

Minutes of Public Meeting

June 18-19, 2019

Department of Transportation Media Center
1200 New Jersey Avenue, SE
Washington, DC 20590

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**Minutes of Public Meeting
Minutes of Maritime Transportation
System National Advisory Committee Meeting**

U.S. Department of Transportation
Media Center
1200 New Jersey Avenue, SE
Washington, DC 20590

June 18, 2019

Call to Order

Lisa Wieland, Chairperson (Chair), called the meeting to order at 9:00am and invited Amanda Rutherford, the Designated Federal Officer (DFO) to take the roll call.

Roll Call

Amada Rutherford, Designated Federal Officer (DFO) took roll call.

Members Present

Gary Adams – Walmart Stores Inc.
David Cicalese – International Longshoremen’s Association
Berit Eriksson – Sailors Union of the Pacific
Joseph Gasperov – International Longshore Warehouse Union
John Graykowski – Maritime Industry Consultants
Daniel Harmon – Texas Department of Transportation
Jared Henry- Hapag-Lloyd USA, LLC
Capt. Robert Hughes – Genco Shipping & Trading (calling in)
Brian Jones – Nucor Corporation
Paul LaMarre III– Port of Monroe
David Libatique – Port of Los Angeles (attending on behalf of Mr. Seroka)
Ryan Macdonald – Georgia Ports Authority (attending on behalf of Mr. Lynch)
Jim Pelliccio – Port Newark Container Terminal
David Labatique – Port of Los Angeles (attending on behalf of Mr. Seroka)
Scott Sigman – Illinois Soybean Association
Karl Simon – Environmental Protection Agency
Anne Strauss-Weider - New Jersey Transportation Planning Authority
Capt. John Sullivan – Matson Navigation Company, Inc.
Capt. Richard Suttie -Center of Homeland Security and Defense
Augustin Tellez – Seafarers International Union of North America
Robert Wellner – Liberty Global Logistics, LLC (Vice Chairperson)
Thomas Wetherald – General Dynamics – NASSCO
Lisa Wieland -- Massport Authority (Chairperson)
Brian Wright – Owensboro Riverport Authority

Members Absent

Lindsey Brock – Rumrell, McLeod & Brook, LLC
David Fisher – Port of Beaumont

Jim Kruse – Texas A&M Transportation Institute
Griff Lynch – Georgia Ports Authority
Sean Strawbridge – Port of Corpus Christi Authority
Andrew Stroshal - The Lawrence Law Firm

MARAD/DOT Members Present

Hon. Mark H. Buzby – Maritime Administrator
Lauren Brand – Associate Administrator for Ports & Waterways, MARAD
Commissioner Louis Sola – Federal Maritime Commission
Amanda Rutherford - Designated Federal Officer, (DFO) MARAD
Jeff Flumignan - Alternate Designated Federal Officer, (DFO) MARAD
Eric Shen - Alternate Designated Federal Officer, (DFO) MARAD

Item 1: Welcome Comments from the Chairperson

The Chair welcomed everyone and explained the goal over the next 1.5 days is for committee members to contribute their vast knowledge on ways to improve the industry.

The Chair welcomed Admiral Buzby, Maritime Administration Administrator (MARAD Administrator) to the meeting and invited the Administrator to deliver welcoming remarks to the committee.

Welcoming Remarks by the MARAD Administrator

Admiral Buzby thanked the members for their service and noted that there is no shortage of discussion points/work ahead, for the committee is charged with advancing the industry efficiencies and effectiveness. He noted that he would soon visit “the Hill” and give testimony on the Marine Highway Program.

Admiral Buzby mentioned that the Maritime Industry is very much in a transitional stage, and the timing for this “hill visit” is fortuitous as Congress has renewed their interest in maritime activities as exhibited by their funding port infrastructure grants with \$293 million dollars. He also stressed that there remain critical issues facing international shipping and workforce development. Admiral Buzby further discussed his recent attendance at graduation ceremonies at Maritime Academies and that he is excited by the graduate’s attitudes toward entering the maritime workforce.

Administrator Buzby spoke briefly of the role the Secretary played in establishing this MSTNAC membership. He noted that the Secretary individually vetted each member to ensure that the committee representation had the diversity that mirrors the maritime industry.

The Administrator discussed the status of the Maritime Transportation Strategy and noted that it had become out of date since the initial effort. This Committee (MTSNAC) will be called upon to help update certain aspects of the Maritime Transportation Strategy next year before it is presented to Congress.

Admiral Buzby closed his remarks with a charge to the committee to produce a robust workable set of recommendations that can pass the scrutiny of MARAD. Further, he commended the Chair and Vice Chair for their leadership and foresight in their reworking the composition of the subcommittee membership. The Administrator answered several questions including members

concern about the “freshness” of the National Maritime Transportation Strategy (MTS) and what can be done to strengthen it. Admiral Buzby noted that MTSNAC could carefully review the document and put forth positive recommendations.

The Chair and the Administrator introduced Commissioner Louis Sola, Federal Maritime Commission for brief comments. Commissioner Sola expressed his appreciation to the Committee for inviting him to the meeting. Being new to the Commission, he briefly explained his role and that of the Commission and noted that the Commission would soon publish, in September, a final report “Fact Finding 28- Supply Chain Initiative” aimed at improving efficiencies within ports. and thanked the Chair and MSTNAC members for their attention to his remarks.

The Chair then asked each MSTNAC member to briefly introduce themselves to the membership.

