



2019 Marine Insurance Day Seminar

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MMARAD

U.S. MARITIME ADMINISTRATION



The **SITUATION**

Port Infrastructure Development Program



About MARAD



Marine Highways



Contact Information

MISSION

Strengthen the U.S. maritime transportation system including infrastructure, industry and labor to meet the economic and security needs of the Nation.

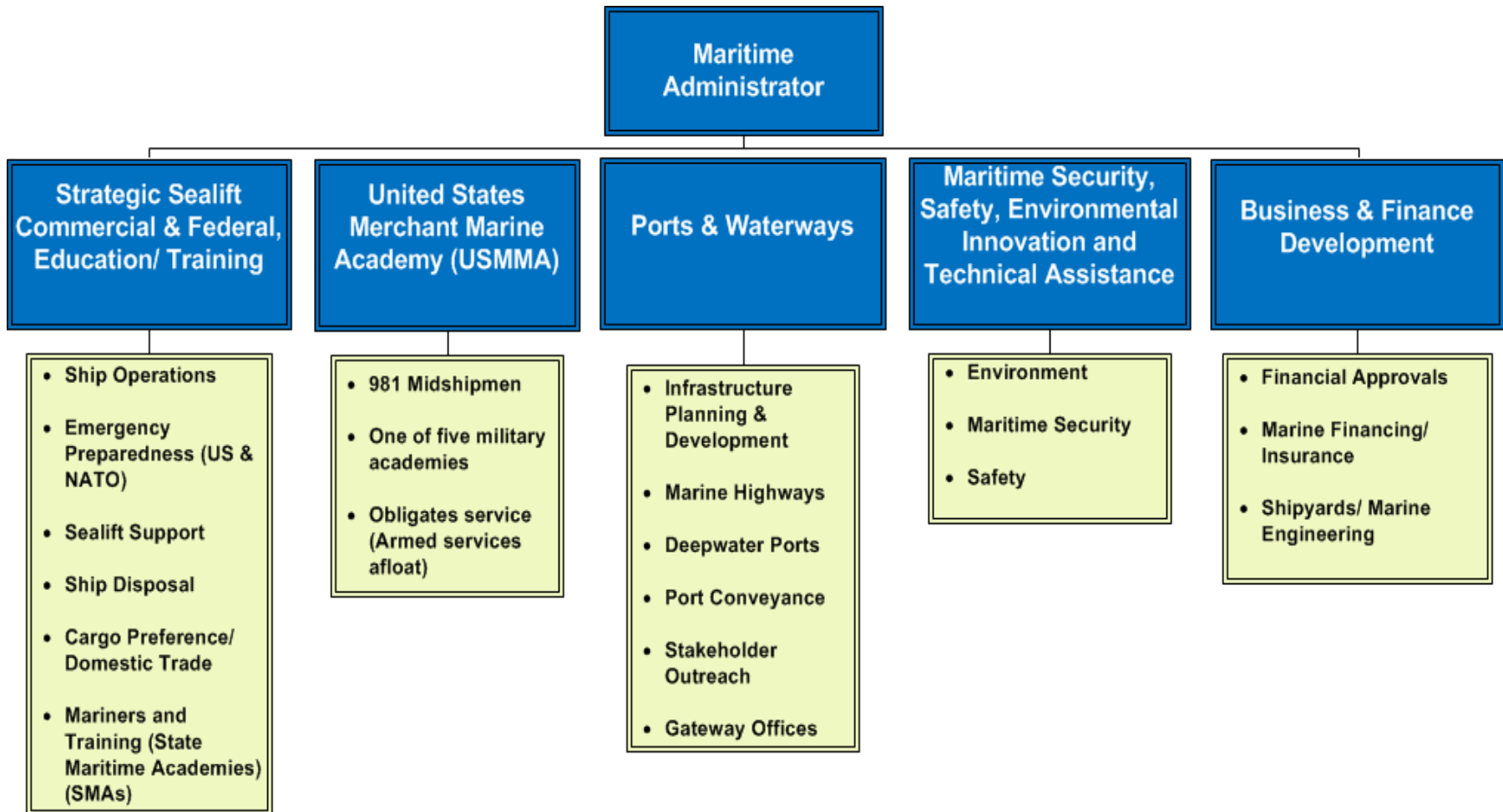
STRATEGIC GOALS

CARGO: Develop domestic and international transportation opportunities to modernize and sustain a competitive commercial U.S.-flag fleet that ensures the Nation's economic and national security

READINESS: Ensure the availability of a capable Merchant Marine fleet with modern U.S.-flag vessels, skilled labor and global logistics support to drive the Nation's economy and to meet national maritime transportation requirements in peacetime emergencies and armed conflicts

INFRASTRUCTURE: Support the development of America's ports, shipyards and related intermodal infrastructure as key integrated components of an efficient, resilient and sustainable national transportation system and freight network

ADVOCACY: Advance awareness of the necessity and importance of a strong U.S. Maritime Transportation System





Department of Transportation
Maritime Administration

1. Largest concentrations of maritime and intermodal activity in the nation.
2. Monitor the commercial activities of the Port of New York and New Jersey and the Boston, as well as all the other ports within the Gateway region.
3. Responsibility for reporting on the commercial activity in the Atlantic and Maritime provinces of Eastern Canada.

