

Maritime Transportation System National Advisory Committee

Minutes of Public Meeting – Part 1

Dates: March 20-21, 2024

Location: U.S. Department of Transportation, Washington, D.C.

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Acronyms and Abbreviations

AAPA	American Association of Port Authorities
BIL	Bipartisan Infrastructure Law
CMTS	Committee on the Marine Transportation System
CNA	Center for Naval Analysis
COE	Center of Excellence
DFO	Designated Federal Officer
DOD	Department of Defense
DOE	Department of Energy
DOL	Department of Labor
DOT	Department of Transportation
EPA	Environmental Protection Agency
FEMA	Federal Emergency Management Agency
FFRDC	Federally Funded Research and Development Center
FHWA	Federal Highway Administration
FLOW	Freight Logistics Optimization Works
FMC	Federal Maritime Commission
FTA	Federal Transit Administration
IRPT	Inland Rivers, Ports and Terminals
ISO	International Organization for Standardization
JLOTS	Joint Logistics Over- the Shore
LNG	Liquified Natural Gas
MARAD	Maritime Administration
MERPAC	Merchant Marine Personnel Advisory Committee
MH	Marine Highways
MMLD	Merchant Mariner Licensing and Documentation
MSC	Military Sealift Command
MSP	Maritime Security Program
MTS	Maritime Transportation System
NDAA	National Defense Authorization Act
NEPA	National Environmental Policy Act
NMFN	National Multimodal Freight Network
N-MERPAC	National Merchant Marine Personnel Advisory Committee
NMS	National Maritime Strategy
NOAA	National Oceanic and Atmospheric Administration
NOFO	Notice of Funding Opportunity
OMB	Office of Management and Budget
PIDP	Port Infrastructure Development Program
PSLF	Public Student Loan Forgiveness
QOL	Quality of Life
RRF	Ready Reserve Fleet
SIP	Student Incentive Payment Program
SME	Subject Matter Expert
STCW	Standards of Training, Certification, and Watchkeeping for Seafarers
TSP	Tanker Security Program
USACE	U.S. Army Corps of Engineers

USCENTCOM	U.S. Central Command
USCG	U.S. Coast Guard
USDA	U.S. Department of Agriculture
USDOT	U.S. Department of Transportation
USTRANSCOM	U.S. Transportation Command

Minutes of Maritime Transportation
System National Advisory Committee Public Meeting
March 20, 2024
9:00 a.m.–4:00 p.m. EDT

March 20, 2024 - Call to Order & Roll Call

Mr. Flumignan, the Designated Federal Officer (DFO), called the meeting to order at 9:00 am and took a roll call of the members. A few announcements concerning Wi-Fi connectivity and building evacuation instructions were made.

Members Present

Federal Government Employees:

Michael Moltzen – U.S. Environmental Protection Agency
Shelley Sugarman – U.S. Coast Guard

Special Government Employees:

Lauren Beagen, Esq. – Squall Strategies
Erik Stromberg – Lamar University
Tom Wetherald – Consultant

Representative Members:

Cheryl Ball – Missouri Department of Transportation (virtual)
Brian Clark – North Carolina Ports Authority (virtual)
David Cicalese- International Longshoremen's Association (virtual)
Mario Cordero – Port of Long Beach
James Dillman – Gateway Terminal
Bill Doyle – Dredging Contractors of America
Berit Eriksson – Sailors' Union of the Pacific (virtual)
Sara Fuentes – Transportation Institute
Joe Gasperov – International Longshore and Warehouse Union
Roger Guenther – Port Houston
Craig Johnson – Maine Maritime Academy
Brian Jones – Nucor Corporation
Bethann Rooney – Port Authority of New York & New Jersey
Stephen Spoljaric – Bechtel (virtual)
Nick Marrone (for Jack Sullivan) – Matson Navigation, Inc
Penny Traina – Columbiana County Port Authority (virtual)
Robert Wellner – Liberty Global Logistics, LLC (Chair)

Members Absent

Russell Adise –U.S. Department of Commerce
Aimee Andres – Inland Rivers, Ports and Terminals

David Libatique-Port of Los Angeles
Brian Tetreault – U.S. Army Corps of Engineers

