

**APPLICATION PROCESS FOR PROJECT DESIGNATION UNDER THE
AMERICA'S MARINE HIGHWAY PROGRAM
46 CFR 393.4**

(e) Application for Designation as a Marine Highway Project. This section specifies the criteria that the Department will use to evaluate Marine Highway Project applications.

Applicants should provide the following:

(1) Applications for Proposed Projects. When responding to specific solicitations for Marine Highway Projects by the Department, describe the overall operation of the proposed project, including 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.

Applicants should also include the following information in their project applications:

(i) Marine Highway Corridor(s). Identify which, if known, designated Marine Highway Corridors, Connectors or Crossings will be utilized.

(ii) Organization. Provide the organizational structure of the proposed project, including business affiliations, environmental, non-profit organizations and governmental or private sector stakeholders.

(iii) Partnerships.

(A) Private Sector participation. Identify private sector partners and describe their levels of commitment. Private sector partners can include terminals, vessel operators, shipyards, shippers, trucking companies, railroads, third-party logistics providers, shipping lines, labor, workforce and other entities deemed appropriate by the Secretary.

(B) Public Sector partners. Identify State Departments of Transportation, Metropolitan Planning Organizations, municipalities and other governmental entities (including tribal) that have been engaged and the extent to which they support the service. Include any affiliations with environmental groups or civic associations.

(C) Documentation. Provide documents affirming commitment or support from entities involved in the project.

(iv) External cost savings and public benefit.

(A) Potential relief to surface transportation travel delays. Describe the extent to which the proposed project will relieve landside congestion in measurable terms now and in the future, such as reductions in vehicle miles traveled. Include the landside routes that stand to benefit from the water transportation operation.

(B) Emissions benefits. Address the savings, in quantifiable terms, now and in the future over the current practice in emissions, including greenhouse gas emissions, criteria air pollutants or other environmental benefits the project offers.

(C) Energy savings. Provide an analysis of potential reductions in energy consumption, in quantifiable terms, now and in the future over the current practice.

(D) Landside transportation infrastructure maintenance savings. To the extent the data is available, indicate, in dollars per year, the projected savings of public funds that would result from a proposed project in road or railroad maintenance or repair, including pavement, bridges, tunnels or related transportation infrastructure. Include the impacts of accelerated infrastructure deterioration caused by vehicles currently using the route, especially in cases of oversize or overweight vehicles.

(E) Safety improvements. Describe, in measurable terms, the projected safety improvements that would result from the proposed operation.

(F) System resiliency and redundancy. To the extent data is available describe, if applicable, how a proposed Marine Highway Project offers a resilient route or service that can benefit the public. Where land transportation routes serving a locale or region are limited, describe how a

proposed project offers an alternative and the benefit this could offer when other routes are interrupted as a result of natural or man-made incidents.

(v) Capacity Alternatives. In cases where a Marine Highway Project is proposed as an alternative to constructing new land transportation capacity, indicate, in quantifiable terms, whether the proposed project represents the most cost-beneficial option among other modal improvements. Include in the comparison an analysis of the full range of benefits expected from the project. Include the projected savings in life-cycle costs of publicly maintained infrastructure.

(vi) Business Planning. Indicate the degree to which the proposed project is associated with a service that is self-supporting:

(A) Financial plan. Provide the project's financial plan and provide projected revenues and expenses. Include labor and operating costs, drayage, fixed and recurring infrastructure and maintenance costs, vessel or equipment acquisition or construction costs, etc. Include any anticipated changes in local or regional freight or passenger transportation, policy or regulations, ports, industry, corridors, or other developments affecting the project.

(B) Demand for services 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 engaged. In the case of services involving passengers, provide indicators of demand for the service, anticipated volumes and other factors that indicate likely utilization of the service. Include a marketing strategy, if one is in place.

(C) Analysis. Provide, (or reference, if publicly available) market or transportation system research, data, and analysis used to develop or support the business model.

(vii) Proposed Project Timeline. 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).