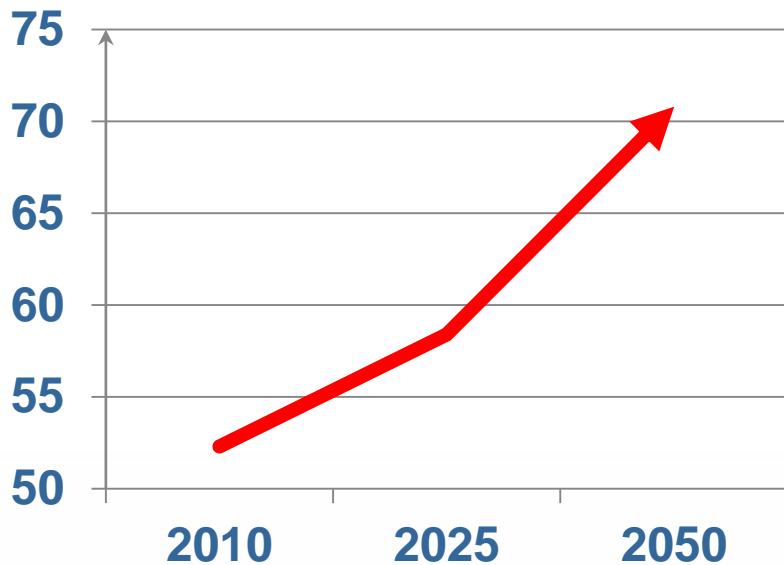
MARITIME ADMINISTRATION GATEWAY OFFICES



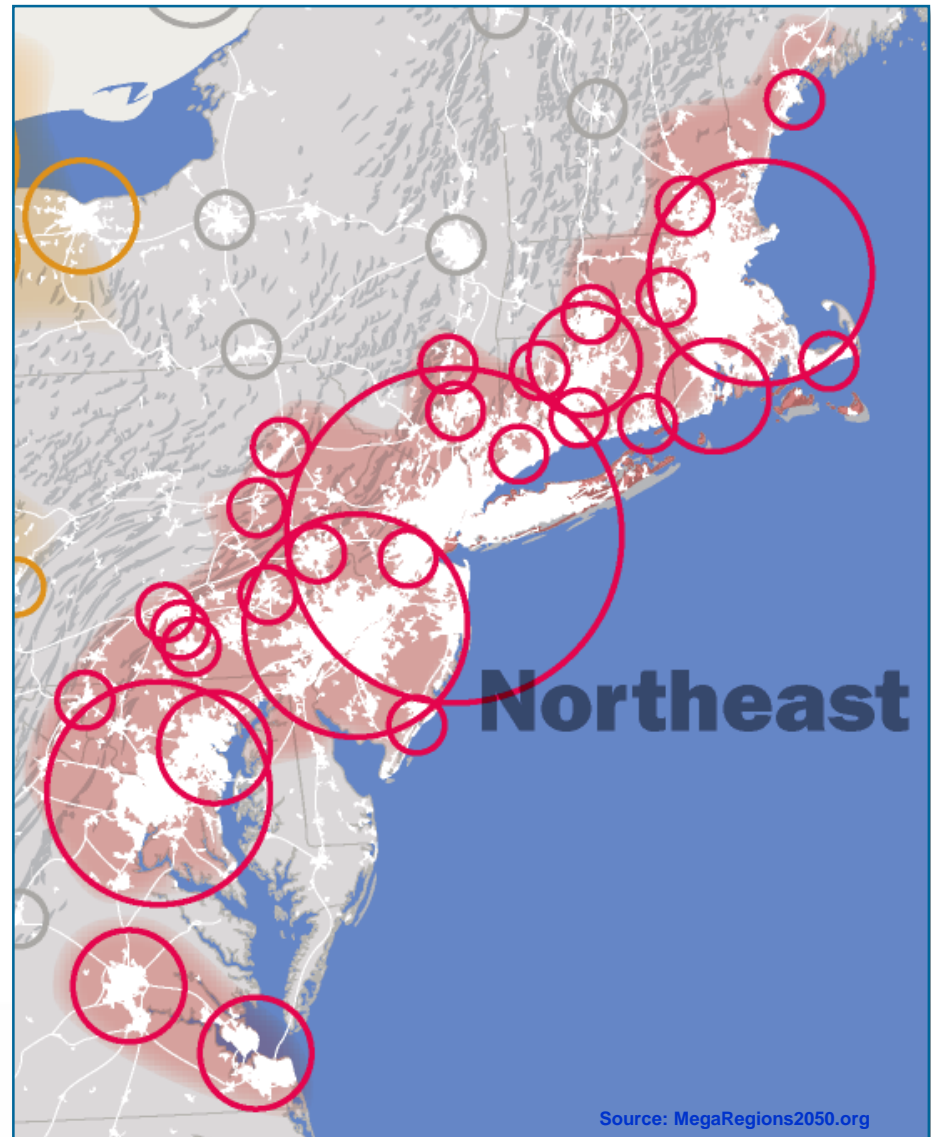
North Atlantic Focus Areas:

