Marine Highway Program
Call for Projects Webinar

U.S. Department of Transportation – Maritime Administration
American’s Marine Highway

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.
DESIGNATED MARINE HIGHWAY ROUTES
Project Designations

Why do we do it?

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

What does it mean for you?

• Credibility of Concept

• Eligibility for Potential Grant Funding

• U.S. Department of Transportation Support
USDOT Support

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

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

Four Key Stories…..

• Your Market and Value Proposition
• Your Service
• Your Costs
• Your Public Benefits
Application

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

<table>
<thead>
<tr>
<th>Description</th>
<th>Weekly Costs with 1 voyage/week</th>
<th>Cost/Box based on 300/voyage, 1 voyages/week</th>
<th>Weekly Costs with 2 voyage/week</th>
<th>Cost/Box based on 400/voyage, 2 voyages/week</th>
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<tbody>
<tr>
<td>Origin Drayage</td>
<td>$60,000.00</td>
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<tr>
<td>Origin Port Gate Charge</td>
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<td>Vessel Charter per Week</td>
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<td>Fuel Cost per Voyage</td>
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<td>Destination R/T Drayage</td>
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<tr>
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<tr>
<td>Insurance</td>
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<td>Total Service Cost/box Door to Door</td>
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<td>$953.01</td>
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</table>

### Sample Cost Model

- **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
Application

Tell the Public Benefits Story

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

Identify Partnerships

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

Recognize Impediments

• Infrastructure Gaps
• Equipment Gaps
• Market Forces Beyond Control
Factors of Success
Partnerships

• 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
People

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

• Use the Right Equipment

• Look for Efficiencies

• Be Hyper-focused on Controlling Costs

• Productivity is Key

• Incentivize your Partners
Product

• Know your Competition

• Know the Market

• Know your Customer and Understand their Total Supply Chain

• Offer a Better Solution than the Status Quo

• Make it EASY for your Customer
Questions?

Contact:  
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MH@dot.gov  
(202) 366-1123
Maritime Video

https://focusvisionmedia.wistia.com/videos/u1zze80fn2