



U.S. Department
of Transportation
**Maritime
Administration**

MANUAL OF ORDERS

MARITIME ADMINISTRATIVE ORDER

REVOKES

NO.

530-1

EFFECTIVE DATE

May 29, 2008

SUBJECT

AMERICA'S MARINE HIGHWAY PROGRAM

Section 1. Purpose: This order prescribes the policies, responsibilities and procedures for implementation of a new short sea transportation program, America's Marine Highway Program. The order sets forth procedures specifically for the application and designation of Marine Highway Corridors, as well as Marine Highway Projects.

Section 2. Background: The purpose of America's Marine Highway Program is to designate short sea transportation routes as extensions of the surface transportation system to focus public and private efforts to use the waterways to relieve landside congestion along coastal corridors. America's Marine Highway Program consists of four primary components, as follows:

2.01 Marine Highway Corridor Designation: This order establishes the goals and methods by which specific Marine Highway Corridors will be identified and designated by the Maritime Administration. The purpose of designating Marine Highway Corridors is to integrate the Marine Highway into the surface transportation system. This will serve to encourage the development of multi-jurisdictional coalitions and focus public and private efforts and investment on better utilizing freight and passengers from congested roads and rail lines to effectively utilize America's Marine Highway.

2.02 Marine Highway Project Designation: This order establishes the goals and methods by which specific Marine Highway Projects will be identified and designated by the Maritime Administration. The purpose is to mitigate landside congestion by designating projects that, if successfully started, expanded, or otherwise enhanced, would provide the greatest benefit to the public in terms of congestion relief, improved air quality, reduced energy consumption, infrastructure construction and maintenance savings, improved safety, and long-term economic viability. Designated Marine Highway Projects may receive support from the Department of Transportation as described in this section.

2.03 Incentives, Impediments and Solutions: This order outlines how the Maritime Administration, in partnership with public and private entities, will identify potential incentives, seek solutions to impediments to encourage utilization of the Marine Highway and incorporate it, including ferries, in State and regional transportation planning.

2.04 Research: This order describes the research that the Department of Transportation, working with the Environmental Protection Agency, will conduct to support America's Marine Highway, within the limitations of available resources and to encourage multi-state planning. Research would include environmental and transportation impacts (benefits and costs), technology, vessel design, and solutions to impediments to the Marine Highway.

Section 3. Policy: The Office of Marine Highways and Passenger Services must implement Title XI, Subtitle C, Marine Transportation, of the Energy Independence and Security Act of 2007 (Sections 1121, 1122, and 1123 of Public Law 110-140, approved December 19, 2007 (121 STAT. 1492)). Until final rules are promulgated, the interim rules in this order apply.

Section 4. Definitions:

Administrator: The Maritime Administrator, U.S. Maritime Administration, U.S. Department of Transportation, is authorized by the Secretary of Transportation to administer America's Marine Highway Program.

Applicant: An entity that applies for designation of a Marine Highway Corridor or Project under this regulation.

Coastwise Shipping Laws: Laws, including the Jones Act, as set forth in Chapter 551 of Title 46, United States Code.

Corridor Sponsor: Corridor sponsors must be public entities, including but not limited to, Metropolitan Planning Organizations, state governments (including Departments of Transportation) and port authorities, who may submit applications for designation as a Marine Highway Corridor.

Domestic Trade: Trade between points in the United States.

Lift-on/Lift-off (LO/LO) Vessel: A vessel of which the loading and discharging operations are carried out by cranes and derricks.

Marine Highway Corridor: A group of one or more navigable waterways that, if used to transport freight or passengers, would provide measurable benefits to a surface transportation route in terms of reduced congestion, energy savings, reduced emissions, improved safety, and/or reduced infrastructure costs.

Marine Highway (or Short Sea Transportation): The carriage by vessel of passengers and/or cargo that is loaded at a port in the United States and unloaded either at another port in the United States or at a port in Canada located in the Great Lakes Saint Lawrence Seaway System, or loaded at a port in Canada located in the Great Lakes Saint Lawrence Seaway System and unloaded at a port in the United States.

Project Sponsor: Project sponsors must be public entities, including but not limited to, Metropolitan Planning Organizations, state governments (including State Departments of Transportation) and port authorities, who may submit applications for designation as a Marine Highway Project.

Roll-on/Roll-off (RO/RO) Vessel: Any vessel that has ramps allowing cargo to be loaded and discharged by means of wheeled vehicles so that cranes are not required.

Secretary: The Secretary of Transportation.

United States Documented Vessel: A vessel documented under 46 U.S.C. Chapter 121.

