



ILLINOIS MARINE
TRANSPORTATION SYSTEM

Appendix B

Peer State Review



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Illinois Department of Transportation



ILLINOIS MARINE TRANSPORTATION SYSTEM PLAN

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ACRONYMS/ABBREVIATIONS

| | |
|--------|---|
| BTLRRH | Bureau of Transit, Local Roads, Rails and Harbors Section |
| CIP | Capital Improvement Plan |
| CPA | Canada Port Authority |
| DCEO | Department of Commerce and Economic Opportunity |
| DNR | Department of Natural Resources |
| DWCPA | Detroit Wayne County Port Authority |
| DOT | Department of Transportation |
| DSPA | Duluth Seaway Port Authority |
| EPA | Environmental Protection Agency |
| FMSIB | Freight Mobility Strategic Investment Board |
| FRAP | Freight Rail Assistance Program |
| FRIB | Freight Rail Investment Bank |
| FSTED | Florida Seaport Transportation and Economic Development |
| GHG | Greenhouse Gas |
| HAP | Harbor Assistance Program |
| IADOT | Iowa Department of Transportation |
| IDOT | Illinois Department of Transportation |
| IEPA | Illinois Environmental Protection Agency |
| IDNR | Illinois Department of Natural Resources |
| INDOT | Indiana Department of Transportation |
| IMTS | Illinois Marine Transportation System |
| ISFAC | Illinois State Freight Advisory Committee |
| KAR | Kentucky Association of Riverports |





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| KRI | Kentucky Riverport Improvement Program |
| KYTC | Kentucky Transportation Cabinet |
| LADOTD | Louisiana Department of Transportation and Development |
| LIFTS | Linking Iowa's Freight Transportation System |
| MDOT | Michigan Department of Transportation |
| MnDOT | Minnesota Department of Transportation |
| MPAA | Missouri Public Authority Association |
| MPO | Metropolitan Planning Organization |
| MTIP | Multimodal Transportation Improvement Program |
| MWRA | Mississippi Water Resources Association |
| NHFP | National Highway Freight Program |
| NTCF | National Trade Corridors Fund |
| ODOT | Ohio Department of Transportation |
| OFCVO | Office of Freight and Commercial Vehicle Operations |
| PATP | Ports Asset Transfer Program |
| PDAP | Port Development Assistance Program |
| PETMAF | Governmental aid program for the improvement of effectiveness of maritime, air or rail transport |
| PICGIP | Pennsylvania Intermodal Cargo Growth Incentive Program |
| PREGTI | Program aiming at reducing or avoiding GHG emissions through the development of intermodal transport |
| RDC | Regional Development Commission |
| RFAP | Rail Freight Assistance Program |
| SFY | State Fiscal Year |
| SLSDC | St. Lawrence Seaway Development Corporation |
| SLSMC | St. Lawrence Seaway Management Corporation |
| SPPA | St. Paul Port Authority |
| SPR | Statewide Planning and Research |
| TBD | To Be Determined |
| TC | Transport Canada |
| USDOT | US Department of Transportation |
| VDOT | Virginia Department of Transportation |
| VPA | Virginia Port Authority |
| WCPA | Wisconsin Commercial Ports Association |
| WisDOT | Wisconsin Department of Transportation |
| WSDOT | Washington Department of Transportation |





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| WTAB | Water Transportation Advisory Board |
| WVDOT | West Virginia Department of Transportation |
| WVPPA | West Virginia Public Port Authority |





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EXECUTIVE SUMMARY

Why Conduct a Peer State Review?

As the Illinois Department of Transportation (IDOT) develops the Illinois Maritime Transportation System (IMTS) Plan, there is an opportunity to not just examine the “hard infrastructure” in the state and identify needs (e.g., dock wall replacements, dredging requirements, equipment purchases, first-/last-mile connections to ports, etc.), but also to examine if the state is taking the right approach internally on “softer” items including its approach to planning, policy, decision-making, and others.

As example, the following key questions are some that helped IDOT examine internal policies:

- How should IDOT organize itself to provide an appropriate level of attention to the maritime system (i.e., to understand system needs and be in a position to address those needs)?
- How should IDOT integrate maritime system activities with other synergistic statewide planning activities (e.g., long-range planning, safety planning, multimodal freight planning, etc.)?
- What type of funding should IDOT provide for maritime projects in the state? And, who should be eligible for the funding?
- What support and advocacy activities should IDOT provide to maritime stakeholders in the state?

In addition to looking at internal policies, IDOT is in the position to look externally to others for guidance. Many peer states have already implemented policies regarding their marine transportation systems, IDOT can learn from those states and implement policies that are geared toward Illinois.

Peer States and Illinois Baseline

PEER STATES

Defining Illinois’ peer states can be a challenge. The approach initially taken was to cast a very wide net, and include as many maritime system scenarios possible. As shown in Figure ES-1, most of the peer states reviewed share a common thread with Illinois, they either have port(s) on a Great Lake or on the inland river system, and occasionally both. Additionally, some states were reviewed explicitly for the purpose of documenting other approaches, even if their maritime system components were not analogous to Illinois’. For this, several deep water port states were reviewed (including Washington State that also has an inland river system, but that system is not connected to Illinois’). Additionally, several international examples were reviewed – two Provinces in Canada that are part of the Great Lakes and St. Lawrence Seaway.

This high-level Peer State review is primarily conducted from the perspective of a state DOT. For example, regarding maritime system funding, this relates to funding provided through the state DOT; it does not include funding provided by other agencies (such as economic development agencies) for the maritime system within the state. And, maritime system assistance is directly related to the assistance the DOT provides to the system, not assistance that is provided by others (including other state agencies or trade associations).

ILLINOIS BASELINE





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The high-level assessment visualized in Figure ES-2 conveys a baseline for a point in time just as this Illinois Maritime Transportation System Plan was beginning (early 2019). Prior to 2016, this assessment would look very different – with virtually no activity related to maritime system planning and funding.

Figure ES-1: Map of Peer States Reviewed

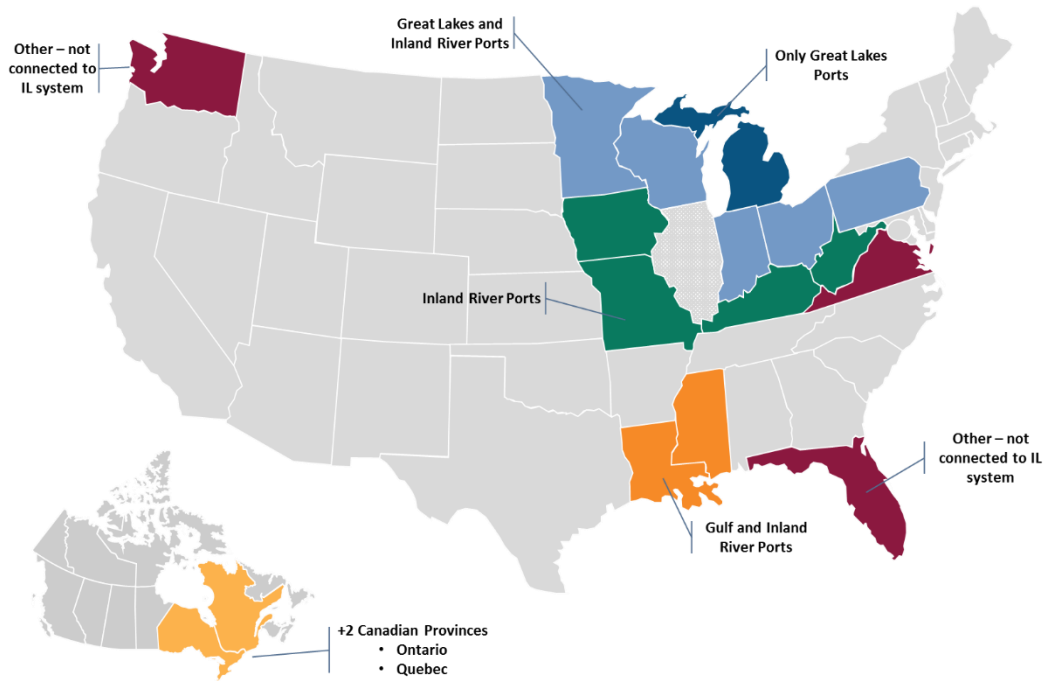
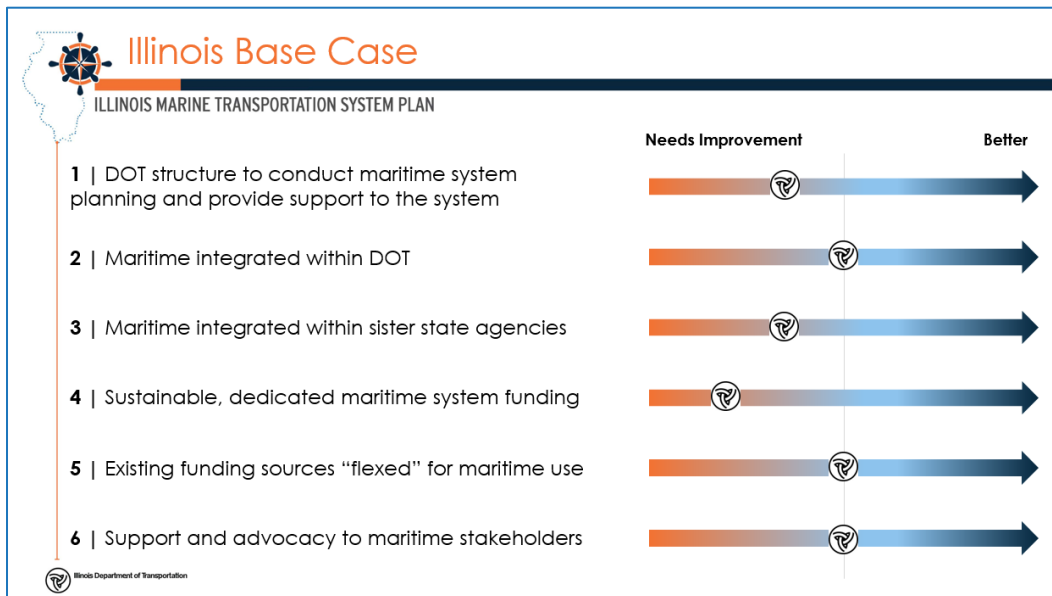


Figure ES-2: Baseline Assessment of IDOT and Maritime System Activities





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The comparison of IDOT to Peer States results in the following findings:

- **DOT Structure.** This area is rated as “needs improvement,” and below the average of Peer States. As shown in the broad Peer State review (Chapter 2), while all states acknowledged a role in the maritime system, Illinois is in the minority related to dedicated staff. Most states that have active maritime programs (e.g., funding support to address maritime needs) have dedicated staff, may have multiple dedicated staff, and in some cases have a dedicated maritime section/department.
- **Maritime Integration within DOT.** While IDOT does not have a designated maritime section, nor dedicated staff, the agency has acknowledged the role and high-level needs of the maritime system in other state planning documents, including the Illinois Long Range Transportation Plan and the Illinois State Freight Plan. As a result, this area is rated as “average” compared to Peer States, as this is typically the extent maritime is integrated within DOTs. There are a number of states that have maritime-specific plans, as will Illinois at completion of this Illinois Marine Transportation System Plan. Again, this will ensure that Illinois is average compared to other states engaged in ports and waterway system planning.
- **Maritime Integration within Sister State Agencies.** This area is rated as “needs improvement” and below the average of Peer States, as there are several states that do have formal cross-agency and executive level structures that focus on the maritime system, and in several cases provide oversight to state maritime-related funding programs. The , and transfer of the responsibilities of IDOT’s Water Resources Division to Illinois DNR in 1995 not only transferred maritime responsibilities from IDOT, but also an understanding of the importance of the topic, and the continued need to consider maritime within the agency. As a result, Illinois’ Environmental Protection Agency (IEPA), Department of Natural Resources (IDNR), and Department of Commerce and Economic Opportunity (DCEO) have large roles in Illinois’ waterways and ports, but the integration and synergies between their activities and IDOT’s are still under development.
- **Sustainable, dedicated maritime system funding.** IDOT currently has no recurring funding programs dedicated to addressing maritime system needs, and is rated as “needs improvement” and well below the average of peer states. There are programs administered by DCEO that place emphasis on economic development at/around ports, such as the River Edge Redevelopment Zone Program, but these are not led by IDOT.
- **Existing funding sources “flexed” for maritime use.** This area is rated as “average” compared to Peer States, as IDOT’s approach is similar to other DOTs. In 2018, IDOT initiated the Illinois Competitive Freight Program, a grant program to select projects for Illinois’ share of National Highway Freight Program (NHFP) funds provided to the state through USDOT. This program allowed for up to 10% of state funds to be “flexed” for non-national highway system projects, and could include intermodal (e.g., rail or maritime) projects. IDOT “flexed” the full 10 percent of funds for intermodal projects and the Illinois Competitive Freight Program criteria includes consideration for how intermodal projects may reduce truck trips. IDOT also provide some support to address maritime system needs through its Statewide Planning & Research (SPR) funds.
- **Support and advocacy to maritime stakeholders.** This area is rated as “average” compared to Peer States, largely due to the lead IDOT is taking in development of this Illinois Maritime





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Transportation System Plan, and thoughtful inclusion of a guiding committee comprised of a wide array of port and waterway system stakeholders. Prior to development of this Plan, IDOT has provided technical assistance to port districts in coordination with DCEO, but initiative directly from IDOT was lacking.

NEW REVENUES

In June 2019, Governor Pritzker signed into law “Rebuild Illinois” a \$45 billion capital plan for the state. Rebuild Illinois includes \$150 million in new funding for port improvement projects. This one-time funding will be administered jointly by the intrastate working group that includes IDOT, IDNR, IEPA, and DCEO. And, while the program is in development, it is expected to fund projects such as new rail track to allow for handling of heavier cargo, new tracks to improve movement of goods, new warehouses, dock wall replacements, or repurposing of existing facilities.¹

RECOMMENDATIONS

The desired outcome of the Peer State review is to make recommendations informed by practices of others, so that IDOT is in a better position in the future related to its engagement with the maritime system than it was at the start of Plan development. This means that IDOT will work to create change in the six key areas reviewed in this document.

Several “key principles” must be considered in developing recommendations, including:

- **Address key IDOT needs.** The recommendations should be tied to shortcomings, and areas where IDOT desires to make improvements. Recommendations should not veer into areas where IDOT does not want to seek change, nor where political will is absent.
- **Focus on what IDOT can meaningfully influence.** The recommendations should be focused on the actions that IDOT can take on its own versus actions that are required by others. In some cases, partnership to advance recommendations may be required, but IDOT would serve as the lead implementer.
- **Learn from others and ourselves.** The peer state review provided good examples of what is being done by others. But, IDOT has also taken action in a few areas that should be acknowledged and built upon in the future (e.g., the intrastate maritime working group, and work toward developing a funding program).
- **Think big – the time is now.** IDOT is in a unique position to make change; the development of the Illinois Maritime Transportation System Plan has served as a catalyzing force both within IDOT and among stakeholders. The momentum of Plan development may wane after it is complete, and IDOT likely only gets this chance to effect change on the system. Recommendations should be “big” and look toward the future.

¹ Rebuild Illinois Capital Plan, June 28, 2019, https://www2.illinois.gov/IISNews/20266-Rebuild_Illinois_Capital_Plan.pdf (accessed February 20, 2020).





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- **Phased implementation.** While the desire is for recommendations to be forward-looking and anticipate not only today's needs, but also what may be needed 3-5 years in the future, there needs to be recognition that IDOT will not be able to complete everything at once and expect to do it well. Phased implementation will be key – both in terms of not taking action on all recommendations at once, but also that any individual recommendation may be implemented via incremental steps.

The five key recommendations for IDOT consideration are noted below. Note, there are inherent synergies between the recommendations.

RECOMMENDATION 1 – CREATE A MARITIME SECTION WITHIN IDOT WITH DEDICATED STAFF

Recommendation 1 will create a Maritime Section within IDOT with dedicated staff. This recommendation may be implemented in phases – first, establishing a single “owner” of maritime topics within IDOT, and growing into a Maritime Section over time.

RECOMMENDATION 2 – FORMALLY “INTEGRATE MARITIME” WITHIN IDOT

Recommendation 2 will formally integrate maritime topics within IDOT, and it is expected that the Maritime Section will have a key role in “connecting the (maritime) dots” within the agency. This includes the actions that IDOT takes related to multimodal transport issues – from policy, planning, performance assessment, design, construction and maintenance.

RECOMMENDATION 3 – FORMALLY “INTEGRATE MARITIME” WITHIN THE STATE OF ILLINOIS

Recommendation 3 will formally integrate maritime topics throughout the State of Illinois, namely through establishing a state-level maritime system advisory board (with membership including IDOT, EPA, DNR, DCEO, and others). It is expected that the Maritime Section will have a key role in being a participant, facilitating conversations, and following up on required actions.

RECOMMENDATION 4 – DEVELOP ILLINOIS MARITIME SYSTEM GRANT PROGRAM

Recommendation 4 will formally establish a dedicated maritime system grant program. The Peer State review has shown that even small dollar (e.g., \$3 million/year vs. \$25 million/year) funding programs can make a big impact on ports, but most important in developing a grant program is ensuring that funding is consistently provided (e.g., annually) so that port stakeholders have the ability to plan ahead and proactively schedule their funding requests.

RECOMMENDATION 5 – USE EXISTING FUNDING SOURCES TO ADDRESS MARITIME NEEDS

Recommendation 5 will initiate the process to best use existing funding sources to address maritime needs. It is expected that the Maritime Section will have a key role in coordinating these activities with other Sections/Divisions within IDOT.

In 2018, IDOT initiated the Illinois Competitive Freight Program, a grant program to select projects for Illinois' share of National Highway Freight Program (NHFP) funds provided to the state through USDOT. This program allowed for up to 10% of state funds to be “flexed” for non-national highway system projects, and could include intermodal (e.g., rail or maritime) projects. Additionally, in 2019, the Rebuild Program was passed providing \$150 million through a new grant program to be established by IDOT and DCEO. IDOT also supports maritime system needs through its Statewide Planning & Research (SPR) funds, and this creative approach to finding ways to fill gaps in port planning needs should be continued, as well





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as other IDOT programs be explored to see if there are other opportunities to reach and aid in addressing maritime system needs.

NEXT STEPS

The initial recommendations in this technical memo have been vetted with IDOT. These recommendations will be combined with other recommendations to be made based on the findings from other Illinois Maritime Transportation System Plan development activities. Additional comments will be sought by key maritime system stakeholders, namely the Plan Steering Committee.

While some initial insight has been provided on the steps that could be taken to act on each recommendation. Additional information/details on implementation steps, and suggestions for how each should be phased to maximize benefit while recognizing IDOT staff limitations, will be provided as part of final plan documentation.

B.1 INTRODUCTION

Key Chapter Takeaway

Conducting a review of Illinois' Peer States can help bring clarity to next steps for Illinois. A series of questions guided this review, they were

- Has a certain policy or program been done before?
- Are there lessons learned that can be applied?
- How should the implementation of these actions be adjusted to recognize the unique Illinois context?

The memo looked at a broad range of states to identify Illinois' peers – first, proximity to similar maritime system components was considered (i.e., if the state has key maritime facilities on the Great Lakes and/or inland rivers), and second based on stakeholder knowledge of states taking an innovative approach to including the maritime system in their day-to-day activities. To a lesser extent, international best practices were considered.

B.1.1 WHY CONDUCT A PEER STATE REVIEW?

As the Illinois Department of Transportation (IDOT) develops the Illinois Maritime Transportation System (IMTS) Plan, there is an opportunity to not just examine the “hard infrastructure” in the state and identify needs (e.g., dock wall replacements, dredging requirements, equipment purchases, first-/last-mile connections to ports, etc.), but also to look inward and examine if the state is taking the right approach internally on “softer” items including its approach to planning, policy, decision-making, and others.

As example, key questions that can help IDOT look inward include





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- How should IDOT **organize** itself to provide an appropriate level of attention to the maritime system (i.e., to understand system needs and be in a position to address those needs)?
- How should IDOT **integrate** maritime system activities with other synergistic statewide planning activities (e.g., long-range planning, safety planning, multimodal freight planning, etc.)?
- What type of **funding** should IDOT provide for maritime projects in the state? And, who should be eligible for the funding?
- What **support and advocacy** activities should IDOT provide to maritime stakeholders in the state?

In addition to looking inward for answers, IDOT is in the position to look externally to others for guidance; Peer States who may have gone before them and have lessons to share, and for IDOT to improve upon.

This Peer States review researches Illinois' peers with the aim of informing the key questions above. Specifically, this document:

- Defines Illinois' Peer States with respect to the maritime system.
- Conducts a broad review of all Peer States to better understand their strengths and weaknesses.
- Presents case studies for select Peer States based on the broad review, and directly tied to possible actions IDOT could take.
- Summarizes key findings from the research.
- Provides a slate of recommendations for action by IDOT.

This Peer States review is conducted through a State Department of Transportation (DOT) lens, so that results can be directly applicable to IDOT and the future direction it could take.

B.1.2 DEFINITION OF PEER STATES

Defining Illinois' Peer States can be a challenge. A broad approach was taken initially and was inclusive of as many maritime system scenarios possible. As shown in the following figures, the states identified in light blue have similar systems as Illinois with one or more ports on the Great Lakes as well as the inland waterway system. Pennsylvania also has a deep water port (Port of Philadelphia). The economies of each of the states are similar, too, in that the Great Lakes ports have historically served key manufacturing industries (and in many cases still do), but the economies are shifting and so too is the traffic at those ports. The myriad ports, terminals, docks on the inland system are geared best for handling heavy bulk products and situated in the Midwest this is most often grain. But commodities handled on the inland system are changing, too, with a marked reduction in coal shipments.

