

February 5, 2009

Docket Management Facility  
U.S. Department of Transportation  
1200 New Jersey Avenue, SE  
Room PL-401  
Washington, D.C. 20590-0001



### **Comments on Docket No. MARAD-2008-0096 “America’s Marine Highway Program”**

On behalf of the Pacific Northwest Waterways Association, I would like to thank you for the opportunity to comment on the America’s Marine Highway Program Interim Final Rule.

PNWA is a non-profit 501(c)6 that advocates for federal policies and funding in support of regional economic development. We represent multiple industries in the public and private sectors in Oregon, Washington, Idaho, and California. Members include public ports, navigation, transportation, international trade, tourism, agriculture, forest products, energy and local government interests. Since our founding in 1934, PNWA led the way for development of economic infrastructure for navigation, electric power and irrigated agriculture on the Columbia and Snake River System. In 1971, we expanded, adding Puget Sound and coastal port members to provide a comprehensive regional perspective. Today, PNWA works with the U.S. Congress, federal agencies and regional decision leaders on transportation, trade, tourism, energy and environmental policy to enhance economic vitality in the Pacific Northwest.

PNWA’s membership is pleased that MARAD has developed the America’s Marine Highway Program. The focus on short sea shipping as part of a Marine Highway Program, designated Marine Highway Corridors, and supported Marine Highway Projects is long overdue.

In establishing the America’s Marine Highway Program, PNWA recommends:

- Designation of a Marine Highway Corridor for the U.S. West Coast in its entirety. This interstate route has already been designated a “Corridor of the Future” by the Department of Transportation in 2007.
- Designation of a Marine Highway Corridor for the Columbia Snake River System (see attached fact sheet and MTS study).
- MARAD should be the lead agency for all elements of the America’s Marine Highway Program. In reviewing the application requirements for

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Marine Highway Corridor designation and Marine Highway Project designation, it appears the research involved could be quite onerous for entities that do not have dedicated research staffs. Some Corridors, like the two we have suggested above, are obvious and should receive designation whether a sponsoring entity makes application or not.

- Inclusion of the Marine Highway Program, including Marine Highway Corridors and funding for Marine Highway Projects, in the next Surface Transportation reauthorization bill.
- Eliminate the collection of Harbor Maintenance Tax on domestic coastwise short sea shipping of cargo.
- We encourage MARAD to recognize the role of small and medium sized ports in alleviating congestion on the nation's highways. We recommend that the Marine Corridor designation criteria include both large and small ports and harbors as access and distribution points.
- We encourage MARAD to include bulk shipments in its consideration of cargo that is important to move to water transportation. The description of the program places emphasis on containerized cargo that is loaded by crane or wheeled technology. Bulk shipments make up an important part of the cargo that is domestically shipped, and it is just as critical to study as containerized cargo.

We appreciate the opportunity to comment on the America's Marine Highway Program. PNWA and its members look forward to partnering with MARAD as this program moves forward.

Sincerely,



Glenn Vanselow  
Executive Director

CC: Mr. Roger Bohnert, MARAD  
Mr. Michael Gordon, MARAD  
Mr. Randy Rogers, MARAD

Attachments:

- PNWA Membership
- Columbia Snake River System fact sheet
- Columbia/Snake River System and Oregon Coastal Cargo Ports Marine Transportation System Study (Executive Summary)



## PNWA Member Directory

Alaska Assoc. of Port Managers & Harbormasters  
Anderson-Perry & Associates, Inc.  
Ball Janik LLP  
Bell Buoy Crab Co.  
Benton County PUD #1  
BST Associates  
Central Washington Grain Growers, Inc.  
CH2M Hill  
Clark Public Utilities  
Columbia Basin Development League  
Columbia County Grain Growers, Inc.  
Columbia River Bar Pilots  
Columbia River Pilots  
Columbia River Steamship Operators Assoc.  
Cowlitz County Board of Commissioners  
David B. Barrows Environmental Consulting  
Dutra Group  
East Columbia Basin Irrigation District  
Foss Maritime Company  
Office of Peter Friedmann  
Gallatin Group  
Gordon Thomas Honeywell Gov't. Affairs  
Great Lakes Dredge & Dock  
Harris Group Inc.  
ID Wheat Commission  
Jan T. Fancher, CPA, PLLC  
Jefferson Government Relations  
Kalama Export Company  
K&L Gates  
Kennedy Jenks Consultants  
Kleinfelder, Inc.  
KPF Engineers  
Lampson International, LLC  
Lewis-Clark Terminal Association  
Longview Fibre Company  
Manson Construction  
Maul Foster & Alongi, Inc.  
McGregor Company  
Moffatt & Nichol  
Northwest Grain Growers, Inc.  
Northern Star Natural Gas  
OR Economic & Community  
Development Department (OECD)  
Oregon Int'l Port of Coos Bay  
OR Wheat Growers League  
Pacific International Engineering (PIE)  
PB Ports & Marine, Inc.  
PNGC Power  
Pomeroy Grain Growers  
Port of Anacortes  
Port of Benton  
Port of Camas-Washougal  
Port of Cascade Locks  
Port of Chelan County