Item 2: Chairperson’s Administrative Time - Charter & Bylaws

The Chair asked the DFO for comments on Administrative matters. The DFO indicated that all Committee Members had copies of the Charter & Bylaws in their resource binder. Vice Chairman Robert Wellner raised a question on the duration of the current charter being until 2020 and requested that an extension, of one year, be considered to allow for the late start of this MTSNAC group. The DFO noted that the request would be brought to the attention of Counsel for an immediate response. No other comments were made on this requested change. The Chair asked for a vote on accepting the Charter as presented and the Members voted in favor of such with no objections.

Members raised the question on the relationship between duration of the Charter and the expiration of the MTSNAC member appointments. The current charter started September 2018 and ends September 2020. MARAD staff will develop the next draft of the charter beginning January 2020 with the expectation that the Charter will pass through concurrence, be approved and filed. The Charter and the expiration of the MTSNAC member appointments will be aligned in 2020.

Item 3: Welcome and opening remarks from the Associate Administrator

The Chair introduced Lauren Brand, Associate Administrator for Ports & Waterways (MARAD). Ms. Brand welcomed all Committee Members and proceeded to provide a general overview of some key points that would be made in her presentation.

Item 4: Update-Office of Ports & Waterways, Maritime Administration

Ms. Brand expressed her appreciation to MARAD administration and her staff for their support and continued cooperation toward fostering the mission of MTSNAC.

Ms. Brand opened her presentation (see **Appendix A**) with comments on the responsibilities of the Ports and Waterways Office. The Office is responsible for a variety of programs: (1) Deepwater Ports that issues licenses for offshore gas import and export facilities; (2) Marine Highways goal to expand the use of waterways and supplement the crowded and congested surface transportations system, (3) Port Conveyance programs that convey surplus Federal land adjacent to port cities toward maritime uses in preparatory and used for job creation. The Ports and Waterways Office is responsible for 10 nationwide field offices and provides oversight

including administering \$2.5 billion (including matching funds) in projects (\$1.2 billion from Federal grants assistance), \$16.7 million in Marine Highway grants, \$203 million in small shipyard grants.

Ms. Brand highlighted the importance of Ports to the national economy and security and in contrast pointed out the Webster dictionary meaning of Ports- “Safe Harbor”- noting that this definition is far from today’s functional meaning. Ms. Brand emphasized that as the intermodal hub of transportation, ports move the economy and act as a strong component of our national and international security. To emphasize the diversity of the maritime industry, Ms. Brand asked the membership to identify the major categories of shipping (container, bulk, energy, passenger, roro, commercial fishing and space) and stressed the importance of recognizing MARAD’s efficient movement of products. She then cited the need to build the right ports (such as roro ports for export of cars, cargo for export of bulk) as an example of MARAD’s efficient allocation of resources.

Ms. Brand discussed that there is an effort to move toward evolving the way Federal agencies reference ports from today’s system where each agency uses a different identifier toward the identification of each port with a common identifier that all agencies will recognize. Similar to the three-letter code system used for airports. The goal of this is to strengthen the 21st Century definition of ports to be a part of our transportation system. Ms. Brand asked MTSNAC to provide new fresh ideas, make recommendations to MARAD about industry issues, let the Agency know where the MTS is old or not relevant, and to suggest new ideas for improvement of the system.

Ms. Brand concluded her presentation with an overview of the programs and achievements made recently. In one example, she explained that \$2,153,110,000 in Federal and matching funds were awarded to 67 port projects in 34 states and 2 territories. It was also explained that 38 of 50 states have navigable waterways and, since January 2018, 38 projects have been completed in these states, with 22 completed under original cost estimate. Some grant awards have seen more than 40% - 140% cost increase in project bids due to the timing of grant submission and grant award.

Item 5: Break

Members took a 15-minute break.

Item 6: Public Comments

The DFO welcomed everyone back from break and asked if there were any members of the public who have comments that needed to be brought to the attention of the Committee. Heather Gilbert, (see **Appendix B**) on behalf of U.S. Committee on the Marine Transport System (CMTS), offered best wishes and support of the CMTS to the MTSNAC in their work ahead. Ms. Gilbert noted that there were 25 Federal agencies that serve CMTS. Ms. Gilbert discussed achievement that the CMTS made in the last year, including a 2017 Hurricane season: Recommendations for a Resilient Path Forward for the Marine Transportation System, among others. Ms. Gilbert explained that there would be a new Coordinating CMTS Chair (2019-2020) in August and asked to share the new CMTS priorities with the MTSNAC at its next meeting (September 2019).

Item 7: Subcommittee Break-out Sessions

The Chair thanked the subcommittee leadership (Port, International Shipping and Domestic), for stepping forward and assuming the leadership role. The Chair also noted that the composition of each subcommittee represents the diversity and experience of the MSTNAC membership. The Chair, again, summarized the expectations of the subcommittee work as addressing the right problem, establishing a work program to carry out their studies, and the development of actionable and robust recommendations. The Vice Chair reiterated that as the Administrator spoke of the problem statements for each subcommittee, they came from the National Maritime Strategy which is outdated and if the statement should be changed such action should be taken. Committee members were directed to separate rooms for subcommittee breakout sessions.

Item 8: Working Lunch & Breakout Sessions for Subcommittees

Committee members participated in subcommittee breakout sessions during a working lunch.