MARAD / USDOT Members Present

Shawn Brede – Office of Port Development and Intermodal Planning, MARAD
Tretha Cromey – Deputy Associate Administrator for Ports and Waterways, MARAD
Chad Dorsey – Alternate DFO and Director, Inland Rivers Gateway Office (Paducah, KY), MARAD
Jeffrey Flumignan –DFO and Director, Office of Maritime and Intermodal Outreach, MARAD
Brian Hill – Alternate DFO and Director, Western Gulf Gateway Office (Houston), MARAD
Zanna Khurana - Office of Marine Highways, MARAD
William Paape – Associate Administrator for Ports and Waterways, MARAD
Natasha Pavlovich – Office of Marine Highways, MARAD
Tim Pickering – Office of Ports and Waterways Planning, MARAD
Branden Villalona – Alternate DFO and Director, South Atlantic Gateway Office (Jacksonville, FL) MARAD (virtual)

Public Members Present

None

Item 1- Welcome & Comments from the MTSNAC Chairman

Mr. Robert Wellner welcomed the group and announced that the Maritime Administrator was here today to address them and engage in conversation.

Item 2 – Remarks by the Maritime Administrator

Rear Admiral Ann C. Phillips, US Navy (Ret.), welcomed everyone and thanked the members for their time. She received their recommendations yesterday but has not yet reviewed them since attending the AAPA meeting. She noted that the new MARAD budget did not contain as much funding for Marine Highways and the Small Shipyard program as she had hoped. She added that the Navy Secretary advocated shipbuilding and articulated the need to incentivize the industry.

Admiral Phillips highlighted the uptick in Red Sea security for mariners and ship activity supporting JLOTS. MARAD meets with MSC and USCENCOM every other week to review and update the Red Sea situation. She announced that MARAD's PIDP has funding totaling \$500M. She also noted that the new DOT Office of Multimodal Freight Infrastructure and Policy is now in place. It is a new office within the Office of the Undersecretary of Transportation for Policy established and funded by Congress to carry out the national multimodal freight policy. Admiral Phillips added that this office would be able to expose senior DOT officials to the maritime world as well as to logistics and supply chain issues.

She told the group that the NDAA addresses strategic seaports and prohibits them from using foreign software in their operations. The Administrator asked the group to provide ideas on the new Tanker Security Program (TSP). She also called to their attention that the average age of the

RRF vessels is 45 years. Mr. Wellner thanked the Admiral for her remarks and noted that MTSNAC had addressed many of these items in the past.

Item 3 – Chair Guidance and Breakout Sessions – Breakout Rooms

Mr. Wellner said that both he and Mr. Libatique, Vice-chair, had participated in most of the Subcommittee meetings and the Priority TWO recommendations were finished. He noted that the Starboard Subcommittee was looking for ways to attract and maintain shipbuilding labor while the Port Subcommittee reviewed general maritime training, but both are closely related. MTSNAC needs consensus today on the Priority TWO recommendations. Sub-committees are working on Priority Three and will have those ready by the next MTSNAC. Hopefully, MTSNAC will also be involved in formulating the National Maritime Strategy. The subcommittee members then went to their respective breakout rooms to deliberate.

Item 4 – Reconvene and Update to the Chairman

Mr. Wellner then announced that each subcommittee would present a five-minute brief regarding Priority Three recommendations. The Starboard Subcommittee has asked to brief the group after lunch, so the Port Subcommittee briefed the group at this time. Mr. Jones presented the brief.

Port Sub-committee Brief

Priority 3 statements:

1. **Freight Logistics Optimization** – This statement has been tabled because of FLOW's ongoing work.
2. **Helping Communities Near Ports** – The subcommittee sees potential emissions overlaps in the MARAD and EPA programs. One suggestion is to move congestion away from the ports, both coastal and inland. This will recall incentives. There is also a need to balance economic justice with economic justice.
3. **Disaster Response Framework** – Much work has already been done. The newly created multimodal freight office is responsible for state freight plans that should incorporate port response.

Mr. Wetherald then reported on the Starboard Sub-committee's Task 3 morning deliberations.

Starboard Subcommittee Update

Task 3 – Growing the U.S. Flag Fleet – The group focused on offshore wind. Two presentations were made to the subcommittee. The first was from Claire Richer, American Clean Power Association (ACPA). She said that the media portrays offshore wind as being on the rocks. Old agreements with states are no longer viable. Approximately 40 U.S. Flag vessels are being built for this trade. She asked how the U.S. Government can help in this endeavor. The next presenter was Jonathan Gold of the National Retail Federation (NRF). Mr. Gold stated that retailers do not care about the U.S. Flag. Their main concerns are cost and delivery time.

Mr. Cordero asked how Jones Act requirements are addressed in offshore wind projects. Mr. Wetherald answered that foreign flag vessels bring in the supplies from overseas but that U.S.

