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Highlights

Highlights of [GAO-05-768](#), a report to the Senate Committee on Commerce, Science, and Transportation and the House Committee on Transportation and Infrastructure

Why GAO Did This Study

A dramatic increase in freight moving on the nation's highways and rail lines, coupled with growing congestion and infrastructure limitations, has prompted DOT to explore new mobility-enhancing options like short sea shipping (SSS)—transporting freight by water between domestic ports, either along the coast or on inland waterways. This report describes (1) why SSS is being considered and factors affecting its viability, (2) the department's role in the development of this option, and (3) issues that should be considered by public transportation decision makers when making investment decisions about this option or other types of projects for addressing freight mobility challenges. This report is based on a review of pertinent studies, federal activities, and an examination of two new SSS operations.

What GAO Recommends

GAO recommends that the Secretary of DOT and the Administrator of the Maritime Administration: (1) develop a more thorough understanding of SSS issues before defining a federal role involving substantial federal investment and (2) use current mechanisms to encourage other public decision makers to use a systematic approach for making investment decisions on freight mobility projects.

DOT officials generally agreed with the contents and agreed with the recommendations in this report.

www.gao.gov/cgi-bin/getrpt?GAO-05-768.

To view the full product, including the scope and methodology, click on the link above. For more information, contact JayEtta Z. Hecker at (202) 512-2834 or heckerj@gao.gov.

FREIGHT TRANSPORTATION

Short Sea Shipping Option Shows Importance of Systematic Approach to Public Investment Decisions

What GAO Found

Transportation experts have cited numerous benefits, such as congestion mitigation, for developing short sea shipping, but they have also noted numerous obstacles, such as shippers' reluctance to try a different mode for transporting their cargo, that impede its development. Absent in-depth information on the benefits and obstacles, opinions vary on how to proceed. Some stakeholders favor extensive public involvement, including federal funding for projects while others see a more limited public role, such as addressing regulatory provisions that may interfere with its development. The two new services GAO examined provide insights—but no clear answers—about the viability of this approach.

The Department of Transportation (DOT) has made short sea shipping a high-priority option to enhance freight mobility and has drafted a policy proposal to provide potential federal funding. So far, the department's efforts have been too narrowly focused. Before determining that federal funding should be applied to its development, a thorough understanding of key issues is required, such as the potential effect of federal involvement on the competitive balance among all transportation modes, lessons to be learned from recent start-up services, and actions that could mitigate identified obstacles, particularly with respect to reluctance to use this option.

Public transportation decision makers are also actively considering short sea shipping in the context of a range of other options to address freight mobility challenges in their jurisdictions. Improving freight mobility, however, is a particularly complex challenge because the freight transportation system encompasses many modes on systems owned, funded, and operated by both the public and private sectors. In light of growing budget deficits, public decision makers must guard against waste of limited public resources when making investment decisions. This report contains a four-step approach for helping public decision makers define the rationale for public involvement, assess the merits of projects, determine the appropriate level and type of public support, and evaluate project results.

Self-propelled Short Sea Shipping Vessel



Source: Osprey Line, LLC.