- Port Infrastructure Development Program
- America's Marine Highways
- Grant Management
- Stakeholder Outreach
- Inter-Agency Partnerships
- Regional Ocean Planning

- The Northeast is a powerhouse
 - **20%** of the nation's GDP
 - **17%** of the population
 - **2%** of the nation's land area
 - GDP (2010): **\$2.92 trillion**
- Over the next generation, the Northeast will add **17 million new residents.**
- Projected Population Growth (2010 - 2050): **35.2% (18.4 million)**

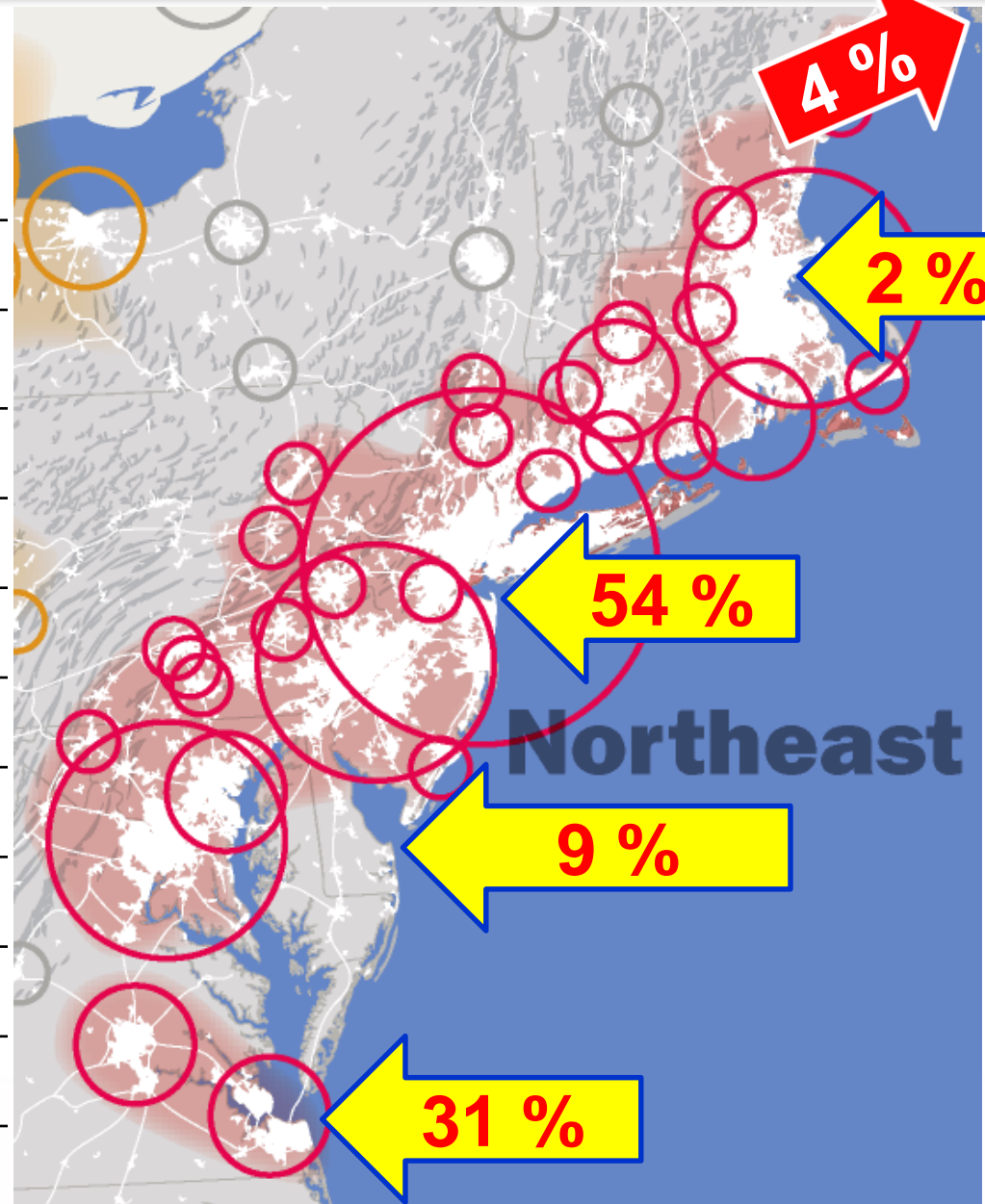


BOSNYWASH, USA



Our Mega Region – Container Volumes 2017

	NAFTA Rank	2017	% of total
PONYNJ	3	6.7 M	54 %
Hampton Roads	7	2.8 M	23 %
Baltimore	20	962 K	8 %
Halifax	23	559 K	4 %
Philadelphia	24	545 K	6 %
Wilmington	27	374 K	3 %
Boston	30	270 K	2 %
St. Johns	42	57 K	1 %
Portland		13.5 K	0.1%
Eastport		< 1 K	.01%
		12.5 M	