Flag vessels transport the supplies to the offshore ports. Mr. Doyle noted that the Title XI program has funding that could be used for these vessels but that the lending rate is above market rates and should be below them.

Item 5 – Public Comments (if required) and Break for Lunch

There were no public comments, so the members broke for lunch.

Immediately after the lunch break, Mr. Wetherald presented the Starboard Subcommittee brief on its Task 2 (Mariner Shortage) (Appendix A) recommendations:

1. The Secretary of Transportation should implement MARAD's Work Force Strategic Plan and effectively track mariners, including national security mariners.
2. The Secretary of Transportation should support legislation to increase SIP (Student Incentive Payment Program) appropriated funds from \$32K to \$64K for students enrolled in the Unlimited License programs at the state maritime academies to match the 2024 NDAA-authorized levels.
3. The Secretary of Transportation should support legislation to strengthen MARAD's marketing and outreach campaign by partnering with military organizations and maritime groups to promote maritime careers, increase the utility of MARAD gateway offices, develop tools to map maritime career options and hire additional staff to support these efforts.
4. The Secretary of Transportation should advocate for funding an updated Merchant Marine Licensing and Documentation (MMLD) database and ensure MARAD can access data from the new MMLD.
5. The Secretary of Transportation should support efforts to establish a MARAD-led industry working group to identify cost-effective methods for providing mental health resources and best practices and establish a framework for policies, procedures, and training tools that address and promote mental health in the maritime workplace.
6. The Secretary of Transportation should support legislation to provide funding to improve QOL standards aboard RRF vessels, thereby improving recruitment, retention, morale, and overall mental health of mariners working aboard RRF vessels.
7. The Secretary of Transportation should support legislation to include merchant mariners in the list of qualified professionals for public student loan forgiveness (PSLF).
8. The Secretary of Transportation should support efforts to create and incentivize USCG-approved Hawsepipeline education programs at Centers of Excellence (COEs) and other USCG-approved training facilities and legislation to create a competitive grant program.
9. In its budget request, the Secretary of Transportation should support legislation to fund an increased stipend for MSP and TSP vessels to cover the costs of adding entry-level billets and management costs. MARAD should add entry-level billets to RRF vessels to increase the number of STCW (Standards of Training, Certification, and Watchkeeping) unlicensed mariners.
10. The Secretary of Transportation should support legislation providing funding for fuel subsidies for maritime academy training ships.
11. The Secretary of Transportation should review Standards of Training, Certification, and Watchkeeping for Seafarers (STCW) requirements and, if appropriate, establish a cooperative working group co-led by the United States Coast Guard to review and make

recommendations for coordinated modifications to STCW in both domestic and international compliance, and similarly, advocate for N-MERPAC's (National Merchant Marine Personnel Advisory Committee) recommendations on changes and reductions, if agreeable.

Mr. Wellner then asked if there were any questions or comments, and being none, the full committee approved the Starboard Subcommittee recommendations.

Item 6 – Sub-committee Breakout Sessions in Breakout Rooms

The members went to their respective rooms for the session.

Item 7 – Discussion on National Maritime Strategy

Mr. Wellner introduced Mr. Doug McDonald, Director, Office of Policy & Plans at MARAD, who provided the group with the status of MARAD's efforts to develop a National Maritime Strategy (Appendix B). He said that he and MARAD look forward to MTSNAC's input into the final document. His presentation follows below:

1. Background – The Howard Coble Coast Guard and Maritime Transportation Act of 2014 required MARAD to complete a National Maritime Strategy. MARAD delivered a document with goals and objectives for a stronger maritime nation to Congress in March 2021. MARAD then prioritized the 39 objectives over 2021 and into 2022. The 2023 NDAA set forth new National Maritime Strategy requirements.
2. 2023 NDAA NMS Requirements – Section 3542 (a) directs MARAD to contract with an FFRDC (Federally Funded Research and Development Center) to conduct a study to inform a National Maritime Strategy. The Center for Naval Analysis (CNA) was selected. Section 3542 (b) directs MARAD to develop a National Maritime Strategy in Consultation with USCG and USTRANSCOM. Section 3542 (d) directs MARAD to develop an implementation plan in consultation with USCG and DOD. Finally, Section 3542 (c) directs MARAD to provide updates no later than every five years.
3. NMS Development Process—MARAD has been collaborating with DHS, USCG, and DOD/USTRANSCOM during this process. In addition, MARAD has been providing updates to the Committee on Transportation and Infrastructure of the House of Representatives, the Committee on Commerce, Science, and Transportation of the Senate, and through Public Website Postings.
4. The Study and Approach – Section 3542 (a) directs MARAD to develop a projection of commercial sealift capability and capacity looking out 5/15/30 years (short, medium, long-term), assuming no new action; project future requirements for economic and national security; describe shortfalls, risks and areas of concern; evaluate existing laws and policies that impact the U.S. commercial maritime industry; and develop options and courses of action to close gaps. Its focus areas include shipbuilding, industrial base, maritime labor and workforce, domestic and international shipping, and ports and waterways (MARAD lead).