Port of Chinook  
Port of Clarkston  
Port of Columbia  
Port of Garibaldi  
Port of Hood River  
Port of Humboldt Bay  
Port of Ilwaco  
Port of Kalama  
Port of Kennewick  
Port of Klickitat  
Port of Lewiston  
Port of Longview  
Port of Mattawa  
Port of Morrow  
Port of Newport  
Port of Pasco  
Port of Port Angeles  
Port of Portland  
Port of Ridgefield  
Port of Royal Slope  
Port of Seattle  
Port of Siuslaw  
Port of Skagit County  
Port of St. Helens  
Port of Sunnyside  
Port of Tacoma  
Port of Toledo  
Port of Umatilla  
Port of Umpqua  
Port of Vancouver  
Port of Walla Walla  
Port of Whitman County  
Port of Woodland  
Potlatch Corporation  
Presnell, Gage & Company  
The Research Group  
RETEC Group  
Schwabe, Williamson & Wyatt  
Seattle Public Utilities  
Shaver Transportation Company  
Stoel Rives LLP  
Teevin Brothers  
Tidewater Barge Lines  
Ukiah Engineering Inc. (UEI)  
USA Dry Pea & Lentil Council  
WA Association of Wheat Growers  
WA Public Ports Association  
WA State Office of Trade and Economic  
Development (CTED)  
WA State Potato Commission  
WA Wheat Commission  
Weyerhaeuser Company  
Whitman County Growers  
Wildlands, Inc.

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# Columbia Snake River System Facts



Navigation is the lowest cost, least polluting form of transportation



## Deep Draft Channel Facts:

- 110 miles, 40 feet deep
- Currently being deepened to 43 feet
- 40 million tons of cargo each year
- \$16 billion in cargo value for 2004
- 40,000 local jobs are dependent on this trade

## Inland Navigation Facts:

- 365 miles, 14 feet deep, from Portland/Vancouver to Lewiston, Idaho
- 10 million tons of commercial cargo each year
- \$1.5-2 billion value annually
- Half of all Columbia River wheat exports arrive by barge

## Tourism Facts:

- 15,000 passengers per year on day trips, dinner cruises, and overnight journeys
- \$15-20 million revenue for local economies

## Columbia Snake River Highlights

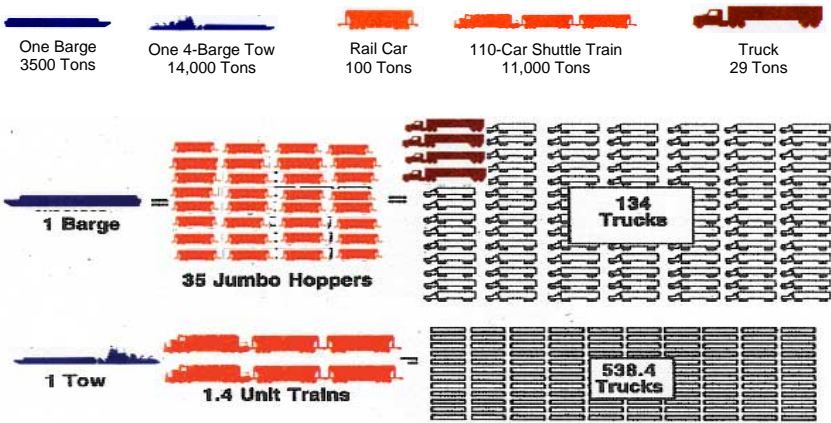
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- #1 U.S. wheat export gateway
- #1 U.S. barley export gateway
- #1 West Coast paper and paper product exports
- #1 West Coast mineral bulk exports
- #1 West Coast auto imports