America's Marine Highways

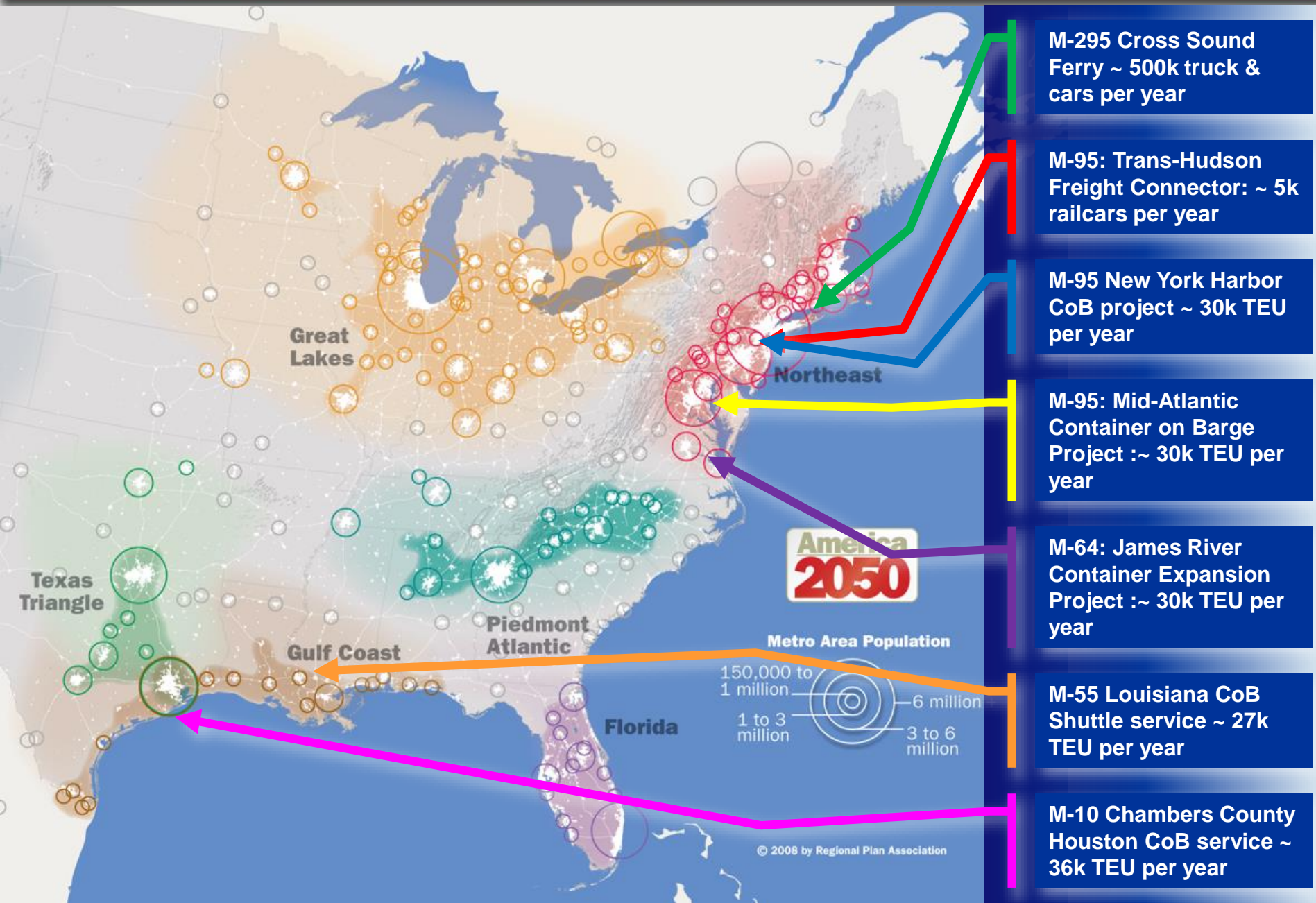
U.S. Department of Transportation

- **The America's Marine Highway Program is a Department of Transportation-led program to expand the use of our Nation's navigable waterways to relieve landside congestion, reduce air emissions, provide new transportation options, and generate other public benefits by increasing the efficiency of the surface transportation system.**
- **The program works with public and private stakeholders to achieve these goals.**
- **MARAD does not regulate, we promote!**

- Creating and sustaining **jobs** in U.S. vessels and in U.S. ports and shipyards;
- Increasing the state of good repair of the U.S. transportation system by **reducing maintenance costs** from wear and tear on roads and bridges;
- **Increasing our nation's economic competitiveness** by adding new, cost-effective freight and passenger transportation capacity;

- **Increasing the environmental sustainability** of the U.S. transportation system by using less energy and reducing air emissions per passenger or ton-mile of freight moved.
- Increasing public **safety and security** by providing alternatives for the movement of hazardous materials outside heavily populated areas;
- Increasing transportation system **resiliency and redundancy** by providing transportation alternatives;
- Increasing **national security** by adding to the nation's strategic sealift resources.