Section 5. Procedures:

5.01 Marine Highway Corridors.

- 1 SUMMARY. The purpose of this section is to designate specific routes as Marine Highway Corridors. Corridors will be established through an application process. The goal of this designation process is to accelerate the development of multi-State and multi-jurisdictional Marine Highway Corridors to relieve landside congestion along highway and railroad corridors. Designation will encourage public private partnerships, and help focus investment on those Marine Highway Corridors that offer the maximum potential public benefit in congestion reduction, energy efficiency, emissions reduction and other categories.
- 2 OBJECTIVES. The primary objectives of the designation of Marine Highway Corridors are to:
 - (1) Establish Marine Highway Corridors as extensions of the surface transportation system as provided by Section 1121 of the Energy Independence and Security Act of 2007.
 - (2) Develop multi-jurisdictional coalitions that focus public and private efforts to use the waterways to relieve landside congestion along freight and passenger corridors.
 - (3) Obtain public benefit by better utilizing freight and passengers from congested highway and railroad routes to Marine Highway Corridors in measurable terms. Benefits, while primarily aimed at reducing congestion, can also include air quality and emissions improvements, reduced energy consumption and enhanced safety.
 - (4) Identify potential savings that could be realized by providing an alternative to surface transportation infrastructure construction and maintenance.
- 3 DESIGNATION OF MARINE HIGHWAY CORRIDORS. The Maritime Administration will solicit applications for designation of specific routes as Marine Highway Corridors. Applications will be accepted from corridor sponsors. Corridor sponsors must be public entities, including but not limited to, Metropolitan Planning Organizations, state governments (including State Departments of Transportation) and port authorities. When responding to specific solicitations for Marine Highway Corridors by the Maritime Administration, the following information will be required:
 - (1) Physical Description of Proposed Marine Highway Corridor: The application should describe the proposed Marine Highway Corridor, and its connection to existing or planned transportation infrastructure and intermodal facilities. Include key navigational factors such as available draft, channel width, bridge or lock clearance and identify whether they could limit service.
 - (2) Surface Transportation Corridor Served: Provide a summary of the surface transportation corridor that the Marine Highway would benefit. Include a description of the corridor, its primary users, the nature, locations and occurrence of congestion, urban areas affected, and other geographic or jurisdictional issues that impact its overall operation and performance.

- (3) Involved Parties: Provide the organizational structure of parties applying for corridor designation, including business affiliations, and private sector stakeholders. Multi-jurisdictional coalitions may include State Departments of Transportation, Metropolitan Planning Organizations, municipalities and other governmental entities that have been engaged and the extent to which they support the corridor designation.
- (4) Passengers and Freight: Identify number of likely passengers and/or quantity of freight that are likely to utilize the proposed Marine Highway Corridor. If known, include specific shippers, manufacturers, distributors or other entities that could benefit from a Marine Highway alternative, and the extent to which these entities have been consulted.
- (5) Congestion Reduction: Describe extent to which the proposed corridor could relieve landside congestion in measurable terms. Include any known offsetting infrastructure savings (either construction or maintenance) that would result from the project.
- (6) Public Environmental, Energy or Safety Benefits: The application should provide, if known, the savings in fuel, emissions, or safety improvements that could be derived from use of the proposed Marine Highway Corridor. It should also consider the implications future growth may have on the proposal and include any affiliations with stakeholders that support the Corridor designation.
- (7) Impediments: Describe known or anticipated obstacles to utilization of the proposed Marine Highway Corridor. Include any strategies to eliminate or reduce the impediments.
- (8) Cost and Benefits: Where federal funds will be used to support designation of the corridor, describe to the extent known, the benefits to be derived from the designation of the corridor, including the items described in number 1 through 7 above, such as the environmental improvements, reduction in fuel usage, reduction in landside congestion, increase in employment, increase in taxes paid or other revenues derived from safety improvements including potential saving of human life and property from fewer traffic accidents, decrease in time required for delivery of cargo or passengers and the costs associated with construction of new infrastructure if any, the costs of additional operations or maintenance of the project, including any public funds needed for support of the corridor.

5.02 Marine Highway Projects.

- 1 SUMMARY. The purpose of this section is to designate specific Marine Highway projects to mitigate landside congestion. The goal is to identify projects that, if successfully started, expanded, or otherwise enhanced, would provide the greatest benefit to the public. Public benefits to be considered include road and railroad congestion relief (particularly in urban areas and along corridors with national significance), reduced emissions or energy consumption, infrastructure construction and maintenance savings, improved safety, and long-term economic viability. Designation can help focus public and private investment on pre-identified projects that offer the maximum potential public benefit. Designated Marine Highway Projects may receive such support from the Department of Transportation as described in this section.

