

# RED RIVER VALLEY ASSOCIATION

- ▣ CONTAINER ON BARGE & PORT FINANCING
- ▣ SHREVEPORT LA
- ▣ FEBRUARY 23, 2017



# AMERICA'S MARINE HIGHWAYS

- ▣ MARAD PROGRAM TO ENCOURAGE MOVING CARGO BY WATER WHERE IT MAKES SENSE
- ▣ CAN PROVIDE GRANTS
- ▣ CANNOT COMPETE WITH EXISTING SERVICES



# CONTAINER ON BARGE

- ▣ TEAM BUILDING/PARTNERING - STATE DOT, PORT, TERMINAL OPERATOR, VESSEL OWNER, CONTAINERS, CHASSIS, SHIP LINES
- ▣ MARKETING – SHIPPER SUPPORT, PRICING
- ▣ OPERATIONS – RELIABILITY, COST CONTROL



# CHALLENGES

- ▣ BUILDING A NATIONAL SYSTEM OF SYSTEMS
- ▣ PUBLIC BENEFITS ( CONGESTION REDUCTION, AIR QUALITY IMPROVE)
- ▣ PRIVATE RISK - SUSTAINABLE
- ▣ COMPETITION FROM OTHER MODES



# EXAMPLES

- ▣ CROSS GULF BARGE SERVICE - BROWNSVILLE TX TO PORT MANATEE FL (EQUIPMENT, ESCORTS, BACKHAUL, UNDERCAPITALIZED)
- ▣ BROWNSVILLE TX TO HOUSTON
- ▣ STOCKTON TO OAKLAND CA





# COLUMBIA COASTAL

- ▣ EXISTING SERVICE ATLANTIC COAST INCLUDING CHESAPEAKE BAY



# COUCH LINES

- ▣ EXISTING SERVICE HOUSTON AREA AND ON GULF INTRACOASTAL WATERWAY
- ▣ PUBLIC BENEFITS



This photo is from the U.S. Department of Transportation Maritime Administration website [www.marad.dot.gov](http://www.marad.dot.gov). The photo from 2005 shows a Osprey Line, LLC, tow barge moving the largest single container movement (375 containers) in the history of the U.S. Inland Waterway System. The 15-barge tow carried 750 twenty-foot equivalent units (TEUs) from Memphis to New Orleans and Houston.

# M 64 EXPRESS

- ▣ JAMES RIVER NORFOLK TO/FROM RICHMOND
- ▣ THREE DAYS PER WEEK SAILINGS FROM EACH
- ▣ SUPPORT FROM VIRGINIA DOT; VPA





# NEW YORK HARBOR

- ▣ PORT NEWARK NJ TO BROOKLYN NY
- ▣ PUBLIC BENEFITS - AREA CONGESTED, AIR QUALITY ISSUES - SAIL ONCE PER WEEK



# TENNESSEE TOMBIGBEE

- ▣ MOBILE AL TO WEST POINT/FULTON MS
- ▣ MOVING CONTAINERS BUT NOT BY BARGE
- ▣ GRANT \$ TO CARGO HANDLING +CHASSIS



# BATON ROUGE/NO SHUTTLE

- ▣ MOVES EMPTIES BY BARGE FROM MEMPHIS
- ▣ ONE SAIL PER WEEK TO NEW ORLEANS
- ▣ SHIPPER DRIVEN – ROAD CONGESTION





# BAETON ROUGE/NO SHUTTLE

- ▣ OCEAN CARRIER SUPPORT- NEW SERVICE TO ASIA INCREASES NUMBER OF CONTAINERS SHIPPED BY BARGE PER





# DOT PORT FINANCING

- ▣ MARAD EFFORT TO INCLUDE PORTS ELIGIBLE
- ▣ NOW HAVE BUILD AMERICA BUREAU PROCESS
- ▣ TRANSPORTATION INFRASTRUCTURE FINANCE INNOVATION ACT ( TIFIA )
- ▣ BASED ON COST OF PROJECT MIN \$50 MIL
- ▣ LINE OF CREDIT TO 33%; LOAN TO 49%
- ▣ CREDIT PROCESSING DEPOSIT \$100 K
- ▣ REPAYMENT CAN START 5 YEARS AFTER FINISH

# TIFIA CONTINUED

- ▣ INTEREST RATE NO LESS THAN US TREASURIES
- ▣ MAXIMUM MATURITY 35 YEARS
- ▣ SENIOR DEBT MUST BE INVESTMENT GRADE
- ▣ ELIGIBLE: INTERMODAL FREIGHT TRANSFER FACILITIES; INFRASTRUCTURE TO FACILITATE ACCESS INTO/OUT OF A PORT

# RR REHAB IMPROVE (RRIF)

- ▣ RAIL REHABILITATION IMPROVEMENT FINANCING ( RRIF)
- ▣ ELIGIBLE: RAIL PROJECTS WITHIN BOUNDARY OF A PORT
- ▣ ELIGIBLE: DEVELOP NEW INTERMODAL RAIL
- ▣ FUND UP TO 100% OF PROJECT COST
- ▣ REPAYMENT UP TO 35 YEARS
- ▣ INTEREST RATE = COST OF BORROW FROM GOVERNMENT

# QUESTIONS

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