



## DECEMBER 2009 PORT STRATEGY

### Opinion: US Short-Sea Shipping

#### Taking to the water

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#### Is short sea shipping finally being taken seriously in the States, asks Barry Parker

**In the United States, short sea shipping - or coastal freighting services for hauling non-bulk cargoes paralleling existing truck networks - is not a new idea: a few container feeder roll on-roll off (ro-ro) services have already carved out small niches.**

However, that 'niche' will soon turn to a wedge, if upcoming legislation delivers all it promises.

In 2007's Energy Independence and Security Act the groundwork was laid for the designation of 'Marine Highway Corridors', eligible for US government funding. Under that Act, the US Maritime Administration (MARAD), part of the Department of Transportation (DOT), was tasked with writing the actual regulations that will enable shipping projects to be considered alongside road projects.

Hoping to enter the US east coast trades with ro-ro vessels fuelled by compressed natural gas, Peter Drakos, president of Connecticut-based Coastal Connect, tells *Port Strategy*: "My understanding is that MARAD expects to issue the rules in January, 2010; they have digested many comments from stakeholders."

The agency itself states: "Approved projects will receive MARAD support through promotion of the service, coordination of federal agency involvement, identifying funding sources, identifying any impediments and encouraging use of the proposed services."

Mr Drakos is emphatic, telling *PS*: "The framework that MARAD has constructed is well thought out, and will get the industry going. Without MARAD initiatives, we'd be facing a much longer struggle." However, he urges that Congress remove the Harbor Maintenance Tax (a levy to support US Army Corps channel upkeep activities) on coastwise container cargoes moving in short sea trades.

The private sector has already grabbed low hanging fruit, in the form of container feeder traffic freighted on barges between coastal ports in the Lower 48 states. Services have sprung up on multiple coasts with Columbia Coastal operating barges between Boston, New York and Norfolk; Portland, Maine is soon to be added. SeaBridge Freight is linking Port Manatee (near Tampa), Florida with Brownsville, Texas. Along the James River (in Virginia), boxes are barged from Norfolk to Richmond; across the country, a service between inland Stockton, California and San Francisco Bay is expected to begin shortly.

But, to make broader headway, transport planning needs the advocacy and guidance provided by MARAD. In the US, transport projects are funded from multiple levels of government, and sometimes overlapping jurisdictions in a complicated process. Mitigation of road congestion, and the resulting drop in emissions, also plays a role. Ray LaHood, DOT secretary, recently stated that MARAD's reauthorisation "gives the Agency the authority to implement a Marine Highway Grant program and the President's budget for 2010 through 2012 includes funding for such a program." Mr LaHood added: "Our approach is to integrate Marine Highways into the overall Surface Transportation System."

SeaBridge chief executive Hank Hoffman, with a trucking background, says: "There must be investment in port infrastructure and cargo handling facilities/equipment. The infrastructure needs to 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."

Meanwhile, Congressman John Mica, a senior member of a Congressional transport committee, also talks about the impacts of short sea shipping on US ports. The Florida representative says on [www.americasmarinehighways.com](http://www.americasmarinehighways.com), an informative website developed by California native Wayne McCormick: "Several changes will likely need to be made to port infrastructure to support the expansion of current waterborne transportation initiatives. Most major US ports are built to service large, ocean-going vessels and are equipped with large cranes to serve these large ships."



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"If these ports are to service smaller vessels in an expansion of coastwise trade, some new infrastructure may be necessary. Some have suggested that increased coastwise cargo could be directed to smaller, less congested ports."

At least one niche port in the Northeast has a keen interest in supporting the program. Kristin Decas, executive director of the New Bedford Harbor Development Corporation, added on Mr McCormick's site: "New Bedford looks forward to emerging as a key hub in the AMH and helping to prosper that network."

In comments submitted for MARAD review, Ms. Decas provided a breakdown of \$275m required investment at the Massachusetts port, enabling it to achieve its desired hub status. The largest component is \$100m for track-work that would link the harbour with the region's rail infrastructure.

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