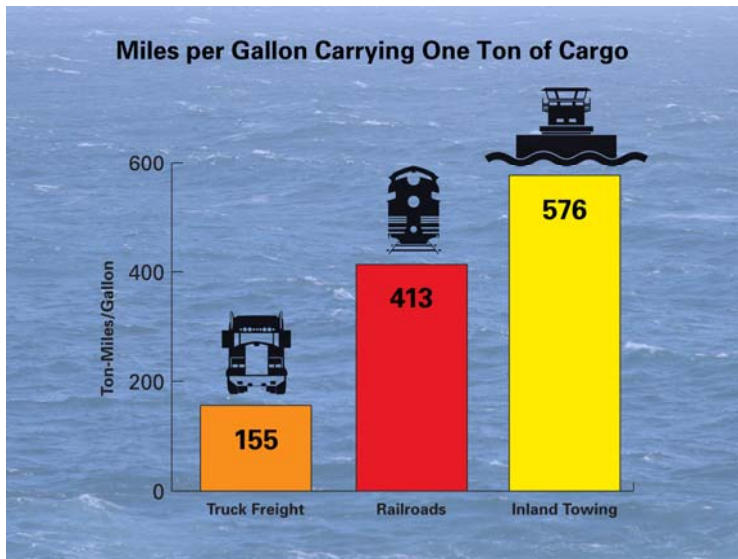
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Each year, barging keeps 700,000 trucks off the highways that run through the sensitive airshed of the Columbia River Gorge

## Freight Comparison of Barges, Trains and Trucks on the CSRS



One 60,000 ton Panamax vessel = 4 - 5 barge tows = 600 rail cars = 2,400 semi-trucks



Barges can carry more freight, and are the most fuel efficient mode of transportation

Source: U.S. Maritime Administration



Source: Texas Transportation Institute, Texas A&M University, for the U.S. Maritime Administration

### Idaho

Idaho exported \$847.3 million in agricultural products in 2003; most of this product left the U.S. via the Columbia River. Over 70% of Idaho's wheat is exported, mostly through the Columbia River. In addition, 30-40% of the barley and 50-60% of the peas/lentils grown in Idaho are exported via the Columbia River.

About 7,000 - 10,000 containers are exported through the Port of Lewiston by barge each year. Additional containers carrying export cargo are trucked to Columbia River ports. Once again, these facts prove the Columbia River is a critical part of the nation's transportation system.

### Montana

The Lower Columbia River is the most direct and economical gateway for Montana wheat exports. Of the 134.6 million bushels of wheat produced in Montana in 2004, 72.9 million were exported through the Columbia Snake River System to Asia. At least 99% of wheat exported from Montana through the Pacific Northwest is transported through the river system.

According to the Montana Department of Commerce "2004 State of Montana Export Summary," bulk shipments of wheat led all Montana export commodities. In addition to wheat, 1.56 million bushels of Montana grown barley were exported via the Columbia Snake River System in 2004.

### Oregon

The Oregon wheat industry depends largely on the Columbia Snake River System to carry its product to market. Over 85% of Oregon wheat is exported, largely to Pacific Rim countries. River transport of bulk commodities like wheat, is the most effective way to move product to the ports.

In 2004, of all product exported through the Port of Portland, 46% was wheat. 13.5 million tons of wheat were exported through Columbia River ports last year.

More than 3 million tons of petroleum products are received at terminals in Portland each year. Approximately half of that volume is barged upriver to inland ports.

### Washington

According to the 2004 State of Washington Marine Cargo Forecast, the total volume of waterborne trade is expected to increase from the current level of 75 million tons to 125 million tons over the next 20 years.

Lower Columbia River grain exports are expected to nearly double from 8.5 million tons today to 15.1 million tons. But this increase can only be achieved with the deepening of the navigation channel on the Lower Columbia River.

## The Importance of the Columbia Snake River System

The Columbia Snake River system is a vital transportation link for the states of Idaho, Montana, Oregon and Washington. The economies of these four states rely on the trade and commerce that flows up and down the most important commercial waterway of the Northwest.

