



# Marine Highway Program Call for Projects Webinar

U.S. Department of Transportation - Maritime Administration



U.S. Department  
of Transportation

# American's Marine Highway

## Mission

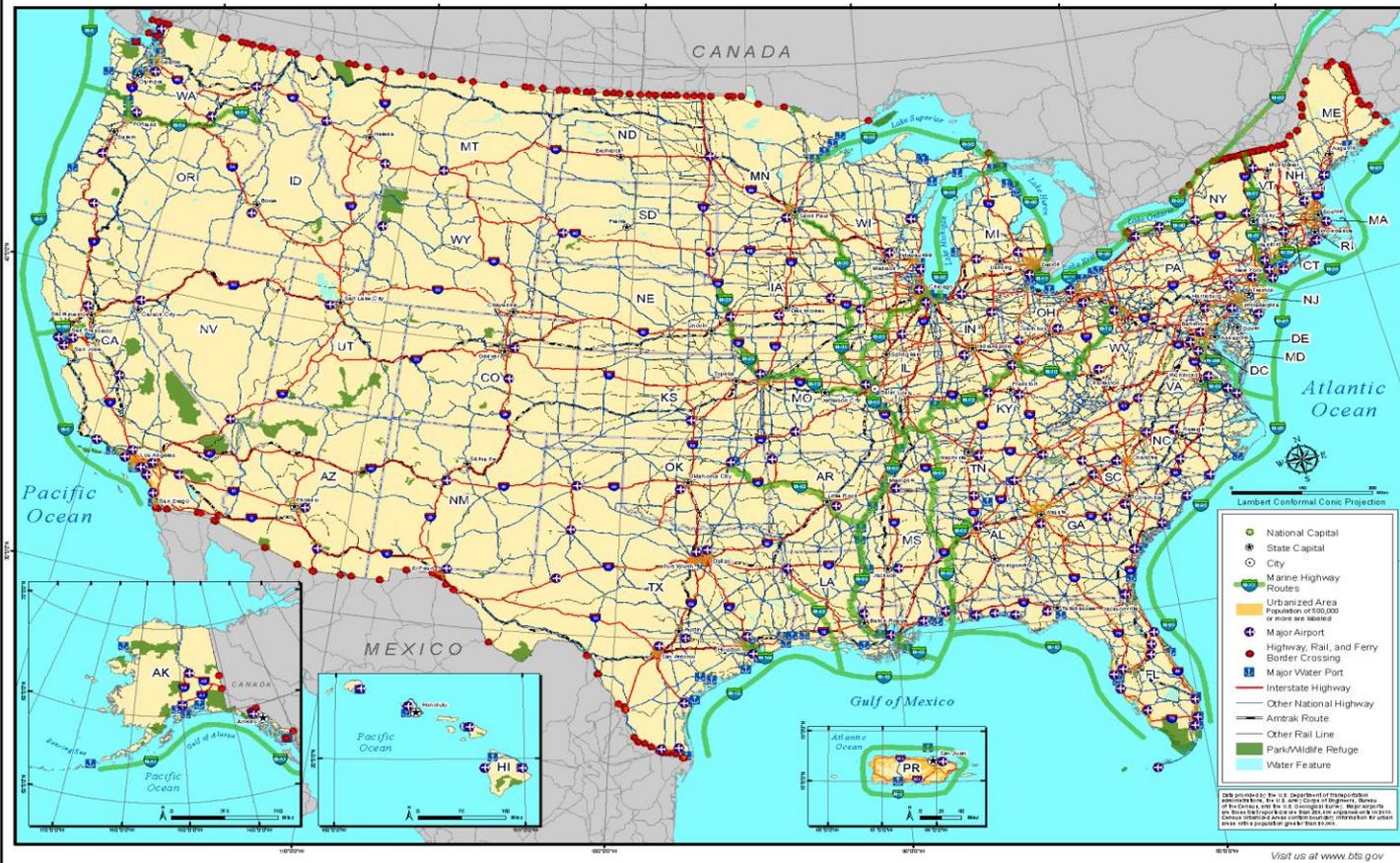
To lead the development and expansion of Marine Highway services and to facilitate their integration into the U.S. surface transportation system.

## Vision

The full integration of reliable, scheduled, competitive, and sustainable Marine Highway services as a routine choice for shippers.



# America's Marine Highway Routes



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## 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



# Application

## Tell the Service Story

- Type of Vessel
- Capacity
- Frequency
- Transit Capability
- Type of Equipment
- Business Partnerships



Sample Basic Costs	Sample Cost Model			
Description	Weekly Costs with 1 voyage/week	Cost/Box based on 300/voyage, 1 voyages/week	Weekly Costs with 2 voyage/week	Cost/Box based on 400/voyage, 2 voyages/week
Origin Drayage	\$ 60,000.00	\$ 200.00	\$ 160,000.00	\$ 200.00
Origin Port Gate Charge	\$ 1,500.00	\$ 5.00	\$ 4,000.00	\$ 5.00
Linehandling	\$ 3,500.00	\$ 11.67	\$ 7,000.00	\$ 8.75
Origin Port Loading	\$ 10,000.00	\$ 33.33	\$ 20,000.00	\$ 25.00
Vessel Charter per Week	\$ 45,000.00	\$ 150.00	\$ 45,000.00	\$ 56.25
Fuel Cost per Voyage	\$ 5,904.00	\$ 19.68	\$ 11,808.00	\$ 14.76
Destination Port Discharge	\$ 10,000.00	\$ 33.33	\$ 20,000.00	\$ 25.00
Destination R/T Drayage	\$ 60,000.00	\$ 200.00	\$ 160,000.00	\$ 200.00
Destination Port Return Loading	\$ 10,000.00	\$ 33.33	\$ 20,000.00	\$ 25.00
Destination Port Linehandling	\$ 3,500.00	\$ 11.67	\$ 7,000.00	\$ 8.75
Origin Port Discharge	\$ 10,000.00	\$ 33.33	\$ 20,000.00	\$ 25.00
Origin Port Gate Charge	\$ 1,500.00	\$ 5.00	\$ 4,000.00	\$ 5.00
Destination Drayage	\$ 60,000.00	\$ 200.00	\$ 160,000.00	\$ 200.00
Insurance	\$ 1,250.00	\$ 4.17	\$ 1,250.00	\$ 1.56
Overhead	\$ 3,750.00	\$ 12.50	\$ 3,750.00	\$ 4.69
Total Service Cost/box Door to Door	\$ 150,904.00	\$ 953.01	\$ 643,808.00	\$ 804.76
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:

Fred Jones

Office of Marine Highways & Passenger Services

U.S. Department of Transportation/Maritime Administration

[MH@dot.gov](mailto:MH@dot.gov)

(202) 366-1123



# Maritime Video

<https://focusvisionmedia.wistia.com/media/s/u1zze80fn2>