Most of the other Peer States reviewed share a common thread with Illinois, they either have port(s) on a Great Lake or on the inland river system, and occasionally both. Some states were reviewed explicitly for the purpose of documenting other approaches, even if their maritime system components were not analogous to Illinois'. For this, several deep water port states were reviewed (including Washington State that also has an inland river





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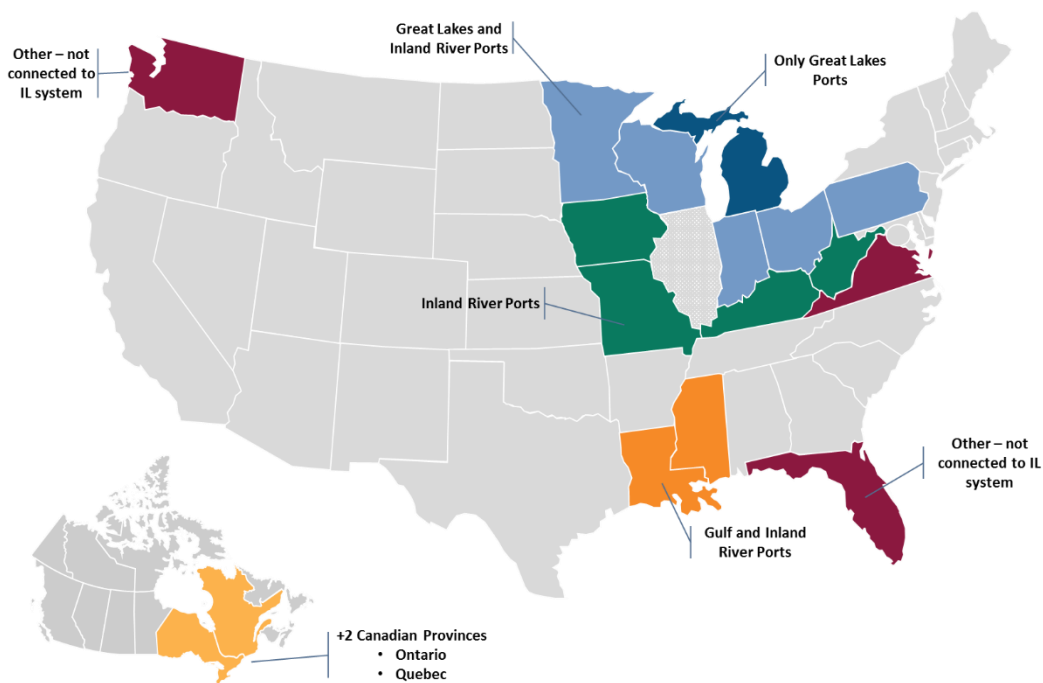
system, but that system is not connected to Illinois’). Additionally, several international examples were reviewed – two Provinces in Canada that are part of the Great Lakes and St. Lawrence Seaway, and one port in Germany that is on an inland system (the Rhine River).

Figure 1-1: Table of Peer States Reviewed

| Great Lakes and Inland Waterway System States | | Inland Waterway System-Only States | |
|---|--|--|--|
| Indiana | | Iowa | |
| Minnesota | | Kentucky | |
| Ohio | | Missouri | |
| Pennsylvania | | West Virginia | |
| Wisconsin | | Deep Water and Inland Waterway System States | |
| Great Lakes-Only States | | Louisiana | |
| Michigan | | Mississippi | |
| Deep Water States | | International | |
| Florida | | Province of Ontario (on Great Lakes) | |
| Virginia | | Province of Quebec (on Great Lakes) | |
| Washington | | | |

A key takeaway from this review is that there is no “one-size-fits-all” or “best” approach to transportation or maritime system planning; there is value from learning from others, but also from understanding and appreciating the context that others’ operate within.

Figure 1-2: Map of Peer States Reviewed





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B.1.3 THE BASELINE – ILLINOIS CONTEXT

Prior to conducting the review of peer states it is important to understand Illinois' "baseline" for maritime engagement. Through a subjective lens, where does IDOT rank in terms of the key peer review areas:

1. How does IDOT **organize** itself to provide an appropriate level of attention to the maritime system?
2. How does IDOT **integrate** maritime system activities with other synergistic statewide planning activities?
3. How does IDOT **integrate** maritime system activities with other statewide agencies?
4. What type of **dedicated funding** does IDOT provide for maritime projects in the state?
5. What **other types of funding** (not maritime specific) does IDOT provide to benefit maritime activities in the state?
6. What **support and advocacy** activities does IDOT provide to maritime stakeholders in the state?

The high-level assessment visualized in Figure 1-3, and described in the following text, conveys a baseline for a point in time just as this Illinois Maritime Transportation System Plan was beginning (early 2019). Prior to 2016, this assessment would look very different – with virtually no activity related to maritime system planning and funding. However, prior to 1995, there was significant attention given to maritime system issues within IDOT (e.g., capital programs and permitting for flood mitigation and other activities), as the Water Resources Division was contained within IDOT; these responsibilities were transferred to the Illinois Department of Natural Resources (DNR) in 1995.

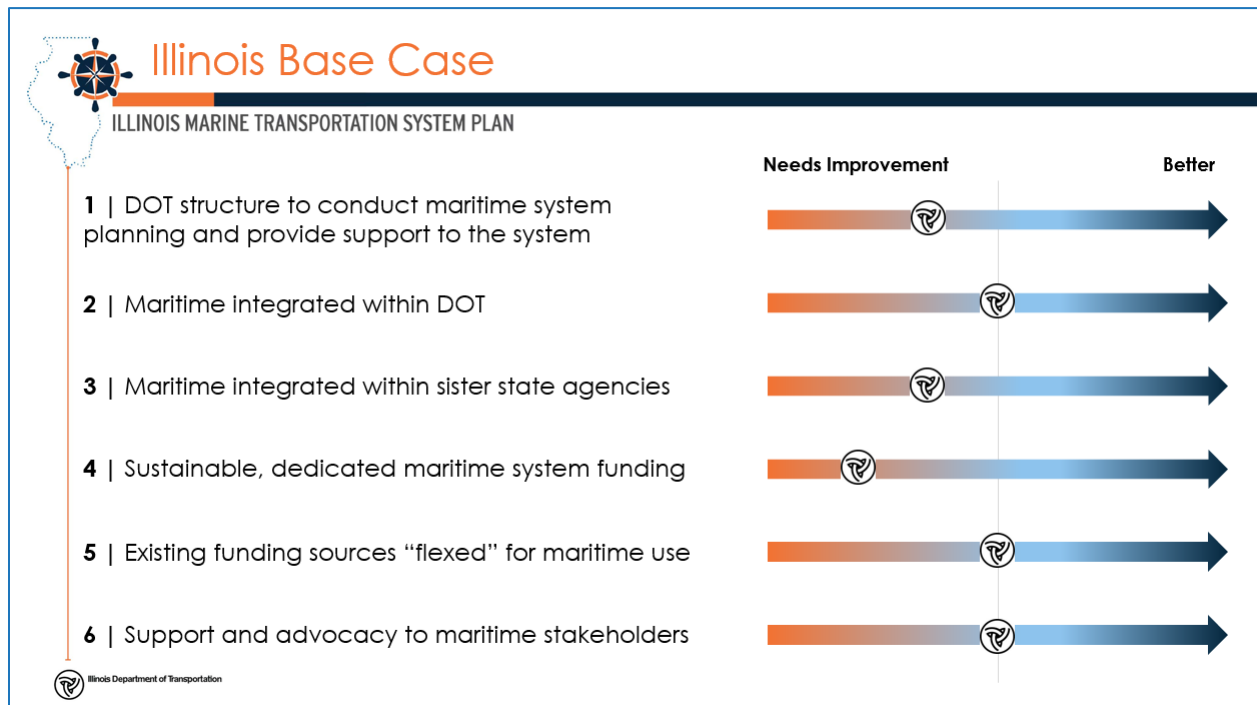
The development of the IMTS Plan has served as a catalyzing force for IDOT. For several activities that are shown as "needs improvement" in the baseline, IDOT has made progress towards improvement. And other activities are undergoing evaluation. As example, for "maritime integrated within IDOT sister agencies," in late 2019 an internal working group was established between IDOT, IDNR, IEPA, and DCEO. While this group was established as part of a one-time maritime system grant opportunity, benefits are already being seen from this collaboration, and there is interest in continuing to convene this group after the grant process has been completed. That type of collaboration did not occur prior to development of the IMTS Plan and is not shown in Figure 1-3





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Figure 1-2: Baseline Assessment of IDOT and Maritime System Activities





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B.1.4 ORGANIZATION AND INTEGRATION

B.1.4.1 DOT STRUCTURE

Today, IDOT is not structured to effectively address maritime system needs. While there are currently several IDOT staff that “touch” maritime system issues, there are no staff dedicated to maritime, with maritime topics as their core/sole job responsibility.

Additionally, maritime system planning currently resides within the Bureau of Planning, which is part of the Office of Planning and Programming that reports to the Deputy Secretary. In terms of IDOT organization, the topic of maritime needs and issues is diluted – not reaching the level of attention that is warranted by the importance of the maritime system, as well as the number of unaddressed maritime system needs in the state.

This area is rated as “needs improvement,” and below the average of Peer States. As shown in the broad peer state review (Chapter 2), while all states acknowledge a role in the maritime system, Illinois is in the minority related to dedicated staff. Most states that have active maritime programs (e.g., funding support to address maritime needs) have dedicated staff, may have multiple dedicated staff, and in some cases have a dedicated maritime section/department.

B.1.4.2 MARITIME INTEGRATION WITHIN DOT

While IDOT does not have a designated maritime section, nor dedicated staff, the agency has acknowledged the role and high-level needs of the maritime system in other state planning documents, including the Illinois Long Range Transportation Plan and the Illinois State Freight Plan. As a result, this area is rated as “average” compared to peer states, as this is typically the extent maritime is integrated within DOTs. There are a number of states that have maritime-specific plans, as will Illinois at completion of this Illinois Maritime Transportation System Plan. This will ensure that Illinois is average compared to other states engaged in ports and waterway system planning.

A challenge related to integrating maritime within the DOT is not simply asking: “are you taking the same actions as others?” But, “are you taking the actions that are in line with State and stakeholder needs in this area?” Through the subjective evaluation lens, other states can/should take actions to more fully integrate maritime topics in system planning, project development, project funding, construction, and operations and maintenance, and so should Illinois. Again, this reflects the average rating and the opportunity to do better in the future.

B.1.4.3 MARITIME INTEGRATION WITHIN SISTER STATE AGENCIES

The transfer of IDOT’s Water Resources Division and its responsibilities to Illinois DNR in 1995 not only removed maritime responsibilities from IDOT, but also an understanding of the importance of the topic, and the continued need to consider maritime within the agency, until 2016. As a result, IEPA, IDNR, and DCEO have large roles in





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Illinois' waterways and ports, but the integration and synergies between their activities and IDOT's are still under development. IDNR and IEPA address maritime-related environmental issues, while DCEO assists with economic development activities by administering the Port Development Revolving Loan Fund and the River Edge Redevelopment Zone Program. IDOT is the organization that has the opportunity to coordinate of all State activities related to the maritime system.

This area is rated as "needs improvement" and below the average of Peer States, as there are several states that do have formal cross-agency and executive level structures that focus on the maritime system, and in several cases provide oversight to state maritime-related funding programs.

As noted, in late 2019 an internal working group was established between IDOT, IDNR, IEPA, and DCEO to collaborate on maritime system grant funding. The collaboration between IDOT and DCEO was required by the legislation that authorized the funding, however they took the opportunity to include IDNR and IEPA to ensure this one-time funding was structured to provide greatest benefits to maritime system stakeholders and address the full spectrum of needs on the system.

B.1.5 MARITIME SYSTEM FUNDING AND FINANCING

B.1.5.1 SUSTAINABLE, DEDICATED MARITIME SYSTEM FUNDING

IDOT currently has no recurring funding programs dedicated to addressing maritime system needs and is rated as "needs improvement" and well below the average of peer states. As noted above, there are programs administered by DCEO that place emphasis on economic development at/around ports, such as the River Edge Redevelopment Zone Program,² but these are not led by IDOT.

In June 2019, Governor Pritzker signed into law "Rebuild Illinois" a \$45 billion capital plan for the state. Rebuild Illinois includes \$150 million in new funding for port improvement projects. This is one-time funding will be administered jointly by the intrastate working group that includes IDOT, IDNR, IEPA, and DCEO. And, while the program is in development, it is expected to fund projects such as new rail track to allow for handling of heavier cargo, new tracks to improve movement of goods, new warehouses, dock wall replacements, or repurposing of existing facilities.³

² River Edge Redevelopment Zone Program, Illinois Department of Commerce, <https://www2.illinois.gov/dceo/ExpandRelocate/Incentives/taxassistance/Pages/riversedge.aspx> (accessed February 20, 2020).

³ Rebuild Illinois Capital Plan, June 28, 2019, https://www2.illinois.gov/IISNews/20266-Rebuild_Illinois_Capital_Plan.pdf (accessed February 20, 2020).





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B.1.5.2 EXISTING FUNDING SOURCES “FLEXED” FOR MARITIME USE

In 2018, IDOT initiated the Illinois Competitive Freight Program, a grant program to select projects for Illinois’ share of National Highway Freight Program (NHFP) funds provided to the state through USDOT. The program selected projects that are aligned with Illinois State Freight Plan goals and aimed at reducing bottlenecks, improving freight-related safety, increasing intermodal accessibility to freight corridors, and enhancing efficiency through the strategic deployment of technology. In total, \$225 million will be distributed to selected projects through 2022. The federal NHFP allowed for up to 10% of state funds to be “flexed” for non-national highway system projects, and could include intermodal (e.g., rail or maritime) projects. IDOT “flexed” the full 10 percent of funds for intermodal projects and the Illinois Competitive Freight Program criteria includes consideration for how intermodal projects may reduce truck trips.

IDOT does provide some support to address maritime system needs through its Statewide Planning & Research (SPR) funds. SPR funds can be used for planning and research activities such as planning studies; data purchase, collection, and/or analysis; program development activities; performance management activities; and coordination/outreach activities. These funds may be used for highways, active transportation, rail (passenger and freight), and transit; and, while other non-surface transportation modes such as air and water are not generally eligible, planning studies or data collection related to air and water may be partially funded based on the portion of the study related to goods movement or surface transportation. Governmental agencies can apply to use these funds, but private entities or non-profits are also eligible to apply if they have a public sponsor such as a municipality, park district, county, etc.⁴ IDOT has funded port planning through this program in the past.

This area is rated as “average” compared to peer states, as IDOT’s approach is similar to other DOTs. Again, while IDOT is not necessarily behind other states related to flexing traditional funding sources, this should not be taken as a fully positive position. There are actions that nearly all state can take to further examine if existing funding programs are satisfying the slate of system needs and make changes to improve program effectiveness.

B.1.6 OTHER MARITIME SYSTEM ASSISTANCE

B.1.6.1 SUPPORT AND ADVOCACY TO MARITIME STAKEHOLDERS

This area is rated as “average” compared to peer states, largely due to the lead IDOT is taking in development of this Illinois Maritime Transportation System Plan, and thoughtful inclusion of a guiding committee comprised of a wide array of port and waterway system stakeholders. Prior to development of this Plan, IDOT has provided technical assistance to port districts in coordination with DCEO, but initiative directly from IDOT was lacking. This

⁴ Statewide Planning & Research Funds Fiscal Year 2021 Program Guidance, IDOT, February 2020, http://www.idot.illinois.gov/Assets/uploads/files/About-IDOT/Misc/Planning/2021SPR/2021SPRProgramGuidance_FINAL.pdf (accessed February 20, 2020).





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is one area where large improvements can easily be made by IDOT in the future, mainly through mobilizing around the recommendations found in this Plan.





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B.2 BROAD PEER STATE REVIEW

Key Chapter Takeaway

This chapter provides a high-level overview of the various ways that Illinois' Peer States engage with their maritime systems. Engagement is reviewed and discussed through three main lenses:

- Maritime's organization and integration within the DOT
- Maritime system funding and financing
- Public agency (DOT) support and assistance for the maritime system

The results of this Peer State review indicate that there is value in taking a further look at select elements in the states of Florida, Ohio, Minnesota, Missouri, Pennsylvania, Virginia, and Washington.

B.2.1 INTRODUCTION

A broad Peer State review was conducted to focus on three core areas where IDOT has current gaps and is seeking change:

- Organization and integration
- Maritime system funding and financing
- Maritime system assistance

This 30,000-foot review is primarily conducted from the perspective of a state DOT. For example, regarding maritime system funding, this relates to funding provided through the state DOT; it does not include funding provided by other agencies (such as economic development agencies) for the maritime system within the state. And, maritime system assistance is directly related to the assistance the DOT provides to the system, not assistance that is provided by others (including other state agencies or trade associations).

B.2.2 ORGANIZATION AND INTEGRATION

This section reviews two areas that provide important context and a basis for understanding state approaches. This includes:

- How a state is organized to conduct maritime planning and provide support to the system, and
- How the ports themselves are organized and governed.

While a DOT has the ability to make adjustments to its structure, staff roster, and project assignments, it is also important to understand how a key part of the system (i.e., ports) is governed so that the DOT can appropriately interface – and make plans, policies, provide funding, etc. – in a way that works for the key stakeholders.





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B.2.2.1 DEPARTMENT OF TRANSPORTATION ORGANIZATION

This section provides an overview of the various ways state DOTs have organized themselves for maritime system planning. Three key areas were reviewed related to DOT organization:

- The DOT role in the maritime system,
- If the DOT has a standalone Maritime Division or dedicated staff, and
- If there is an alternate lead agency related to maritime system planning.

The results of the review are below.

Department of Transportation Role in Maritime System

As shown in Figure 2-1, most peer states profiled do have some role in maritime system planning. Both the Indiana and Virginia DOTs are shown as not having a primary role in maritime system planning for the states, as this function is addressed by the Ports of Indiana and Virginia Ports Authority (see Figure 2-3).

The types of roles vary by agency, but in all cases at a minimum there is acknowledgement of the maritime system as part of the multimodal freight system in the state's long-range transportation plans and freight plans. In some cases, states have developed stand-alone maritime system plans. The states of Minnesota, Florida, and Washington each have long histories of maritime system planning and have established plans, and recent updates (in Florida and Washington). Ohio has recently completed its first maritime system plan, and Kentucky and Louisiana are both in the process of initiating updates to their plans.

Maritime Division

As shown in Figure 2-2, whether a state DOT has a primary role in maritime system planning, or not, all states have either a dedicated staff or other staff assigned to monitor maritime system issues. There is great variation on how states are organized, ranging from Florida, that has multiple staff focused on maritime and seaport system topics, to Ohio, that has 1 staff that is responsible for maritime, all other freight topics, as well as some state and MPO planning, and project funding activities.

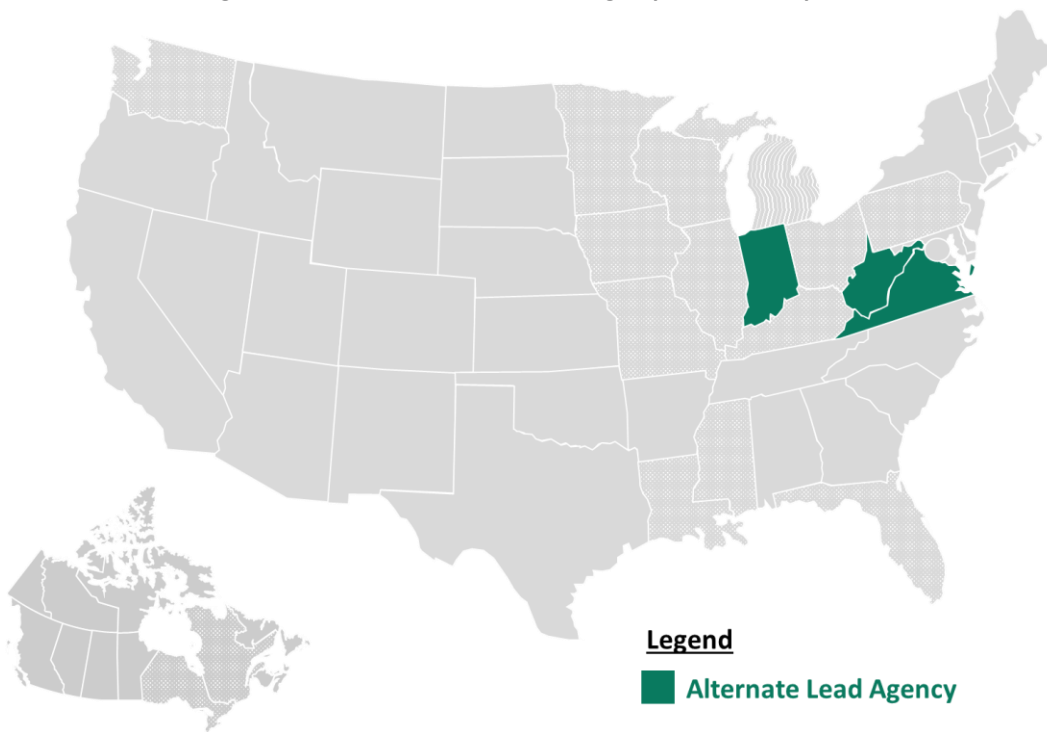
However, context is important in understanding why some states have dedicated teams, and others do not. There is historic recognition of the significance deep water ports serve in the US economy. As such, each of the deep water states reviewed, Florida, Washington, Louisiana, Mississippi, and Pennsylvania, have dedicated staff. Virginia also is a deep water state and has elevated maritime further by having all activities primarily led by the Virginia Ports Authority (see Figure 2-3).





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Figure 2-3: Peer State's Alternate Lead Agency in Maritime System



B.2.2.2 PORT GOVERNANCE

This section provides an overview on how ports in various states are governed, as context for further discussion on how and why various levels of state DOT support are provided. Four key areas were reviewed to understand how ports are organized within a state:

- If there are state-owned ports,
- If there are locally-owned (by local governments) ports,
- If there is singular legislation that provides unification in organization and operations in the state, and
- If there is a state-level board that provides oversight and interfaces with the ports.

This section reviews these topics through a general state lens, versus a state DOT-specific lens. State DOTs generally have a limited role in port governance, but nevertheless, it is important for state DOTs to understand this common limitation to establish an effective interface with ports.

In Illinois, there are 19 legislatively created public port districts, and IDOT does not have a role in establishing them, or administering them. The enabling legislation gives ports tax-exempt status and the ability to issue bonds





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for port development. Illinois' port districts are required to submit financial reports to the Office of the State Comptroller.⁵

State and Local Port Ownership

As shown in Figure 2-4, only four states have state-owned ports. As previously noted, in Virginia, there are no ports other than those under the jurisdiction of the Virginia Ports Authority. In Indiana, while the primary cargo handling ports are owned by the state, local ports are allowed to incorporate on their own. In Mississippi there are 16 public ports, of these two are owned and governed by the state through the Mississippi State Port Authority Board of Commissioners (the deep-water and inland ports at Gulfport). And, in West Virginia the Heartland Intermodal Gateway Intermodal Facility (Prichard, WV) is owned, managed, and operated by the state; however, this is not a maritime port.