# CEDER

Center for  
Economic  
Development  
Education and  
Research

## Columbia/Snake River System and Oregon Coastal Cargo Ports Marine Transportation System (MTS) Study



### Executive Summary June 2005

*Prepared for:*

CEDER  
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*by:*

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CEDER is a 501(c)(3) non-profit corporation dedicated to educating and informing political and business leaders, media, and the general public about the economic, social, political, historical and natural environment of the Pacific Northwest to assist them in setting regional and national policy.

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The Oregon Economic and Community  
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For the complete  
report, visit:

[www.pnwa.net/ceder](http://www.pnwa.net/ceder)

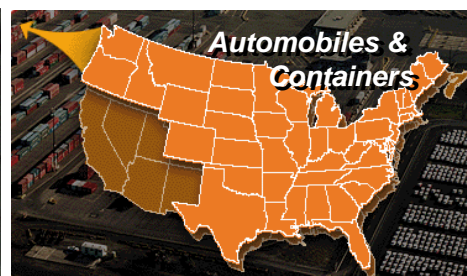
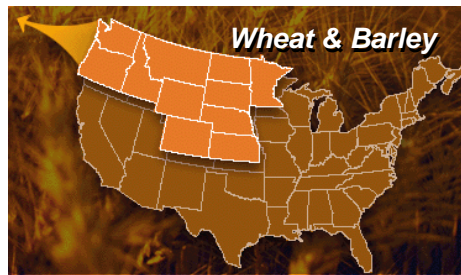
# Columbia/Snake River System and Oregon Coastal Cargo Ports Marine Transportation System Study

## Executive Summary

The Columbia/Snake River System and Oregon Coastal Cargo Ports region is a uniquely valuable regional and national transportation resource because, unlike any other location on the West Coast, it integrates transportation options via deep water shipping, upriver barging, two water-grade rail mainlines and the interstate highway system into a multimodal, low-cost and high-capacity Marine Transportation System (MTS).

These ports provide a critical regional and national gateway linking the agricultural, mineral and goods production across the Northwest, Midwest and Mountain states to the growing markets in the Pacific. The Columbia River is the leading export gateway for U.S. wheat and barley exports. The region is the leading bulk cargo and forest products trade gateway on the West Coast. Total trade through the Columbia/Snake River System and Oregon Coastal Cargo Ports amounted to \$15 billion in value in 2003.

Marine activities in the Lower Columbia River generated 40,000 jobs in 2000 and income of \$1.8 billion. That will grow to more than 52,000 total jobs in 2020 if baseline and potential market opportunities come to fruition. The Columbia/Snake River inland waterway region generated 2,600 total jobs in 2000 and income of \$80

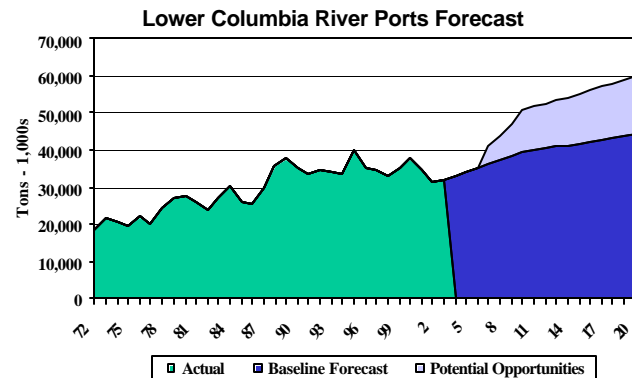


million. The inland region is expected to generate 2,900 total jobs and \$88 million in income in 2020. The Oregon Coast region generated 3,100 total jobs in 2000, with income of \$154 million. The Oregon Coast region is expected to generate more than 1,300 direct jobs and nearly 4,400 total jobs in 2020 and a total income of \$212 million.

