



The Pennsylvania Intermodal Cargo Growth Incentive Program (PICGIP) GUIDELINES

SECTION I – STATEMENT OF PURPOSE

In conjunction with the Pennsylvania Department of Transportation's (PennDOT) multimodal strategic vision of improving efficiencies, increasing cargo, and creating and retaining employment at the Commonwealth's ports, the PennDOT Multimodal Deputate has initiated the Pennsylvania Intermodal Cargo Growth Incentive Program (PICGIP). PICGIP is designed to help maximize growth of container cargo through those Pennsylvania terminals that handle containerized cargo. This will result in a higher utilization of the ports' infrastructure assets, improve productivity at the ports, and provide direct and indirect economic benefits to the region and the Commonwealth, through increased cargo volume and employment.

PICGIP is a grant program intended to provide an economic incentive for all existing and potential new container shipping lines to move their preordained and discretionary cargo through a Commonwealth port instead of other US ports or terminals. This incentive, which is \$25 per new container unit (lift), will apply to containerized cargo loaded or discharged from vessels moving through Pennsylvania's ports. The incentive will be available only for those shipping lines increasing cargo volumes or starting new service to a Commonwealth port, as determined by PennDOT. Ocean carriers that establish new service calls would benefit from greater volume of incentives initially and as their service grows.

The funds granted must be used for operating or capital expenses of the ocean carrier.

SECTION II - ELIGIBILITY

1. All ocean carriers that move containerized cargo through Pennsylvania ports or terminals and agree to participate and follow the PICGIP requirements are eligible for this incentive program.
 - a. All ocean carriers that participate in the PICGIP must sign an agreement to receive the grant funds.
2. In order to qualify for the economic incentive, the participating ocean carrier must either:
 - a. Exceed the volume benchmark imposed on the ocean carrier based on its prior six-month cargo volume; or
 - b. Start a new shipping service to a Commonwealth port.
3. Preexisting ocean carriers desiring to participate in the PICGIP must submit an annual application to PennDOT between January 1 and June 30, before the fiscal year during which they are seeking

funds. Applications submitted after the closing date will not be considered. Ocean carriers initiating new service after July 1 may submit an application between July 1 and December 31 of the fiscal year during which they are seeking funds.

4. The first grants under the program will be during fiscal year 2015-16.
5. Grant awards will be made twice during the fiscal year – once in the first half and once in the second half. Commonwealth fiscal years are between July 1 of a calendar year and June 30 of the next calendar year.

SECTION III – ESTABLISHING BENCHMARKS AND CALCULATING POSSIBLE GRANTS

1. Initial benchmarks – Preexisting ocean carriers that make application for a grant under the PICGIP are required to submit a report outlining its prior six-month cargo volume (per container) that moved through a Pennsylvania terminal. Based upon this volume, PennDOT will establish a benchmark which will serve as the volume benchmark that the ocean carrier must exceed in order to receive the incentive for those additional growth containers. For example, ocean carriers making application during the first six months of 2015 must provide information for the period from July 1, 2014, to December 31, 2014, to establish a benchmark for grants during fiscal year 2015-16. Ocean carriers establishing new service to a port need only verify that they did not have any lifts at a Commonwealth terminal during the prior six months. PennDOT reserves the right to establish a benchmark otherwise during the first year of the program based on the competitive criteria set forth in Section IV below and the availability of funds.
2. Subsequent reports – Every ocean carrier that has applied for grant funds is required to submit a report every six months outlining the following cargo movements (per container) through a Pennsylvania terminal during the prior six months:
 - a. The total number of lifts by the ocean carrier.
 - b. The number of export cargo lifts from Pennsylvania manufacturers by the ocean carrier.
 - c. The number of discretionary cargo lifts by the ocean carrier.
 - d. The number of refrigerated cargo lifts by the ocean carrier.

For example, ocean carriers making application during the first six months of 2015 must provide information for the period January 1, 2015, to June 30, 2015, and then July 1, 2015, to December 31, 2015, for purposes of obtaining grants for fiscal year 2015-16. The report should be submitted as soon as possible after the six-month period has ended.

3. PennDOT reserves the right to require documents to be submitted to substantiate the reports submitted under paragraphs 1 and 2 above.
4. Reports and other required documentation must be provided directly to PennDOT's Multimodal Deputate via e-mail at dsoisson@pa.gov or U.S. mail to Denise Soisson, Pennsylvania Department of Transportation, 400 North Street, Keystone Building 6th Floor, Harrisburg, PA 17120.
5. Subsequent benchmarks – The benchmark for those ocean carriers in the program will be revised each year to the highest amount of lifts during the previous calendar year if that amount is higher than the initial benchmark. For example, ocean carriers making application during the first six months of 2016 will have benchmarks based on the number of lifts during the first or second six months of 2015, depending on which is higher, if the number of lifts during one of those periods was higher than the initial benchmark. If the number of lifts did not increase during the prior

calendar year, then the initial benchmark remains the benchmark. If an ocean carrier does not have lifts greater than the initial benchmark for three years, the benchmark will be reset as if the ocean carrier was initially entering the program.

6. Calculating possible grants – The possible grant amount for an ocean carrier during the first half of a fiscal year will be calculated in relation to increases in lifts over the benchmark. Possible grants for the second half of a fiscal year will be calculated in relation to increases in lifts over the prior six months unless the number of lifts over the prior six months was less than the benchmark, in which case the calculation will be made in relation to increases in lifts over the initial benchmark. The benchmark for calculating possible grants will be reset each year as outlined above.

SECTION IV - FUNDING & GRANT AWARDS

1. The PICGIP is planned to be capitalized by \$1,000,000 per year for the next five years.
2. Should all funding not be utilized in one Commonwealth fiscal year (July 1 thru June 30), the remaining funds will be forwarded into the next year's total. However, if all funding is exhausted in a given year and there are still eligible claims, funds will not be advanced.
3. Funds will be awarded on a competitive basis to eligible carriers, considering the following criteria:
 - a. The number of export cargo lifts from Pennsylvania manufacturers by the ocean carrier.
 - b. The number of discretionary cargo lifts by the ocean carrier.
 - c. The number of refrigerated cargo lifts by the ocean carrier.
 - d. The total number of lifts by the ocean carrier.
 - e. The importance of the ocean carrier to the port.
4. No one carrier can receive more than 25% of the available funds in a year (\$250,000) unless PennDOT approves a greater amount during the first year of the program based on the competitive criteria set forth above and the availability of funds.

SECTION V – PROGRAM INQUIRIES

Program inquiries should be directed to:

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