As shown in Figure 2-5, all peer states reviewed, aside from Virginia, allow for the incorporation of local ports.

In Canada, ports fall exclusively under federal jurisdiction. As such, Canada operates with a national policy/legislative/regulatory framework when it comes to port governance. This is similar to most countries in the world and contrasts with the fragmented manner by which ports in the US are governed. The current organizational framework for ports in Canada was implemented through the Canada Marine Act (CMA) in 1998, and the related regulations. While Transport Canada, the federal DOT, has ownership of many ports, the intent was to relieve Transport Canada from directly managing and operating the nation's marine transportation facilities, in order to emphasize commercial principles with accountability to users and the public, and to shift the cost of port operations from taxpayers in general to users of the facilities. While most ports in Canada are considered federal ports, there are also allowances for ports to be owned and managed by non-federal entities (e.g., private entities, provinces or municipalities, or not-for-profit entities), however Transport Canada has a regulatory and compliance monitoring role for all ports, regardless of ownership.

Singular Legislation

Singular legislation provides indication of if ports within a state are established and governed in a similar/same manner throughout the state (i.e., a "single piece of legislation" that allows for the creation of new governing bodies). This can be important to ensure all ports in a state are working under similar operating and funding conditions and are on a level playing field. How legislation is developed and advanced may also be influenced by a state DOT and inform the role the state and local agencies have in the port – whether simply at inception, or through day-to-day activities.

⁵ Illinois Long Range Transportation Plan, Appendix B: Transportation System Update, IDOT, December 2018.





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As shown in Figure 2-6, neither Indiana, Virginia, Florida, nor Illinois have singular legislation. Again, Indiana and Virginia do not have singular legislation in large part due to the special authorities established to govern the public ports in the state.

In Florida, where there are 15 public port authorities and significant competition in terms of attracting cruise and cargo traffic, there is no singular legislation placing ports on common ground. There is however, a state-level advisory board that ensures disparate interests are represented and given a voice (see Figure 2-7).

Illinois is a bit of a special case; while the state does not have singular legislation, review of port authority incorporation documents and legislation show that as new authorities are established language is “borrowed” from already established authorities. The result of this “borrowing” is very similar legislation between authorities.

In both Missouri and Michigan, law requires the state DOT to approve the creation of new port authorities. In all other cases the DOT has no role in establishing these, and in some cases, likely may not be aware of the authorities until after they have been established.

In Canada there is singular legislation for ports, but that legislation is at the federal level and provides a guiding framework for all ports in the nation.

State-Level Advisory Board

As shown in Figure 2-7, there are several states that have state-level maritime-focused advisory boards. This is different than an organization or association of ports, such as the Illinois Ports Association, and refers to a governmental organization that provides some oversight and interfaces with the ports in a formal manner. Often this advisory board has a role in project prioritization and selection for maritime funding; however it is not a requirement if project funding is provided, nor do all states with boards provide maritime funding. While many states DOTs do have State Freight Advisory Committees that include maritime interests, very few have committees/sub-committees that are specific to the maritime system, and often these committees are not written into legislation.

The states that do have some type of state-level maritime focused advisory board include Michigan, Indiana, Kentucky, West Virginia, Virginia and Florida. Indiana and Virginia have a unique structure whereby the state has ownership and governs most/all of the ports in the state. In Kentucky, the Water Transportation Advisory Board was created by the legislature in 2010 to advise the state executive and legislative branches on water transportation matters. Members are appointed by the Governor. In West Virginia, the West Virginia Public Port Authority has been established to promote and develop the potential of intermodalism. This group operates within the West Virginia DOT and has members appointed by the Governor, with the West Virginia DOT Secretary serving as the Board President. In Michigan, the Michigan State Waterways Commission of the Department of Natural Resources is a seven-member advisory board that awards grant funds for the acquisition, development, and maintenance of public harbors and boating access sites; however, this funding is directed toward recreational harbors.

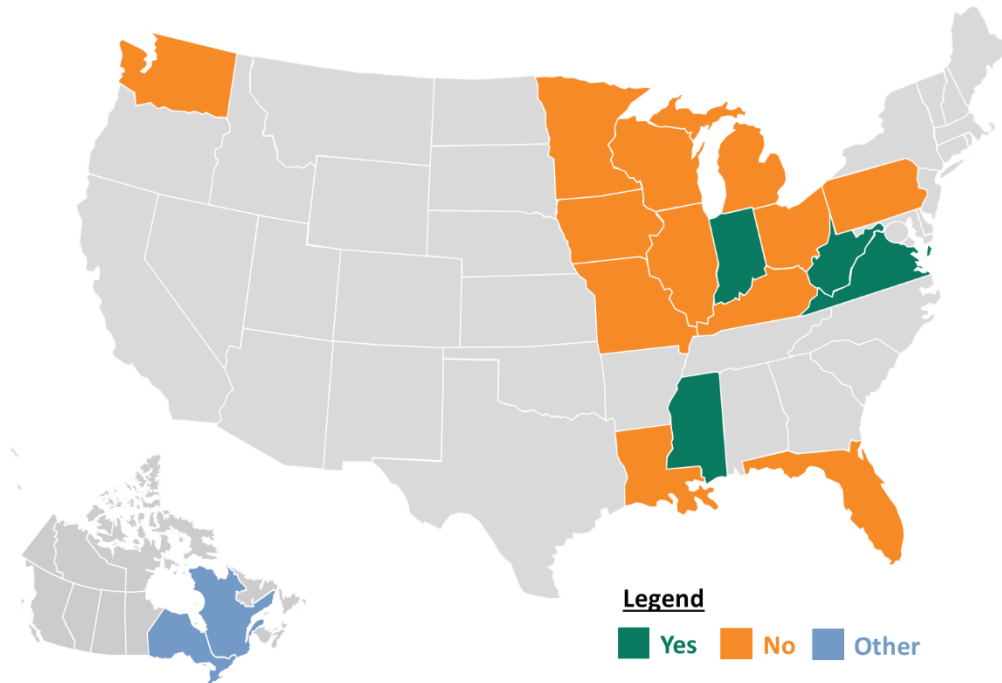




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The state-level advisory board in Florida is one of the best examples of an effective board that facilitates collaboration for a purpose. As noted, each port authority in the state has the ability to establish its own governance structure; however, given the substantial role the state serves in investing in seaport system projects in Florida, a mechanism for increased partnership, and ensuring all perspectives represented during project prioritization and selection is vital. The Florida Seaport Transportation and Economic Development (FSTED) Council serves in this role.

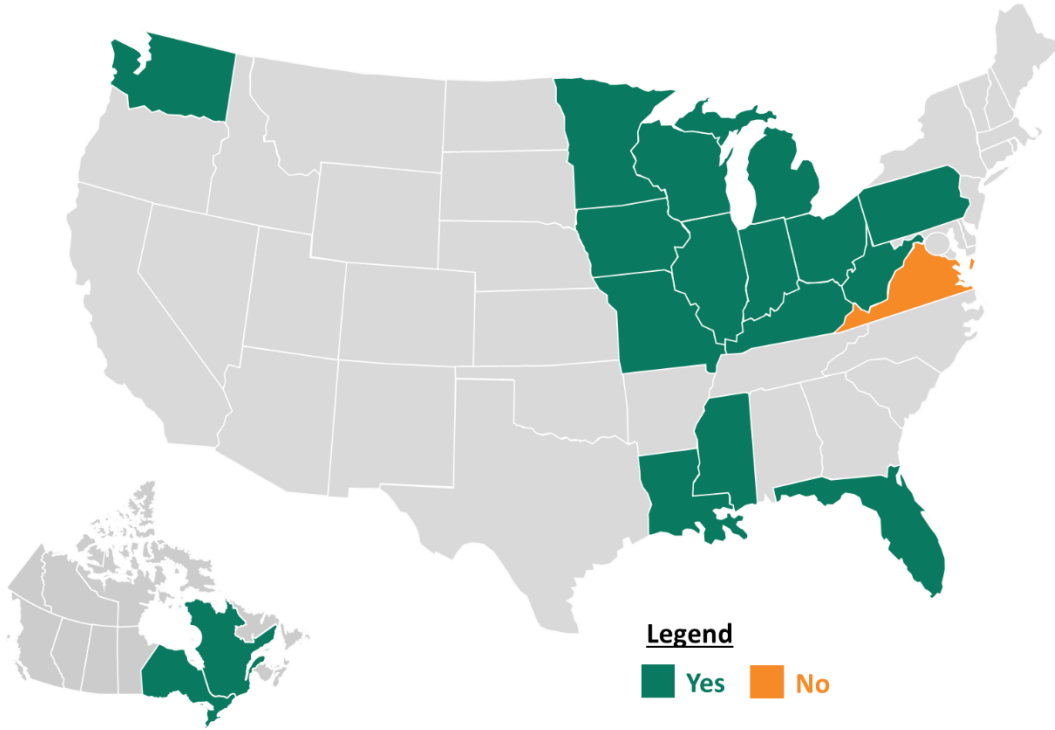
Figure 2-4: Peer State's with State-Owned Ports





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Figure 2-5: Peer State's with Locally-Owned Ports





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Figure 2-6: Peer State's with Singular Legislation

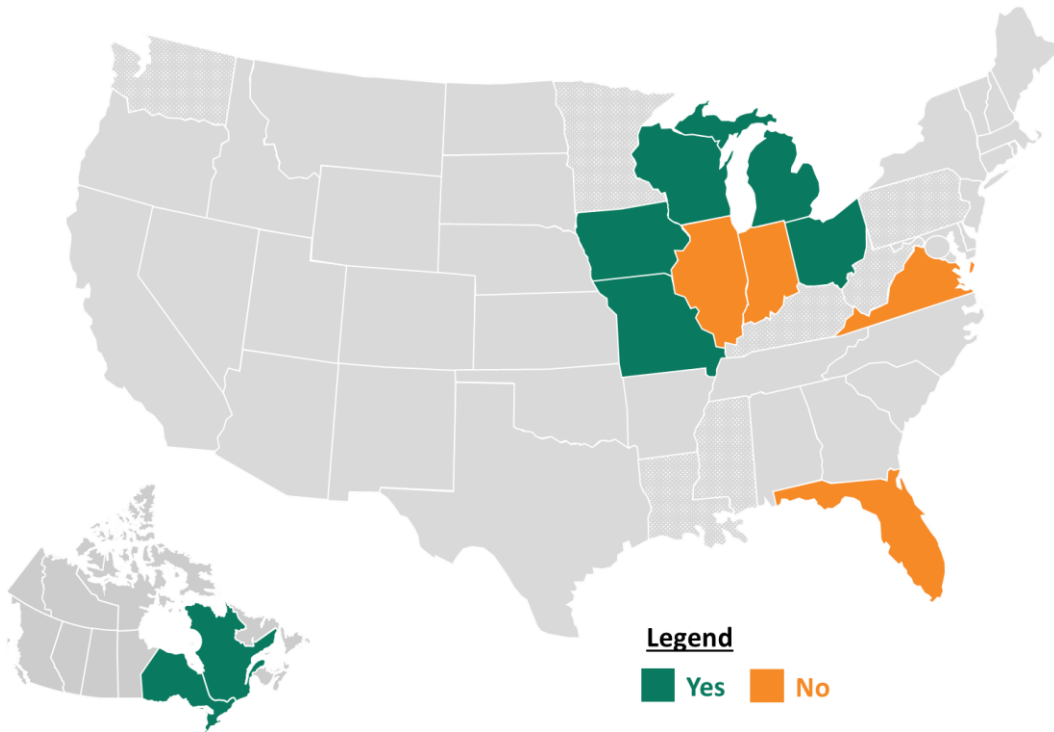
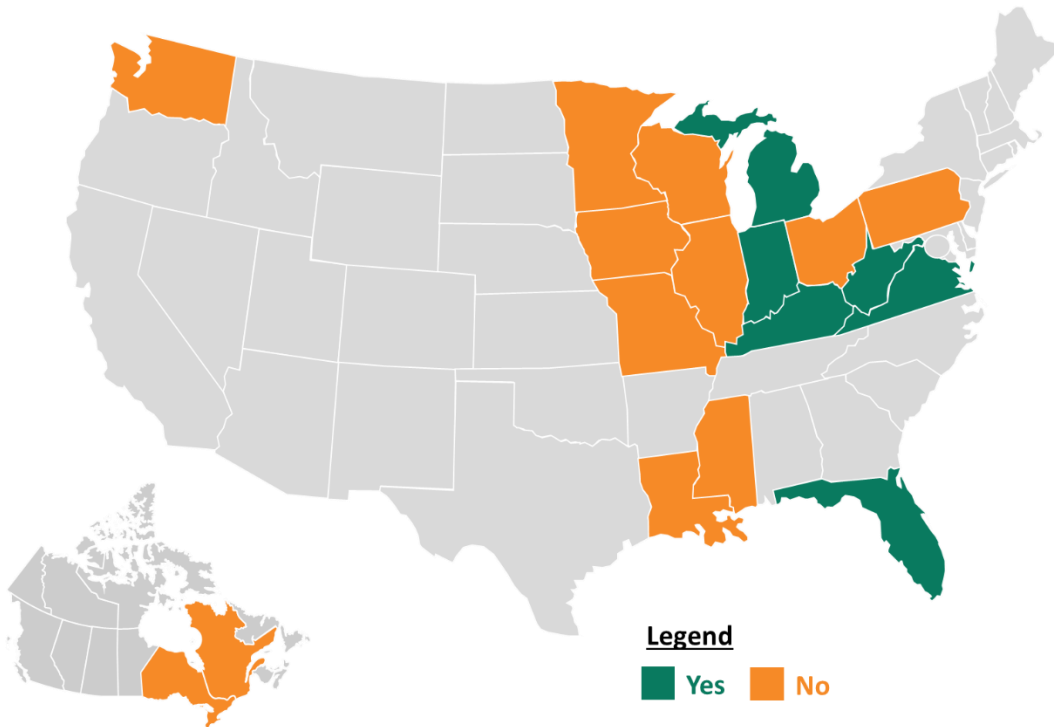


Figure 2-7: Peer State's with State-Level Advisory Board





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Key Takeaways for Illinois

Illinois is not alone in not having a dedicated maritime division, or even staff dedicated to solely maritime topics. However, not having dedicated staff may limit the states' ability to be as effective as desired in addressing the full spectrum of maritime system needs.

Additionally, Illinois has the same type of port governance structure of many other states – with a limited role in port oversight, and a bit of a learning curve to understand how each port is slightly different in terms of how they are organized, their strategic goals and priorities, and the mechanisms they have by which to advance their interests on their own.

B.2.3 MARITIME SYSTEM FUNDING AND FINANCING

Likely the biggest impact a DOT can have on the maritime system is to make investments in that system – but what investments are the “right” investments? This section reviews three key areas related to state DOT funding that is provided to the maritime system:

- If funding is provided for operations,
- If funding is provided for capital and other infrastructure investment needs, and
- The types of entities (e.g., public or private) that are eligible for funding.

The results of the review are below.

B.2.3.1 FINANCIAL ASSISTANCE – OPERATIONS

As shown in Figure 2-8, Indiana and Virginia are the only states that provide funding for operations. In large part, this is simply a fact of how these two states have structured their ports (state-owned). Funding that is provided to operations is from revenue generated from port operations, that is put back into the system. In Michigan, the Michigan DOT Office of Rail provides funds to support port authority operations, but this funding is solely for the Detroit Wayne County Port Authority, as Michigan law requires the state to contribute up to 50 percent of the given port authority's operating budget.⁶ Missouri also provides administrative funding for ports, when appropriated, which can be used to support port operations. While no other peer states put money in port operations, neither do these states own nor operate maritime ports.

In Canada, the 18 primary ports (Canada Port Authority (CPA) ports) must by law be financially self-sufficient. CPAs finance their operations from their revenues and borrow from commercial banks for capital projects. They do not receive appropriations or funding from the government to meet operating costs or deficits. They do not receive federal government loans or any federal government guarantees of commercial loans. They cannot pledge federal

⁶ “The Official Guide to MDOT.” MDOT. Updated January 2019. p. 38.

https://www.michigan.gov/documents/mdot/mdot_Guide_MDOT2019_647486_7.pdf





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real property as security for any borrowing, and they do not benefit from any interest-free loan or bond issue status, nor have taxing powers.⁷ For most CPAs money from leasing represents the greater portion of their annual revenue. Fees are also an important source of revenue for CPAs. This said, CPAs can receive federal program payments under limited circumstances, specifically for emergencies and contributions in respect of the capital costs of infrastructure, environmental sustainability, and security.

B.2.3.2 FINANCIAL ASSISTANCE – CAPITAL & OTHER INFRASTRUCTURE

As shown in Figure 2-9, most states do have some type of funding that can be generally tied to the maritime system, however, not many states have programs explicitly linked to funding port or maritime specific-infrastructure. For example, Washington State does not have any funding programs specifically dedicated to support of maritime terminals. Instead, Washington State DOT notes that maritime needs and issues can be eligible for three broad types state funding programs: Freight Mobility Strategic Investment Board programs (FMSIB – funded by the motor fuels tax can only be used toward applicable projects), rail funding programs (grants and loans), and Remedial Action Grants (however these are administered by the Washington State Department of Ecology).

In Minnesota, the DOT's dedicated funding program for port capital projects, the Port Development Assistance Program (PDAP), has been active since 1991, with the first funded projects in 1996. The PDAP is administered by Minnesota DOT's dedicated maritime staff, and funds are appropriated by the Minnesota Legislature. Since funds are appropriated by the Legislature, funding levels vary from year-to-year. The most recent appropriation was \$5.3 million in 2018, with historical allocations ranging between \$0 and \$3 million per year.

In Ohio, the recently established Ohio Maritime Assistance Program provides competitive grants to certain port authorities for the construction of new marine cargo terminals to improve existing terminals on the shores of Lake Erie or the Ohio River. For now, \$23 million of funding is available over the next two years.⁸ It has not yet been determined whether the program, that is approved by the legislature and uses general funds, will be continued in the future.

In Missouri, the State Transportation Improvement Program (STIP) has a \$7.5 million annual set-aside for port capital improvement programs. This is funded through the general revenue funds when appropriated.

B.2.3.3 ELIGIBILITY FOR STATE FUNDING

There are various entities that receive state funding for maritime system needs, as shown in Figure 2-10. Two outliers in the figure are Michigan and Pennsylvania. In Michigan, the DOT does not have a state-level funding

⁷ Transport Canada, [Canadian Port Authorities](#).

⁸ Ohio DOT, Ohio Statewide Transportation Planning Newsletter, http://www.dot.state.oh.us/Divisions/Planning/SPR/StatewidePlanning/Documents/Newsletter/PlanIT_Third_Newsletter.pdf

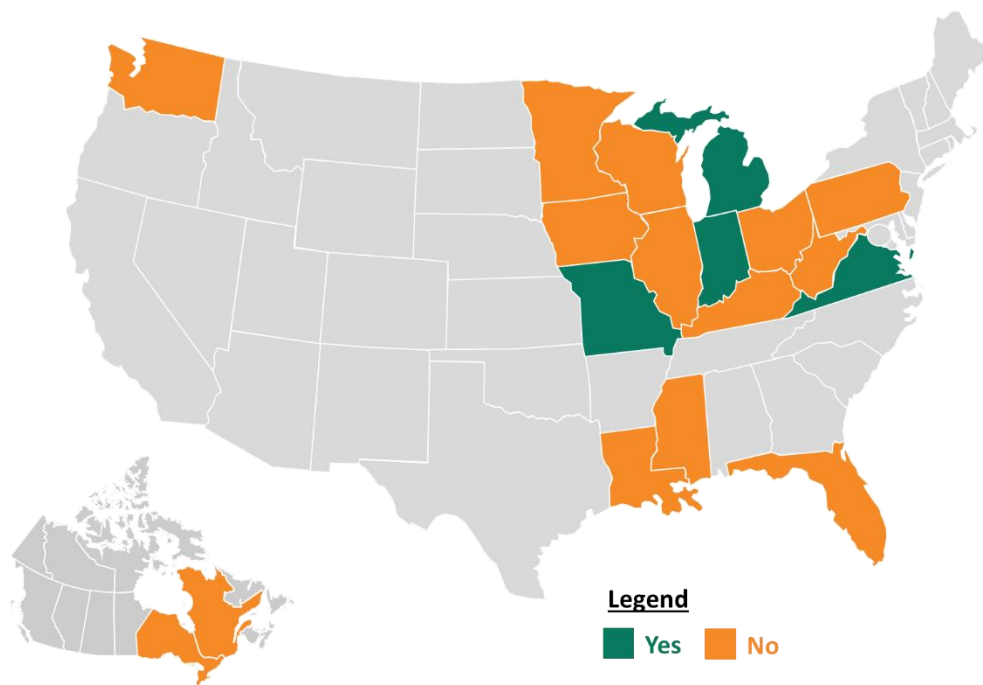




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mechanisms for ports (aside for Detroit Wayne County Port Authority, previously mentioned). However, available state-level funding is directed toward recreational harbors through the Michigan State Waterways Commission of the Department of Natural Resources.⁹ And, Pennsylvania is the only state that provides funds to both public and private entities. Act 89 enacted the Multimodal Transportation Fund, which stabilized funding for various transport modes, including ports. The fund provides grants for port and rail projects that cost between \$100,000 and \$3 million and requires a 30 percent local match. Privately owned terminals are eligible. In FY2019, about \$44.5 million in grants were awarded to 50 projects across 23 counties.¹⁰ Also, the Pennsylvania Intermodal Cargo Growth Incentive Program (PICGIP), encourages ocean carriers to use Pennsylvania ports and terminals by offering an incentive of \$25 per container unit (lift).