## Regional Cargo Trade Outlook

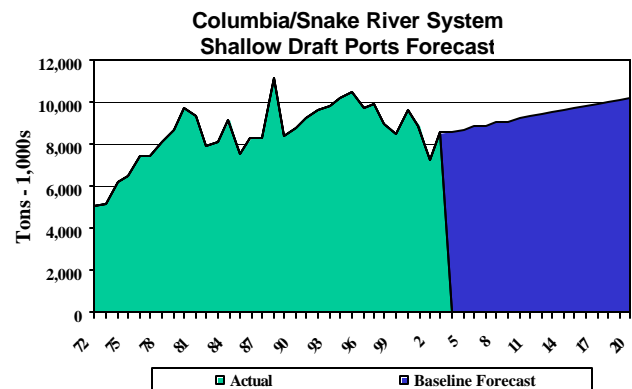
### Lower Columbia River Deep Draft Ports

Marine traffic passing the entrance of the Columbia River is projected to increase by 35% from 32 million tons in 2003 to 43 million tons by 2020. Containers should nearly double in volume. Grain, autos and break bulk cargo are all expected to increase by about 40 percent. If all potential market opportunities come to fruition, particularly auto imports, dry bulk and grain exports, and liquefied natural gas (LNG) imports, marine cargo would grow by 85% and reach 60 million tons by 2020.



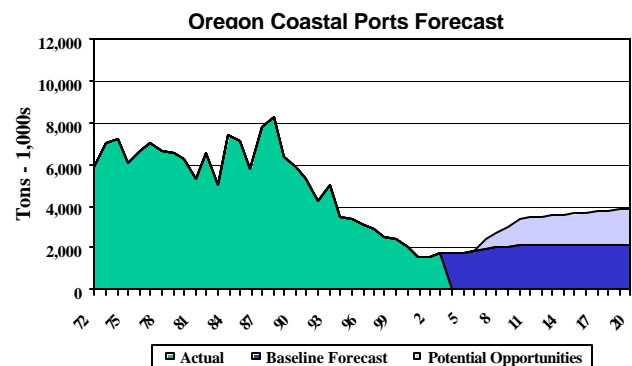
### Columbia/Snake River Inland Ports

Traffic on the Columbia/Snake river barge system grew from 5.0 million tons in 1972 to 8.5 million tons in 2003, with peaks above 10 million tons in 1988 and in the mid-1990s. The baseline forecast projects that traffic will grow about 20%, reaching 10.2 million tons by 2020. Grain and containers are the major growth commodities. Although not a subject of this study, the volume of passengers carried on cruise ships on the inland waterway has been growing dramatically. These vessels benefit from the same infrastructure maintenance and improvements as maritime cargo. They also contribute economic benefits to the port communities on the river system.



### Oregon Coast Deep Draft Ports

Oregon Coast ports experienced a decline in waterborne traffic since the late 1980s, but the worst appears to be over. The baseline forecast expects growth in the existing product base, from 1.7 to 2.1 million tons by 2020. In addition, new opportunities such as the proposed liquefied natural gas (LNG) terminal at Coos Bay could increase cargo volumes to 3.9 million tons by 2020.



## Toward An Integrated, Multi-modal Marine Transportation System

The Columbia/Snake River System and Oregon Coastal Cargo Ports MTS envisions an integrated deep water navigation, inland navigation, rail, roadway and port system that facilitates superior transportation operating efficiency for the export/import trade flowing through the region. Meeting the growing and shifting challenges of freight transportation and multimodal logistics requires additional investment to ensure that the MTS system keeps regional and national shippers competitive in the global market.

While most proposed projects will provide efficiency and operating benefits to exporters, importers and carriers on a stand-alone basis, taken together the projects create a highly-efficient operating environment

which will improve export and import competitiveness of this trade corridor at the national, regional and local levels alike.

The deep water, inland waterway, rail and roadway transportation assets in the region create an integrated, multi-modal freight transportation system that is the lifeline of the region’s waterborne international trade. At key crossroads, these transportation corridors converge to facilitate the transfer of goods from one mode to another. Several key corridors and transfer points in the region stand out as critically important when considering future MTS investments:

- **The Portland-Vancouver area** where inland waterway navigation, the BNSF and UP railroads, I-84 and I-5 meet deep water.
- **The I-5 corridor between Portland and Longview** where rail and truck freight bound for Columbia River export must contend with domestic freight and passenger traffic for vital rail and highway capacity.
- **The Mid Columbia and Snake River navigation system** which feeds waterborne trade from the region’s hinterlands to downriver deep water ports.
- **The inland port system** stretching from Boardman, Oregon to Lewiston, Idaho which provides truck-to-barge and rail-to-barge transfer capability for regional shippers and economic development opportunities for the Inland Empire sub region.
- **The road, rail and navigation system converging at Coos Bay** which provides waterborne trade access and unique economic development opportunities for Southern Oregon.