5. The Strategy – Section 3542 (b) elements are essentially the same as those in the 2014 Act. The new requirement does contain new elements to address issues identified since the last strategy, namely identifying gaps in landside infrastructure to move goods through ports and the transportation system; it includes considering innovative information technologies, increasing resilience at ports and within the MTS, and broaden training focus beyond mariners to include innovative technologies.
6. Timeline – MARAD plans to complete a draft report in October 2024 and a final NMS by October 2025.
7. Progress to Date—MARAD hired a CNA in the fall of last year. Since then, the CNA has conducted extensive outreach to the industry and federal stakeholders and continues to do so. Our briefs with the Maritime Administrator are regularly cadenced.
8. Deliverables include establishing a baseline of capabilities and projections for economic and national security (NS and ES); projecting future requirements for NS and ES; identifying gaps and challenges to address them; developing options; and finalizing and disseminating the report. The first deliverable was provided in February, and the second is expected in April, with a preliminary report in October/November. A wargaming exercise is also included.
9. Wargaming Exercise – CNA will conduct a wargaming exercise later in 2024 with attention focused on the problems associated with commercial shipping capacity in support of a large-scale NS crisis.
10. MTSNAC Input—CNA is interested in hearing from MTSNAC, particularly as a collective body rather than individuals. Since CNA is conducting a study focused primarily on sealift capabilities, MARAD still must address ports, waterway infrastructure, resiliency, and innovation in the strategy.

There were several questions after Mr. McDonald's presentation, including:

- Will the study go beyond sealift? Mr. McDonald replied that it would, although sealift is the primary focus of the study.
- Is the study due in October 2024? The preliminary report is due in October, and the wargame is due in August.
- Will there be enough time to generate the final report by October after the August wargame exercise? Mr. McDonald replied that MARAD does not expect huge adjustments after the wargame exercise, so it should be doable.
- What about stakeholder engagement since there are only six months between the preliminary and final reports? Also, what about prior MTSNAC recommendations on this subject? Mr. McDonald replied that all of MTSNAC's previous recommendations had been delivered to CNA for input.
- Can the industry reach out to MARAD? Absolutely.

Mr. Wellner thanked Mr. McDonald for his presentation and added that MTSNAC will coordinate its input with Mr. Flumignan.

Item 8 – Reconvene and Brief Update Reports to Chair by Subcommittee Chairs

Mr. Wellner announced that since the Starboard Sub-Committee had presented its draft recommendations earlier, the Port Sub-Committee will now present its draft recommendations to the group. Mr. Jones made the presentation.

The Port-Sub-Committee focused on its Task 2 (Appendix C) recommendations.

For Workforce Development:

1. Study lessons learned from 2020 – 2022 supply chain disruptions
2. Assessment of maritime transportation logistics & distribution (TLD) workforce
3. Centers of Excellence for Domestic Maritime Training Funding

For Marine Highways:

1. Reduce timeline for awards & NEPA/CATEX by increasing staffing for grant agreements/NEPA and fast-tracking NEPA for MH projects that are eligible for the categorical exclusion (CATEX)
2. Set aside for contingencies/project cost risk
3. Expand post-project completion reporting to five years
4. Increased funding for the grant program
5. Education and marketing campaign
6. "Nautical Nudge Tax Credit" for the use of marine highways vs. roadways

Mr. Wellner thanked Mr. Jones for the subcommittee's presentation and asked MTSNAC to approve its recommendations, which it did.

Item 8- Closing Remarks and Adjournment

Mr. Flumignan announced that the current MTSNAC charter expires on September 16, 2024. MARAD is currently working to renew it. He also requested that current members submit their requests as soon as possible to be reappointed since the membership slate will be completed by the end of April. At that time, the slate will be given to the Maritime Administrator for her review and approval, after which it goes to the Deputy Secretary of Transportation for review, comment, and approval. This should be completed by September 1, 2024. He added that there would probably be a meeting in June and September this year. New DFOs will be effective October 1, 2024.