Active Marine Highway Services



Marine Highway Program Statistics

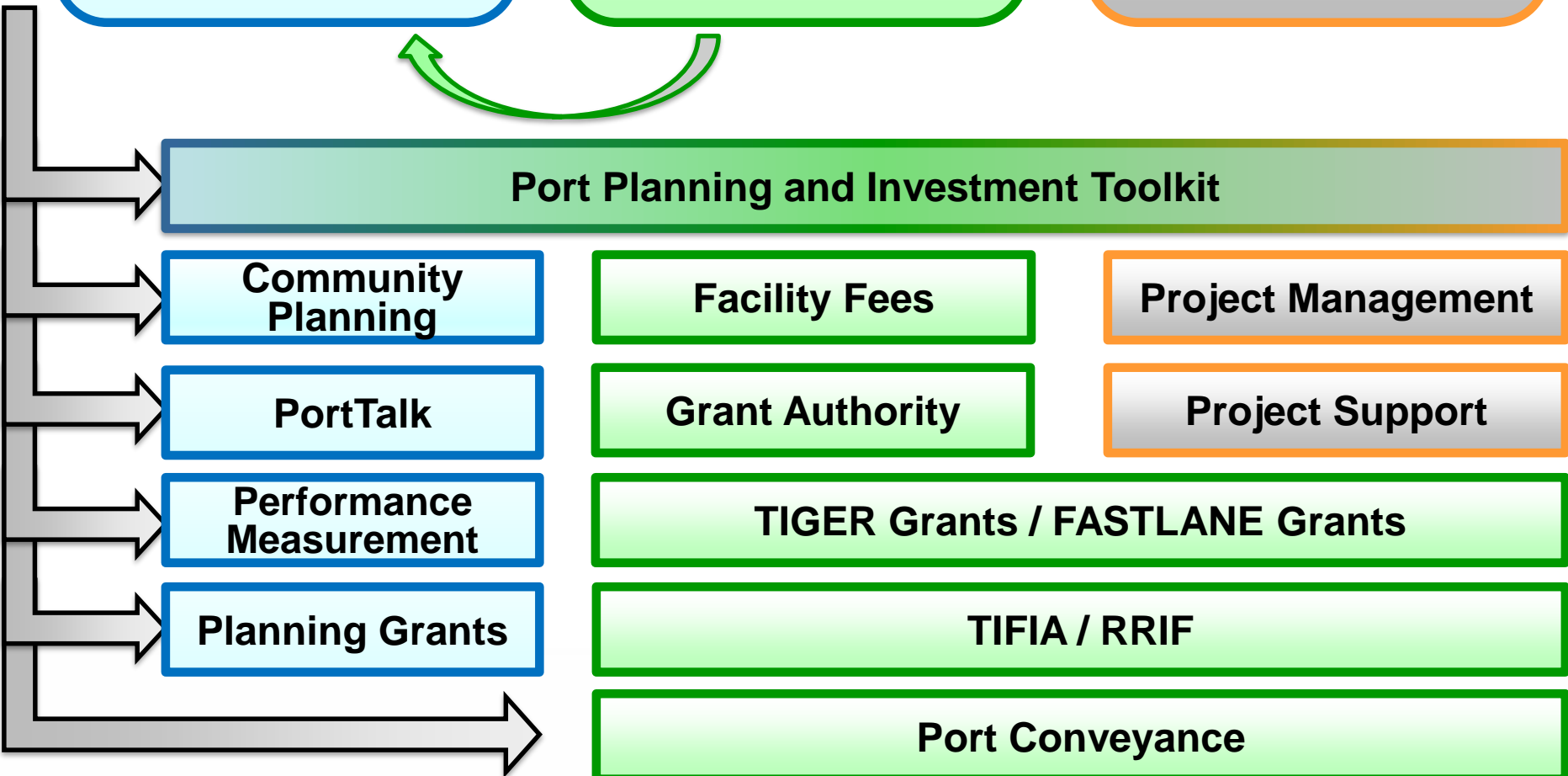
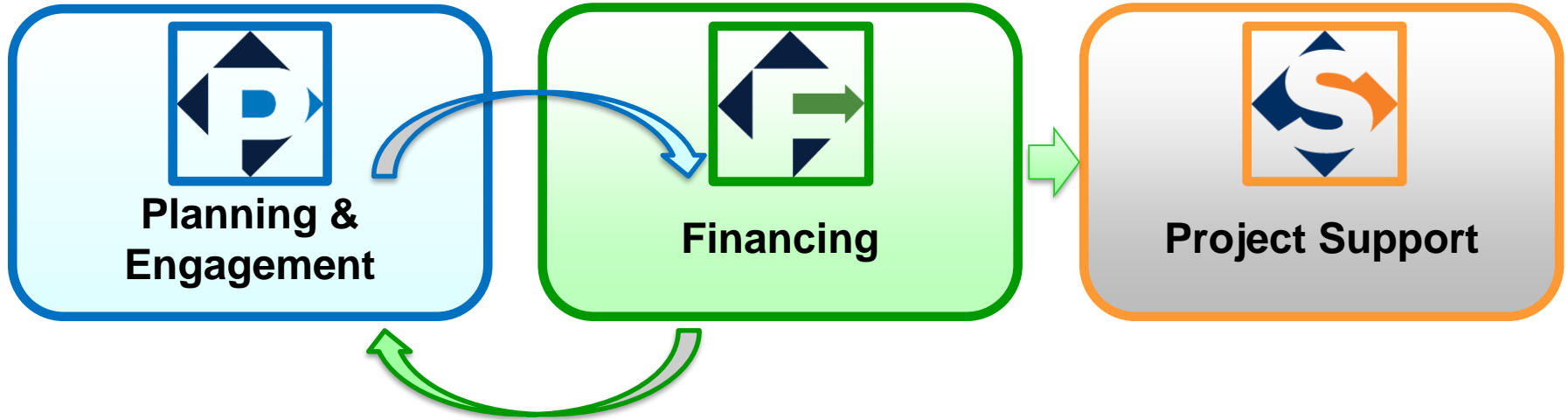
Year	Routes	Project Designation	Grant Apps Received	Grants Approved	Total Funding Requested (Millions)	Program Funding (Millions)	Grants Awarded (Millions)
2010	22	8	4	3	\$9.96	\$7.0	\$6.50
2014	1						
2015		3					
2016		4	10	6	\$8.17	\$5.0	\$4.85
2017	1	4	11	6	\$22.26	\$5.0	\$4.87
2018	1	6	7	3	\$19.62	\$7.0	\$6.79
2019	1	9	13	*	\$35.87	\$7.0	*
Total	26	34	32	15	\$95.88	\$31.0	\$23.01