This MTS study identifies proposed navigation, rail and highway projects that remove bottlenecks, add efficiency and enhance capacity along these corridors and at these key network crossroads. Taken together, the MTS projects will collectively deliver the most overall benefit to trade for the Columbia/Snake River System and Oregon Coastal Cargo Ports, the region and the nation. The MTS projects are selected to ensure that the region’s transportation infrastructure constitutes a multimodal system, the components of which are properly located and sized to accommodate the regional and national marine trade that moves through the region.

### Summary of Total MTS Infrastructure Needs (Thousands of Dollars)

PROJECT TYPE & LOCATION	ON-GOING MAINTENANCE PROJECTS*	NEW PROJECTS			
		Near Term 1-5 Years	Mid Term 6-10 Years	Long Term 10+ Years	Total
<b>By Infrastructure Type</b>					
Navigation	\$37,700	\$237,600	28,000I	\$56,500	<b>\$322,100</b>
Rail	N/I	\$9,400	\$467,800	N/I	<b>\$477,200</b>
Roadway	N/I	\$151,100	\$77,000	\$1,086,000	<b>\$1,314,100</b>
<b>Total</b>	<b>\$37,700</b>	<b>\$398,100</b>	<b>\$572,800</b>	<b>\$1,142,500</b>	<b>\$2,133,400</b>
<b>By Port Region</b>					
Lower Columbia River	\$20,000	\$181,850	\$531,800	\$1,142,500	<b>\$1,856,150</b>
Mid Columbia & Snake Rivers	\$9,400	\$52,950	N/I	N/I	<b>\$52,950</b>
Oregon Coast	\$8,300	\$163,300	\$41,000	N/I	<b>\$204,300</b>
<b>Total</b>	<b>\$37,700</b>	<b>\$398,100</b>	<b>\$572,800</b>	<b>\$1,142,500</b>	<b>\$2,133,400</b>

\*Average annual cost

N/I – Not identified at this time, although maintenance and development needs are anticipated

## **MTS Infrastructure Needs for National & Regional Markets**

National and regional MTS projects for the Columbia/Snake River System and Oregon Coastal Cargo Ports include 11 new navigation, rail and roadway projects plus on-going maintenance of four critical navigation projects. In the next five years, the projects emphasize navigation capacity improvement and maintenance programs. In the six- to ten-year timeframe, the currently identified projects focus primarily on rail capacity improvements to facilitate rising marine-related trade volumes of national and regional origin/destination. Beyond ten years, major improvements to the I-5 and BNSF Columbia River crossings are currently identified.

### **Summary of MTS Infrastructure Needs - National & Regional Projects**

<b>Project</b>	<b>Location</b>	<b>Project Type</b>	<b>System Importance</b>	<b>Basis of Need</b>	<b>Cost</b>
<b>On-Going Maintenance</b>					
1. Columbia & Willamette Rivers Maintenance Dredging	Lower Columbia & Willamette Rivers	Navigation	National	Maintain Existing Trade	\$20,000,000 (annually.)
2. Snake River Maintenance Dredging	Snake River	Navigation	Regional	Maintain Existing Trade	\$4-\$6,000,000 (every 3 yrs.)
3. Coos Bay Maintenance Dredging	Coos Bay	Navigation	Regional	Maintain Existing Trade	\$6,500,000 (every 2 yrs.)
4. Mid Columbia & Snake Rivers Navigation Lock Maintenance	Mid Columbia & Snake Rivers	Navigation	Regional	Maintain Existing Trade	\$3-\$4,000,000 (annually.)
<b>Near-Term (1-5 Years)</b>					
5. Columbia River Channel Deepening	Lower Columbia River	Navigation	National	Maintain Existing Trade & Trade Growth	\$148,400,000
6. Columbia River Jetty Repair	Mouth of Columbia River	Navigation	National	Maintain Existing Trade	\$14,000,000
7. Mid Columbia & Snake Rivers Navigation Lock Repair & Retrofit	Mid Columbia River	Navigation	Regional	Maintain Existing Trade	\$51,400,000
8. Coos Bay Harbor Improvements (2 projects)	Coos Bay	Navigation	Regional	Maintain Existing Trade & Trade Growth	\$23,500,000
9. Coos Bay North Bay Industrial Rail Lead	Coos Bay	Rail	Regional	Trade Growth	\$6,800,000
10. Upriver Unit Train Facility Feasibility Studies	Morrow, Umatilla, Pasco, Lewiston	Rail	Regional	Trade Growth	\$250,000
<b>Mid-Term (6-10 Years)</b>					
11. I-5 Trade Corridor Rail Capacity Improvements (10 projects)	Portland-Vancouver	Rail	National	Trade Growth	\$170,000,000
12. Kelso-Martins Bluff Third Main Line	Kalama-Longview	Rail	National	Trade Growth	\$190,000,000
13. I-5 Delta Park to Lombard in North Portland	Portland	Highway	Regional	Trade Growth	\$44,000,000
<b>Long-Term (10+ Years)</b>					
14. I-5 Columbia River Crossing	Portland-Vancouver	Highway	Regional	Trade Growth	\$1,000,000,000
15. BNSF Rail Bridge Navigation Lift Span	Portland-Vancouver	Navigation	Regional	Maintain Existing Trade	\$56,500,000