(viii) Support. Describe any known or anticipated obstacles to either implementation or long-term success of the project. Include any strategies, either in place or proposed, to mitigate impediments. In the event that public sector financial support is being sought, describe the amount, form and duration of public investment required.

(ix) Environmental Considerations. Applicants must provide all information on hand that would assist the Department in conducting environmental analysis of the proposed project under the National Environmental Policy Act of 1969 (NEPA) (42 U.S.C. 4321 *et seq.*)

(2) Cost and Benefits. The Department believes that benefit-cost analysis (BCA), including the monetization and discounting of costs and benefits to a common unit of measurement in present-day dollars, is important. The systematic process of comparing expected benefits and costs helps decision-makers organize information about, and evaluate trade-offs between alternative transportation investments. However, we also recognize that development of a thorough BCA can be prohibitively costly to applicants, especially in cases where Federal funding is not currently available. Applicants should provide a BCA, if one is available. At a minimum, applicants should provide estimates of the project's expected benefits in external cost savings and public benefit and costs of capacity alternatives [sections 393.4(e)(1)(iv) and 393.4(e)(1)(v)].

(3) Standards and Measures. The Department will post, on the Maritime Administration's web site, (www.marad.dot.gov) proposed standards (i.e.: the definition and use of ton-miles, measures of landside congestion, etc.) and measures that, lacking more specific or technically supported

applicant-provided data, will be used by the Department to evaluate applications. Some examples of measures are the use of a standard cargo tonnage per container, fuel consumption rates, vehicle emissions and safety data for various transportation options, and baseline maintenance, repair and construction costs for surface transportation infrastructure. While we recognize that these standards and measures may not be ideal, the intent is to establish a minimal baseline by which to evaluate external costs and public benefits of transportation options. In the event applicants provide more specific and supported measures, they will be used in evaluating the potential benefits and costs of a project.

(4) Protection of Confidential Business Information. All information submitted as part of or in support of an application shall use publicly available data or data that can be made public and methodologies that are accepted by industry practice and standards, to the extent possible. If your application includes information that you consider to be trade secret or confidential commercial or financial information, please do the following:

(i) Note on the front cover that the submission “Contains Confidential Business Information (CBI);”

(ii) Mark each affected page “CBI;” and

(iii) Clearly highlight or otherwise denote the CBI portions. The Department protects such information from disclosure to the extent allowed under applicable law. In the event the Department receives a Freedom of Information Act (FOIA) request for the information, the Department will follow the procedures described in its FOIA regulations at 49 CFR § 7.17. Only information that is ultimately determined to be confidential under that procedure will be exempt from disclosure under FOIA.

(5) Contents of Application. When responding to specific solicitations for Marine Highway

Projects by the Department, applicants should include all of the information requested by Section 393.4(e)(1) and (2) above organized in a manner consistent with the elements set forth in that section. The Department reserves the right to ask any applicant to supplement the data in its application, but expects applications to be complete upon submission. The narrative portion of an application should not exceed 20 pages in length. The narrative should address all relevant information contained in paragraphs (e)(1)(i) through (ix) of § 393.4. Documentation supporting the assertions made in the narrative portion may also be provided in the form of appendices, but limited to relevant information. Applications may be submitted electronically via the Federal Register (www.regulations.gov). Applications submitted in writing must include the original and three copies and must be on 8.5” x 11” single spaced paper, excluding maps, Geographic Information Systems (GIS) representations, etc. In the event that the sponsor of a Marine Highway Project that has already been designated by the Secretary seeks a modification to the designation because of a change in project scope, an expansion of the project, or other significant change to the project, the project sponsor should request the change in writing to the Secretary via the Administrator of the Maritime Administration. The request should contain any changed or new information that is relevant to the project.

FOR FURTHER INFORMATION CONTACT: Michael Gordon, Office of Intermodal System Development, Marine Highways and Passenger Services, at (202) 366-5468, via e-mail at michael.gordon@dot.gov , or by writing to the Office of Marine Highways and Passenger Services, MAR-520, Suite W21-315, 1200 New Jersey Avenue, SE, Washington, DC 20590.