2 OBJECTIVES. The primary objectives of the designation of Marine Highway projects are:

- (1) Reduce landside congestion.
- (2) Identify proposed services that represent the greatest public benefit as measured in congestion relief, energy savings, reduced emissions and improved safety.
- (3) Focus resources on those projects that offer the greatest likelihood of success.
- (4) Identify potential savings by providing an alternative to surface transportation infrastructure construction and maintenance.
- (5) Develop best practices for the Marine Highway Program.
- (6) Provide specific examples with performance measures and quantifiable outcomes for the Marine Highway.

3 DESIGNATION OF MARINE HIGHWAY PROJECTS. The Maritime Administration will solicit applications for designation as specific Marine Highway Projects. Applications will be accepted from a project sponsor. Project sponsors must be public entities, including but not limited to, Metropolitan Planning Organizations, state governments (including State Departments of Transportation) and port authorities. Project sponsors are encouraged to develop coalitions and public/private partnerships with the common objective of developing the specific Marine Highway Project. Potential partners can include vessel owners and operators, third party logistics providers, trucking companies, shippers, port authorities, state, regional and local transportation planners, or any combination of entities working in collaboration under a single application. Candidate projects can be new starts or existing Marine Highway operations where expansion or improvements present maximum public benefit. Applications must meet the requirements of coastwise shipping laws and all applicable federal, state and local laws. Final approval and designation will be based on evaluation of the criteria outlined below. When responding to specific solicitations for Marine Highway projects by the Maritime Administration, the following information will be required:

- (1) Proposed project: The application should describe the overall operation; which ports and terminals will be served, number and type of vessels, size, quantity and type of cargo and/or passengers, routes, frequency, and other relevant information. Additional project components applicants should address include the following:
 - Identify which, if any, designated Marine Highway Corridors will be utilized.
 - Provide the organizational structure of the proposed project, including business affiliations, environmental non-profit organizations and governmental or private sector stakeholders.
 - Documents affirming commitment or support from entities involved in the project.
 - State Departments of Transportation, Metropolitan Planning Organizations, municipalities and other governmental entities that have been consulted and extent to which they support the service.
- (2) Shippers: Identify shippers that have indicated an interest in and level of commitment to the proposed service, or describe the specific commodities, market, and shippers the

service will attract, and the extent to which these entities have been consulted. Applications should include the marketing strategy.

- (3) Potential relief to surface transportation congestion: Describe extent to which the proposed project will relieve landside congestion in measurable terms, such as reductions in vehicle miles traveled. Include the landside corridors that stand to benefit from the operation, and any known infrastructure savings (either construction or maintenance) that would result from the project.
- (4) Environmental, energy or safety benefits: The application should address the savings in fuel, emissions, or safety improvements that would result from the proposed operation. Include any affiliations with stakeholders or additional benefits the service would offer.
- (5) Finance Plan and Private Sector Participation: Provide projected revenues and expenses. Include labor and operating costs, fixed and recurring infrastructure costs. Include commitments from terminals, shippers, operators and other entities. A cost benefit analysis should be provided, if available. Note that prior to final designation as a project, a cost benefit analysis will be required, if not provided in the original application.
- (6) Impediments: Describe any known or anticipated obstacles to either start-up or long-term success of the project. Include any strategies to mitigate impediments.
- (7) Proposed Project Timeline: The Application should include a proposed project timeline with estimated start dates and key milestones. Include the point in the timeline at which the enterprise is anticipated to attain self-sufficiency (if applicable).
- (8) Cost and Benefits: Where federal funds will be used to support designation of the project, describe to the extent known, the benefits to be derived from the designation of the project, including the items described in number (1) through (7) above, such as the environmental improvements, reduction in fuel usage, reduction in landside congestion, increase in employment, increase in taxes paid or other revenues derived from, safety improvements including potential saving of human life and property from fewer traffic accidents, decrease in time required for delivery of cargo or passengers and the costs associated with construction new infrastructure if any, the costs of additional operations or maintenance of the project, including any public funds needed for support of the project.

5.03 Action by the Maritime Administration.

- 1 Upon receipt of an application by the Maritime Administrator, the application will be evaluated based on the preceding criteria:
 - (1) **MARINE HIGHWAY CORRIDOR**: The potential public benefit the corridor may offer.
 - (2) **MARINE HIGHWAY PROJECTS**: Likelihood of long-term self-supporting operations, and its relationship with Marine Highway Corridors, once designated.