In reconvening the meeting, the Chair again reminded the membership that they should remain focused on the problem they are tackling. Specifically, the Chair asked the membership to discuss the intent of the subcommittee Charters and problem statements, and identify cross-cutting (involvement with the other subcommittees) issues so that any recommendations coming forth can be shared with all subcommittees for their concurrence and to make sure everyone is on the same page, going in the same direction.

Ports Subcommittee

The Chair called upon the Ports Subcommittee Co-Chairs, Anne Strauss-Weider and Scott Sigman to brief the MTSNAC on their initial discussions. The Co-Chairs spoke of the direction the subcommittee is initially moving toward. Their goal includes talking about measures of success and what outputs are expected within the context of identifying stakeholder issues and how specific metrics can be used at the national regional or local level.

The subcommittee has been asked to come up with scorecard indicators, such as green, yellow, red, to identify effective practices. The Co-Chairs noted that such scorecards would characterize corridors and their capacity.

As the subcommittee deliberated their task, they reached a consensus on the word “performance” and recommended eliminating that word from the working group’s assigned problem statement and agreed upon the term “reliability and sustainability” as being more important and accurate than performance. The subcommittee was divided into working groups, including emerging ITS technologies with a focus on looking into the future – 2025-2030. The subcommittee anticipates they will look to the International and Domestic subcommittee as resources to review initial work drafts because of cross-cutting tasks.

The Chair asked that in looking for input from the other subcommittees that areas for consideration as measures of success, such as labor/workforces or strategic capability of strategic ports be considered.

In their closing comments, the Co-Chairs briefly outlined what their subcommittee members see, now, as measures of success including such activities as: workforce today/workforce tomorrow,

resiliency, environmental, community awareness of port activities and their contribution to the community, a systems approach (not just for port but the entire supply chain), adaptability to pivot supply chain change, and cybersecurity to name a few.

International Shipping Subcommittee

The Chair asked the International Shipping Subcommittee Co-Chairs Jared Henry and Captain Richard Suttie to discuss the initial work carried out by their subcommittee members. In their brief discussion, they highlighted the subcommittee's observations pointing to challenges and complexities confronting the subcommittee.

The subcommittee approached their assignment by preparing a framework analysis with key talking points as: capability, capacity, complexity and cargo. In their discussion, the subcommittee identified cross-function areas such as workforce/labor and ports (strategic to national) affecting Ports and Domestic subcommittees and will propose creating a small working group with membership from each subcommittee and functioning for a 4-6-month period. This action would facilitate to keep the subcommittee focused and to ensure concerns, issues, challenges and recommendations evolve. Also, the Co-Chairs talked about constraints they have initially identified such as time and scope - limited to DOT or extend to other Departments - and will the subcommittee recommendations be fiscally constrained or cost neutral?

In response to their concerns, the DFO reminded the subcommittee that they should stay within the scope of their Task and not address fiscal constraints which are a concern of MARAD to resolve, but rather provide recommendations for MARAD leadership to consider on how to implement the recommendations. Further, the DFO stated that the recommendations should stay within the parameters of the scope of MSTNAC, which provides recommendations to the Administrator for consideration to elevate to the Secretary.

MSTNAC members cannot provide recommendations to another Department's Secretary, but can include the concepts in their recommendations to the MARAD Administrator.

Domestic Subcommittee

The Domestic Subcommittee Co-Chairs, Dan Harmon and John Graykowski identified four problem statements within the scope of work: two that relate heavily to Jones Act issues and two to industry clusters such as insurance. The Jones Act problem statements (Task 1 and 2) specifically concerned maintaining domestic shipping and mariners. And, it was obvious to the subcommittee that there is a significant cross over with International Shipping (deep draft-not inland). To this point, they recommend creating a small working group on workforce manning and sustainment.

Whereas, with the industry cluster, specifically insurance, the subcommittee stated such a review is a bit beyond subcommittee expertise. The subcommittee has made a formal request to put this Task on the back burner. The Chair reminded the subcommittee that MARAD could bring in outside resources. However, the Co-Chairs view the more critical issues being those affecting the Jones Act.

Other comments stressed that MTSNAC request of MARAD to invite subject matter experts on insurance to describe the pressing issues. The Chair supports the subcommittee triage approach and spending their energy on the more pressing matter, and requested MARAD to invite an insurance SME to speak at the next MTSNAC meeting.

Item 9: Break

Members took a 15-minute break.

Item 10: Update – Office of Strategic Sealift, Maritime Administration

Bill McDonald, Director of Sealift Support, and Mark O’Malley, Director of Vessel Readiness, (see Appendix C) provided a briefing on the Strategic Sealift capacity of the United States. Mr. McDonald noted that in times of national security threats, the U.S. is the only nation capable of deploying massive forces to anywhere in the world, at any time we wish, sustaining them while they are in theater, and bringing them home safely when their mission is complete. He stated that the decline of the US. Merchant Marine and shipbuilding capacity pose significant challenges for the United States in light of the rise of near-peer and peer maritime competitors.