Figure 2-8: Peer State's with Financial Assistance – Operations



⁹ About the Waterways Commission. The Department of Natural Resources. 2019. Accessed August 20, 2019. https://www.michigan.gov/dnr/0,4570,7-350-79137_79763_79917---,00.html

¹⁰ "Gov. Wolf names statewide projects." Vigna, Paul. PennLive. February 1, 2019. <https://www.pennlive.com/news/2019/02/gov-wolf-names-statewide-projects-to-receive-funding-through-multimodal-transportation-fund.html>





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Figure 2-9: Peer State's with Financial Assistance – Capital & Other Infrastructure

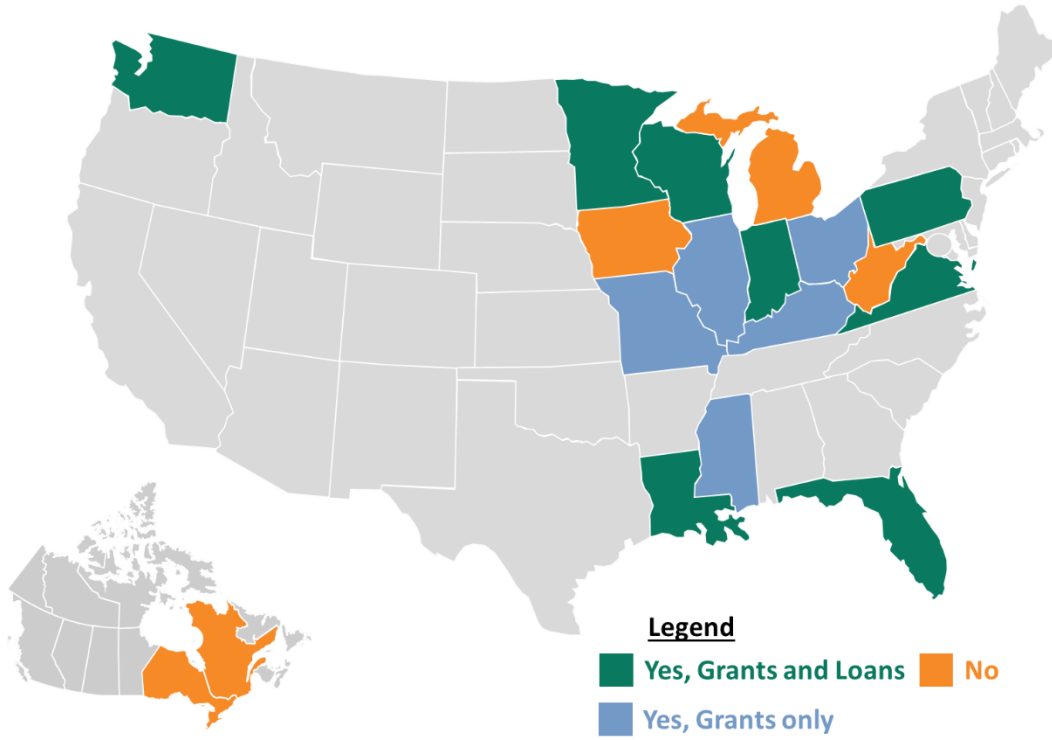
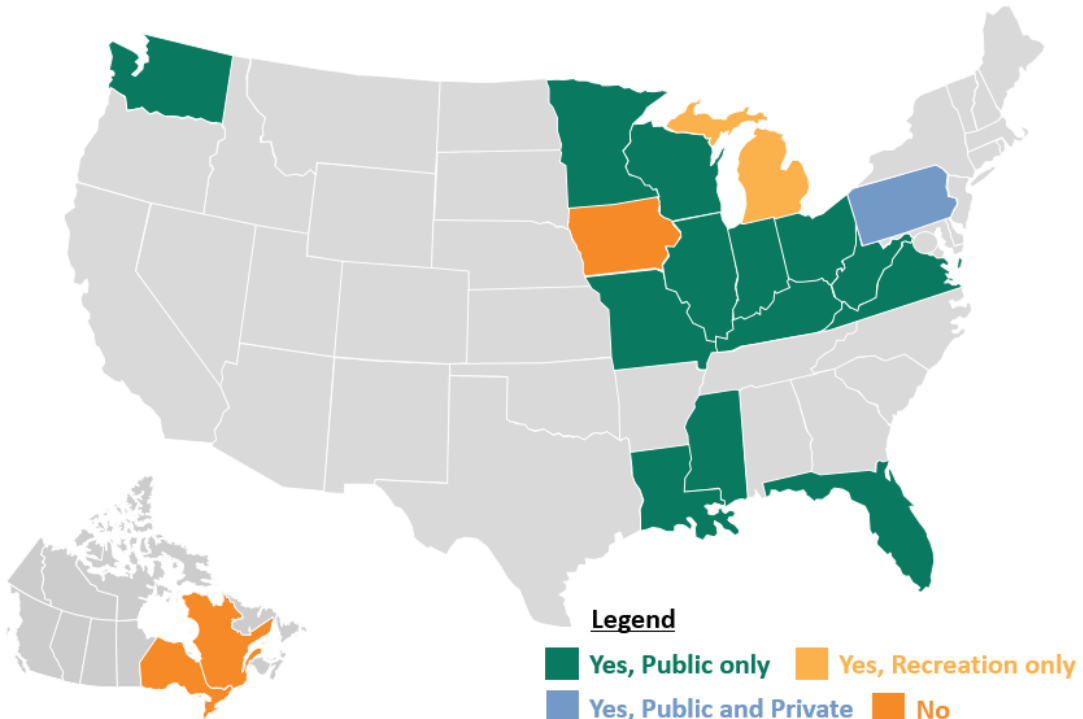


Figure 2-10: Peer State DOT's Eligibility for State Funding





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User Fees for Maritime System Investments

In 2018, the American Society of Civil Engineers (ASCE) gave Illinois a “D-” for navigable waterways infrastructure quality; a “C-” for ports infrastructure quality; and a “C” for dam infrastructure quality. As a result, a streamlined and dedicated funding source for infrastructure investment and maintenance in Illinois is crucial to the long-term vitality of the IMTS.

At the Federal level, there are two user-fee generated sources that fund improvements to waterways: the Harbor Maintenance Trust Fund (HMTF) and the Inland Waterway Trust Fund (IWTF). The HMTF is used for dredging and funded by way of the Harbor Maintenance Tax (HMT), which is paid by maritime shippers and directly imposed on domestic shippers and importers using coastal or inland ports in the United States. When Congress created the HMTF, they gave Congress the authority to appropriate funds to be used by the United States Army Corps of Engineers (USACE) – meaning that all of the HMTF revenue may not be allocated to the USACE. In the past 10-15 years, Congress has not appropriated the full amount of HMT dollars to the USACE – resulting in a large amount of unused user-fee generated revenue. The IWTF collects the Inland Waterway User Fee (IWUF), which is a tax on commercial barge fuel purchased by commercial towing companies using federally designated waterways. IWTF revenue is intended to pay for 50 percent of the construction and major rehabilitation projects on the inland waterway system. Both the HMTF and IWTF are appropriated to the USACE who have discretion of how they use it.

From a state and Local perspective, there are no good examples of a user-fee that funds waterway projects. Occasionally, city-controlled recreational harbors will impose a user-fee to help pay for dredging, but this is an uncommon practice. For example, the City of New Buffalo, Michigan authorized an Emergency Harbor Dredging Fund (EHDF), which collects user-fees from their recreational users for emergency dredging in cases where the USACE cannot dredge in time.

Key Takeaways for Illinois

Developing a dedicated maritime funding program is ideal, but lessons show that there are other ways to creatively fund port and maritime-related needs. The first-/last-mile connectivity at each port facility is eligible for various federal and state highway and rail program funds, and first-/last-mile improvements can have benefits for the maritime system. However, while various types of infrastructure projects provide real benefits in terms of connectivity, improved operational efficiencies, or even the ability to introduce new/different cargo types at ports, there is resounding agreement that investment in port operations has little value – though, it has not been found anywhere in the US that ports must be self-sustaining, as it is written in Canadian federal law.

Another area of general agreement relates to who receives state funds. In most cases, this is public ports, and when private terminals/facilities receive funds there is support for those funds by a local port authority. The only





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case of public funds going directly to a private entity without this consent is in Philadelphia where private funds are used as an incentive to grow new traffic. And, in this case, funds are provided to the carrier, not to a private terminal.

B.2.4 OTHER MARITIME SYSTEM ASSISTANCE

Two primary areas were reviewed related to state DOTs other activities related to the maritime system, including:

- Technical assistance provided to maritime system stakeholders, and
- Marketing and/or advocacy activities undertaken to support maritime system stakeholders.

The results of the review are below.

B.2.4.1 TECHNICAL ASSISTANCE

As shown in Figure 2-11, each Peer State reviewed provides some level of technical support, which could include planning, research or data support to the ports within the states. In many cases, this technical support has taken the form of a maritime system plan (similar to this Illinois Maritime Transportation System Plan). As noted earlier, the states of Florida, Louisiana, Kentucky, Minnesota, Ohio, and Washington each have established plans or updates underway.

Through the FTSED Council, the seaport mission plan is regularly updated, most recently the *2019-2023 Five-Year Seaport Mission Plan*. This document outlines trends and projections in cargo and cruise activities at Florida's seaports. The Florida DOT Seaport Office also publishes a variety of other reports to support seaport and waterways in Florida, including the *2015 Florida Seaport System Plan*, *2016 Florida Seaport Profiles*, and *Panama Canal Expansion and Florida Seaports: A Preliminary Study* (2018), among others.

While Iowa does not have a standalone maritime plan, it has taken steps to understand key assets; the Iowa DOT maintains a River Barge Terminal Directory with key information about private barge terminals.

B.2.4.2 MARKETING AND ADVOCACY SUPPORT

Several states have taken steps to aid ports and other maritime system stakeholders in advocating for their own interests. In the State of Ohio, Ohio DOT took recommendations from their maritime system plan and took steps to initiate stakeholder groups on both the inland system and the Lake Erie, to come together to discuss and prioritize shared interests for state funding consideration.

In Louisiana, while there is no specific program, the state has supported efforts to market and promote ports. For instance, the state awarded the Louisiana Port Association \$250,000 in 2017 to help port members develop better marketing strategies.

In Mississippi, while the state currently does not have a program to support ports' marketing efforts, such funding once existed. Nearly a decade ago, the Mississippi Economic Development Authority offered grants to support the



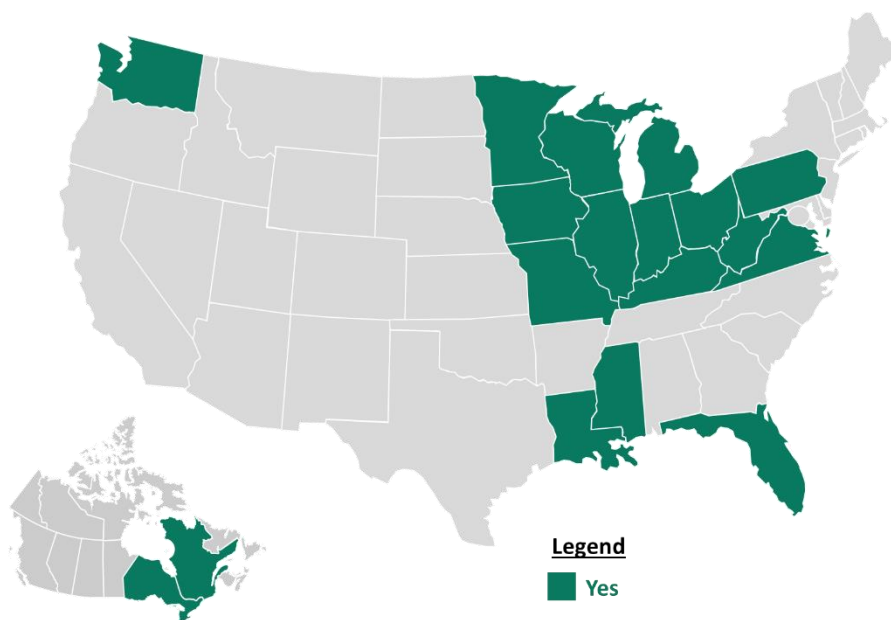


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marketing of local economic development activities, including public ports. A Statewide Ports Needs and Marketing Assessment conducted for MDOT in 2014 suggests MDOT consider reinstating a similar program to support ports' marketing efforts.¹¹

In Florida, the FSTED Council, published *Competitive, Committed, Connected: State of Florida's Seaports (2015)*, which includes the goal of capturing existing freight now moving through non-Florida ports such as by adopting aggressive marketing plans Florida ports to Capture Existing Freight.¹²

Figure 2-11: Peer State' DOT's which Provide Technical Assistance



Key Takeaways for Illinois

While IDOT is making progress in providing key maritime stakeholders information on the system through the development of this Plan, the Peer States review shows that there are several steps IDOT can take to provide additional support. Most importantly, once the Illinois Maritime Transportation System Plan is complete, IDOT should continue to maintain data on the system, regularly present an overview of recent trends, and track historic performance. This step will be critical in understanding where best investments could be made in the future.

Several states have taken steps to either provide funding for stakeholders to organize themselves, or even take the initiative to organize stakeholders in a way that is preferred by the DOT. For example, in Illinois, IDOT could

¹¹ Statewide Ports Needs and Marketing Assessment. Neel-Schaffer, Inc. and W. R. Coles and Associates. October 2014. p. 52.

¹² Florida Ports Council, State of Florida's Seaports 2015, <http://scdn.flaports.org/wp-content/uploads/State-of-Florida-Ports-2014-15-Final-Revised-3252015web.pdf>





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consider continuing to convene the Steering Committee established for Plan development to have a regular conduit to “industry pulse” and to advocate for their interests, as they align with IDOT’s goals.





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B.3 PEER STATE CASE STUDIES

Key Chapter Takeaway

A greater review of select states (Florida, Ohio, Minnesota, Missouri, Pennsylvania, and Virginia) provides further insight into practices that could potentially be relevant to IDOT. Major areas of interest include how to manage or support groups of ports who are in competition, different methods for providing funding support, and different models for how maritime work is integrated into the DOT.

B.3.1 CASE STUDY SELECTION

The findings from the preceding general review comparing states across broad categories revealed several states and topics that warranted further investigation, specifically related to:

- DOT staff organization
- Integration of maritime topics within other aspects of the DOT
- Funding availability and project selection processes

Case studies were selected for varying regions based on the state:

- **Florida.** The state has robust engagement and discussion with its public ports, which aids in ensuring investments are distributed more equitably across the state's inter-competing ports.
- **Ohio.** While the state does not have dedicated maritime staff, they have been able to take steps to plan for the maritime system and have integrated maritime topics within other aspects of the DOT. This includes taking the first steps to develop a maritime funding program.
- **Minnesota.** This state does have dedicated maritime staff, and they have been able to take steps to plan for the maritime system and have integrated maritime topics within other aspects of the DOT. They also have a long-standing dedicated maritime funding program.
- **Missouri.** The state has some collaborative practices in place to allocate funding for maritime improvements, and also provides administrative funding support for public port authorities.
- **Pennsylvania.** The only state that provides funding to private sector entities.
- **Virginia.** A state where the DOT has a limited role in the maritime system due to the presence of the Virginia Port Authority that provides a unified vision and voice for all ports in the state.
- **Washington.** A state that does have dedicated maritime staff that has been able to take steps to plan for the maritime system and has integrated maritime topics within other aspects of the DOT. While they provide some funding to maritime-benefitting projects, they do not have a dedicated maritime funding program.





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B.3.2 CASE STUDIES

B.3.2.1 FLORIDA

Florida's maritime system may not be like Illinois': the state's ports are deep water ocean terminals. However, Florida's experience managing the needs of competitive ports could be relevant for IDOT's engagement with river terminals.

Organization and Integration

The **Seaport Office** operates under the Florida Department of Transportation's (FDOT) Freight, Logistics, and Passengers Operations

Office. Among its responsibilities, the Seaport Office assists in planning and funding strategic seaport projects. This office has two staff associated with FDOT's central office in Tallahassee.

In addition to the Seaport Office, the **Florida Seaport Transportation and Economic Development (FSTED) Council** is a public entity that is statutorily created and authorized to carry out Florida's economic development mission by implementing seaport capital improvement projects at the local level. The Council was created under FDOT and is made up of port directors, and a representative from FDOT and the Department of Economic Opportunity.

The state-level advisory board in Florida is one of the best examples of effective use of collaboration. Each port authority in the state has the ability to establish its own governance structure; however, given the substantial role the state serves in investing in seaport system projects in the state, a mechanism for increased collaboration, and having all perspectives represented during project prioritization and selection is vital. The Florida Seaport Transportation and Economic Development (FSTED) Council serves in this role.

FSTED is supported by the **Florida Ports Financing Commission**, a public entity created in 1996, pursuant to Florida statute, with the responsibility to accept a list of projects approved by the FSTED Council and implement the bond funding program. This provides a cost-effective means of financing capital projects by issuing bonds and transferring proceeds to individual Florida ports.¹³ The **Florida Ports Council** is a non-profit professional association for Florida seaports, also provides administrative support services on matters related to the FSTED Council, the FSTED Program, and the Florida Ports Financing Commission.

Florida Key Takeaway

Florida's Seaport Transportation and Economic Development (FSTED) Council is an excellent example of collaboration among port operators who are in competition. FSTED is complemented by additional funding commissions and an industry association. groups of ports who are in competition, different methods for providing funding support, and different models for how maritime work is integrated into the DOT.

¹³ Florida Ports Council, Florida Ports Financing Commission, <https://flaports.org/about/florida-ports-financing-commission/>





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Funding Availability

The **Florida Seaport Transportation and Economic Development (FSTED) Program** was created in 1990 to finance FSTED Council-approved port transportation projects on a 50% matching basis. A minimum of \$25 million annually comes from the State Transportation Trust Fund to fund the FSTED Program.¹⁴

The **Strategic Port Investment Initiative** provides \$35 million annually (from the State Transportation Trust Fund). Under this initiative, FDOT works with deep-water ports to develop and maintain a priority list of strategic investment projects.¹⁵

B.3.2.2 OHIO

Ohio's maritime system includes Great Lakes ports on Lake Erie, as well as river ports on the Ohio River. Ohio DOT (ODOT) recently created a maritime-specific funding program, and a statewide maritime plan.

Organization and Integration

ODOT's Maritime and Freight Program has one staff member and is located within the Division of Planning's Statewide Planning and Research office. This staff member also works on general freight topics, including freight planning, trucking and rail issues, and freight engagement with MPOs.

In 2018, ODOT released the *Ohio Maritime Strategy* with the goal to best leverage the state's maritime transportation system to enable Ohio's economic competitiveness and growth. *Transport Ohio* (2017), which is Ohio's statewide freight plan, also analyzes the role of waterway and ports in Ohio's freight delivery system. *Access Ohio 2040*, the state's long-range transportation plan, also provides a high-level snapshot of activity and guidance relevant to Ohio's maritime system.

Funding Availability

The recently established (2020) **Ohio Maritime Assistance Program** provides competitive grants to certain port authorities for the construction of new marine cargo terminals to improve existing terminals on the shores of Lake

Ohio Key Takeaway

Ohio recently completed its first statewide maritime plan. A key outcome of the plan was the creation of the Ohio Maritime Assistance Program, which started in 2020. Ohio's experience creating a new funding program provides some potential program elements for IDOT.

¹⁴ 2019 Florida Statutes, Chapter 311 Section 7, <https://www.flsenate.gov/Laws/Statutes/2019/311.07>

¹⁵ 2019 Florida Statutes, Chapter 311 Section 10, <https://www.flsenate.gov/Laws/Statutes/2019/311.10>





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Erie or the Ohio River. \$23 million of funding is available over the next two years.¹⁶ Prior to 2017, State of Ohio investments in the maritime system had been ad hoc, with funds coming from a variety of sources.¹⁷ In addition to state-level programs, local funding for maritime projects is available through the taxing and bonding powers granted to public port districts.

Project Selection

Application requirements for the recently-created program have focused on shovel-ready projects. In order to be eligible, applications must be routed through a port authority, projects must be located in federally-qualified opportunity zones, and a minimum of 50 percent match for funds is required. Applicants must demonstrate how projects will increase efficiency or capacity, as well as provide project management items like project schedules.

Projects will be scored based on the degree to which the project increases efficiency or capacity of terminal operations, the impact on handling new types of cargo or an increase in cargo volume, the benefit to firms importing or exporting goods, project readiness, and proposed local match.

B.3.2.3 MINNESOTA

Minnesota has a maritime system similar to Illinois', with ports on the Great Lakes as well as inland rivers. Minnesota DOT (MnDOT) has a history of maritime engagement, with dedicated maritime staff and funding programs, and previously-completed maritime studies.

Minnesota Key Takeaway

MnDOT's dedicated maritime staff support grant programs as well as planning efforts. Maritime grant applications contain a strong qualitative element to gauge project impacts.

Organization and Integration

MnDOT's maritime engagement is conducted primarily through its Office of Freight and Commercial Vehicle Operations (OFCVO). Within OFCVO there is a Ports & Waterways Program with one staffer. This staff member assists with maritime planning and outreach as well as administration of MnDOT's Port Development Assistance Program (PDAP). Planning products from the Ports & Waterways Program include a Statewide Ports and Waterways Plan, terminal listings, and studies on potential impacts of modal shifts from waterways to trucks.

¹⁶ Ohio DOT, Ohio Statewide Transportation Planning Newsletter, http://www.dot.state.oh.us/Divisions/Planning/SPR/StatewidePlanning/Documents/Newsletter/PlanIT_Third_Newsletter.pdf

¹⁷ Ohio DOT, Ohio Maritime Study, Working Paper 2 – Governance of Ohio's Maritime Transportation System, <http://www.dot.state.oh.us/Divisions/Planning/SPR/StatewidePlanning/MaritimeStrategy/WP%20%20-%20Governance%20of%20Ohio's%20Maritime%20Transportation%20System.pdf>





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Port governance methods in Minnesota include two state port authorities (Duluth, and St. Paul) and two municipal port authorities (Red Wing, and Winona). The state also has private terminals on both Lake Superior and the Mississippi River.

Outside of MnDOT, the Minnesota Freight Advisory Committee (MFAC) also publishes technical whitepapers, including analyses of intermodal freight transportation, and the competitive position of the state's freight market.

Funding Availability

Funds for PDAP are appropriated by the Minnesota Legislature. Since funds are appropriated by the Legislature, funding levels vary from year-to-year. The most recent appropriation was \$5.3 million in 2018, with historical allocations ranging between \$0 and \$3 million per year. Since its creation, the PDAP been a critical source of funding for public port authorities. According to the Minnesota Statewide Ports and Waterways Plan, PDAP support represented the entirety of Winona, Red Wing and St. Paul's capital improvement budgets between 2000 and 2014. During the same period, PDAP funding accounted for about half of the DSPA's capital improvement budget.