Mr. Wellner requested that MARAD consider "Emerging Items" to be incorporated into future MTSNAC Agendas/Work Plans and asked the group to keep an open mind for emerging issues beyond the workplace. Mr. Flumignan will write a statement concerning emerging issues to be included in the work plan. The meeting was adjourned at 4:01 pm.

Minutes of Maritime Transportation
System National Advisory Committee Public Meeting
March 21, 2024
9:00 a.m.–3:00 p.m. EDT

March 21, 2024 - Call to Order & Roll Call

Mr. Flumignan, Designated Federal Officer with MARAD, called the meeting to order at 9:00 am EDT and took the roll call.

Members Present

Federal Government Employees:

Michael Moltzen – U.S. Environmental Protection Agency
Shelley Sugarman – U.S. Coast Guard

Special Government Employees:

Lauren Beagen, Esq. – Squall Strategies
Erik Stromberg – Lamar University

Representative Members:

Cheryl Ball – Missouri Department of Transportation (virtual)
David Cicalese – International Longshoremen's Association (virtual)
Brian Clark – North Carolina Ports Authority (virtual)
Mario Cordero – Port of Long Beach
Bill Doyle – Dredging Contractors of America
Berit Eriksson – Sailors' Union of the Pacific (virtual)
Sara Fuentes – Transportation Institute
Joe Gasperov – International Longshore and Warehouse Union
Roger Guenther – Port Houston
Craig Johnson – Maine Maritime Academy
Brian Jones – Nucor Corporation
Bethann Rooney – Port Authority of New York & New Jersey
Stephen Spoljaric – Bechtel (virtual)
Nick Marrone (for Jack Sullivan) – Matson Navigation, Inc
Penny Traina – Columbiana County Port Authority (virtual)
Robert Wellner – Liberty Global Logistics, LLC (Chair)

Members Absent

Russell Adise – U.S. Department of Commerce
Aimee Andres – Inland Rivers, Ports and Terminals, Inc.

James Dillman – Gateway Terminal
David Libatique – Port of Los Angeles (Vice-chair)
Brian Tetreault – U.S. Army Corps of Engineers
Tom Wetherald – Consultant

MARAD / USDOT Members Present

Shawn Brede – Office of Port Development and Intermodal Planning, MARAD
Chris Clark – Office of Port and Waterways Planning, MARAD
Tretha Cromey – Deputy Associate Administrator for Ports and Waterways, MARAD
Chad Dorsey – Alternate DFO and Director, Inland Rivers Gateway Office (Paducah, KY), MARAD
Jeffrey Flumignan – Director, Office of Maritime and Intermodal Outreach, MARAD
Brian Hill – Alternate DFO and Director, Western Gulf Gateway Office (Houston), MARAD
Zanna Khurana – Office of Marine Highways, MARAD
Vince Mantero – Office of Port and Waterways Planning, MARAD
William Paape – Associate Administrator for Ports and Waterways, MARAD
Natasha Pavlovich – Office of Marine Highways, MARAD (virtual)
Tim Pickering – Office of Ports and Waterways Planning, MARAD
Branden Villalona – Alternate DFO and Director, South Atlantic Gateway Office (Jacksonville, FL) MARAD (virtual)

Public Members Present

None

Item 9 – Welcome & Opening Statements

Mr. Wellner welcomed everyone back and announced that the sub-committees would focus on Priority 3 recommendations today. This afternoon, around 1:30 pm, the Maritime Administrator will join the group to receive the Priority 2 recommendations.

Item 10 – Discussion on Office of Multimodal Freight Infrastructure and Policy

Mr. Wellner introduced Mr. Paul Baumer, Deputy Director for Infrastructure Development, Office of Multimodal Freight Infrastructure and Policy (Appendix D), at USDOT. Mr. Baumer briefed the members on the recently established office.

The Assistant Secretary for Multimodal Freight Infrastructure and Policy leads the Office of Multimodal Freight Infrastructure and Policy, which implements the National Multimodal Freight Policy.

This includes:

- Developing and managing the National Freight Strategic Plan and the National Multimodal Freight Network
- Overseeing the development and updates of State freight plans
- Assisting cities and states in developing freight mobility and supply chain expertise

- Assisting States in the establishment of freight advisory committees and multi-state freight mobility compacts
- Promoting and facilitating the sharing of freight information between the private and public sectors
- Providing input to the Bureau of Transportation Statistics regarding freight data and planning tools
- Researching on improving multimodal freight mobility and overseeing the freight research within the Department
- Liaise and coordinate with other federal departments and agencies on freight transportation policy.

