

MARITIME INFRASTRUCTURE

Opportunities Exist to Improve the Effectiveness of Federal Efforts to Support the Marine Transportation System

Why GAO Did This Study

The MTS is integral to the efficient movement of the nation's freight. The MTS includes navigable waterways, ports, and port connectors, such as roads and railways that provide access to the Interstate highway system and the national rail network. According to DOT, approximately 90 percent of America's overseas imports and exports by tonnage move by ship. Consequently, the continued maintenance and improvement of the MTS is essential to sustaining the nation's competitive position in the global economy. This report examines (1) Corps and DOT programs that can be used to maintain or improve the MTS, (2) key challenges to maintaining and improving the MTS, and (3) opportunities to improve the effectiveness of the federal role in the MTS. GAO analyzed information from the Corps and DOT, interviewed relevant agency officials and industry associations, and conducted site visits to six ports—selected based on tonnage, geographic representation, and other factors—to discuss federal, state, and local investment in MTS infrastructure.

What GAO Recommends

DOT should (1) inform the development of the *National Freight Strategic Plan* with the Corps' planned investments in the nation's navigable waterways and (2) ensure the review and update of the *National Strategy for the MTS* to include accountability mechanisms for the *Strategy's* recommended actions. DOT agreed to consider the report's recommendations.

What GAO Found

The U.S. Army Corps of Engineers (Corps) and the Department of Transportation (DOT) use a variety of programs to maintain and improve Marine Transportation System (MTS) infrastructure. The Corps is the lead federal agency responsible for maintaining and improving navigable waterways. Corps data show that obligations for navigable waterways have decreased from over \$3 billion in fiscal year 2009 to about \$1.8 billion in fiscal year 2011. Most annual DOT funding is provided to states through formulas, and states determine which projects to fund. For example, in fiscal year 2011, the Surface Transportation Program provided \$9.5 billion to states for a variety of transportation projects, which may have included port improvements. However, because DOT does not specifically track formula funding used to maintain or improve ports or port connectors, officials were unable to provide GAO the extent to which these funds were used for port improvements, although the officials stated that the number of port-specific projects was likely small. Several DOT grant and credit programs can also provide specific funding to ports, though ports are primarily responsible for maintaining and improving infrastructure on port property.

Aging MTS infrastructure, a growing backlog of projects, and the lack of an MTS system-wide prioritization strategy represent key challenges for the Corps and DOT to maintain and improve MTS infrastructure. For example, some structures that support navigation, such as locks, are over 100 years old, and their condition has resulted in deteriorating performance and costly delays to shippers. The Corps and DOT have taken some steps to prioritize their individual funding decisions, but none of these efforts consider MTS infrastructure system-wide. While the Corps is prioritizing projects within its navigation program, DOT has a more limited ability to prioritize funding for port infrastructure projects because the majority of DOT's funding goes to the states where decisions about transportation priorities are made at the state and local level.

Two efforts in particular provide opportunities to improve the effectiveness of federal support to MTS infrastructure. First, the recently enacted Moving Ahead for Progress in the 21st Century Act requires DOT to develop a *National Freight Strategic Plan* and to consult with appropriate transportation stakeholders. However, DOT and the Corps have historically had limited coordination involving system-wide MTS investments. Involving the Corps in the development of the *National Freight Strategic Plan* is particularly important given the critical role navigable waterways play in freight movement. Second, the Committee on the Marine Transportation System (CMTS), a partnership of federal agencies chaired by DOT, has the opportunity to take further actions to help ensure that its 2008 *National Strategy for the Marine Transportation System* is reviewed and updated to reflect new and emerging challenges, and that its 34 recommendations to improve the MTS are implemented. One recommendation included studying approaches to allocate federal dollars among competing transportation priorities. However, the *Strategy* has not been reviewed and updated since the CMTS published it in 2008 and it does not incorporate accountability mechanisms, such as identifying desired results or performance measures, for the recommended actions. Such mechanisms would help ensure that the actions CMTS recommended to improve the MTS are indeed implemented.