In a two-part presentation, Bill McDonald spoke on the importance of commercial sealift in supporting the Armed Forces (Item 11- below) and Mark O’Malley’s presentation addressed the importance of the Government-owned Ready Reserve Force (RRF) (hereinbelow). Mr. O’Malley detailed the objectives of Strategic Sealift and emphasized its importance with a key phrase: Economic security = national security. He highlighted the strategic goals of the Maritime Administration as being: Cargo (ensure the Nation’s economic and national security) , Readiness (ensure the availability of a U.S. Merchant Marine (USMM) fleet with skilled labor to support global logistic needs in times of peace and war), Infrastructure (support the development of U.S. ports, shipyards as key components of a sustainable national transportation system), Education advance the importance and necessity of a strong U.S. Marine Transportation System (MTS), to grow the industry. Mr. O’Malley added that the capacity to meet the ready force needs falls within three categories of readiness elements to the strategic sealift: repositioned, surge sealift and sustainment (commercial) sealift.

Welcome comments from Honorable Elaine Chao, Secretary of Transportation

Honorable Elaine L. Chao, Secretary of the U.S. Department of Transportation spoke to the MTSNAC and thanked the membership for their commitment. Secretary Chao spoke of the important role that MARAD contributes to commerce and national defense. A group photo with the Secretary was taken.

Item 11: Update – Office of Commercial Sealift

Bill MacDonald gave an update on Commercial Sealift (Bill MacDonald’s slide presentation is Appendix C, as above) by noting that relationship between the Commercial Sealift role and that of the Surge Sealift within the realm of the RRF. He explained that once the surge fleet has successfully served its primary purpose much of the responsibilities and sustainment are shifted over to the USMM. He identified three pillars of primary support for the USMM: Maritime Security Program (MSP), Cargo Preference, and the Jones Act.

In his closing remarks, Mr. MacDonald echoed comments made earlier by Mr. O'Malley, noting that supporters in Congress and industry have recognized the global threats. And, MARAD is advocating for recapitalization the RRF through developing a strategy & funding avenue, Safeguarding and Strengthening the MSP with adequate stipend funding, Addressing the aging/shrinking Fleet Tankers (DOD has identified a need for 86 tankers and only 6 exist currently sailing in international trade) and working with MSC/USTRANSCOM to prepare for contested environment conflicts.

Item 12: Federal Aviation Administration (FAA) Presentation on Drone Security Concerns

Joshua Holtzman is the Executive Director, National Security Programs & Incident Response (AXE), Office of Security and Hazardous Materials Safety (ASH), Federal Aviation Administration (FAA) (there is no accompanying slide presentation). In his comments to the MSTNAC, Joshua highlighted three main points affected by Unmanned Aerial Systems (UAS) security risks: policies, technologies and implementation to counter UAS activities, the drone advisory committee, (a FACA committee) and UAS issues in the maritime sector especially as they relate to the FAA.

The FAA is leading DOT efforts with its other Federal agencies such as DOD, DHS, DOJ, DOE and National Security staff to safely and efficiently integrate UAS into the national U.S. air space system while enhancing and advancing the security capabilities system to identify and protect against UAS.

Mr. Holtzman discussed the point that the UAS technology is evolving faster than regulations can be promulgated and outpacing security design features and their deployment. Concerns over UAS incursions are not only within areas of military conflict have now grown to within the air corridor of major airports and could occur within the communities of port authorities. In response to these threats, FAA has been conducting tests for detection systems and discovered that a significant requirement for more research, testing, evaluation of data is paramount to determine the efficacy and impacts on aviation safety, navigation systems and communications among others.

Mr. Holtzman mentioned that the FAA is currently involved in critical rulemaking efforts to identify UAS remote locations to facilitate identification of UAS because it provides information on UAS "control station" (the operator) allowing for detection and law enforcement response to support the security efforts of FAA security partners. Mr. Holtzman noted that remote identification would allow FAA to educate the "clueless/careless" (which are the most common in the U.S.) UAS to spur compliance with regulatory statues for safe and secure operations and allows law enforcement and security efforts to focus on threats.

Mr. Holtzman commented that in 2016/2017 Congress granted DOD and DOE with limited counter UAS authority to detect, identify, track and mitigate select facilities, missions and assets considered to be threats. And, in 2018 Congress granted DHS and DOJ similar powers. The FAA role is supporting their Federal security partners in research to ensure the safety of the National air space system is not comprised. He also discussed the tasks of the Drone Advisory Committee which focuses on remote identification, types of incentives by FAA to operators who voluntary use UAS equipped in accordance with remote identification regulations among others.

Mr. Holtzman pointed out that relevant to MARAD/MSTNAC concerns is the establishment of an exclusionary zone around ports, ships and the FAA has been directed to develop, in coordination with interagency teams, a means to provide restrictive air space over critical infrastructure. A challenge, however, is the sheer number of sectors that must be considered. The FAA is working on designing a “new air space” to restrict the USA in exclusionary zones. The challenge is how to really prevent the “clueless/careless” from flying into that air space; there is no wall!

Mr. Holtzman responded to several questions, for example, he explained how a posted sign “No Drone Zone” has strong legal ramifications against individuals who show disregard to private property or exclusionary zones. He stated that once a sign is posted, it is emphatically saying this is private land or Federal land and you are prohibited from flying Drones (UAS) over.

Although it does not prohibit an individual from flying a UAS 100 feet from your land, there is a tool to facilitate legal action against individuals who have violated “restricted air space. Another question related to the availability of data gathered (public) from UAS flying over manufacturing or agricultural areas and using such data to predict output levels from respective industries. Mr. Holtzman responded by noting that this is “territory” so new that the law nor ethics have caught up to it. He noted that a goal is to help educate what can be done in terms of statutes or laws, and what can be used to take action.