What is the National Multimodal Freight Network (NMFN)? It is a national network of corridors and facilities critical to the efficient flow of freight into, out of, and throughout the U.S. NMFN will include many freight modes, including highway, rail, maritime, air, etc. It includes major intermodal transfer points (ports, airports). "Corridors" include the Great Lakes, St. Lawrence Seaway, and inland and intracoastal waterways.

Congress directed that the NMFN be used to:

- Assist states in strategically directing resources to improve the efficiency of freight movement on the NMFN
- Inform freight transportation planning
- Assist in the prioritization of Federal investments
- Assess and support Federal investments to achieve the national multimodal freight policy and National Highway Freight Program goals.

The Fixing America's Surface Transportation (FAST) Act of 2015 required the establishment of an NMFN. In 2016, USDOT established an Interim NMFN. In 2021, the Bipartisan Infrastructure Law (BIL) amended NMFN requirements and processes. Now, in 2024, the redesign process is underway.

Many statutory factors influence the designation of the NMFN. A Request for Information (RFI) will be issued shortly to list the factors; comments on this list will be most welcome. How might the network achieve these goals? It will prioritize Federal investments, encourage resilience and adaptiveness, and influence private sector decision-making.

The proposed process for designation includes many activities and a timeline, beginning with the RFI seeking comments on potential factors, then reviewing those comments, and preparing a draft map. A draft network will be published sometime during the summer, with comments solicited. The comments will be reviewed this fall, and a final network will be designated.

There were several questions from the group. Mr. Wellner said that since the maritime industry is developing a national maritime strategy, how will these two strategies be merged? Mr. Cromey responded that the maritime strategy would be shared with Mr. Baumer and his office. Mr. Baumer said that the two strategies will probably be closely aligned. An RFI (Request for Information) will be issued soon with a 60-day comment period during which all stakeholders

are encouraged to provide comments and input for the NMFN. Mr. Wellner asked if there is a definition of a strategic asset. Mr. Baumer responded that this is a challenge since no definition exists. Mr. Flumignan asked if the NMFN would include assets inside and outside the gate at ports. Mr. Baumer said that they would look at the entire port complex. Mr. Jones asked about the status of adding Class I railroads and how FLOW handles this. Mr. Baumer replied that this is not in the statute, which is very broad. The NMFN should consider all types, and Mr. Baumer encouraged the group to share their thoughts in response to the upcoming RFI. Mr. Wellner emphasized that agricultural exports and commodities should be included, and Mr. Baumer said they were looking at everything. Other members suggested that inland warehouses and international competition be included. Mr. Wellner asked if state freight plans would be included. Mr. Baumer replied that the statute encourages states to engage their freight advisory committees. Ms. Sugarman asked if the NMFN map would be a routing tool. It should be interactive vs. static. Mr. Baumer said that the intention is to use DOT GIS tools so that the map can be interactive. Mr. Wellner thanked Mr. Baumer for his presentation.

Item 11 – Chair Guidance and Breakout Session – Breakout Rooms

The members then went to their respective breakout rooms.

Item 12 – Reconvene and Update the Chairman

Mr. Wellner asked for a five-minute brief on Priority 3 items from each sub-committee.

Port Subcommittee

Mr. Jones provided the brief for the sub-committee. He reported that the group will invite SMEs to address the sub-committee. They will include a representative from NOAA to explain its ports program and the Port Management Self-Assessment tool. In addition, the group plans to invite representatives from EPA, FEMA, and the U.S. Army Corps of Engineers (USACE) to discuss the rise of sea levels and its effect on ports. The sub-committee has scheduled three virtual meetings in April, May, and June. Topics will include NMS and NMFN and how they interact with offshore wind.

Starboard Subcommittee

Ms. Beagen provided the brief for the sub-committee. The group invited a representative from American Waterways Operators to brief the group on setting up offshore wind facilities. Other issues the group will address include Title XI, permitting delays due to NOAA, double tax rates, dual certification, establishing a Made in America Office (similar to CMTS), and an Offshore Wind Office within MARAD. The sub-committee is also looking at providing a stipend for training opportunities for service operations vessels with 60 berths. A potential cable security program for MSP and TSP is also being discussed. The group has a standing monthly meeting.

Item 13 – Public Comments

There were no public comments, so the members broke for lunch.