Project Selection

PDAP will contribute up to 80 percent of the cost of a project, and local governments or facility owners must match at least 20 percent of the cost of a project. Eligible applicants include port authorities, municipal governments, and owners of marine facilities. Eligible projects include dock and terminal repairs, capital improvements such as road and rail access, loading equipment purchases, and dredging.

Applications for PDAP grants are mostly qualitative, and applicants must demonstrate that projects are consistent with state, local, and regional plans, and describe potential economic impacts, benefits to industry, and safety impacts. Additionally, applicants are asked to provide some quantitative estimates such as annual revenue, project costs, and costs to shippers and industry if the project is not completed.

Project selection for the PDAP is less formal, and more collaborative, with MnDOT allocating funding to the state's four maritime port authorities on a rotating basis, with some authorities receiving larger amounts in different years. This approach is less data-intensive but is largely possible because the pool of applicants is usually limited to Minnesota's four maritime port authorities.





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B.3.2.4 MISSOURI

Most of Missouri's inland maritime system borders Illinois' and the Missouri Department of Transportation (MoDOT) provides some funding support for maritime facilities that could be relevant for an Illinois funding program.

Organization and Integration

MoDOT's freight section includes a Waterways Unit, which assists authorized cities and counties in the formation of port authorities. Among its responsibilities, the MoDOT waterways unit assists in capital and administrative funding, acts as an informational clearinghouse, provides technical assistance, and represents port interests within industrial and governmental circles.

Funding Availability

The Port Capital Improvement Program (CIP) provides funds to develop port infrastructure on Missouri's waterways and improve connections between transportation modes. Missouri's FY2019-2023 Statewide Transportation Improvement Program Funds includes a \$7.5 million annual request for this program, which is provided by state general revenue, when appropriated. MoDOT and the Missouri Public Port Authority Association prioritize port capital needs annually, and program funds may go to public port projects such as property acquisition, site development, rail connectors, and road access improvements.

The **Statewide Transportation Assistance Revolving (STAR) Fund** provides loans to local entities for the planning, acquisition, development, and construction of water facilities, among other non-highway projects.

Public ports also receive **administrative funding** from the State Transportation Fund, which provides funding for a portion of public ports' administrative expenses, when appropriated. This choice to fund administrative expenses is relatively rare among funding programs, and could be a potential model for IDOT, should the state choose to support administrative costs at public port authorities.

Project Selection

In the case of the CIP, projects must include a minimum of 20% local match. CIP projects are identified by port directors prior to summer MPAA meetings. An entire list of projects is presented to MPAA members, and presentations are given, with discussion on why proposed projects are important and will help overall maritime commerce. MPAA members then vote to develop a prioritized list with two segments, one fiscally constrained, and one of remaining prioritized needs. Members of MPOs and RPCs can provide feedback, and a final list of prioritized projects is incorporated into MoDOT's legislative budget requests and draft State Transportation Investment Plan.

Missouri Key Takeaway

Among its funding programs, MoDOT provides administrative funding for public ports, a unique form of assistance that helps ports hire adequate staff and engage in planning work. The state also collaborates with port authorities to select investments





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Once the Missouri budget bill is signed, MoDOT executes agreements with each port that is receiving funds. These agreements detail the scope of work, available funds, as well as any other requirements in place from Missouri law.

B.3.2.5 PENNSYLVANIA

Pennsylvania's maritime system includes deep water ports on both the Atlantic Ocean, as well as the Great Lakes. The state's western regions also have barge terminals on the Allegheny, Monongahela, and Ohio rivers. Much of the state DOT's attention is focused on its saltwater port in Philadelphia.

Pennsylvania Key Takeaway

Pennsylvania's funding model is unique: the state attracts traffic to its ports by subsidizing private firms that route container shipments through its ports.

Organization and Integration

Pennsylvania Department of Transportation (PennDOT)'s Division of Multimodal Transportation has a Multimodal Department. The organization oversees programs that focus on efficiency, capital investments, and safety and mobility across multiple modes of transportation, including ports and waterways. Currently, Pennsylvania has port authorities which are individually-created by the legislature. Not all of the authorities are engaged in maritime-related work, but all three of Pennsylvania's main ports have maritime-related port authorities. These include PhilaPort (Philadelphia), Port of Pittsburgh Commission, and Erie Port Authority.

Funding Availability

The Multimodal Transportation Fund stabilizes funding for various transport modes, including ports. The fund provides grants for port and rail projects that cost between \$100,000 and \$3 million and requires a 30 percent local match. Privately owned terminals are eligible as well. In FY2019, about \$44.5 million in grants were awarded to 50 projects across 23 counties.

PennDOT also administers the Pennsylvania Intermodal Cargo Growth Incentive Program (PICGIP), which encourages ocean carriers to use Pennsylvania ports and terminals by offering an incentive of \$25 per container unit (lift). The program aims to catalyze cargo container growth, increase port utilization, and support state economic development. The first incentives for PICGIP were offered in SFY 2015-2016, and the program is planned to continue be capitalized by \$1 million every year through SFY (state fiscal year) 2019-2020. In the program's first three years, the incentive program has contributed to an increase of 128,285 in total lifts.

Among the peer states, Pennsylvania's subsidization of cargo routed through its ports is unique and could be a program to consider for Illinois public ports that are in direct competition with adjacent ports in neighboring states. Such a program could be used to help ports grow their baseline level of activity, and improve the utilization of existing infrastructure. Note, while this program works in Pennsylvania on containers, this is untested for Great Lakes or inland markets or for non-containerized commodities.





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B.3.2.6 VIRGINIA

The Virginia Ports Authority's maritime work is primarily focused on the Port of Virginia, which operates ocean ports across the state. The Port of Virginia has access to multiple funding tools that could be of interest to Illinois.

Organization and Integration

The Commonwealth Transportation Board oversees Virginia's state-related engagement in transportation, including the work of the Virginia Department of Transportation (VDOT). In Virginia, maritime engagement is conducted primarily by The Virginia Port Authority (VPA), which exists outside of VDOT and answers to the state transportation commissioner. The VPA owns **The Port of Virginia**, which consists of six terminals.

Funding Availability

The Port of Virginia Economic and Infrastructure Development Grant Program (POV Grant) aims to encourage and facilitate the growth of the Port of Virginia. The program provides grants to certain qualified companies to "incentivize companies to locate new maritime-related employment centers or expand existing centers." A maximum of \$5 million may be distributed to all qualified companies in a given fiscal year, at the discretion of the VPA Executive Director, and the grant is available from 2014 through June 2020, subject to appropriation.

The Virginia Commonwealth Transportation Fund allocates funds for Virginia's transportation systems. This includes the Transportation Trust Fund, which has funds set aside for ports. Specifically, the **Commonwealth Port Fund** was established by the Virginia General Assembly in 1986 to "support port capital needs and the preservation of existing capital needs of all ocean, river, or tributary ports within the Commonwealth." The VPA administers the Commonwealth Port Fund. Of these funds, \$1 million is appropriated to the **Aid to Local Ports Grant Program** (established and adopted in 1987), which gives grants to local governments.

The VPA also administers the **Virginia Waterway Maintenance Fund**, which was established in May 2018 by the Virginia General Assembly to support shallow-draft dredging projects. The funds come from the Virginia Maintenance Grant Fund.

Virginia Key Takeaway

The challenges experienced by other states with multiple competitive private ports are partially neutralized in Virginia with a single entity providing a strategic vision for each individual port and the system as a whole.





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B.3.2.7 WASHINGTON

Washington State has both saltwater ports as well as inland river ports on the Columbia River. In these areas, there are thirteen public ports capable of accommodating oceangoing vessels, and nine shallow-draft public ports supporting barge operations.

Washington Key Takeaway

WSDOT has integrated maritime considerations into its freight-related planning and investment efforts, and utilizes general funding programs to support maritime improvements.

Organization and Integration

The Washington State Department of Transportation (WSDOT) has a Rail, Freight, and Ports Division. This division is part of a larger DOT branch devoted to multimodal project development and delivery. The Freight Rail, and Ports Division is responsible for tasks including:

- Developing strategic plans
- Conducting stakeholder and public outreach
- Educating WSDOT, executive, and legislative staff about freight-related topics.
- Administering freight funding sources.

As part of this work, the Division has created the 2017 *Washington State Marine Ports and Navigation Plan*. The plan assessed transportation needs of marine ports and identifies transportation system improvements that will support trade and economic development. In particular, the plan is tied to three overarching transportation goals set forth in Washington State's *Results Washington plan*:

- **Goal 2: Prosperous Economy** is supported by the plan's effort to improve travel and freight reliability on strategic corridors.
- **Goal 3: Modal Integration** is supported by the plan's examination of road and rail connection needs and issues at ports.
- **Goal 5: Community Engagement** is supported by the plan's outreach work to ports and other marine stakeholders.

In addition to this maritime-specific document, WSDOT has conducted research on topics relevant to operations at select ports, including a truck parking study, and a study of grain train operations in the state.

Currently, WSDOT does not engage in any other marketing support, although the *Marine Ports and Navigation Plan* notes that WSDOT's Rail, Freight, and Ports Division is responsible for multiple types of work that relate to marketing, including:

- Building regional participation and support for the plan and other freight efforts by strengthening relationships.
- Promoting freight safety through outreach.





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- Providing counsel to WSDOT executives, Washington’s Governor, and Legislature on freight programs and priorities.

Funding Availability

Washington State does not have a funding program specifically dedicated to support of maritime terminals. Instead, WSDOT notes that maritime needs and issues can be eligible for three broad types state funding programs: Freight Mobility Strategic Investment Board programs, rail funding programs, and Remedial Action Grants. Local funding for maritime projects is available through the local ports’ taxing and bonding powers.





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B.4 RECOMMENDATIONS

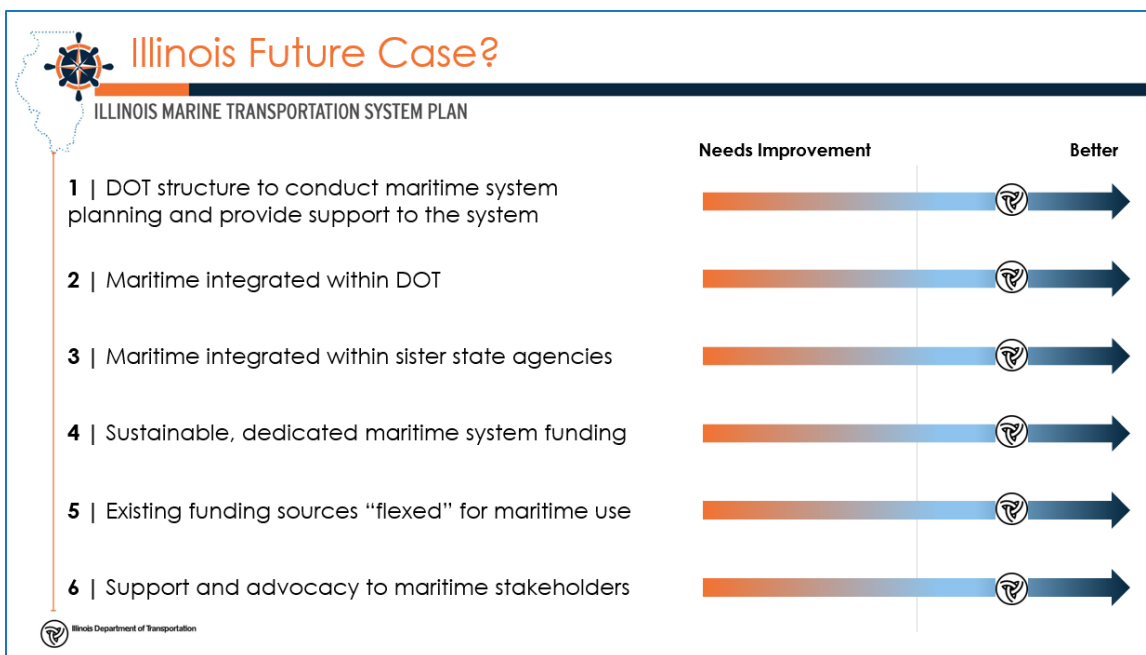
Key Chapter Takeaway

The result of reviewing and profiling Peer State practices is a list of potential recommendations that would enable IDOT to more effectively support the maritime system. Areas for recommendations include creating a maritime section in IDOT, formally integrating maritime work within IDOT, integrating maritime work in sister agencies like the DNR, creating a sustainable funding stream to address maritime needs and issues, flexing existing funding sources to support maritime projects, and providing support and advocacy for the maritime system.

B.4.1 RECOMMENDATION PRINCIPLES

The desired outcome of the Peer State review is to make recommendations informed by practices of others, so that IDOT is in a better position in the future related to its engagement with the maritime system than it was at the start of Plan development, as shown in Figure 4-1. This means that IDOT will work to create change in the six key areas reviewed in this document.

Figure 4-1: Desired Outcome of the Illinois Maritime Transportation System Plan





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Several “key principles” must be considered in developing recommendations, including:

- **Address key IDOT needs.** The recommendations should be tied to shortcomings, and areas where IDOT desires to make improvements. Recommendations should not veer into areas where IDOT does not want to seek change, nor where political will is absent.
- **Focus on what IDOT can meaningfully influence.** The recommendations should be focused on the actions that IDOT can take on its own versus actions that are required by others. In some cases, partnership to advance recommendations may be required, but IDOT would serve as the lead implementer.
- **Learn from others.... and learn from ourselves.** The Peer State review provided good examples of what is being done by others. But, IDOT has also taken action in a few areas that should be acknowledged and built upon in the future (e.g., the intrastate maritime working group, and work toward developing a funding program).
- **Think big – the time is now.** IDOT is in a unique position to make change; the development of the Illinois Maritime Transportation System Plan has served as a catalyzing force both within IDOT and among stakeholders. The momentum of Plan development may wane after it is complete, and IDOT likely only gets this chance to effect change on the system. Recommendations should be “big” and look toward the future.
- **Phased implementation.** While the desire is for recommendations to be forward-looking and anticipate not only today’s needs, but also what may be needed 3-5 years in the future, there needs to be recognition that IDOT will not be able to do everything at once and expect to do it well. Phased implementation will be key – both in terms of not taking action on all recommendations at once, but also that any individual recommendation may be implemented via incremental steps.

Recommendations for IDOT consideration are organized by identified need in the following section. Note, there are inherent synergies between the recommendations.

B.4.2 RECOMMENDATIONS

B.4.2.1 RECOMMENDATION 1 – CREATE A MARITIME SECTION WITHIN IDOT WITH DEDICATED STAFF

In addition to the key takeaways for Illinois presented in Chapter 2, one not-so-surprising finding from the Peer State review is that state DOTs, like most governmental organizations, do find a way to get things done regardless of the overarching structures that may be in place. Both Illinois and Ohio are embarking on fairly aggressive maritime system planning and funding programs, absent a formal structure within the DOTs that fully elevate maritime from a staff responsibility perspective. While this may be true, is not necessarily appropriate.

Recommendation 1 will create a Maritime Section within IDOT with dedicated staff. This recommendation may be implemented in phases – first, establishing a single “owner” of maritime topics within IDOT, and growing into a Maritime Section over time.





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The Maritime Section is expected to have the following responsibilities (among others):

- Data collection and monitoring
- Conduct system specific studies
- Participate in research activities
- Member and participant in State and National maritime organizations
- Coordinate IDOT maritime system funding programs
- Lead State-level maritime system advisory board
- Liaison with Illinois State Freight Advisory Council (ISFAC)
- Provide technical assistance/support to stakeholders (grant applications, policy changes, understanding regulations, etc.)
- Maritime system education (internal and external)
- Liaison with port districts, associations, private terminals, federal agencies, and other key system stakeholders

This recommendation is synergistic with:

- Recommendation 2 – Formally “Integrate Maritime” within IDOT
- Recommendation 3 – Formally “Integrate Maritime” Throughout the State of Illinois
- Recommendation 4 – Develop Illinois Maritime System Grant Program
- Recommendation 5 – Use Existing Funding Sources to Address Maritime Needs

B.4.2.2 RECOMMENDATION 2 – FORMALLY “INTEGRATE MARITIME” WITHIN IDOT

The Illinois Maritime Transportation System Plan development process has highlighted that maritime cannot be placed in a modal silo. Ports are dependent on roads and rails to convey goods into/out of them, and the activity that occurs within a ports boundaries, touch the broader regional, state and national economies. The actions that IDOT takes related to multimodal transport issues – from policy, planning, performance assessment, design, construction and maintenance.

Recommendation 2 will formally integrate maritime topics within IDOT, and it is expected that the Maritime Section will have a key role in “connecting the (maritime) dots” within the agency. Some of the activities that fit within this recommendation include (among others):

- Provide a conduit between maritime and other modal planning activities (which will require a formal process change to be effective)
- Establish performance measures and targets for the maritime system
- Re-evaluate existing project funding criteria to better include maritime (freight and passenger) system needs





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- Coordinate construction and maintenance activities to not be disruptive/preclude key movements to/from terminals.

This recommendation is synergistic with:

- Recommendation 1 – Create a Maritime Section within IDOT with Dedicated Staff
- Recommendation 5 – Use Existing Funding Sources to Address Maritime Needs





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B.4.2.3 RECOMMENDATION 3 – FORMALLY “INTEGRATE MARITIME” THROUGHOUT THE STATE OF ILLINOIS

As previously noted, in late 2019 an internal working group was established between IDOT, IDNR, IEPA, and DCEO to collaborate on maritime system grant funding. The collaboration between IDOT and DCEO was required by the legislation that authorized the funding, additionally IDNR and IEPA were included to ensure this one-time funding was structured to provide the greatest benefits to maritime system stakeholders and address the full spectrum of needs on the system. This forum has provided immediate value to IDOT and the partners, and desire has been expressed that this partnership continues after the funding program has concluded.

Recommendation 3 will formally integrate maritime topics throughout the State of Illinois, namely through establishing a state-level maritime system advisory board (with membership including IDOT, IEPA, IDNR, DCEO, and others). It is expected that the Maritime Section will have a key role in being a participant, facilitating conversations, and following up on required actions. Some of the activities that fit within the purview of the state-level maritime system advisory board include (among others):

- Liaison with the ISFAC
- Collaborate to establish and administer maritime system funding programs
- Address key issues of shared interest, including:
 - Permitting/regulatory changes
 - Resiliency/Flooding
 - Multimodal System Connections
 - Beneficial Use of Dredged Materials

This recommendation is synergistic with:

- Recommendation 1 – Create a Maritime Section within IDOT with Dedicated Staff

B.4.2.4 RECOMMENDATION 4 – DEVELOP ILLINOIS MARITIME SYSTEM GRANT PROGRAM

The peer state review has shown that even small dollar (e.g., \$3 million/year vs. \$25 million/year) funding programs can make a big impact on ports, but most important in developing a grant program is ensuring that funding is consistently provided (e.g., annually) so that port stakeholders have the ability to plan ahead and proactively schedule their funding requests.

As previously noted, IDOT, DCEO and other state agencies do provide funding to address maritime system, and system adjacent, needs. One goal of the Illinois Maritime System Grant Program should be to ensure that this program is not redundant with other established programs, and that it fills the gap to address needs that currently are not well/easily funded with existing state sources, for example inside the gate equipment purchases.





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IDOT is in a good position, and has a head start in shaping a future maritime grant program. IDOT, along with IDNR, IEPA, and DCEO are currently partnering on how to administer a program and prioritize projects that will be funded by the Rebuild Illinois \$150 million set-aside for port improvement projects. Lessons learned from this process should be used to construct the future Illinois Maritime System Grant Program.

Recommendation 4 will formally establish a dedicated maritime system grant program. Steps required to establish this program include (among others):

- Determine long-term funding source. The source of funding will be critical to what types of project investments can be made. The source and amount available will also determine if the program will be annual, every two years, or some other interval.
- Determine how funds will be used, placing emphasis on key parts of the system not already covered by other programs (inside gate, on dock, on water, etc.). It is anticipated that funds will be used for capital infrastructure investments, not administration/operation activities.
- Determine the local match required to ensure an appropriate level of “skin in the game” by project sponsors.

This recommendation is synergistic with:

- Recommendation 1 – Create a Maritime Section within IDOT with Dedicated Staff
- Recommendation 3 – Formally “Integrate Maritime” Throughout the State of Illinois
- Recommendation 5 – Use Existing Funding Sources to Address Maritime Needs

B.4.2.5 RECOMMENDATION 5 – USE EXISTING FUNDING SOURCES TO ADDRESS MARITIME NEEDS

In 2018, IDOT initiated the Illinois Competitive Freight Program, a grant program to select projects for Illinois’ share of National Highway Freight Program (NHFP) funds provided to the state through USDOT. This program allowed for up to 10% of state funds to be “flexed” for non-national highway system projects, and could include intermodal (e.g., rail or maritime) projects. IDOT “flexed” the full 10 percent of funds for intermodal projects and the Illinois Competitive Freight Program criteria includes consideration for how intermodal projects may reduce truck trips. Additionally, in 2019, the Rebuild Program was passed providing \$150 million through a new grant program to be established by IDOT and DCEO. IDOT does provide some support to address maritime system needs through its Statewide Planning & Research (SPR) funds, and this creative approach to finding ways to fill gaps in port planning needs should be continued, as well as other IDOT programs be explored to see if there are other opportunities to reach and aid in addressing maritime system needs.

Recommendation 5 will initiate the process to best use existing funding sources to address maritime needs. Again, it is expected that the Maritime Section will have a key role in coordinating these activities with other Sections/Divisions within IDOT. Steps required to advance this recommendation include (among others):





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- Re-evaluate IDOT approach to allocating National Highway Freight Program Funds, as funding becomes available in the future, focusing on criteria and process to better consider maritime system needs.
- Identify and re-evaluate other IDOT Transportation System Funding Programs for synergies with the maritime system, in particular, funding for first-/last-mile needs.

This recommendation is synergistic with:

- Recommendation 1 – Create a Maritime Section within IDOT with Dedicated Staff
- Recommendation 4 – Develop Illinois Maritime System Grant Program

B.4.3 NEXT STEPS

The initial recommendations in this Working Paper have been generally vetted with IDOT. These recommendations will be combined with other recommendations to be made based on the findings from other Illinois Maritime Transportation System Plan development activities. Additional comments will be sought by key maritime system stakeholders, namely the Plan Steering Committee.