Another question raised the issue of balancing the safety and security brought by drones and the opportunities of enormous commercial/economic potential that this UAS technology can bring. Mr. Holtzman stated that the FAA is working toward UAS integration to bring forth a series of rules/regulations that the UAS is requesting to meet performance standards that facilitate better integration into current FAA concerns on the national air space system.

Item 13: Closing Remarks and Adjournment

The Chair asked the DFO for closing comments. The DFO discussed the earlier concern of the Charter being in sync with the terms of the members and offered the information that MARAD will file for a new Charter which may align its duration with that of the membership.

In her closing comments, the Chair specifically mentioned the committee’s appreciation of the Secretary’s visit and comments, and viewed her visit as an indicator of the importance she places on the work the MTSNAC is doing. With no further questions raised by the membership, the Chair called the meeting to a close at 4:45pm.

Minutes of Maritime Transportation System National Advisory Committee Meeting

U.S. Department of Transportation
Media Center
1200 New Jersey Avenue, SE
Washington, DC 20590

June 19, 2019

Call to Order

Lisa Wieland, Chairperson, called the meeting to order at 9:00 am and invited the DFO to take roll call.

Roll Call

Amada Rutherford, Designated Federal Officer (DFO) took roll call.

Members Present

Gary Adams – Walmart Stores Inc.
David Cicalese – International Longshoremen’s Association (calling in during session)
Berit Eriksson – Sailors Union of the Pacific
Joseph Gasperov – International Longshore Warehouse Union
John Graykowski – Maritime Industry Consultants
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Jared Henry- Hapag-Lloyd USA, LLC
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Robert Wellner – Liberty Global Logistics, LLC (Vice Chairperson)
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Members Absent

Lindsey Brock – Rumrell, McLeod & Brook, LLC
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David Libatique – Port of Los Angeles (attending in behalf of Mr. Seroka)
Griff Lynch – Georgia Ports Authority
Jim Pelliccio – Port Newark Container Terminal

Gene Seroka – Port of Los Angeles
Andrew Stroschal - The Lawrence Law Firm

MARAD/DOT Members Present

Lauren Brand – Associate Administrator for Ports & Waterways, MARAD
Amanda Rutherford, Designated Federal Officer, (DFO) MARAD
Jeff Flumignan Alternate Designated Federal Officer, (DFO) MARAD
Eric Shen Alternate Designated Federal Officer, (DFO) MARAD

Item 1: Welcome & Opening Statements

The Chair welcomed everyone back and asked the DFO for opening comments. The DFO noted that the recommendations prepared by the previous MTSNAC subcommittee were distributed via email to the membership to provide a reference for their upcoming work.

The DFO also discussed the future meeting plans: September 2019 Arlington, VA) and three meetings in 2020, also tentative late January, late May early June and later September. MARAD is looking at holding at least one meeting outside the Washington area to ensure the Committee has the opportunity to hear from stakeholders who are not necessarily represented in Washington. The DFO has contacted resource staff with expertise in insurance to meet with the Domestic subcommittee and Cargo Preference to meet with the International subcommittee during the subcommittee breakout sessions.

Item 2: Update – Office of Infrastructure Development

Peter Simon, representing Robert Bouchard, Director of the Office of Port Infrastructure Development (see Appendix D) within the Office of Ports and Waterways explained that the mission of the Office of Infrastructure Development is to place emphasis on strengthening the National Marine Transportation System (MTS) land-side infrastructure to meet the economic and security needs of the nation. Mr. Simon and his team oversee Grants program management for MARAD pertaining to ports and surrounding communities. Grants that are awarded must have a local and regional impact to be considered. Currently, their office is administering two discretionary grants: Transportation Investment Generating Economic Recovery (TIGER) and Better Utilizing Investments to Leverage Development (BUILD). These two grant categories represent a capital investment in surface transportation projects that have a significant impact on local and regional impact. Presently, MARAD is administering TIGER grants totaling \$612 million in port-related grant awards (construction and planning), and BUILD grants awarded to projects that add capacity, modernize infrastructure, stimulate port project planning and improve freight efficiencies totaling \$232 million.

Item 3: Update – Ports & Waterway Planning

Tim Pickering, Acting Director of Ports & Waterway Planning (see Appendix E) leads the development and expansion and modernization of port infrastructure, including water, road, and rail, to foster a strong economy and national security.

Mr. Pickering’s initial slide mentioned the availability an on-line Port Planning and Investment Tool Kit that can guide ports is assessing and evaluate port conditions, define problems, plan thoroughly, navigate the preplanning process, engage private partners, present actionable needs

to administrators, access to available funding and complete projects. The Toolkit helps ports obtain funding by providing examples and hands-on guidance in the application process.

Mr. Pickering further identified funding mechanism/assistance programs that foster greater port efficiencies and operations including:

- **Better Utilizing Infrastructure to Leverage Development (BUILD) NOFO:** <https://www.transportation.gov/sites/dot.gov/files/docs/policy-initiatives/build/114796/fy-2019-nofo-final-signed.pdf>;
- **Advanced Transportation and Congestion Management Technology Deployment Initiative (ATCMTD) Grants, NOFO:** <https://www.grants.gov/web/grants/view-opportunity.html?oppId=316761>;
- **Port Infrastructure Development Program Grants, NOFO:** : <https://www.maritime.dot.gov/office-port-infrastructure-development/port-and-terminal-infrastructure-development/2019-port-2>;
- **Transportation Infrastructure Finance and Innovative Act (TIFIA) Credit Program,** www.transportation.gov/tifia;
- **Railroad Rehabilitation and Improvement Financing (RRIF) Loan Program,** www.transportation.gov/buildamerica/programs-services/rrif;
- **Private Activity Bonds (PABs)** www.transportation.gov/buildamerica/programs-services/pab, and
- **Port Conveyance Program,** www.marad.dot.gov/ports/public-benefit-conveyance-program/.