Item 14 – Break for Lunch

The group then took a break for lunch.

Item 15 – Reconvene and Presentation of Recommendations

The Maritime Administrator and the Deputy Maritime Administrator (Ms. Tamekia Flack) joined the meeting to hear the recommendations from both sub-committees.

Port Subcommittee

Ms. Rooney presented Priority 2 recommendations for this sub-committee.

For Workforce Development:

1. Study lessons learned from 2020 – 2022 supply chain disruptions
2. Assessment of maritime transportation logistics & distribution (TLD) workforce
3. Centers of Excellence for Domestic Maritime Training Funding

For Marine Highways:

4. Reduce timeline for awards & NEPA/CATEX by increasing staffing for grant agreements/NEPA and fast-tracking NEPA for MH projects that are eligible for categorical exclusion (CATEX)
5. Set aside for contingencies/project cost risk
6. Expand post-project completion reporting to five years
7. Increased funding for the grant program
8. Education and marketing campaign
9. "Nautical Nudge Tax Credit" for use of marine highways vs. roadways

Starboard Subcommittee

Ms. Beagen presented Priority 2 Mariner Shortage recommendations for this sub-committee.

1. The Secretary of Transportation should implement MARAD's Work Force Strategic Plan and effectively track mariners, including national security mariners.
2. The Secretary of Transportation should support legislation to increase SIP (Student Incentive Payment Program) appropriated funds from \$32K to \$64K for students enrolled in the Unlimited License programs at the state maritime academies to match the 2024 NDAA-authorized levels.
3. The Secretary of Transportation should support legislation to strengthen MARAD's marketing and outreach campaign by partnering with military organizations and maritime groups to promote maritime careers, increase the utility of MARAD gateway offices, develop tools to map maritime career options and hire additional staff to support these efforts.
4. The Secretary of Transportation should advocate for funding an updated Merchant Marine Licensing and Documentation (MMLD) database and ensure MARAD can access data from the new MMLD.
5. The Secretary of Transportation should support efforts to establish a MARAD-led industry working group to identify cost-effective methods for providing mental health resources and best practices and establish a framework for policies, procedures, and training tools that address and promote mental health in the maritime workplace.

6. The Secretary of Transportation should support legislation to provide funding to improve QOL standards aboard RRF vessels, thereby improving recruitment, retention, morale, and overall mental health of mariners working aboard RRF vessels.
7. The Secretary of Transportation should support legislation to include merchant mariners in the list of qualified professionals for public student loan forgiveness (PSLF).
8. The Secretary of Transportation should support efforts to create and incentivize USCG-approved Hawespipe education programs at Centers of Excellence (COEs) and other USCG-approved training facilities and legislation to create a competitive grant program.
9. In its budget request, the Secretary of Transportation should support legislation to fund an increased stipend for MSP and TSP vessels to cover the costs of adding entry-level billets and management costs. MARAD should add entry-level billets to RRF vessels to increase the number of STCW (Standards of Training, Certification, and Watchkeeping) unlicensed mariners.
10. The Secretary of Transportation should support legislation providing funding for fuel subsidies for maritime academy training ships.
11. The Secretary of Transportation should review Standards of Training, Certification, and Watchkeeping for Seafarers (STCW) requirements and, if appropriate, establish a cooperative working group co-led by the United States Coast Guard to review and make recommendations for coordinated modifications to STCW in both domestic and international compliance, and similarly, advocate for N-MERPAC's (National Merchant Marine Personnel Advisory Committee) recommendations on changes and reductions, if agreeable.

Item 16 – Remarks by the Maritime Administrator

- The Maritime Administrator asked how the tax credit under the Port Sub-Committee recommendation #9 would work. Ms. Rooney said the shipper gets a tax credit for moving cargo onto the water in some states and localities. We would need Congressional buy-in for funding since this would be an unfunded mandate without it. Ms. Flack added that there needs to be dialogue for this to be successful.
- The Administrator noted that sharing Personally Identifiable Information may be problematic under the Starboard Sub-Committee recommendation #4.
- Admiral Phillips stated that DOD funding should be included in recommendation #6. Mr. Marrone added that financing for Maintenance and operations task orders for RRF vessels should increase to include crew habitability issues.
- Under recommendation #7, the Maritime Administrator pointed out that this would have a cost, and OMB would want to know the cost. Under recommendation #10, Admiral Phillips added that the total amount needed for all maritime academies is approximately \$6M.