While some initial insight has been provided on the steps that could be taken to act on each recommendation. Additional information/details on implementation steps, and suggestions for how each should be phased to maximize benefit while recognizing IDOT staff limitations, will be provided as part of final plan documentation.





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B.5 PEER STATE PROFILES

B.5.1 GREAT LAKES AND INLAND WATERWAY STATES

B.5.1.1 INDIANA

Department of Transportation Structure

Indiana Department of Transportation's (INDOT) Office of Freight has three staff and is housed within their Multimodal Planning and Programs Division. This division also includes offices for aviation, transit, and railroads. However, waterway planning and engagement is not handled by the DOT, but instead by the Ports of Indiana.

Port Governance

Ports of Indiana serves as Indiana's state port authority, operating three ports—one on Lake Michigan and two on the Ohio River. These three ports contribute over \$7.8 billion annually to Indiana's economy. The Ports of Indiana is composed of a seven-member board of directors that is appointed by the governor.

The "Indiana Port Commission," now known as the "Ports of Indiana," was authorized in 1961 with the goal of constructing a public port. Funding was appropriated from cigarette taxes in 1965, and Burns Harbor (the original "Port of Indiana") opened in 1970. Six years later (1976), the Mount Vernon port opened; a third port in Jeffersonville opened in 1985.

Currently, the Ports of Indiana organization is not tax-supported, but uses 100 percent of port revenues to operate and grow the ports. Ports of Indiana also has the ability to issue bonds.

Indiana law (IC 8-10-5) also authorizes the creation of port authorities by cities, counties, or some combination, in counties with a population between 400,000 and 700,000. Currently, one Indiana county (Lake County) meets that requirement.

Funding Support

Indiana does not have any funding programs specifically designated for ports. Instead, maritime-relevant funding is rails through the Ports of Indiana.

Technical Support

While INDOT does not provide support dedicated to the maritime or ports system, *the Indiana Multimodal Freight Plan Update 2018* includes a description of issues and opportunities associated with Indiana waterways.¹⁸ Identified weaknesses associated with ports includes:¹⁹

- Dredging issues for ports and waterways on Great Lakes; Ohio & Mississippi rivers
- Limited railroad access to ports

¹⁸ Indiana Multimodal Freight Plan Update 2018, <https://www.in.gov/indot/files/Indiana%202018%20State%20Freight%20Plan.pdf>

¹⁹ Indiana Multimodal Freight Plan Update 2018, p. 78





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- Lack of federal/state funding

Identified waterway freight opportunities and associated INDOT action items include:²⁰

- Evaluate throughput and capacity for state routes and critical connectors to/from each water port facility.
- Collaborate with Ports of Indiana, Indiana Economic Development Corporation, and local economic development agencies to identify areas where INDOT could support water port expansion capabilities and business recruitment
- Identify and help market land around current and potential maritime hubs.
- Pursue designation of connectors to the state's three ports as part of the National Multimodal Freight Network.
- Collaborate with Ports of Indiana to explore multimodal projects throughout Indiana.

Marketing and Advocacy Support

INDOT does not provide maritime marketing or advocacy support, with that work being handled by Ports of Indiana.

B.5.1.2 MINNESOTA

Department of Transportation Structure

Minnesota DOT (MnDOT) has a dedicated freight office, the Office of Freight and Commercial Vehicle Operations (OFCVO). OFCVO is placed within MnDOT's division of Modal Planning and Program Management, and has three subunits: (1) Freight, Railroads, and Waterways, (2) Freight and Rail Planning, and (3) Commercial Vehicle Operations. MnDOT's **Ports and Waterways Program** has one staff member, and is located within the Freight, Railroads and Waterways subunit.

Port Governance

Like Illinois, Minnesota has an extensive inland river port network, as well as some access to the Great Lakes. There are two general methods of public governance for ports, but most of most of Minnesota's marine terminals are privately owned and operated. The two models of public governance for ports are (1) independent state-level agencies, and (2) municipal ownership. In both cases, public entities own terminals, but lease them to private operators.

Two ports in Minnesota are organized as state-level public agencies:

The St. Paul Port Authority (SPPA) was created by the Minnesota legislature in 1929 as a state-level agency tasked with managing St. Paul's waterfront. In 1955, the Authority's mandate was expanded to include inland economic development activities. Today, this stand-alone economic development entity is governed by a 7-person board appointed by the Mayor of St. Paul. This entity has some taxing abilities, and owns some land and terminals. The SPPA leases operating rights for its publicly-owned port facilities to private businesses.

²⁰ Indiana Multimodal Freight Plan Update 2018, p. 87-88





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The Duluth Seaway Port Authority (DSPA) was created by the Minnesota legislature in 1955 with the goal of expanding and improving facilities in advance of the 1959 opening of the St. Lawrence Seaway. Today, the agency continues to serve as an economic development agency as well as a manager for publicly-owned port resources. The DSPA is governed by a seven-person board, with two appointees from the Governor, two chosen by the local county board of commissions, and three selected by the Duluth City Council. The DSPA owns some land and terminals in Duluth, but leases them to private operators. The Port of Duluth also has privately owned and operated terminals.

Municipal Port Authorities

In two Mississippi River cities (**Red Wing and Winona**), the municipal government owns port land and terminals, and leases these facilities to private operators. Minneapolis also owns terminal property on the Mississippi, which is no longer accessible to barges and is being redeveloped for residential and commercial uses.

Funding Support

MnDOT has a dedicated funding program for ports: the **Port Development Assistance Program (PDAP)**. This program was created in 1991, although funding did not begin until 1996. The PDAP is administered by MnDOT's Office of Freight and Commercial Vehicle Operations, and funds are appropriated by the Minnesota Legislature. Since funds are appropriated by the Legislature, funding levels vary from year-to-year. The most recent appropriation was \$5.3 million in 2018, with historical allocations ranging between \$0 and \$3 million per year.

PDAP will contribute up to 80 percent of the cost of a project, and local governments or facility owners must match at least 20 percent of the cost of a project. Eligible applicants include port authorities, municipal governments, and owners of marine facilities. Eligible projects include:

- Dock and terminal repair, including upgrading plumbing and electrical systems to meet safety codes.
- Capital improvements, including improved road and rail access to port areas.
- Loading equipment purchases, such as cranes or conveyors.
- Dredge material disposal facilities.
- Dredging to open a new facility, including dredging expansion to maximize draft at existing dock facilities.

Since its creation, the PDAP has been a critical source of funding for public port authorities. According to the *Minnesota Statewide Ports and Waterways Plan*, PDAP support represented the entirety of Winona, Red Wing and St. Paul's capital improvement budgets between 2000 and 2014. During the same period, PDAP funding accounted for about half of the DSPA's capital improvement budget.

Technical Support

In 2014, Minnesota released the *Statewide Ports and Waterways Plan*, which was created to help MnDOT understand maritime-related needs and issues, and improve coordination with maritime partners. In particular, the document outlines opportunities and challenges, and puts forth state-level strategies for future improvements.





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In addition to the statewide plan, MnDOT's OFCVO has prepared technical research materials such as reference directories of all of Minnesota's marine terminals, and studies on the cost impacts and environmental impacts of potential modal shifts from barges to trucks. More broadly, OFCVO has also created reports detailing manufacturers' needs, and local and region-specific freight plans.

Outside of MnDOT, the Minnesota Freight Advisory Committee (MFAC) also publishes technical whitepapers, including analyses of intermodal freight transportation, and the competitive position of the state's freight market.

Marketing and Advocacy Support

The MFAC was established in 1998 and restructured in 2016. Today, it includes representatives from two port authorities and two terminal operators, as well as shippers that utilize the marine transportation system.

The Harbor Technical Advisory Committee (HTAC), while not state-level, is an MPO driven group in the state that engages in bi-state cooperative planning for the Duluth-Superior port and St. Louis River estuary. The HTAC has subcommittees engaged in: dredging outreach with the Army Corps, Great Lakes port advocacy, navigation discussions with the Coast Guard, improve permitting efficiency, and plan for land use in the port area.

B.5.1.3 OHIO

Department of Transportation Structure

The Ohio Department of Transportation (ODOT), is divided into three major groups: business and human resources, transportation policy, and field operations. The Transportation Policy group oversees planning. ODOT's Maritime and Freight Program has one staff member, and is located within the Division of Planning's Statewide Planning and Research office.

Port Governance

Maritime ports and river terminals in Ohio handle over 103 million tons (valued at \$11 billion) of commodities annually. **Ohio Port Authorities** are independent units of local government created under Ohio Revised Code Section 4582. Port Authorities, which are managed by a government-appointed board, have legislative authority to perform activities that enhance, foster, aid, provide, or promote transportation, economic development, housing, recreation, education, governmental operations, culture, or research. This may, or may not, include activities associated with a water port and participation in maritime commerce.²¹

²¹ Ohio Port Authorities, <https://www.ohioportauthorities.com/>





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Funding Support

The recently established **Ohio Maritime Assistance Program** provides competitive grants to certain port authorities for the construction of new marine cargo terminals to improve existing terminals on the shores of Lake Erie or the Ohio River. \$23 million of funding is available over the next two years.²²

Prior to 2017, State of Ohio investments in the maritime system have been ad hoc, with funds coming from a variety of sources.²³

Technical Support

In 2018, ODOT released the *Ohio Maritime Strategy* with the goal to best leverage the state's maritime transportation system to enable Ohio's economic competitiveness and growth. *Transport Ohio* (2017), which is Ohio's statewide freight plan, also analyzes the role of waterway and ports in Ohio's freight delivery system.²⁴ *Access Ohio 2040*, the state's long-range transportation plan, also provides a high-level snapshot of activity and guidance relevant to Ohio's maritime system.

Marketing and Advocacy Support

Currently, ODOT does not provide marketing or advocacy support for the maritime sector.

B.5.1.4 PENNSYLVANIA

Department of Transportation Structure

Pennsylvania Department of Transportation (PennDOT)'s Division of Multimodal Transportation has a **Multimodal Department**. The organization oversees programs that focus on efficiency, capital investments, and safety and mobility across multiple modes of transportation, including ports and waterways. The department was created by Act 89, or the Transportation Plan, in 2013. Information on the number of staff in the Bureau engaged in maritime work is unavailable.

Port Governance

Currently, Pennsylvania has port authorities which are individually-created by the legislature. Not all of these authorities are engaged in maritime-related work, but all three of Pennsylvania's main ports have maritime-related port authorities. These include PhilaPort (Philadelphia), Port of Pittsburgh Commission, and Erie Port Authority.

²² Ohio DOT, Ohio Statewide Transportation Planning Newsletter, http://www.dot.state.oh.us/Divisions/Planning/SPR/StatewidePlanning/Documents/Newsletter/PlanIT_Third_Newsletter.pdf

²³ Ohio DOT, Ohio Maritime Study, Working Paper 2 – Governance of Ohio's Maritime Transportation System, <http://www.dot.state.oh.us/Divisions/Planning/SPR/StatewidePlanning/MaritimeStrategy/WP%20%20-%20Governance%20of%20Ohio's%20Maritime%20Transportation%20System.pdf>

²⁴ Ohio Department of Transportation, Ohio Maritime Strategy, April 2018, <http://www.dot.state.oh.us/Divisions/Planning/SPR/StatewidePlanning/MaritimeStrategy/Ohio%20Maritime%20Strategy.pdf>





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Funding Support

Act 89 also enacted the **Multimodal Transportation Fund**, which stabilizes funding for various transport modes, including ports. The fund provides grants for port and rail projects that cost between \$100,000 and \$3 million, and requires a 30 percent local match. Privately owned terminals are eligible as well. In FY2019, about \$44.5 million in grants were awarded to 50 projects across 23 counties.²⁵

PennDOT also administers the **Pennsylvania Intermodal Cargo Growth Incentive Program (PICGIP)**, which encourages ocean carriers to use Pennsylvania ports and terminals by offering an incentive of \$25 per container unit (lift). The program aims to catalyze cargo container growth, increase port utilization, and support state economic development. The first incentives for PICGIP were offered in SFY 2015-2016, and the program is planned to continue be capitalized by \$1 million every year through SFY (state fiscal year) 2019-2020.²⁶ In the program's first three years, the incentive program has contributed to an increase of 128,285 in total lifts.²⁷

The **Rail Freight Assistance Program (RFAP)** is another state administered financial program that supports port use. Under this program, grants support the construction and repair of rail lines and spurs, including those that serve ports. State funding for rail maintenance projects through RFAP is 70 percent of the total project costs, up to \$700,000.²⁸ Rail construction projects may be funded up to \$100,000, or 50 percent of the total cost, whichever is less.

Technical Support

The *2016 Pennsylvania Comprehensive Freight Movement Plan* incorporates ports and waterways in its evaluation, analysis, and recommendations of transportation systems in Pennsylvania.²⁹

Marketing and Advocacy Support

No PennDOT support for maritime marketing and advocacy was identified during this review.

²⁵ "Gov. Wolf names statewide projects." Vigna, Paul. PennLive. February 1, 2019.

<https://www.pennlive.com/news/2019/02/gov-wolf-names-statewide-projects-to-receive-funding-through-multimodal-transportation-fund.html>

²⁶ "The Pennsylvania Intermodal Cargo Growth Incentive Program Guidelines." PennDOT. Updated July 24, 2018. <https://www.penndot.gov/Doing-Business/RailFreightAndPorts/Documents/PA%20Intermodal%20Cargo%20Growth%20Incentive%20Program%20Guidelines.%207.24.2018.pdf>

²⁷ 2018 Annual Report. PennDOT. Accessed August 20, 2019, <https://www.penndot.gov/about-us/annual-report/Pages/index.html>

²⁸ PennDOT, Grant Programs, 2019, <https://www.penndot.gov/Doing-Business/RailFreightAndPorts/Pages/Grants-and-Loans.aspx>.

²⁹ PennDOT, Comprehensive Freight Movement Plan, 2016, <https://www.penndot.gov/ProjectAndPrograms/Planning/Documents/PennDOT-CFMP%20-%20FINAL%20August%202016.pdf>.





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B.5.1.5 WISCONSIN

Department of Transportation Structure

Wisconsin Department of Transportation (WisDOT)'s has a Bureau of Transit, Local Roads, Rails & Harbors (BTLRRH), which is located within the Division of Transportation Investment Management (DTIM). This bureau is responsible for managing WisDOT's harbor funding program. Additionally, DTIM's Bureau of Planning and Economic Development has produced research reports on maritime topics, which are described below. There is one administrator within BTLRRH who is tasked with management of maritime funding programs. No staff within the planning office are solely engaged in maritime work.

Port Governance

Like Illinois, Wisconsin has extensive network of ports spanning the Great Lakes as well as Mississippi River. As with many other Midwestern states, many of Wisconsin's maritime terminals are privately owned. However, in regard to governance of public ports, Wisconsin has chosen to devolve power to local governments (*Wisconsin Statutes 30.37 and 30.38*). Under Wisconsin law, municipalities or counties may create harbor commissions to manage, develop, lease, and otherwise operate public port facilities. As a result, public ports in Wisconsin are governed by a mix of cities, counties, or city-county partnerships, depending on the location and its history. For example:

- The Port of Milwaukee is a department within the City of Milwaukee.
- The Port of Green Bay is governed at the county level, by the Brown County Board of Harbor Commissioners.
- The Port of La Crosse Harbor Commission is a joint committee between the city and county.

Harbor Commissions are empowered to engage in planning, land purchase, leasing and land facilities, maintain facilities, exclusively control port operations, set fees, and promote their ports. The level of engagement and activity depends on a port-by-port basis, as some ports do not have publicly-owned cargo terminals, but may have recreational marinas. Of particular note, preparation of harbor development plans is required for ports to receive Harbor Assistance Program funds.

Funding Support

Wisconsin has a funding program designated specifically for maritime needs and issues, the Harbor Assistance program (HAP). The HAP was created in 1979, and is administered by BTLRRH. Funding is appropriated by Wisconsin's Legislature, and varies from year-to-year. A common source for this funding has been general obligation bonds and segregated funds for transportation. Since 1979, the program awarded \$147 million across 114 grants for both cargo movement as well as general navigation improvements.

29 ports in Wisconsin are eligible for HAP grants, and eligibility requirements are:

- The project must benefit facilities that are used for cargo transfer, ship building, commercial fishing or regular ferry service.
- The applicant must be a local unit of government or a private owner of a harbor facility.
- The project must pass a rigorous benefit-cost analysis.
- The project must have been identified in a current Three-Year Harbor Development Plan.





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HAP will cover up to 80 percent of a project's cost. However, if US Army Corps of Engineers financing is also involved in the project, HAP will only cover up to 50 percent of the local share of eligible project costs.

In addition to harbor-specific funding, Wisconsin DOT administers grant programs that can be used to preserve and improve last-mile rail connections, and which may be relevant to ports or harbors.

Technical Support

Wisconsin DOT does not directly provide technical support to ports. However, WisDOT has partnered on past research projects with the Wisconsin Commercial Ports Association, and University of Wisconsin. An example of this work is the Wisconsin Commercial Ports Development Initiative – a multi-year research and strategy project lead by the WCPA in partnership with WisDOT, the Wisconsin Economic Development Agency, UW-Madison, Wisconsin Coastal Management, and the Department of Natural Resources.

WisDOT's *Wisconsin State Freight Plan (2018)* includes an evaluation of the state's ports, waterways, and ferries assets, along with related ports and waterways policies and strategies. The strategies identified by WisDOT to promote increased freight transportation and commerce along waterways critical to the state's transportation system are as follows.³⁰ WisDOT will:³¹

- Explore the development of a maritime strategy for Wisconsin
- Provide state assistance programs for harbor improvements
- Advocate for federal funding of navigation and environmental improvements for the Upper Mississippi River-Illinois River Waterway, Soo Lock System, and the Great Lakes and St. Lawrence Seaway
- Encourage comprehensive harbor and waterfront land use planning
- Examine roadway issues at ports

Marketing and Advocacy Support

In 2014, Wisconsin DOT released the *Economic Impact of Wisconsin's Commercial Ports*, which illustrates the economic importance of the state's port facilities in an effort to guide future port infrastructure improvements and help potential shippers understand the unique capabilities and advantages of water transportation.³²

Like many states, Wisconsin also has a private advocacy group made up port stakeholders: the Wisconsin Commercial Ports Association (WCPA). Originally exclusively municipal ports, the WCPA has expanded to include private terminals and other stakeholders such as engineering firms and construction firms.

³⁰ WisDOT, State Freight Plan, <https://wisconsin.gov/Pages/projects/sfp/default.aspx>

³¹ Ibid. pg. 302-303.

³² WisDOT, Bureau of Planning and Economic Development, Economic Impact of Wisconsin's Commercial Ports, January 2014, <https://wisconsin.gov/Documents/travel/water/ports-report.pdf>





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B.5.2 GREAT LAKES-ONLY STATES

B.5.2.1 MICHIGAN

Department of Transportation Structure

Michigan Department of Transportation (MDOT) engages in freight work through its Statewide Planning division, which employs four freight-specialists. This division is placed within the larger Bureau of Planning.

Port Governance

Commercial ports in Michigan are owned by a mix of public and private entities. Currently, legislation from 1925 (*Act 234*) and 1978 (*Act 639*) allow for creation of public port authorities. For example, the Detroit Wayne County Port Authority (DWCPA) was created by the City of Detroit and Wayne County was created in 1981 under authority from Act 639.³³ Another port authority, in Monroe County operates under authority from Act 234. In addition to these state-level ports, there are municipally-owned ports.

Funding Support

MDOT does not have state-level funding mechanisms for ports, except for ports organized under Act 639 (the DWCPA). Per Act 639, 50% of the DWCPA's operating budget is provided from Michigan via appropriations in Michigan's state transportation budget. Act 639 also allows DWCPA to issue revenue bonds to fund capital projects.

Available state-level funding is directed toward recreational harbors. The **Michigan State Waterways Commission** of the Department of Natural Resources is a seven-member advisory board that awards grant funds for the acquisition, development, and maintenance of public harbors and boating access sites.³⁴

Additionally, **the Office of Rail** provides funds to support port authority operations, but this funding is solely for the Detroit Wayne County Port Authority, as Michigan law requires the state to contribute up to 50 percent of the given port authority's operating budget.³⁵

Technical Support

MDOT monitors issues and works with federal agencies and Congress to develop funding and regulations at the national and international level that support Michigan port interests.

The *Michigan Freight Plan*, in supplement to the 2040 Michigan Transportation Plan, includes waterways and ports in its discussion of state transportation goals and plans.³⁶

³³ https://www.house.mi.gov/hfa/PDF/Alpha/Fiscal_Brief_DWCPA.pdf

³⁴ About the Waterways Commission. The Department of Natural Resources. 2019. Accessed August 20, 2019. https://www.michigan.gov/dnr/0,4570,7-350-79137_79763_79917---,00.html

³⁵ "The Official Guide to MDOT." MDOT. Updated January 2019. p. 38.

https://www.michigan.gov/documents/mdot/mdot_Guide_MDOT2019_647486_7.pdf

³⁶ MDOT, Michigan Freight Plan,

https://www.michigan.gov/documents/mdot/MDOT_DRAFT_StateFreightPlan2017_599148_7.pdf.





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Marketing and Advocacy Support

MDOT does not provide any direct marketing and advocacy support for the maritime system. Stakeholders representing the interest of cargo and recreational ports and harbors in Michigan unite through **the Michigan Port Collaborative**. The group aims to support and sustain Michigan's waterfront economy through priorities, which range from expanding freight transport and commercial maritime operations, to preserving the Great Lakes and its maritime history.³⁷

The Port of Detroit, the Port of Monroe, and the Port of Muskegon in Michigan are members of the American Great Lakes Ports Association.

³⁷ About. Michigan Port Collaborative. 2019. Accessed August 20, 2019.

<http://michiganportcollaborative.com/about/>





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B.5.3 INLAND WATERWAY SYSTEM-ONLY STATES

B.5.3.1 IOWA

Department of Transportation Structure

Iowa Department of Transportation's (IADOT) Systems Planning Bureau is located within the Planning, Program, and Modal Division, and has responsibility for freight planning and engagement. However, the Bureau does not have maritime specialist staff.

Port Governance

In Iowa, ports may be publicly or privately owned and operated. Under current Iowa law, there is opportunity to create port authorities under Code 28J. Currently, the state has one port authority relevant to maritime transportation: the Southeast Iowa Regional Economic & Port Authority. However, this Authority is more broadly focused on economic development and does not directly control any maritime assets or operations.