* Pending Approval by the Secretary



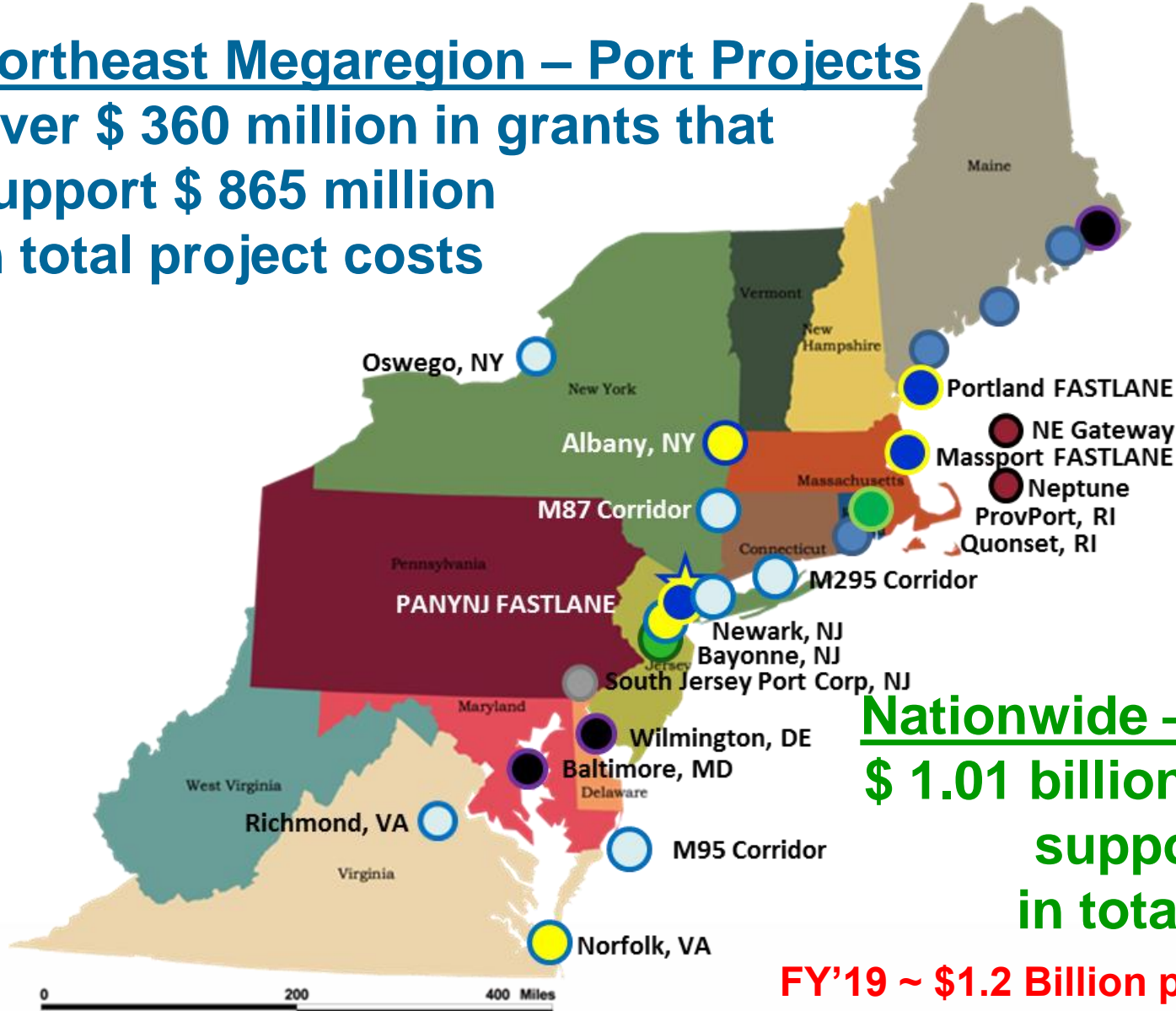
StrongPorts

U.S. Department of Transportation



Northeast Megaregion – Port Projects

Over \$ 360 million in grants that support \$ 865 million in total project costs



Nationwide – Port Projects

\$ 1.01 billion in grants that support \$ 2.1 billion in total project costs

FY'19 ~ \$1.2 Billion pending

■ **BUILD (old name TIGER)**

- \$ 900 Million
- 10% cap for states
- 50% reserved for rural communities

■ **INFRA Infrastructure For Rebuilding America (old name FASTLANE)**

- \$950 million available (deadline March 4, 2019)
- The program will increase the impact of projects by leveraging federal grant funding and incentivizing project sponsors to pursue innovative strategies, including public-private partnerships.
- Large projects > \$ 25 million
- Small projects > \$ 5 million (10% reserved for small projects)
- 2018 - \$ 1.5 billion awarded
 - Packer Avenue Marine Terminal Capacity & Warehouse Relocation Project - Philadelphia Regional Port Authority PA = \$ 25,500,000

■ **New - Port Infrastructure Development Program**

- \$ 292.73 total
- \$ 200 million provided for coastal seaports
- \$ 92.73 million for 15 coastal seaports that handled the greatest number of loaded foreign and domestic 20-foot equivalent units of containerized cargo in 2015

■ **CRISI - Consolidated Rail Infrastructure and Safety Improvements**

- \$ 73 Million
- 25% reserved for rural communities
- 10% for capital projects like:
 - rail line relocation and improvement
 - grade separation projects