## MTS Infrastructure Needs for Local Markets

Twenty-two MTS projects are of local importance in supporting marine trade and transportation in the Columbia/Snake River System and Oregon Coastal Cargo Ports region. These projects include three navigation, ten rail and nine roadway projects.

### MTS Infrastructure Needs - Local Projects

Project	Location	Project Type	System Importance	Basis of Need	Cost
<b>On-Going Maintenance</b>					
Newport Harbor Maintenance Dredging	Newport	Navigation	Local	Maintain Existing Trade	\$1,800,000 (every 2 yrs.)
<b>Near-Term (1-5 Years)</b>					
Pasco Processing Center Road Connection to SR395	Pasco	Road	Local	Trade Growth	\$300,000
US20 Pioneer Mountain to Eddyville	Newport	Road	Local	Trade Growth	\$133,000,000
Umatilla Terminal Access Road Improvements	Umatilla	Road	Local	Trade Growth	\$1,000,000
Columbia Blvd.& Lombard St. Improvements at MLK	Portland	Road	Local	Trade Growth	\$16,800,000
Scappoose Bay Marine Park Channel Deepening	Port of St. Helens	Navigation	Local	Trade Growth	\$300,000
<b>Mid-Term (6-10 Years)</b>					
New Port of Vancouver Northern Rail Access	Vancouver	Rail	Local	Trade Growth	\$60,000,000 to \$80,000,000
Yaquina Bay Jetty Repair	Newport	Navigation	Local	Maintain Existing Trade	\$28,000,000
Repair/Replace Coos River Rail Bridge	Coos Bay	Rail	Local	Maintain Existing Trade	\$10,000,000+
Kalama Grain Terminal Trackage Improvements	Kalama	Rail	Local	Trade Growth	\$2,500,000
Leadbetter St. Extension & Rail Overcrossing	Portland	Rail	Local	Trade Growth	\$10,800,000
North Rivergate A&B Rail Yard Expansion	Portland	Rail	Local	Trade Growth	\$4,500,000
Coos Bay North Bay Marine Terminal Rail infrastructure	Coos Bay	Rail	Local	Trade Growth	\$3,000,000
West 26 <sup>th</sup> Roadway Extension	Vancouver	Road	Local	Trade Growth	\$20,000,000
Fruit Valley Road, Phase 3	Vancouver	Road	Local	Trade Growth	\$10,000,000
Port Westward Industrial Rail Loop	Port of St. Helens	Rail	Local		\$1,800,000
Multnomah Plywood Industrial P Park Rail siding	Port of St. Helens	Rail	Local		\$250,000
Railroad Avenue/Pole Yard Rail Upgrade	Port of St. Helens	Rail	Local		\$150,000
Columbia City Rail Siding Upgrade	Port of St. Helens	Rail	Local		\$150,000
Chapman Landing Access Road Improvement	Port of St. Helens	Road	Local	Trade Growth	\$3,000,000
<b>Long-Term (10+ Years)</b>					
Fourth Plain Expansion	Vancouver	Road	Local	Trade Growth	\$30,000,000