Voluntary Regulation – A policy option for US Coastal Shipping?

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Marine Highway network includes ports as well as US flagged (Jones Act) ships that provide a logistical option to the land highways. This network has a potential to help reduce the congestion on the roads as well as move some of the pollution away from the population centers.

Maritime industries in general and coastal shipping in particular have a multitier regulatory approach. Maritime operations and their impacts are trans-boundary in nature. National regulations are designed in sync with the international (IMO) regulatory framework. Departing from this has dual risks a) it could damage the international consensus b) it would possible place the local industry at a disadvantage when compared to its peers in the other countries. One possible policy option could be Voluntary Regulation. Voluntary Regulations have following defining characteristics:

1. they are not induced by applicable laws or regulation, either through regulatory requirements or **substantial** positive or negative incentives (Kolstad, 2009),

2. they are conceived by regulated entities, with some degree of **government review and involvement** (Steinzor 1998 in (Iannuzzi, 2002)) and,

3. they go **beyond** what is required by the law (Lenox, 2006)

My research has 3 objectives (in order of importance):

1. Understand stakeholder relationships in the US coastal maritime industry – with possible inferences for the global maritime industry in general.

2. Consider implications of this study in using voluntary action as a policy tool.

3. As an example use the stakeholder analysis to derive a prioritized list of environmental actions that a MHO could be incentivized to take.

Approach

We have created a 2-track process for identification of relevant stakeholders. These work in parallel and perform different yet complimentary tasks. These 2 tracks are; 1) the Stakeholder analysis and mapping which gives us the quantitative comparison of their influences as well as a map of their relationships/network 2) Identification of salient stakeholders using the criteria of Power, Attitude, Urgency & Legitimacy.

In my presentation I will be discussing the findings of the stakeholder analysis (to date) as well as how this information could be used for policy making in the context of voluntary regulations. Preliminary results show that the Maritime Operators are most influenced by Regulators as well as other Operators within their group. Environmental Advocates are not perceived as being very influential.