Mr. Pickering pointed out that MARAD, in conjunction with Intelligent Transportation Systems – Joint Program Office (ITS-JPO) research programs, is working toward increasing cargo capacity and reliability of freight moving through ports and that one of the problem statement of the MTSNAC Port subcommittee is to develop recommendations for DOT on ports and maritime ITS topics.

Mr. Pickering highlighted that DOT has awarded \$1.1B in grant funds leveraging \$2.25B in port projects within the past 10 years and anticipates in FY19 another \$300M to \$400M in grant funding will be awarded to leverage an additional \$1B in port construction. With this level of funding activity, the requirement of having a publicly available asset management tool is necessary to protect this public investment. To that end, MARAD is developing an asset management tool for domestic port planning.

MARAD has initiated a Marine Transportation Asset Management Planning (MTAMP) State of Practice. Some of the early findings include: significantly deferred maintenance is common and remains a primary concern to ports, no risk-based decision-making is undertaken as part of asset planning, the magnitude of and vulnerability to all risks (deterioration, extreme weather, rising sea level, competitiveness) are unknown and unmanaged. Mr. Pickering noted that some of the greatest concerns are: weather and earthquake resilience, deferred maintenance, advanced deterioration of very old structures (circa the 1920s) and, inadequate maintenance appropriations. Additionally, Mr. Pickering pointed out that the risk, condition and financial consequences of

deferred asset maintenance have not been effectively communicated to decision-making committees and executives by technical staff, and that the current level of asset planning falls well short of current FHWA practice. This level of planning is not sufficient to ensure the Secretary's objective to maintain transportation assets in *a state of good repair*. The absence of formalized asset management planning significantly contributes to negative post-catastrophe outcomes.

In addition to the earlier mention port development funding mechanisms, Mr. Pickering noted that the National Highway Freight Program (NHFP) provides ports with an opportunity to seek Federal funds for critical infrastructure projects, mentioning that these projects could include work to improve the road and rail infrastructure that connect the ports with the broader transportation system. He also highlighted that up to ten percent of the funding allotted to each State could be used for eligible port projects within the port gates. Eligible uses of NHFP Funds can include any surface transportation project to improve the flow of freight into and out of an eligible intermodal freight facility; Intelligent Transportation Systems and other technology to improve the flow of freight, including intelligent freight transportation systems; Railway-highway grade separation; geometric improvements to interchanges and ramps.

Mr. Pickering described the Marine Highway Program as having two steps in defining the system: a) designating Marine Highway Routes which are navigable waterways capable of moving freight; b) designating Marine Highway Projects which create new or expand existing marine highway services are then designated along those Routes. Support for Marine Highway Projects comes in the form of grants.

Applicants of designated Marine Highway Projects or private sector partners with written referrals from the public applicants can apply for Marine Highway Grants that are used to alleviate the upfront capital risk associated with starting new services. Mr. Pickering described two success stories Virginia Port Authority- James River Expansion Project and Connecticut Port Authority - Harbor Harvest Long Island Sound Project, two very different projects that benefitted from Marine Highway grants and have shown great success in their implementation and sustainability.

Item 4: Break

Members took a 15-minute break.

Item 5: Subcommittee Break-out Sessions

Committee members broke up into separate rooms for subcommittee breakout sessions. The DFO directed members to conference rooms for their work sessions.

Item 6: Subcommittee Report Out

The Chair invited the subcommittees to briefly provide a readout of their work progress during the breakout sessions.

Port Subcommittee

Anne Strauss Weider and Scott Sigman, Co-Chairs of the Port subcommittee, presented their initial work (see Appendix F). Three working groups were created within this subcommittee and

observations, findings and recommendations will be one outcome of the deliberations of each working group.

On the matter of corridor capacity, reliability and sustainability measures of success, the working group identified draft key stakeholders as it pertains to decisions/issues. Shippers/Beneficiary Cargo Owners (BCOs). Key industry groups include agricultural, energy (coal, petroleum, natural gas), steel, retail, auto, recyclers, and other heavy industries, Port Authorities, terminal operators, and Metropolitan Planning Organizations (MPOs) among others. A Draft list of measures of success could include among others: Cost, reliability, safety in the workplace, health environment, adaptability, effective supply chain, connectivity and public awareness/visibility. Develop a draft 'green, yellow, red' scorecard/dashboard wherein the public can see the presumed impact that certain actions may have.

Another working group that will also follow the “measures of success” matrix will aim to identify the collaborations needed to achieve and monitor the measures, collect and assess necessary information as needed, identify collaborations needed related to emerging technologies, review the findings from the analysis of state freight plans and develop recommendations for guidance in updates of the plans.

The third working group, emerging technologies are included to identify emerging technologies that alter the supply of and composition of the supply, the demand for and composition of the demand, and, the context for the MTS among others.

