for alternatives.

Kevin's bio:

Kevin Mack, Vice President Business Development, Columbia Coastal Transport, is responsible for seeking out business opportunities and synergies among the Columbia Group companies including Columbia Coastal Transport, Columbia Intermodal and Columbia Container Services.

Kevin has more than 25 years of experience in the maritime and logistics industries, starting with Sea-Land Service where he worked from 1980 to 1999 in increasingly responsible sales management positions based in New York, New Jersey and Boston.

In 1999 he joined American President Lines (APL) as Director of European Trade Lanes and Director of Refrigerated Markets for all of North America. From there he went to Panalpina where he served as vice president of the company's Wines and Spirits business unit for North America.

Prior to joining Columbia Coastal in 2007, Kevin worked with Hanjin Logistics as Vice President Sales and Marketing for the North America logistics group.

Kevin is based in the company's Liberty Corner, NJ headquarters.