



August 20, 2010

Legislation

Congressional August Recess. Congress is currently in recess until the week of September 13. The target adjournment for the current 111th Congress is Friday, October 8.

Department of Transportation

U.S. Transportation Secretary LaHood Announces Corridors, Projects and Initiatives Eligible for Funding as Part of *America's Marine Highway*. Just four months after unveiling the *America's Marine Highway* Program, a new initiative to move more cargo on the water rather than on crowded highways, U.S. Transportation Secretary Ray LaHood announced on August 13 his selection of marine highway corridors and an initial eight projects and six initiatives along the corridors that will be eligible for federal assistance under the program.

The Department's Maritime Administration chose the projects and initiatives from 35 applications submitted by ports and local transportation agencies.

"Making better use of our rivers and coastal routes offers an intelligent way to relieve some of the biggest challenges we face in transportation – congestion on our roads, climate change, fossil fuel energy use and soaring road maintenance costs," said Secretary LaHood. "There is no better time for us to improve the use of our rivers and coasts for transportation."

The selected corridors are along the West, East and Gulf Coasts, the Great Lakes and many of America's inland waterways. The Maritime Administration will assist the project sponsors in developing marine transportation services and with identifying potential freight and passenger markets. The designated projects are also eligible to compete for future Marine Highway federal funding, including \$7 million in initial funding being made available today.

"These projects will help make better use of America's Marine Highway by reducing gridlock, improving the environment, and putting skilled mariners and shipbuilders to work," said David Matsuda, Maritime Administrator.

The selected projects include:

Cross Sound Enhancements Project (Connecticut Department of Transportation): this project will improve ferry capacity and reduce environmental impacts by upgrades to three

passenger vehicle/ferries operating between New London, CT, and Orient Point in Long Island, NY.

New England Marine Highway Expansion Project (Maine Department of Transportation): this project will expand an existing container-on-barge service operating between Newark, NJ, Boston, MA, and Portland, ME. Service capacity and reliability will be improved by the addition of a more seaworthy vessel in the service.

Cross Gulf Container Expansion (Ports of Manatee, FL, and Brownsville, TX): will expand an existing container-on-barge operation by increasing the frequency and capacity of the service between Brownsville, TX, and Port Manatee, FL, across the Gulf of Mexico.

Tenn-Tom Waterway Pilot Project (Port Itawamba, MS): this project involves a new container-on-barge service between the Port of Itawamba, MS, on the Tennessee-Tombigbee Waterway and the Port of Mobile, AL, to function as the inland leg of a new route between deep draft Gulf Coast container terminals and manufacturing centers near Port Itawamba.

Gulf Atlantic Marine Highway Project (South Carolina State Ports Authority and Port of Galveston, TX): this project is intended to transport containerized freight between Gulf, Mid-Atlantic and South Atlantic coastal ports on a modern fleet of U.S. flag vessels.

Detroit-Wayne County Ferry (Detroit/Wayne County Port Authority): this project will develop a cross-border passenger service between Detroit, MI, and Windsor, Ontario, Canada, focusing on transporting commuters.

Trans-Hudson Rail Service (Port Authority of New York & New Jersey): this project proposes to expand the quality and capacity of an ongoing cross-harbor rail float service operating between the Greenville Rail Terminal in Jersey City, NJ, and Brooklyn, NY.

James River Container Expansion (Virginia Port Authority): this project will expand an existing container-on-barge service between the Hampton Roads region of Virginia and Richmond, VA, by increasing frequency of service and starting a new inter-terminal barge service in Hampton Roads.

In addition to the America's Marine Highways project designations, Secretary LaHood also identified six initiatives eligible to apply for federal funding for further development of concepts:

Hudson River Food Corridor Initiative (New York City Soil & Water Conservation District): this initiative will evaluate the feasibility of an alternate means of transporting fresh produce from agricultural regions in North-Central New York near the Hudson River and Long Island to the New York-Newark Metropolitan Area via water.

New Jersey Marine Highway Initiative (New Jersey Department of Transportation): this initiative will assess the feasibility and opportunities to develop a network of Marine Highway services within New Jersey and between New Jersey and ports in New York, Massachusetts, Rhode Island, Connecticut, Maryland and Virginia.

East Coast Marine Highway Initiative (Ports of New Bedford, MA, Baltimore, MD, and Canaveral, FL): this initiative proposes to develop a Marine Highway service utilizing a fleet of existing and new-build U.S. flag vessels to transport both international containers and trailers to

destinations along the I-95 Corridor. The initiative includes the ports of New Bedford, MA, Baltimore, MD and Canaveral, FL, with others to be added where feasible.

West Coast Hub-Feeder Initiative (Humboldt Bay Harbor, Recreation and Conservation District): this initiative will examine the feasibility of an intermodal distribution network served by a Marine Highway service along the coastlines of the states of Washington, Oregon and California.

Golden State Marine Highway Initiative (Ports of Redwood City, Hueneme and San Diego; and the Humboldt Bay Harbor, Recreation and Conservation District): this initiative is a joint effort by four California ports to improve the efficiency of freight movement by developing a service linking California's ports to form a 1,100-mile Marine Highway along the west coast.

Illinois-Gulf Marine Highway Initiative (Heart of Illinois Regional Port District): this initiative will examine opportunities for a Marine Highway service to support Midwest industrial production and operating between U.S. Gulf Coast seaports and Peoria, IL, via the Mississippi and Illinois Rivers.

To date, the Department has awarded \$58 million in grants for projects to support the start-up or expansion of Marine Highways services. The Maritime Administration is making available up to \$7 million in additional funding for designated projects. Applications are due August 27, 2010. For more information about the Marine Highway initiative, and details on individual corridor and project designations, visit www.marad.dot.gov.

Surface Transportation Board

STB sends end of year peak season letters to railroads. As it has done the past several years, the Surface Transportation Board (STB) has requested the rail industry to provide an assessment of its ability to meet end of the year business demands for U.S. rail service.

In his August 9th letter to the nation's seven Class 1 railroads and the American Short Line and Regional Railroad Association, Chairman Daniel Elliott requested that railroads provide information on their service plans for the remainder of 2010, including:

- The actions which the railroad will take to prepare for the end of the year shipping season. In particular, the letter requests specific references to agriculture, coal, and intermodal.
- An account of the investments made in freight service enhancements during the past year.
- An update on positive train control implementation.
- Information on the extent to which railroads have been affected by adverse weather during the year.
- The railroad's plans for achieving their goals.

The letter requests the rail industry to provide their responses by September 15, 2010. The STB will make the responses public.

STB seeks comments on mediation and arbitration. The Surface Transportation Board (STB) is seeking comments on matters relating to the use of mediation and arbitration as effective means of resolving disputes that are subject to the STB's jurisdiction. Depending upon the STB's assessment of the comments received, the STB may propose revisions to its current rules or propose new rules in order to encourage the use of mediation and arbitration in the resolution of disputes. If so, the proposed changes or new rules would be published and made available for review and comment in a subsequent notice.

Comments are due on October 25, 2010.

Comments may be submitted either via the STB's e-filing format or in the traditional paper format. Any person using e-filing should attach a document and otherwise comply with the instructions at the E-FILING link on the STB's website, at <http://www.stb.dot.gov>. Any person submitting a filing in the traditional paper format should send an original and 10 copies to: Surface Transportation Board, Attn: Docket No. EP 699, 395 E Street, S.W., Washington, DC 20423-0001. Copies of written comments will be available for viewing and self-copying at the Board's Public Docket Room, Room 131, and will be posted to the Board's website.