Funding Support

IADOT does not invest directly in the waterway system.³⁸ However, the Linking Iowa's Freight Transportation System (LIFTS) Program provides grants to support the state's multimodal freight system. While not specific to ports, certain port projects may be eligible for LIFTS funding.³⁹ For instance, in 2015, a LIFTS grant helped fund a planning and feasibility study for establishing a multi-modal container terminal port facility on the Mississippi River in Muscatine, IA.⁴⁰

Technical Support

Iowa DOT maintains a River Barge Terminal Directory with key information about private barge terminals. In 2019, Iowa DOT released an *Alternative Financing Evaluation* for the state's Upper Mississippi River Inland Waterway.⁴¹ Iowa also released *Iowa In Motion*, the state freight plan, in 2017.⁴² This plan includes a discussion of barge terminals on its marine highways (M-35 and M-29), which are in the Multimodal Freight Network.

Marketing and Advocacy Support

Iowa DOT has an advisory role with the U.S Army Corps of Engineers and represents ports on the Upper Mississippi River Basin Association and the Missouri River Association on states and tribes.⁴³

³⁸ Iowa DOT, Iowa's Waterway System, https://iowadot.gov/systems_planning/planning/waterway

³⁹ Iowa DOT, LIFTS Program, <https://iowadot.gov/iowarail/financial-assistance/lifts#486361773-purpose>

⁴⁰ City of Muscatine, Port of Muscatine, <https://www.muscatineiowa.gov/1147/Port-of-Muscatine>

⁴¹ Iowa DOT, Alternative Financing Evaluation: Upper Mississippi River Inland Waterway Summary Report, April 2019, https://iowadot.gov/systems_planning/pdf/InlandWaterway-Full-Report.pdf

⁴² Iowa DOT, Iowa State Freight Plan, 2017, Amended 2018,

⁴³ Iowa DOT, Iowa's Waterway System, https://iowadot.gov/systems_planning/planning/waterway





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B.5.3.2 KENTUCKY

Department of Transportation Structure

The Kentucky Transportation Cabinet (KYTC)'s Division of Planning has one staff member who holds freight responsibilities, which include trucking, rail, and waterways. These waterways responsibilities include planning related to riverport and ferryboat operations.⁴⁴ The Division of Planning is contained within the Office of Project Development, which is a part of the larger overall Department of Highways.

Port Governance

There are 12 public ports in Kentucky, each of which lies under the authority of its own local public port authority. KYTC engages in maritime-related work through its Division of Planning.

The **Water Transportation Advisory Board (WTAB)** was created by the Kentucky Legislature in 2010 to advise the state executive and legislative branches on water transportation matters. The WTAB consists of seven members appointed by the governor to four-year staggered terms:

- Four represent public riverports, chosen from a list of 8 nominees supplied by KAR, with consideration given to include a representative from each river containing an operating public riverport.
- Two private sector at-large members associated with the waterways industry.
- One representative from Kentuckians for Better Transport (KBT), chosen from a list of 3 individuals nominated by KBT.

Funding Support

KYTC manages financial assistance for riverport dredging, along with the improvement of riverport facilities, infrastructure, and critical handling equipment, through the **Kentucky Riverport Improvement (KRI) Program**. Since FY 2013, annual funding of \$500,000 has been transferred from the General Fund to the KYTC operating budget for the program. The WTAB reviews, prioritizes, and recommends projects, and the Secretary of KYTC determines final awards. Grant assistance is offered to public riverports for up to 50 percent of the actual project cost.⁴⁵

KYTC also administers the **Riverport Financial Assistance Trust Fund**. This port program was enacted by the Kentucky Legislature in 2010 to "improve riverport facilities and infrastructure to capture the economic and trade potential offered by water transportation. To the extent funds are available, the fund shall make grants to riverport authorities for new construction and major replacement or repair projects, including but not limited to improvement of docks, wharves, equipment, port buildings, storage facilities, roads and railroads to facilitate the flow of commerce through the port, other onsite improvements, and related professional services."⁴⁶ Priority is given to applicants with a riverport master plan, with capital-

⁴⁴ Casey Wells. Freight, Rail, and Waterways. KYTC. Personal Communication. June 27, 2017.

⁴⁵ Ky Riverport Improvement Grant Program. KYTC. 2019. Accessed August 20, 2019.

<https://transportation.ky.gov/MultimodalFreight/Pages/Ky-Riverport-Grant-Program.aspx>

⁴⁶ 174.210 Riverport financial assistance trust fund – Contributions – Purpose – Grants – Annual report.





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intensive projects for which permits and local matching funds (minimum 20 percent) have been obtained. The WTAB reviews applications, and KYTC awards final decisions.

Technical Support

The *2017 Kentucky Freight Plan* documents freight assets, identifies freight needs, recommends strategic initiatives, and devises implementation strategies. The plan encompasses a range of freight-relevant components, which includes riverports and waterways.⁴⁷

KYTC also completed the *Kentucky Riverport Improvement Project* in 2008 to assist the Cabinet in developing a plan to make the state's riverports more competitive. One recommendation from the report was to create a Water Transportation Advisory Board, which was established two years later in 2010.⁴⁸

Marketing and Advocacy Support

Outside of the efforts previously noted, KYTC does not directly support marketing and advocacy for the maritime system.

The **Kentucky Association of Riverports** (KAR) is composed of the 12 public port authorities, representatives from the KYTC, and at least 100 associate members. KAR aims to serve as the voice of Kentucky's waterborne transportation industry, promote and assist the development of multimodal transportation systems, and serve freight needs across state and interstate regions.⁴⁹ KAR worked to get state funding for KYTC to conduct a study, which was completed in 2008, that evaluated Kentucky's maritime assets and offer policy recommendations

B.5.3.3 MISSOURI

Department of Transportation Structure

Missouri Department of Transportation (MoDOT) has a freight section within their multimodal operations division. This section is responsible for creation of the state freight plan as well as administration of select freight-related funding programs. The freight section includes a waterways unit, which assists authorized cities and counties in the formation of port authorities. Among its responsibilities, the MoDOT waterways unit assists in capital and administrative funding, acts as an informational clearinghouse, provides technical assistance, and represents port interests within industrial and governmental circles.⁵⁰

Port Governance

Ports in Missouri may be publicly or privately operated. Missouri Statute Chapter 68 RSMo authorizes the formation of port authorities in cities or counties adjacent to navigable waters. Once created, these

⁴⁷ KYTC, Kentucky Freight Plan, 2017, <https://transportation.ky.gov/MultimodalFreight/Documents/2017%20Kentucky%20Freight%20Plan/2017%20Kentucky%20Freight%20Plan%202012-4-2017.pdf>.

⁴⁸ KYTC, Kentucky Freight Plan, 2017; KYTC, Kentucky Riverport Improvement Project 2008.

⁴⁹ About KAR. Kentucky Association of Riverports. 2008. Accessed August 20, 2019. http://kentuckyriverports.com/about_kar/

⁵⁰ MoDOT, Waterways General Information, <https://www.modot.org/waterways-general-information>





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authorities may, at the discretion of the highways and transportation commission, become state-level political units of Missouri.⁵¹

Funding Support

The Port Capital Improvement Program provides funds to develop port infrastructure on Missouri's waterways and improve connections between transportation modes.⁵² Missouri's FY2019-2023 Statewide Transportation Improvement Program Funds includes a \$7.5 million annual request for this program, which is provided by state general revenue, when appropriated.⁵³ MoDOT and MPAA prioritize port capital needs annually, and program funds may go to public port projects such as property acquisition, site development, rail connectors, and road access improvements.⁵⁴

The Statewide Transportation Assistance Revolving (STAR) Fund provides loans to local entities for the planning, acquisition, development, and construction of water facilities, among other non-highway projects.⁵⁵

Public ports also receive **administrative funding** from the State Transportation Fund, which provides funding for a portion of public ports' administrative expenses, when appropriated.

In addition to these maritime-specific plans, MoDOT's **Freight Enhancement Program** has been used to fund improvements at marine terminals.

Technical Support

MoDOT's 2018 Long Range Transportation Plan Update includes evaluation of the state's waterways.⁵⁶ In 2018, MoDOT also commissioned The Economic Impact Study for Public Ports to "assess the economic role of public ports and waterways in supporting and enhancing the state and local economy" and offer insight "to inform future investment decisions for Missouri's ports and waterways."⁵⁷

⁵¹ <https://revisor.mo.gov/main/OneSection.aspx?section=68.010&bid=3239&hl=>

⁵² Missouri, FY2019 Capital Improvements Summary, https://oa.mo.gov/sites/default/files/FY_2019_EB_Capital_Improvements.pdf

⁵³ MoDOT, Missouri Highways and Transportation Commission, https://www.modot.org/sites/default/files/documents/2018-08-01%20Minutes_2.pdf

⁵⁴ Missouri, FY2019 Capital Improvements Summary, https://oa.mo.gov/sites/default/files/FY_2019_EB_Capital_Improvements.pdf; MoDOT Historic Port Capital Improvement Program Projects, https://www.modot.org/sites/default/files/documents/Historic%20CIP%20funding_0.pdf

⁵⁵ MoDOT, STAR Fund, <https://www.modot.org/statewide-transportation-assistance-revolving-star-fund>, MoDOT STAR Fund Guidelines, <https://www.modot.org/sites/default/files/documents/2019-06-20%20STAR%20Fund%20Guidelines%20%5Bcurrent%5D.pdf>

⁵⁶ MoDOT, 2018 Long Range Transportation Plan Update: Technical Memorandums, https://www.modot.org/sites/default/files/documents/TechMemo_MoDOT_053018.pdf

⁵⁷ MoDOT, Economic Impact Study for Public Ports, <https://library.modot.mo.gov/RDT/reports/TR201711/cmr18-002.pdf>





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Additionally, the Missouri River Freight Corridor Assessment and Development Plan, released in 2011, includes a focus area to “identify port infrastructure needs, operations support, and equipment required to initiate, support, and expand freight services on the river.”⁵⁸

Marketing and Advocacy Support

No state government marketing or advocacy support was identified as part of this review. However, there is a private association, the **Missouri Port Authority Association (MPAA)** is an association of Missouri’s public port authorities, where each Missouri port authority operates one or more public terminals.⁵⁹

B.5.3.4 WEST VIRGINIA

Department of Transportation Structure

The West Virginia Public Port Authority (WVPPA) operates under the West Virginia Department of Transportation (WVDOT), and the West Virginia Secretary of Transportation serves as WVPPA Board President, while the Executive Assistant to the Secretary serves as the Executive Director.

Port Governance

West Virginia has privately-owned and operated maritime facilities, as well as local port district authorities that engage in a variety of economic development work, including partnerships related to marine transportation.

Funding Support

Currently, West Virginia does not allot funding for port financial assistance.

Technical Support

While West Virginia does not have a state program for port funding, WVDOT offers funding to ports for technical assistance on a case-by-case basis, subject to resource availability and review.

The WVPPA also supports economic and recreational enhancement in the state by assisting interested private or public parties in the development and operation of public port and intermodal facilities. The state port authority also facilitates the development and empowerment of local port authority districts.

In 2013, the WVPPA completed a *Statewide Strategic Port Master Plan*, which aimed to help the port authority “plan for future growth of the State’s multi-modal system by integrating transportation initiatives into policy, planning, and investment strategies.”⁶⁰ The *2018 West Virginia State Freight Plan* included the ports and waterways network in its analysis of West Virginia’s freight network.

⁵⁸ MoDOT, Missouri River Freight Corridor Assessment and Development Plan, Summary Report 2011, <https://library.modot.mo.gov/RDT/reports/TRyy1018/ReportSummary.pdf>

⁵⁹ Missouri Port Authorities, <https://www.missouriports.org/>

⁶⁰ WVDOT, West Virginia State Freight Plan, September 2018, https://transportation.wv.gov/highways/programplanning/Documents/WV_Freight_Plan_2018.pdf, page 8.





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Marketing and Advocacy Support

Public port authorities in West Virginia have the ability to engage in marketing and advocacy support, for example a port district in the Kanawha Valley is marketing the excess capacity at a riverside tank farm owned by Dow Chemical.⁶¹

⁶¹ <https://transportation.wv.gov/ports/Pages/WVPorts.aspx>





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B.5.4 DEEP WATER AND INLAND WATERWAY SYSTEM STATES

B.5.4.1 LOUISIANA

Department of Transportation Structure

The Louisiana Department of Transportation and Development (LADOTD), oversees the state's involvement with the ports through its Office of Multimodal Commerce's **Ports and Waterways Division**. This division has a staff of six people.

Port Governance

Louisiana has public port authorities as well as privately owned-and operated terminals. These public port authorities are created individually by act of the legislature.

Funding Support

Louisiana enacted the **Port Construction and Development Priority Program** in 1989 to provide funding for ports from the state's Transportation Trust Fund. Projects eligible for funding include rehabilitation, expansion, public port improvement projects, intermodal facilities, and waterfront industrial park developments. Ports must compete a feasibility study for the proposed project prior to approval; ports are also responsible for the project's engineering and design, and at least ten percent of the program's cost. The program had been funded from its inception to FY 2016-2017 at \$20 million annually, after which funding increased to \$39.4 million.⁶²

For larger and more expensive projects, the LADOTD administers a **Capital Outlay Plan**, which is funded by the sale of state general obligation bonds. This program supports improvements to the state's infrastructure systems to better facilitate freight movement and economic development. Port projects compete with other public works projects through the legislative process, and the legislature approves those projects to be included in the bond issue (highway transportation projects are included in a separate bond issue), subject to the governor's approval. Eligible port projects span various needs, including land acquisition, site development, and building and facility construction. For instance, the Capital Outlay Plan funded a \$25 million project to improve the Port of New Orleans' Napoleon Container Terminal.⁶³

Technical Support

In 2015, the LADOTD released the *Louisiana Freight Mobility Plan*, which includes port and waterway needs in its analysis of state transportation needs, recommendations, and implementation strategies.⁶⁴

The Louisiana Board of Regents recently established the Higher Education Maritime Campus Consortium Task Force in an effort to understand the needs of and opportunities for developing a maritime campus.

⁶² "Louisiana Receives National Recognition for Its Port Construction and Development Priority Program." Press Release by Louisiana Department of Transportation and Development. February 10, 2017.

⁶³ "Survey of State Funding Practices for Coastal Port Infrastructure." Transportation Policy Research Center, Texas A&M Transportation Institute.

⁶⁴ LADOTD, Louisiana Freight Mobility Plan, October 2015, http://wwwsp.dotd.la.gov/Inside_LaDOTD/Divisions/Multimodal/Misc_Documents/Final_Draft_DOTD_Freight_Mobility_Plan_Revised_10-08-15.pdf





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This has been established in partnership with two Louisiana public universities: Louisiana Universities Marine Consortium (LUMCON) and Fletcher Technical Community College. The campus will serve as a marine center in which to conduct training and research related to the maritime industry.⁶⁵

Marketing and Advocacy Support

While there is no specific program, Louisiana has supported efforts to market and promote ports in the state. The state has awarded the Louisiana Port Association \$250,000 in 2017 to help port members develop better marketing strategies.

B.5.4.2 MISSISSIPPI

Department of Transportation Structure

Within the Mississippi Department of Transportation (MDOT) Office of Intermodal Planning, the **Ports and Waterways Division** “promote[s] awareness of the economic impact of [Mississippi] ports and waterways system by partnering with and supporting the waterborne industry.”⁶⁶

Port Governance

Mississippi is home to 16 public ports. Of these, two are owned and governed by the state through the Mississippi State Port Authority Board of Commissioners (the deep-water and inland ports at Gulfport), while 14 are owned and governed by local port authorities.

Funding Support

In 2001, the Mississippi Legislature enacted the **Multimodal Transportation Improvement Program (MTIP)**, which authorized grants for ports, rail, airports, and mass transit. Of the funds allocated to MTIP, public ports would receive 38 percent. Funds were not approved for the program until 2005. Between 2005 and 2014, MDOT allocated MTIP a total of \$93 million in grants, \$35 million of which went to public ports. More recently, MTIP has received \$10 million annually. However, funding requests from ports have always exceeded available funds.⁶⁷

In order to be eligible for MTIP funds, projects must be directly related to capital improvements or the rebuilding or rehabilitation of basic infrastructure; for a project/use directly related to port operations in its modal role; and for a purpose outside the port’s normal operating budget.⁶⁸

While a local match is not required to receive funds, the degree of matching funds proposed in the application is included in consideration for selection. Ports participate in the review, evaluation, and

⁶⁵ Higher Ed Maritime Campus Consortium Taskforce. State of Louisiana Board of Regents: Legal & External Affairs. <https://regents.la.gov/divisions/legal-external-affairs/higher-ed-maritime-campus-consortium-taskforce/>

⁶⁶ MDOT, Ports & Waterways

⁶⁷ Statewide Ports Needs and Marketing Assessment. Neel-Schaffer, Inc. and W. R. Coles and Associates. October 2014.

⁶⁸ MDOT, Port Multi-Modal Transportation Improvement Program: Goal and Guidelines for Port Projects, FY 2018.





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prioritization of funding application through a port committee that offers recommendations for allocation of port assistance funds to MDOT, who then makes the final decision.

The Port Committee consists of:

- Seven port directors, appointed by the President of Mississippi Water Resources Association, to include three from coastal ports and four from inland ports (representatives rotate on an annual basis);
- The Executive Director of the Mississippi Development Authority, or designee;
- The Executive Director of MDOT, or designee; and
- The Executive Director of Mississippi Water Resources Association, or designee.

MTIP grants have enabled ports to provide more efficient and reliable services for their shippers; have helped support new tenants, including capital intensive manufacturers; and have sustained employment and created new jobs. For instance, the Lowndes County Port used the first grant awarded in 2005 to acquire and develop a 19-acre tract of land, which led to the attraction of a \$25-million plant that employs over 300 workers. Since then, the port has received other grants to rehabilitate and expand its facilities and services. These improvements have benefited port users, including the off-site Steel Dynamics plant, a \$1.6-billion steel mill that employs 650 high-paid workers. A primary requisite for the steel mill to locate in Lowndes County was access to the port and to barge transportation.⁶⁹

Technical Support

In 2014, MDOT created a *Statewide Ports Needs and Marketing Assessment*, which aimed “to gather and analyze information on the current conditions and needs at the sixteen public ports in Mississippi, as well as to produce standard templates, which can be used to develop communications materials in a common format for each Mississippi port.”⁷⁰ MDOT also created a report on the Economic Role of Marine Transportation in Mississippi, which assessed “the economic role of ports and waterways in supporting and enhancing the state’s economy.”⁷¹

The *Mississippi Statewide Freight Plan* evaluates and provides a cohesive strategy for the state’s freight transportation system, which includes waterways and ports.

Marketing and Advocacy Support

The Mississippi Water Resources Association (MRWA) represents port and waterway interests. In 1990s, the MWRA and port directors worked together to increase state involvement in public ports, which led the Mississippi Legislature to authorize the Ports and Waterways Division. The MWRA has also worked to increase state funding for public ports.

⁶⁹ Statewide Ports Needs and Marketing Assessment. Neel-Schaffer, Inc. and W. R. Coles and Associates. October 2014.

⁷⁰ MDOT, Statewide Ports Needs and Marketing Assessment, October 2014.

http://mdot.ms.gov/documents/intermodal%20planning/ports_waterways/Studies/Statewide%20Ports%20Needs%20and%20Marketing%20Study%20Final%20Report.pdf

⁷¹ MDOT, Economic Role of Marine Transportation in Mississippi, December 2014.





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While the state currently does not have a program to support ports' marketing efforts, such funding once existed. About a decade ago, the Mississippi Economic Development Authority offered grants to support the marketing of local economic development activities, including public ports. A Statewide Ports Needs and Marketing Assessment conducted for MDOT in 2014 suggests MDOT consider reinstating a similar program to support ports' marketing efforts.⁷²

B.5.5 DEEP WATER STATES

B.5.5.1 FLORIDA

Department of Transportation Structure

The **Seaport Office** operates under the Florida Department of Transportation's (FDOT) Freight, Logistics, and Passengers Operations Office. Among its responsibilities, the Seaport Office assists in planning and funding strategic seaport projects. This office has two staff associated with FDOT's central office in Tallahassee.

Port Governance

The **Florida Seaport Transportation and Economic Development (FSTED) Council** is a public entity that is statutorily created and authorized to carry out Florida's economic development mission by implementing seaport capital improvement projects at the local level. The Council was created under FDOT and is made up of:⁷³

- Port directors (one for each publicly owned seaport)
- FDOT representative
- Department of Economic Opportunity representative

The **Florida Ports Financing Commission** is a public entity created in 1996, pursuant to Florida statute, with the responsibility to accept a list of projects approved by the FSTED Council and implement the bond funding program. This provides a cost-effective means of financing capital projects by issuing bonds and transferring proceeds to individual Florida ports.⁷⁴

The **Florida Ports Council** is a non-profit professional association for Florida seaports, also provides administrative support services on matters related to the FSTED Council, the FSTED Program, and the Florida Ports Financing Commission.

⁷² Statewide Ports Needs and Marketing Assessment. Neel-Schaffer, Inc. and W. R. Coles and Associates. October 2014. p. 52.

⁷³ Florida Ports Council, FSTED Program, <https://flaports.org/about/florida-seaport-transportation-and-economic-development-program/>

⁷⁴ Florida Ports Council, Florida Ports Financing Commission, <https://flaports.org/about/florida-ports-financing-commission/>





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Funding Support

The **Florida Seaport Transportation and Economic Development (FSTED) Program** was created in 1990 to finance FSTED Council-approved port transportation projects on a 50% matching basis. A minimum of \$25 million annually comes from the State Transportation Trust Fund to fund the FSTED Program.⁷⁵

The **Strategic Port Investment Initiative** provides \$35 million annually (from the State Transportation Trust Fund). Under this initiative, FDOT works with deep-water ports to develop and maintain a priority list of strategic investment projects.⁷⁶

Intermodal Logistics Center Infrastructure Support Program provides 50 percent matching funds for roads, rail facilities, or other means for the conveyance or shipment of goods through a seaport, to or from an intermodal logistics center.⁷⁷

Technical Support

The FSTED Council's *2019-2023 Five-Year Seaport Mission Plan* outlines trends and projections in cargo and cruise activities at Florida's seaports.⁷⁸

The FDOT Seaport Office publishes a variety of reports to support seaport and waterways in Florida. This includes the *2015 Florida Seaport System Plan*, *2016 Florida Seaport Profiles*, and *Panama Canal Expansion and Florida Seaports: A Preliminary Study* (2018), among others.⁷⁹

The Florida Ports Council, as an Administrator for the FSTED Council, also published *Competitive, Committed, Connected: State of Florida's Seaports* in 2015.⁸⁰

Marketing and Advocacy Support

Competitive, Committed, Connected: State of Florida's Seaports (2015), includes the goal to capture existing freight now moving through non-Florida ports such as by adopting aggressive marketing plans Florida ports to Capture Existing Freight.⁸¹

The Florida Ports Council is a professional association of the state's seaports. In addition to administrative support services to relevant state agencies and technical support to the state's ports, the Florida Ports Council also advocates and provides leadership on seaport-related issues.

