

**U.S. COMMISSION ON OCEAN POLICY
NORTHEAST REGIONAL MEETING
BOSTON, MA
JULY 22–24, 2002**

FOLLOW-UP QUESTION

Marine Industry Panel

Mr. Michael Leone

Question:

With the projected two- to three-fold increase in marine commerce over the next 20 to 25 years, what actions should be taken to ensure that U.S. ports remain viable and competitive? Is it time to design and implement a true national marine transportation system?

Response:

I believe it is essential to implement a comprehensive marine transportation system plan that results in the maintenance and improvement of our nation's waterways with adequate federal funding so that all regions can benefit economically from world trade. A well maintained marine transportation system would allow regional businesses to remain competitive in the global marketplace by providing lower cost, reliable ocean transportation. These businesses would not be forced to relocate to areas nearby a load center port where there is sufficient depth to meet their ocean transportation needs.

The investment needed to maintain the variety of ports comprising the marine transportation system will vary depending on the type of vessel traffic utilizing the port facilities. Load center ports handling the largest of vessels and serving an expansive hinterland will need deeper water. However, regional ports must also be dredged to handle the deep draft vessels that call at their facilities. The marine transportation system cannot be solely focused on handling the largest post-Panama vessels that may need depths of 55 feet and only call at a few load center ports, because most vessels calling U.S. ports are capable of transiting the Panama Canal and calling at a variety of ports on a particular trade lane. These vessels will still need at least 45 feet of water. Failure to dredge the channels in the regional ports will necessitate large capital investments at load center ports to significantly increase terminal space, as well as roadway and rail systems to handle this huge increase in maritime commerce that is currently handled at regional

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ports. An equitable distribution of federal funds can help balance growth whereby the largest load center ports are deepened to greater depths and regional ports to a depth that meets the ocean transportation needs of the local trade community. In the long term, maintaining a system of load center, regional and feeder ports can more fairly distribute the impacts of growth in marine commerce.

I feel that the best way to address the capital needs of the marine transportation system is not through the Harbor Maintenance Trust Fund and annual appropriations for improvement dredging. I believe the most appropriate funding source should be through the re-authorization of TEA 21. There has been a national consensus that there is a need for additional funding for freight corridors in any new legislation. As you are aware, 95% of the volume of international freight arrives by vessel into U.S. ports. We should not neglect the funding for the marine portion of our freight distribution system. A key element of the re-authorized TEA 21 legislation must be the maintenance and improvement of our marine transportation system. By so doing, all of the beneficiaries of our freight distribution network (consumers, truckers, etc.) can pay their fair share.

By removing the cost of maintaining our federal channels from the beneficial owners of freight, the direct users of our marine transportation system will have a greater ability to pay for necessary security enhancements that are likely to be required by federal mandate.