- (3) Applicants of both Marine Highway Corridors and Marine Highway Projects will be notified of designation in writing by the Maritime Administration. In certain cases, the Maritime Administrator may designate a Marine Highway Corridor without receipt of an application.
 - (4) The Maritime Administration will coordinate with Marine Highway Corridor applicants and Marine Highway Project Sponsors to identify the most appropriate actions to support the initiatives.
- 2 Support could include any of the following, as appropriate and within agency resources, and the Maritime Administration will:
- (1) Promote the corridor and/or service with appropriate governmental, State and local transportation planners, private sector entities or other decision makers.
 - (2) Coordinate with ports, State Departments of Transportation, Metropolitan Planning Organizations, localities, other public agencies and the private sector to support the designated corridor and/or service. Efforts can be aimed at obtaining access to land or terminals, developing landside facilities and infrastructure, and working with regional, State or local governmental entities to remove barriers to self-supporting operations and success.
 - (3) Pursue memorandums of agreement with other federal entities to transport federally owned or generated cargo using waterborne transportation along the Marine Highway Corridor using the service of a designated Marine Highway Project, when practical or available.
 - (4) Assist with collection and dissemination of data for the designation and delineation of Marine Highway Corridors as available resources permit.
 - (5) Work with Federal entities and state and local governments to include designated corridors and projects in transportation planning.
 - (6) In cases where transportation infrastructure is needed, project sponsors may request to be designated on the Secretary of Transportation's list of high-priority transportation infrastructure projects under Executive Order 13274, "Environmental Stewardship and Transportation Infrastructure Project Review." For these projects, Executive Order 13274 provides that Federal agencies shall, to the maximum extent practicable, expedite their reviews for relevant permits or other approvals and take related actions as necessary, consistent with available resources and applicable laws.
 - (7) Assist with developing performance measures to demonstrate the project's success and social benefits, including congestion reduction, environmental stewardship, safety improvements, and reduced energy consumption.
 - (8) Bring specific impediments to the attention of the Marine Highway Advisory Board.
 - (9) Conduct research on issues specific to designated corridors and designated projects, as available resources permit.

(10) The Maritime Administration will liaison and communicate with designated corridor coalitions and projects to provide ongoing support and identify lessons learned and best practices for the overall Marine Highway program.

(11) The Maritime Administrator may develop performance measures for designated corridors/projects.

5.04 Incentives, Impediments and Solutions.

- 1 SUMMARY. The purpose of this section is to identify short term incentives and solutions to impediments in order to encourage use of the Marine Highway for freight and passengers.
- 2 OBJECTIVES. This section is aimed at increasing the use of the Marine Highways through the following primary objectives:
 - (1) Encourage the integration of Marine Highways in transportation plans at the State, regional and local levels.
 - (2) Develop short term incentives aimed at expanding existing or starting new Marine Highway operations.
 - (3) Identify and seek solutions to impediments to the Marine Highway

5.05 Regional, State, and Local Transportation Planning. The Maritime Administration will coordinate with Federal, state and local governments and metropolitan planning organizations to develop strategies to encourage the use of America's Marine Highway for transportation of passengers and cargo. Activities will include the following:

- 1 Work with State Departments of Transportation to assess plans and develop strategies, where appropriate, to incorporate Marine Highway transportation, including ferries, and other marine transportation solutions for regional and interstate transport of freight and passengers in their statewide and metropolitan transportation plans.
- 2 Facilitating groups of States and multi-State transportation entities to determine how Marine Highway transportation can address congestion, bottlenecks, and other interstate transportation challenges to their mutual benefit.
- 3 Identify and coordinate with other federal agencies, including other modal administrations within the Department of Transportation to determine those agencies with jurisdiction over the project or which currently provide funding for components of the project in order to determine the extent to which those agencies should be consulted with and invited to assist in the coordination process.
- 4 Short-Term Incentives. The Maritime Administration will develop proposed short-term incentives that would encourage the use, initiation, or expansion of Marine Highway services. This will be done in consultation with shippers and other participants in transportation logistics, and government entities, as appropriate.
- 5 Impediments and Solutions. The Maritime Administration will establish a Board in accordance with the Federal Advisory Committee Act (FACA) whose role is to identify

impediments that hinder effective use of the Marine Highway and recommend solutions. The Board will meet regularly and report its findings and recommended solutions to the Maritime Administrator. Board membership will evolve as impediments are identified and the area of focus changes. Representation could include Federal Departments and Agencies, State Departments of Transportation, Metropolitan Planning Organizations and other local public entities and private sector stakeholders.

- 6 The Maritime Administration will take actions, as appropriate, to address impediments to the Marine Highway.

Section 6. Research on Marine Highway Transportation.

6.01 SUMMARY. The Maritime Administration will work in consultation with the Environmental Protection Agency and other entities as appropriate, within the limits of available resources, to conduct research in support of America's Marine Highway. Research can be general in nature, or in direct support of designated Marine Highway Corridors and Projects.

6.02 OBJECTIVES. The primary objectives of selected research projects are to:

- 1 Identify and quantify environmental and transportation-related benefits that can be derived from utilization of the Marine Highway as compared to other modes of surface transportation.
- 2 Identify existing or emerging technology, vessel design, and other improvements that would reduce emissions, increase fuel economy, and lower costs of Marine Highway transportation and increase the efficiency of intermodal transfers.



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