

**TESTIMONY OF JONATHAN NASS, CHIEF EXECUTIVE OFFICER, MAINE  
PORT AUTHORITY BEFORE THE U.S. HOUSE OF REPRESENTATIVES  
TRANSPORTATION AND INFRASTRUCTURE SUBCOMMITTEE ON THE  
COAST GUARD AND MARITIME TRANSPORTATION JUNE 19, 2019**

Chairman Maloney, Ranking Member Gibbs, and members of the Transportation and Infrastructure Subcommittee on Coast Guard and Maritime Transportation, my name is Jonathan Nass and I am the Chief Executive Officer of the Maine Port Authority.

Thank you for inviting me to speak today on the exciting topic of Short Sea Shipping.

The Maine Port Authority (the MPA) is a quasi-governmental entity tasked with improving Maine's economy by developing and promoting infrastructure that moves freight both domestically and internationally.

Maine has a long history of living from and by the sea. If you drive Route One along Maine's coast you will encounter the mansions sea captains built over several hundred years in virtually every town. These once grand houses are monuments of the prosperity once enjoyed from thriving coastal freight transportation networks. Unfortunately, today, many are in disrepair and suggest a time past and many lost opportunities in the last 50 years.

The MPA and many others are currently working to revitalize that maritime shipping heritage. We recently developed a brownfield in the City of Portland into the International Marine Terminal, a container terminal that in five years has gone from a derelict abandoned eyesore to a vibrant international, logistical, multimodal hub connecting Maine to the world with annual growth in volume of 20 to 30 percent.

I believe we can build on that success by connecting Northern New England domestically to ports to our south by establishing water service paralleling the congested I-95 highway system on the East Coast.

For those of us who live in port cities, moving freight by water is instinct, but it needs to be intuitive for others as well—especially those who set transportation policy. One needs only to sit for a few frustrating hours in Boston or Beltway traffic to appreciate the value of alternative transportation. Moving freight from highway to seaway will improve commerce, decrease air pollution, and reduce fuel consumption, and traffic congestion in our largest cities.

I am not the first to suggest that the United States has an infrastructure problem. There is no denying it. In maritime terms, the nation's surface transportation infrastructure is like a vessel taking on water. Fast.

Fortunately, fixing our transportation network is not a political issue. Democrats and Republicans all agree – it is broken. Rather, it is a policy issue. How will we as a nation will fix it? How can we help you, as a Congress to address it?

The first step to saving a leaking ship is to plug the leaks.

The infrastructure policy debate usually centers around one question -- Where will the funding come from to rebuild America's highways?

But there is more to the transportation equation than highways. As with any fixed asset, there is also the matter of depreciation and use. If we can reduce the *cost* of the highway system, reduce the rate of depreciation, and reduce the rate of growth of trucks on our highways then we are starting to plug the leaks.

By not making alternative freight transportation systems a national priority, especially short sea shipping alternatives, I believe that we are misusing our surface transportation system. We are missing a win-win

opportunity to both stop the leaks in the highway infrastructure while fostering a revitalized water-way economy nationally.

What if we can establish a well-utilized marine highway as functional as roads and bridges but without the cost of pavement and steel? Without potholes and traffic jams? A system where at least some long-haul freight by-passes heavily congested urban area?

That's exactly what the Maritime Administration's Marine Highway program is designed to do and it should be a top priority when fixing the entire system.

Since the Eisenhower Administration, the United States has focused on a network of expensive fixed transportation assets – superhighways, bridges and interchanges, with efforts of constant widening, continuous patching, lost time and money, road rage, and accidents.

What we as a nation have largely ignored is the natural highway system that is part of the inherent American geographical make up – our nation's waterways and coastal routes.

In 2010, then USDOT Secretary Lahood designated the New England Marine Highway project as part of the National Marine Highway System. That project funded the design of an articulated barge, in partnership between the MPA and McCallister Tug, to operate a service between Northern New England and New York/New Jersey.

Last year, the MPA became a member of the North Atlantic Marine Highway Alliance. This effort is funded by the Maritime Administration and managed by the New York City Economic Development Corporation and the Port Authority of New York New Jersey. Its members include interested parties from the Chesapeake to Maine.

We recently hosted a meeting in Portland, Maine that brought interested parties -- ports, shippers, barge service operators, the

Maritime Administration -- to Maine to meet beneficial cargo owners to discuss short sea shipping options.

The Alliance recognizes that freight owners are critical to the success of a reinvigorated short sea shipping network. To convince beneficial cargo owners to make a modal shift of a portion of their supply chain – the new alternative must be cost-competitive and it must be consistent and reliable.

To make this happen, there *must* be a shift in government policy to make short sea shipping a priority. Perhaps not on the scale of the creation of the interstate highway system, but that type of vision is not a bad place to start. Let's apply the same vision, imagination, and *policy* that brought us the interstate highway system to short sea shipping.

Mr. Chairman, Transportation matters. Transportation policy matters. A national policy, like that managed by the Maritime Administration, to foster and encourage domestic water-borne freight will make domestic businesses more competitive, create jobs on working waterfronts, promote cleaner air, less congested and less damaged roads, and could rebuild America's maritime industries.

Thank you for this opportunity to testify. I look forward to your questions.