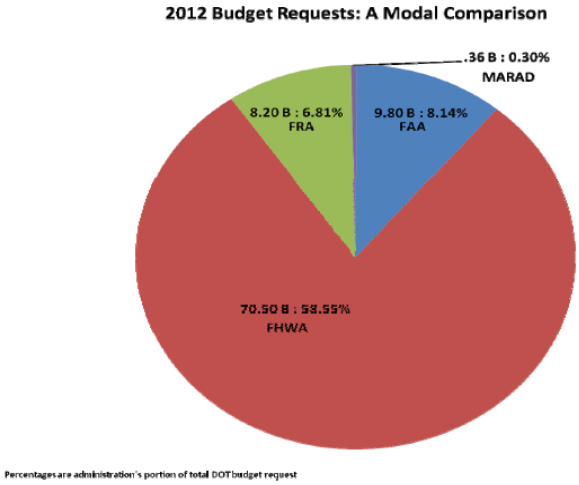
The Missing Transportation Mode

Sometimes the Simplest Solutions are the Hardest to See

Today the United States has two well-recognized surface transportation modes—rail and road—and a third, which largely is forgotten. Missing is the marine mode.

What the Federal Budget Tells Us about Transportation Policy Priorities



Less than .003% of the U.S. Department of Transportation budget is proposed to be spent on the marine mode. A tiny fraction of that amount was allocated in FY 2010-2011 to starting up and supporting the American Marine Highway program and zero funding is budgeted for the program in FY 2012. Remarkably, America's most underutilized and efficient transportation system asset is barely visible on the Federal funding screen.

Consider these interesting facts from the January 2011 Surface Freight Transportation study by GAO.[1]

- The GAO report estimates that "freight trucking costs that were not passed on to customers were at least 6 times greater than rail costs and at least 9 times greater than waterways costs per million ton miles of freight transport."

- When the GAO study compared the externalities of the three surface modes the waterways mode was found to have a lesser impact in all three categories (air pollution, accidents and congestion) than the other modes. For example, trucking was found to produce over ten times more particulate matter, six times more NOx, and thirteen times more greenhouse gases.

The report makes an important observation. "How governments tax, regulate, and make investment decisions across modes could affect relative freight shipping prices. If government policy results in giving one mode of freight transportation a cost advantage over others—by, for example, ensuring that the wear and tear costs on infrastructure from users are fully recouped in

[1] "A Comparison of the Costs of Road, Rail, and Waterways Freight Shipments That Are Not Passed on to Consumers." (GAO-11-134)

one mode, but not in another mode—then shipping prices and choices made between alternative shipping options could be distorted." Government policy does matter.

This is not to argue against support of the land modes. Indeed it is utterly essential that government, working with the private sector, invest in all transportation infrastructure to the benefit of citizens and business alike. Instead, the GAO report findings take us to ask if marine transportation is so efficient and environmentally friendly why is it not acknowledged for those advantages in transportation policy and program? Why is it not playing a greater role in domestic transportation today?

The country is operating as if still in the mid to late-20th century. Government sponsored interstate highways were constructed and government facilitated highway transportation came into being, making full use of the flexibility and other advantages of trucking. It became the default transportation policy and one that undoubtedly helped spur the economy for decades. Meanwhile domestic marine transportation lost market share and the benefit of some program support.

Today heavy, low-cost cargo remains a principal market for water transportation. The construction of state-of-the-art vessels (tugs, barges and tankers) for that market is strong. However freight continues to ride on the increasingly congested highways. The perennially strong railroad industry was able to develop its successful intermodal service that serves a growing customer list including, notably, trucking. The weakened marine sector, with an aging fleet, lacks such advantage. The fleet of vessels that could re-establish the general cargo aspect of the Marine Highway in the contiguous trade is largely non-existent and the shipyards needed to build the commercial Jones Act fleet have little and no experience in producing modern, competitively priced container and ro/ro ships.

In short, even as parts of the landside transportation system are unable to handle ever increasing demand the coastal marine highway is little used because there are no short sea shipping assets that can operate at the standards of efficiency required today to meet the supply chain economy, tightening emission standards, and connect American ports in the contiguous feeder and interstate trades.

A few points worth remembering:

1. The development and unity of the original 13 colonies was made possible by their common coastline and seaport network.

2. The United States is blessed with the longest coast lines and the most developed navigable river systems in the world as well as a highly developed network of ports.

3. Today more than 90 percent of the American population lives between 100-300 miles from navigable water.

4. The U.S. Marine Highway was the essential interstate commerce route of the past and will be again.

It is time to rethink and refocus our national priorities to include the Missing Mode. We grew at the water's edge and now we must look to the water to help solve the nation's transportation infrastructure crisis. The U.S. Marine Highway holds a key to addressing costly gridlock and its damaging economic and environmental impacts.

One mile of urban highway costs $20,000,000 to $30,000,000 to build. One mile of U.S. Marine Highway can cost as little as $0 to create.

Our highway and bridges cost billions to maintain annually. The marine highway maintenance costs, where required at all, are minimal by comparison.

The trucking industry faces increasing challenges including finding sufficient numbers of qualified drivers to handle present and growing demand. A developed intermodal marine highway not only can serve trucking companies but can enable companies to better utilize their driver and equipment assets where it makes sense.

Coastal Feeder ships built in the United States, manned by U.S. Crews and meeting new emission standards are the Green Trucks of the U.S. Marine Highway

The basic elements of the U.S. Marine Highway exist but it remains our most underutilized national transportation asset. This can and must change.

- We must inform the public that transporting goods over the U.S. Marine Highway is safe and efficient
- We must reintroduce and re-invigorate the American maritime as the modern U.S. Marine Highway
- The modern U.S. Marine Highway will create thousands of new transportation jobs
- We must have and support a vibrant maritime sector including ship building, longshoremen and seafarers.
- We must use the American intracoastal network of ports and build 300-500 coastal container vessels (in addition to ro/ro vessels) to connect the ports to accommodate the growing domestic freight demand and import/export trade requirements for feeder service.
- We must build the ships very soon if U.S.-flag vessels and American hub ports are to take advantage of the shift in international trade to larger vessels. Otherwise, foreign flag ships and nearby foreign ports will take full advantage of the void and the opportunity for new American maritime jobs.

The U.S. Marine Highway was the nation's transportation thoroughfare of the past and will be the highway of our future.

The Missing Transportation Mode is there if you look. It makes good sense to use it.