⁷⁵ 2019 Florida Statutes, Chapter 311 Section 7, <https://www.flsenate.gov/Laws/Statutes/2019/311.07>

⁷⁶ 2019 Florida Statutes, Chapter 311 Section 10, <https://www.flsenate.gov/Laws/Statutes/2019/311.10>

⁷⁷ FDOT, ILC Infrastructure Support Program, <https://www.fdot.gov/rail/programs/ilc>

⁷⁸ FSTED Council, 2019-2023 Five Year Florida Seaport Mission Plan

⁷⁹ FDOT, Seaport Office, Publications, <https://www.fdot.gov/seaport/publications.shtm>

⁸⁰ Florida Ports Council, State of Florida's Seaports 2015, <http://scdn.flaports.org/wp-content/uploads/State-of-Florida-Ports-2014-15-Final-Revised-3252015web.pdf>

⁸¹ Florida Ports Council, State of Florida's Seaports 2015, <http://scdn.flaports.org/wp-content/uploads/State-of-Florida-Ports-2014-15-Final-Revised-3252015web.pdf>





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B.5.5.2 VIRGINIA

Department of Transportation Structure

The Commonwealth Transportation Board oversees Virginia's state-related engagement in transportation, including the work of the Virginia Department of Transportation (VDOT). In Virginia, maritime engagement is conducted primarily by **The Virginia Port Authority (VPA)**, which exists outside of VDOT and answers to the state transportation commissioner.

Port Governance

The VPA is a public agency of the Commonwealth of Virginia, aims to foster and stimulate growth for Virginia's economy; serve as the global gateway for import and export of freight; improve navigable waters within the state of VA; and aid in the development of commerce for all maritime and inland ports, and related facilities."⁸²

The VPA is managed by a board, which consists of:

- The State Treasurer
- The Chief Executive Officer of the Virginia Economic Development Partnership
- The Chief Executive Officer of the Virginia International Trade Corporation
- 11 Governor appointed members, subject to confirmation by the Virginia General Assembly

The VPA owns **The Port of Virginia**, which consists of six terminals that are linked to 374,000 jobs in the Commonwealth. The Port of Virginia is operated by Virginia International Terminals, Inc., an affiliate of VPA.⁸³

Funding Support

The Port of Virginia Economic and Infrastructure Development Grant Program (POV Grant) aims to encourage and facilitate the growth of the Port of Virginia. The program provides grants to certain qualified companies to "incentivize companies to locate new maritime-related employment centers or expand existing centers."⁸⁴ A maximum of \$5 million may be distributed to all qualified companies in a given fiscal year, at the discretion of the VPA Executive Director, and the grant is available from 2014 through June 2020, subject to appropriation.⁸⁵

The Virginia Commonwealth Transportation Fund allocates funds for Virginia's transportation systems. This includes the Transportation Trust Fund, which has funds set aside for ports. Specifically, the **Commonwealth Port Fund** was established by the Virginia General Assembly in 1986 to "support port capital needs and the preservation of existing capital needs of all ocean, river, or tributary ports within the Commonwealth." The VPA administers the Commonwealth Port Fund. Of these funds, \$1 million is

⁸² Port of Virginia, About: Our Vision and Values, 2019, Accessed September 5, 2019.

⁸³ Port of Virginia, About, 2019, Accessed September 5, 2019.

⁸⁴ Port of Virginia, ED + Infrastructure Grant Program, 2019, Accessed September 5, 2019.

<http://www.portofvirginia.com/stewardship/economic-development/ed-infrastructure-grant-program/>

⁸⁵ Except for FY2015, the maximum amount of POV Grants allowable among all qualified companies is \$2 million





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appropriated to the **Aid to Local Ports Grant Program** (established and adopted in 1987), which gives grants to local governments.⁸⁶

The VPA also administers the **Virginia Waterway Maintenance Fund**, which was established in May 2018 by the Virginia General Assembly to support shallow-draft dredging projects. The funds come from the Virginia Maintenance Grant Fund.⁸⁷

Technical Support

In 2016, the Port of Virginia released the *2065 Master Plan*, which identifies growth opportunities, integrates them into updated demand forecasts, and aligns the ports' capital improvement project schedules to enable the port to capture it. The Plan aims to stimulate commerce, facilitate growth, and accrue economic benefits to the Commonwealth of Virginia and the nation. Projects presented include:⁸⁸

- Utilizing advanced equipment at Norfolk International Terminals
- Expanding Virginia International Gateway
- Constructing the Craney Island Marine Terminal
- Investment at Richmond Marine Terminal to upgrade the equipment and facilities
- Reinvesting in Portsmouth marine Terminal and Newport News Marine Terminal for non-containerized cargo services

VTrans2040, Virginia's multimodal long-range transportation plan, also includes a Freight Element report, which encompasses port and waterway assets.⁸⁹

Marketing and Advocacy Support

The Port of Virginia staff includes a Vice President of Marketing and Communications, and a Senior Director of Communications, or a spokesperson.

In addition to state engagement, the Virginia Maritime Association promotes, protects, and encourages international and domestic commerce through the ports of Virginia.⁹⁰ The VMA released a Five-Year

⁸⁶ Port of Virginia, Virginia Port Authority Policy on Grants to Local Governments for Financial Assistance for Port Facilities, Revised November 18, 2014, [PDF]

http://www.portofvirginia.com/pdfs/foreign_trade/AidtoLocalPorts.pdf

⁸⁷ Port of Virginia. Virginia Port Authority Policy on Grants on Local Governments for Financial Assistance for Dredging Activities, [PDF]

http://www.portofvirginia.com/pdfs/stewardship/VA_Waterway_Maintenance_Fund_Guidelines.pdf

⁸⁸ Port of Virginia, 2065 Master Plan Executive Summary, 2016, [PDF] <http://www.portofvirginia.com/wp-content/uploads/2016/02/TPOV-master-plan-2065-final-020316.pdf>

⁸⁹ VTrans 2040: Virginia Freight Element, 2017, <http://www.vtrans.org/resources/VTrans2040-Freight-Element.pdf>

⁹⁰ Virginia Maritime Association, Mission, Accessed September 5, 2019, <https://www.vamaritime.com/page/Mission>





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Strategic Plan (2013-2017) to “ensure unity of purpose and clarity of thought” among maritime stakeholders.⁹¹

B.5.5.3 WASHINGTON

Department of Transportation Structure

The Washington State Department of Transportation (WSDOT) has a Rail, Freight, and Ports Division. This division is considered part of a larger branch dedicated to multimodal development and delivery. Information on the number of staff employed in this division, and specifically dedicated to maritime was not available during this review.

Port Governance

Washington State’s marine transportation system is made up of three areas, the Pacific Ocean coast, the more protected Salish Sea (which includes Puget Sound), and the Columbia and Snake Rivers

Washington State’s role in governance and support of the marine system takes two major forms: (1) legislation enabling the creation and operation of public port districts, and (2) WSDOT engagement with maritime issues.

Washington State has legislation (*RCW 53.04*) enabling the creation of public port districts, whose primary purpose is economic development and job creation. Currently, there are 75 port districts in Washington, but not all port districts are located on waterways, or handle freight. Each district is governed by three to five elected commissioners, and these districts have the ability to tax land within their districts, and issue bonds to fund activities such as infrastructure construction, and port operations.

Most port districts (69 of 75 as of 2019) are members of the Washington Public Ports Association (WPPA) which engages in government relations work to promote the interests of port districts and produces information on the volume of cargo moving through both public and private marine facilities. This group is not strictly focused on maritime topics, and also represents inland port districts that do not have maritime interests.

In terms of engagement with the DOT, WSDOT’s Rail, Freight, and Ports Division is responsible for a variety of tasks including:

- Developing strategic plans
- Conducting stakeholder and public outreach
- Educating WSDOT, executive, and legislative staff about freight-related topics.
- Administering freight funding sources.

Funding Support

Washington State does not have a funding program specifically dedicated to support of maritime terminals. Instead, WSDOT notes that maritime needs and issues can be eligible for three broad types

⁹¹ Virginia Maritime Association, VMA Strategic Plan, <https://www.vamaritime.com/page/StratPlan/VMA-Strategic-Plan.htm>





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state funding programs: Freight Mobility Strategic Investment Board programs, rail funding programs, and Remedial Action Grants. In addition to these state-level programs, local funding for maritime projects is available through the taxing and bonding powers granted to public port districts.

The **Freight Mobility Strategic Investment Board** (FMSIB) was created in 1998 by the Washington State legislature. This 12-member board is made up of representatives from multiple modes of transportation and levels of government, and is tasked with administration of two funding programs: the Freight Mobility Investment Account and the Freight Mobility Multimodal Account. Funds from both of these accounts are available to public agencies. Port-related projects selected by the FMSIB have focused on land-side connections, including rail expansions at ports, and improved last-mile roads for intermodal terminals.

The two rail funding programs administered by WSDOT are the **Freight Rail Investment Bank** loan program (FRIB) and **Freight Rail Assistance Program** (FRAP). Funding for both of these programs is allocated by the state legislature. FRIB is only available to public agencies, and is used for small projects, or smaller portions of large projects where the funding would enable the project to be completed. FRIB is broader, and available to both public and private applicants, with the intention of supporting strategically-important projects. An example of an application for maritime-related projects is \$11.1 million in FRIB loans to support the creation of additional rail sidings during the Port of Everett's terminal modernization project.

Remedial Action Grants are administered by the Washington State Department of Ecology and are used to help local governments pay for cleanup of contaminated industrial sites. These grants have been used by ports to re-purpose brownfield sites for further development.

Technical Support

WSDOT's primary form of technical support for ports has been the creation of the 2017 *Washington State Marine Ports and Navigation Plan*. The plan assessed transportation needs of marine ports, and identifies transportation system improvements that will support trade and economic development. In particular, the plan is tied to three overarching transportation goals set forth in *Washington State's Results Washington plan*:

- **Goal 2: Prosperous Economy** is supported by the plan's effort to improve travel and freight reliability on strategic corridors.
- **Goal 3: Modal Integration** is supported by the plan's examination of road and rail connection needs and issues at ports.
- **Goal 5: Community Engagement** is supported by the plan's outreach work to ports and other marine stakeholders.

In addition to this maritime-specific document, WSDOT has conducted research on topics relevant to operations at select ports, including a truck parking study, and a study of grain train operations in the state.

Marketing and Advocacy Support

Washington State does not have a maritime-specific advisory committee. However, the Washington Freight Advisory Committee (WAFAC) includes two maritime representatives.





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Currently, WSDOT does not engage in any other marketing support, although the *Marine Ports and Navigation Plan* notes that WSDOT's Rail, Freight, and Ports Division is responsible for multiple types of work that relate to marketing, including:

- Building regional participation and support for the plan and other freight efforts by strengthening relationships.
- Promoting freight safety through outreach.
- Providing counsel to WSDOT executives, Washington's Governor, and Legislature on freight programs and priorities.





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B.5.6 INTERNATIONAL

B.5.6.1 PROVINCES OF QUEBEC AND ONTARIO

Federal Governance Structure

Canada operates with a national policy/legislative/regulatory framework when it comes to port governance, with provinces having relatively little role in maritime engagement. This focus on federal management of the maritime system is similar to most countries in the world and contrasts with the fragmented manner by which ports in the US are governed.

The current port governance framework in Canada was implemented through enactment of the *Canada Marine Act* (CMA) in 1998. The intent was to remove Transport Canada's (the federal department of transportation, abbreviated as TC) responsibility for directly managing and operating the nation's marine transportation facilities, to emphasize instead commercial principles with accountability to users and the public, and to shift the cost of port operations from taxpayers in general to users of the facilities.

Since 1998, Canada has had four general categories of ports:

- **Canada Port Authority (CPA) ports** – Established under the CMA, 17 CPAs manage 18 ports based on these ports' perceived strategic importance and ability to be financially self-sufficient. CPAs are federally incorporated non-share corporations which, although being federal entities, operate autonomously from TC. The CPAs, and most of the real property managed by the CPAs, are owned by the federal government. The CPAs operate as "landlord" port authorities, the dominant model worldwide in larger and medium sized ports, contracting out the traditional port activities (especially cargo handling) to private operators under long term lease arrangements. As non-share corporations CPAs do not pay dividends to the federal government but each is required to annually pay a charge based on its gross revenues. The CPA ports, which have come to vary greatly in scale and operations, are spread over the Pacific coast, Great Lakes, St. Lawrence River and the Atlantic coast. Together, CPA ports handle some 60% of Canada's marine commercial tonnage and are essential to the growth and prosperity of Canada as a highly trade dependent nation. Examples of CPA ports on the Great Lakes and St. Lawrence River include Toronto, Hamilton, Montreal, and Quebec City.
- **Public ports** – these ports have a regional orientation in contrast to being considered strategically-important for the nation as a whole) and may be owned by the federal government or by non-federal entities (e.g. provinces or municipalities, or not-for-profit entities). Public ports serve communities where there are commercial shipping activities. The biggest TC owned public ports are Baie-Comeau, Gaspé, Rimouski, Matane, and Gros-Cacouna, all located in Quebec. They mostly handle bulk products, including salt, sand and gravel.
- **Local/regional/remote port facilities** – Owned by TC, local/regional port facilities also serve communities where there are commercial activities, while the remote port facilities serve communities where marine transportation is the primary mode of transportation into and out of the community.
- **Non-federal ports** – There are a number of non-federal, privately-owned ports in Canada where TC's involvement is limited to a regulatory and compliance monitoring role. These include privately-owned terminals serving specific businesses.





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Since it has been an objective of current federal marine policy to remove TC from directly managing and operating Canada's marine transportation facilities, the [Ports Asset Transfer Program](#) (PATP) was developed to facilitate the transfer of TC's administered port facilities. Ports can be acquired through sales or divestiture of the facility. Divestiture provides grant or contribution incentives to interested parties to acquire the ports. Grant funding is available only to provinces or municipalities.

Federal Funding Support

Canada's main ports – the CPA ports – are required by law to be financially self-sufficient. As summarized by TC, CPAs finance their operations from their revenues and borrow from commercial banks for capital projects. They do not receive appropriations or funding from the government to meet operating costs or deficits. They do not receive federal government loans or any federal government guarantees of commercial loans. They cannot pledge federal real property as security for any borrowing, and they do not benefit from any interest free loan or bond issue status, nor have taxing powers.⁹² For most CPAs money from leasing represents the greater portion of their annual revenue. Fees are also an important source of revenue for CPAs.

This said, CPAs can receive federal program payments under limited circumstances, specifically for emergencies and contributions in respect of the capital costs of infrastructure, environmental sustainability, and security. In that case CPAs must meet identical eligibility requirements as other applicants, including the private sector. A federal program currently popular among CPAs as is the shared-cost [National Trade Corridors Fund](#) (NTCF) under which applications are judged according to merit and, importantly, federal funding is used to leverage investments from other levels of government and from the private sector. Of the 39 projects awarded under the fund, 16 are projects carried out by CPAs.⁹³ Six of these projects were for CPAs in Ontario or Quebec.

Provincial Governance and Financial Support

QUEBEC

Quebec's [Maritime Strategy](#), created in recent years, is the key instrument governing the province's policy and funding priorities in the maritime sector. The strategy is built on three overarching policy directions:

- Sustainably develop the maritime economy
- Protect the maritime territory and its ecosystems
- Enhance Quebecers' quality of life

The Maritime Strategy is intended to extend over a 15-year period from 2015 to 2030, and makes provision for three five-year plans beginning with the period 2015-2020. Approximately C\$1.5 billion has been earmarked for initiatives over the period 2015-2020, of which approximately C\$1.4 billion pertains to sustainable development of the maritime economy. A maritime affairs Secretariat is mandated to coordinate implementation of the 2015-2020 plan and prepare the two successive five-year plans.

To sustainably develop the maritime economy, the government has set out 10 priorities for action along with the corresponding amounts earmarked for the 2015-2020 period. The C\$1.4 billion total is comprised

⁹² Transport Canada, [Canadian Port Authorities](#).

⁹³ Transport Canada, [Projects funded by the National Trade Corridors Fund](#).





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mostly of C\$275.0 million for investment in port infrastructure, C\$400.0 million to support establishment of logistical hubs, and C\$400.0 million to develop industrial port zones. Other priorities include the support of shipyards in Quebec, promotion of short sea shipping, modernization of maritime tourism, modernization of the fishing and aquaculture industry, training, and research and development

In general, Quebec's Maritime Strategy funding is conditional on leveraging private and other investment. In addition, there are two other funding programs that can be applied to the maritime sector. Specifically, the PREGTI⁹⁴ provides funding to eligible private or public sector projects which contribute to the reduction of greenhouse gases (GHG), with admissible projects including ones that reduce GHGs through increased use of rail or marine transportation. The second program, the PETMAF⁹⁵, also provides funding on the basis of GHG reductions but targets technological, modernization, fuel, or operational process initiatives which reduce GHG emissions.

ONTARIO

Unlike Quebec, the province of Ontario has no unified maritime strategy. The provincial government has, however, occasionally studied the maritime system or parts of it, its impact and its needs, producing a comprehensive profile of the system in 2009,⁹⁶ and an analysis of marine transportation in the Northern Ontario in 2016 as part of developing a Northern Ontario multimodal transportation strategy.⁹⁷ The government of Ontario has also contributed to funding a number of specific projects, such as harbor expansions and ferry purchases.

Provincial Technical Support

QUEBEC

As noted, Quebec has provided technical support for the maritime system in the form of research products like its provincial Maritime Strategy.

ONTARIO

The Ontario, the provincial Ministry of Transportation has provided the marine sector with a combination of technical guidance and more general support and information about governmental priorities through a variety of instruments, including:

⁹⁴ French acronym meaning "Program aiming at reducing or avoiding GHG emissions through the development of intermodal transport".

⁹⁵ French acronym meaning "Governmental aid program for the improvement of effectiveness of maritime, air or rail transport".

⁹⁶ MariNova (2009), Ontario Marine Transportation Study Phase I Final Report Industry Profile and Economic Impact http://www.bv.transports.gouv.qc.ca/mono/1017515/01_Phase_1.pdf; MariNova (2009), Ontario Marine Transportation Study Phase II Final Report Market Issues, Competitiveness, Opportunities, and Recommendations http://www.bv.transports.gouv.qc.ca/mono/1017515/02_Phase_2.pdf.

⁹⁷ IBI Group (2016), Marine Transportation, Draft Technical Backgrounder Northern Ontario Multimodal Transportation Strategy https://northernontariommts.files.wordpress.com/2016/11/ttr_marine_techbackgrounder-2016-11-17.pdf





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- Collaborating with the Government of Canada on various agreements, projects and initiatives (e.g. [Great Lakes Water Quality Agreement](#), [Canada-Ontario Great Lakes Agreement](#), [Ocean Protection Plan](#), and the [Port Asset Transfer Program](#) cited above).
- Enacting the [Ontario Great Lakes Protection Act](#) and publishing the [Ontario Great Lakes and Strategy](#)
- Contributing to various non-governmental and private sector studies and reviews (e.g. consultant studies, Seaway management reviews)
- Responding to public inquiries, correspondence, and meeting requests

Marketing and Advocacy Support

QUEBEC

Quebec's recently developed Maritime Strategy includes an implementation framework for which C\$1.5 million has been earmarked for 2015-2020. This includes promotion to publicize the Maritime Strategy, especially at the international level through Quebec's Ministry of International Relations. The Ministry of International Relations is designated to elaborate and implement a concerted intervention plan under the international section of the Maritime Strategy. The intervention plan, defined in collaboration with the government departments and bodies concerned, will guide the government's initiatives abroad and international activities that take place in Quebec. In addition, it is intended that the government departments and bodies concerned collaborate with Quebec's Canadian Intergovernmental Affairs Secretariat to enhance collaboration between the government of Quebec, the governments of Canada's other provinces and territories, and the federal government concerning maritime matters, the intention being to maximize development opportunities related to the Maritime Strategy.

ONTARIO

With no unified maritime strategy the province of Ontario has no overall marketing strategy with respect to marine transportation. The provincial government is, however, active in the promotion of certain facets of the marine transportation system. Importantly, the province of Ontario is a Member of the St. Lawrence Seaway Management Corporation (SLSMC) and as such appoints the Ontario member of the SLSMC's Board of Directors. The SLSMC is the Canadian government corporation responsible for the movement of marine traffic through the Canadian portion of the Seaway which it shares with its American counterpart, the Saint Lawrence Seaway Development Corporation (SLSDC). Together the SLSMC and SLSDC jointly market the waterway system comprised of the Lawrence River, St. Lawrence Seaway and the Great Lakes as [Highway H₂O](#).

On another front, Ontario (along with Illinois, Indiana, Michigan, Minnesota, New York, Ohio, Pennsylvania, Quebec and Wisconsin) participates in the [Conference of Great Lakes and St. Lawrence Governors and Premiers](#) the mission of which is, "...to grow the region's \$6 trillion economy and protect the world's largest system of surface fresh water." Marketing related activities include promoting trade and tourism,⁹⁸ with recent initiatives including an action plan with the Port of Antwerp to grow trade with Western Europe and announcing the "Cruise the Great Lakes" brand and marketing campaign to boost

⁹⁸ Great Lakes St. Lawrence Governors and Premiers, Projects <http://www.gsgp.org/about-us/projects/>





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the growth of regional cruising.⁹⁹ Notably, the GSGP is also active on the technical front with current projects addressing Great Lakes Protection and Restoration, Water Management and Aquatic Invasive Species.¹⁰⁰

⁹⁹ Great Lakes St. Lawrence Governors and Premiers, News <http://www.gsgp.org/projects/maritime/>

¹⁰⁰ Great Lakes St. Lawrence Governors and Premiers, Projects <http://www.gsgp.org/about-us/projects/>