Mr. Sigman concluded the subcommittees presentation with a draft work plan for the next six months. This work plan focuses on three items including populating measures of success, holding subcommittee monthly Webex discussions, for example in July/August, presentations and discussion on Port Performance information and FHWA Freight Fluidity work as background and early September – discussion of effective practices scorecards/dashboards and discussions and third beginning inventory of relevant technologies.

Before inviting the Domestic subcommittee to present their Draft work, the Chair commented that the Port subcommittee presentation was a clear overview of the key areas of analysis. She asked that within all subcommittees, when an internal subcommittee Webex is being considered that thought is given to have all MTSNAC members participate, as convenient.

Domestic Subcommittee

The Domestic subcommittee did not have a slide presentation. Dan Harmon and John Graykowski noted that the subcommittee spent most of their time discussing the insurance issue seeking clarification from MARAD to more fully understand the task. The subcommittee viewed their overall charge as being within two broad task areas: deep draft domestic shipping looking at barriers, issues the competitiveness facing domestic shipping and matters related to strategic sealift and workforce. Specifically drilling down to look at key issues specifically at the workforce issues and to join the subgroup examining workforce issues.

The ancillary supporting cluster of shipping industries required the subcommittee to meet briefly with MARAD to get a better definition of the issue from MARAD. Next steps include a

subcommittee phone conference on July 15 to more fully understand the question requirement, and thus make a better recommendation on how to proceed. Their work plan thereafter will include semimonthly conference calls. Based upon experience the subcommittee is aiming to provide the Committee with a draft of the initial findings for their tasks 1 and 2 June 2020.

In their approach to developing recommendations, the subcommittee will view the Jones Act as the overarching structure/guide specifically in developing their response to matters such as: manpower, shipyards, and national security and these will be issues that the subcommittee will focus on. The subcommittee recommendations to MARAD on these first two tasks would facilitate MARAD in carving out policies to foster stronger and more meaningful education, labor and training programs with other Federal agencies.

International Shipping Subcommittee

The International Shipping subcommittee (see Appendix G) with Jared Henry and Captain Suttie as Co-Chairs presented their preliminary observations, findings and work plan to the MTSNAC membership.

The subcommittee presented a summary of their task statements as distinct problem statements, such as: overarching concepts that they categorized as Capability, Competency, Capacity and Cargo of which there were several interdependencies including: Port corridors crossover subcommittee, and Workforce/Labor both affecting other subcommittees. In another Problem Breakdown outlines the subcommittee team identified overarching factors such as: US influence in international maritime commerce and Ports, including U.S strategic port issues, U.S Flag and Strategic Sealift issues, and again identified interrelated topics such as: U.S Flag fleets, MSP, U.S Mariner population, Government Owned Strategic Sealift Fleets, and Cargo Preference.

The subcommittee will document their study with a recommendation breakdown as, short term, medium term, long term for each of the following study categories including: international commerce and gateway ports, maintaining current US Flag and Sealift capabilities/capacities and enhancing US Flag and Sealift capabilities/capacities. Their work plan, as presented is: develop reading list – 25 June (due by Sept). develop SLACK group – 25 June, determine the subcommittee work/meeting schedule to include sub-task groups –July 2019, monthly subcommittee meetings, determine areas of research needed and sources of the information to address the subjects under Task 1 to include relevant government national security requirements (to remain unclassified) – September 2019, conduct research – March 2020, conduct gap analysis and create focus of current capabilities as well as analysis of alternatives – June 2020, develop recommendations – December 2020, prepare final presentation – March 2021, and present recommendations – June 2021

The subcommittee identified numerous reference materials that will be reviewed in the course of their deliberations including: CSBA Logistics Study – Resilient Maritime Logistics, National Defense Strategy, 2019 30-year Shipbuilding Plan – Appendix 7 only, Auxiliary and Sealift Vessel Plan, Defense Science Board – Survivable Logistics and requested from the government/DOT the National Maritime Strategy Draft and Cargo Preference Documents.

In the subcommittee deliberations, they identified both restraints as: Recommendations should focus on DOT, Recommendations do not need to be cost neutral. And constraints such as: imposed by resources, imposed by available time, and how much we are privy to(?).

The subcommittee provided interesting statistical information in their presentations including such facts as:

- 11,078 Mariners available as of 2017
- 13,000 needed for deployment
- 1,800 Mariners short to sustain deployment past 4-6 months
- The full deployment also removes backup for the US flag commercial fleet
- Mariner credentials expire after 2 years of not sailing
- Qualified steam plant engineers will be difficult to find about 5 years from now
- 45 large US flag ships needed above today's fleet to increase the Mariner force adequately

The subcommittee closed their presentation with a menu of possible areas of study that their assignment could cover.

- Sustainment of current capability/capacity
- MARAD's progress to date learning about available ships for acquisition
- The material condition of the RRF and Surge fleets
- The reality of the RRF/Surge Fleet SLEP plan
- Current MSP agreements and fleet plans
- Details of the US mariner pool
- MSC Charter program
- Voluntary Tanker Agreement (VTA)
- Mobility Capabilities Requirements Study 2018

Item 7: Public Comments

The DFO noted that there are no public comments for discussions.

Item 8: Closing Remarks and Adjournment

The Chair thanked everyone for taking part in the 1.5-day session and providing their recommendations/input. The Chair asked if the subcommittees could share their summer reading assignments/materials with the MTSNAC membership as this would be a great value added to more fully respond to all tasks.

Additionally, the Vice Chair recommended that when subcommittees invite subject matter experts to present information that these sessions be shared with the committee overall as this may provide a valued add for all.