■ TIFIA –

- Transportation Infrastructure Finance and Innovation Act (TIFIA) program provides credit assistance for qualified projects of regional and national significance.
 - **Secured (direct) loan** - Offers flexible repayment terms and provides combined construction and permanent financing of capital costs. Maximum term of 35 years from substantial completion. Repayments can start up to five years after substantial completion to allow time for facility construction and ramp-up.
 - **Loan guarantee** - Provides full-faith-and-credit guarantees by the Federal Government and guarantees a borrower's repayments to non-Federal lender. Loan repayments to lender must commence no later than five years after substantial completion of project.
 - **Standby line of credit** - Represents a secondary source of funding in the form of a contingent Federal loan to supplement project revenues, if needed, during the first 10 years of project operations, available up to 10 years after substantial completion of project.

■ RRIF - Railroad Rehabilitation & Improvement Financing

- Direct loans and loan guarantees up to \$35.0 billion to finance development of railroad infrastructure. Not less than \$7.0 billion is reserved for projects benefiting freight railroads other than Class I carriers.
- The funding may be used to:
 - Acquire, improve, or rehabilitate intermodal or rail equipment or facilities, including track, components of track, bridges, yards, buildings and shops, and including the installation of positive train control systems;
 - Develop or establish new intermodal or railroad facilities;
 - Reimburse planning and design expenses relating to activities listed above;
 - Refinance outstanding debt incurred for the purposes listed above; and
 - Finance transit-oriented development (credit assistance only available until December 4, 2019).
- Direct loans can fund up to 100% of a railroad project with repayment periods of up to 35 years and interest rates equal to the cost of borrowing to the government.

■ PABs - Private Activity Bonds

- SAFETEA-LU amended Section 142 of the Internal Revenue Code to add highway and freight transfer facilities to the types of privately developed and operated projects for which private activity bonds (PABs) may be issued.
- Qualified Highway or Surface Freight Transfer Facilities include:
 - Any surface transportation project which receives Federal assistance under Title 23, United States Code (as in effect on August 10, 2005, the date of the enactment of section 142(m))
 - Any project for an international bridge or tunnel for which an international entity authorized under Federal or State law is responsible and which receives Federal assistance under Title 23, United States Code (as so in effect)
 - Any facility for the transfer of freight from truck to rail or rail to truck (including any temporary storage facilities directly related to such transfers) which receives Federal assistance under Title 23 or Title 49.
 - Examples of facilities for the transfer of freight from truck to rail or rail to truck include cranes, loading docks and computer-controlled equipment that are integral to such freight transfers. Examples of facilities that are not freight transfer facilities include lodging, retail, industrial or manufacturing facilities.

- **MARAD's Port Infrastructure Development Program team provides Technical assistance to:**
 - **State:** Operational review of port terminal agreements overseas
 - **Treasury:** CFIUS enquiries / CPB issues at ports
 - **Homeland Security:** Port Security Grants / Port Security issues, offshore licensing
 - **ONI / CIA:** International port related issues
 - **Defense:** Analysis of intermodal connector construction plans that may impact planned ops at Strategic Ports
 - **Army Corps of Engineers:** Regional projects of mutual interest.
 - **EPA:** Port programs to reduce environmental impacts of operations



Port Planning & Investment Toolkit

A Maritime Industry Joint Venture

U.S. Department of Transportation

A Collection of Investment Plan Best Practices and Tools, Developed by industry experts under a cooperative agreement between AAPA and the Maritime Administration



PortTalk

A Regional Maritime Collaboration

U.S. Department of Transportation

Working with State Departments of Transportation, Metropolitan Planning Organizations, and ports to include water transportation in State freight and passenger transportation plan



Port Planning & Investment Toolkit

A Maritime Industry Joint Venture

U.S. Department of Transportation

A joint venture between AAPA, a working group of 57 industry expert volunteers, and the Maritime Administration.

Toolkit will help ports obtain funding by developing investment grade plans that:

- **Clearly identify future port needs;**
- **Determine the most cost-effective, sustainable and efficient solutions to port problems; and**
- **Get port infrastructure projects into MPO and state transportation programs in order to receive formula funding;**
- **Position port projects for federal funding such as TIGER grants; and**
- **Assist ports in obtaining private sector investment funds.**



A facilitated day-long session to foster dialogue and develop regional maritime transportation plans

Target participants include State Departments of Transportation, MPOs, Economic Development Corporations, and Port Authorities

PortTalk Outcomes:

- **Identify resources and programs to help build, modernize and expand maritime transportation assets**
- **Spotlight maritime transportation's role in regional transportation system planning**
- **Gain understanding of freight system plans to 2025**
- **Generate innovative solutions to environmental and logistics challenges**

Questions ?

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