The Chair and Vice Chair identified 2 workgroups:

1. **the crossover working group** *Members include:* Karl Simon, David Fisher, Brian Jones, Sean Strawbridge, Paul LaMarre III and Gary Adams. The Chair, Vice Chair and DFO will meet to help define purpose and objectives of the group.

2. **the workforce working group** will ensure continuity and cross-pollination with each subcommittee. Members include: Augustin Tellez, Berit Eriksson, David, Cicalese, Richard Suttie, Joseph Gasperov, and Andrew Stroshal.

The Chair further suggested that in November the subcommittee chairs would provide bulleted talking points and in the January meeting specific time is allotted for an in-depth discussion of both working group findings and observations.

Ms. Brand reminded the MSTNAC that both outside and internal subject matter experts could be made available to the members.

The Chair called upon the DFO for closing comments which included the tentative setting of a follow-up MTSNAC meeting on September 25-26, 2019 (reschedule now to September 23-24, 2019). The Chair called the meeting to a close at 12:05pm.

Certification and Approval

Appendix

Appendix 1 - Meeting Agenda

Appendix 2 – Meeting Presentations

Appendix 1

**U.S. Maritime Transportation System National Advisory Committee
Meeting Agenda**

DOT Conference Center
1st Floor, West Building, Media Center
1200 New Jersey Ave., SE
Washington, DC

[Click Here for Meeting Link](#)
Meeting number: 961 518 600
Meeting password: MTSNACJune18

Join by Phone: 1-888-557-8511 or 1-215-446-3649
Access Code: 860 163 1

Public Meeting - Tuesday, June 18, 2019

- 9:00** **Call to Order & Roll Call**
Amanda Rutherford, Designated Federal Officer
- Item 1** **Welcome and Comments from the MTSNAC Chairperson**
Lisa Wieland, Chairperson, Maritime Transportation System National Advisory Committee
- Opening Remarks**
Hon. Mark H. Buzby, Maritime Administrator
- Item 2** **Chairperson’s Administrative Time– Charter & Bylaws**
Amanda Rutherford, Designated Federal Officer
- Item 3** **Welcome and opening remarks from the Associate Administrator**
Lauren Brand, Associate Administrator for Ports & Waterways
- Item 4** **Update – Office of Ports & Waterways, Maritime Administration**
Lauren Brand, Associate Administrator for Ports & Waterways
- Item 5** **Break**
- Item 6** **Public Comments (if required)**
Amanda Rutherford, Designated Federal Official
- Item 7** **Subcommittee Break-out Sessions**
- Item 8** **Working Lunch & Breakout Sessions for Subcommittees**
- Item 9** **Update – Office of Strategic Sealift, Maritime Administration**
Kevin Tokarski or Capt. Doug Harrington, Director, Office of Ship Operations
- Item 10** **Break**
- Item 11** **Update – Office of Commercial Sealift, Maritime Administration**
Tony Fisher or William McDonald, Director, Office of Sealift Support
- Item 12** **Federal Aviation Administration Presentation on Drone Security Concerns**
- Item 13** **Closing Remarks and Adjournment**
Lisa Wieland, Chairperson, Maritime Transportation System National Advisory Committee

U.S. Maritime Transportation System National Advisory Committee Meeting Agenda

DOT Conference Center
1st Floor, West Building, Media Center
1200 New Jersey Ave., SE
Washington, DC








[Click Here for Meeting Link](#)
Meeting number: 965 928 731
Meeting password: MTSNACJune19

Join by Phone: 1-888-557-8511 or 1-215-446-3649
Access Code: 860 163 1

Public Meeting - Wednesday, June 19, 2019

- 9:00** **Call to Order & Roll Call**
Amanda Rutherford, Designated Federal Officer
- Item 1** **Welcome & Opening Statements**
Lisa Wieland, Chairperson, Maritime Transportation System National Advisory Committee
- Item 2** **Update – Office of Infrastructure Development**
Bob Bouchard, Director, Office of Infrastructure Development
- Item 3** **Update – Office of Ports & Waterway Planning**
Tim Pickering, Director, Office of Ports & Waterways Planning
- Item 4** **Break**
- Item 5** **Subcommittee Break-out Sessions**
- Item 6** **Subcommittee Report Out**
- Item 7** **Public Comments (if required)**
Amanda Rutherford, Designated Federal Official
- Item 8** **Closing Remarks and Adjournment**
Lisa Wieland, Chairperson, Maritime Transportation System National Advisory Committee

Appendix 2 – Meeting Presentations

| Link to presentation | Presenter |
|---|---|
|  APPENDIX A Lauren Brand.pptx | Lauren Brand, Associate Administrator for Ports & Waterways, MARAD |
|  APPENDIX B CMTS Letter.docx | Heather Gilbert, U.S. Committee on the Marine Transport System (CMTS) |
|  APPENDIX C Strategic Sealift.ppt: | Bill MacDonald, Director of Sealift Support and Mark O’Malley, Director of Vessel Readiness |
|  APPENDIX D Office of Infrastructure De | Peter Simon, Acting Director of Infrastructure Development |
|  APPENDIX E Ports and Water way Plan | Tim Pickering, Acting Director of Ports & Waterway Planning |
|  APPENDIX F Ports Subcommittee.pptx | Port Subcommittee presentation |
|  APPENDIX G International Shipin | International Shipping presentation |
| None prepared | Domestic Shipping presentation |