Mr. Wellner advised the Administrator and Deputy Administrator that the group is working on Priority 3 items for presentation in June. The Maritime Administrator thanked the group for their recommendations and emphasized prioritizing them based on their likelihood of success. Mr. Wellner advised that MTSNAC will prepare a prioritization plan for all Work Plan items based

on three areas of consideration (as per prior MTSNAC) - Legislative, Programmatic, and Fiscal. The Deputy Administrator added that continued dialogue is essential.

Item 17 – Closing Remarks and Way Ahead

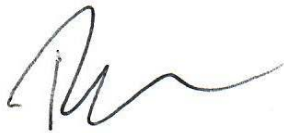
Mr. Paape, Associate Administrator for Ports and Waterways, thanked the group for their time and effort in developing the recommendations. He also announced that Mr. Montero would go to DOT's Office of Multimodal Freight Infrastructure and Policy for a six-month detail.

Item 18 – Closing Remarks and Adjournment

Mr. Wellner thanked all the members for their work. He also asked that the committee members consider areas of consideration for inclusion in the next MTSNAC Agenda/Work Plan. The meeting was adjourned at 2:10 pm.

Certification and Approval

Robert Wellner, Chair



Date:

2 MAY, 2024

Minutes of Public Meeting – Part 2 - Appendices

Dates: March 20-21, 2024

Location: U.S. Department of Transportation, Washington, D.C.

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Appendices:.....

A – Presentation - Starboard Subcommittee Recommendations – Task 2 -
Recommendation Mariner Shortage, March 2024

B – Presentation - National Maritime Strategy, March 2024.....

C – Presentation - Port Subcommittee Recommendations – Task 2 –
Recommendation Workforce development Marine Highway March 2024

D – Presentation - Office of Multimodal Freight Infrastructure and Policy,
March
2024.....

E - Port Subcommittee meeting minutes March 20 (morning and afternoon),
March 21 (morning).....

F Presentation State of the U.S Offshore Wind Industry

G -- Starboard Subcommittee Meeting minutes March 20/21, 2024.....

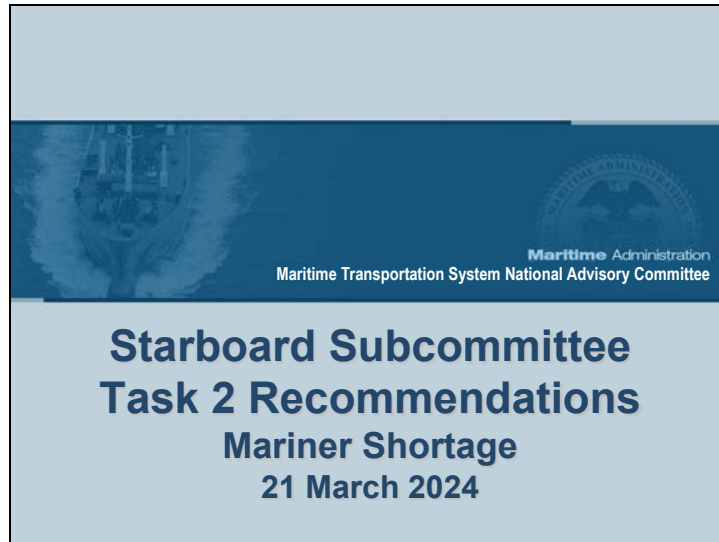
Acronyms and Abbreviations

AAPA	American Association of Port Authorities
BIL	Bipartisan Infrastructure Law
CMTS	Committee on the Marine Transportation System
CNA	Center for Naval Analysis
COE	Center of Excellence
DFO	Designated Federal Officer
DOD	Department of Defense
DOE	Department of Energy
DOL	Department of Labor
DOT	Department of Transportation
EPA	Environmental Protection Agency
FEMA	Federal Emergency Management Agency
FFRDC	Federally Funded Research and Development Center
FHWA	Federal Highway Administration
FLOW	Freight Logistics Optimization Works
FMC	Federal Maritime Commission
FTA	Federal Transit Administration
IRPT	Inland Rivers, Ports and Terminals
ISO	International Organization for Standardization
JLOTS	Joint Logistics Over- the Shore
LNG	Liquified Natural Gas
MARAD	Maritime Administration
MERPAC	Merchant Marine Personnel Advisory Committee
MH	Marine Highways
MMLD	Merchant Mariner Licensing and Documentation
MSC	Military Sealift Command
MSP	Maritime Security Program
MTS	Maritime Transportation System
NDAA	National Defense Authorization Act
NEPA	National Environmental Policy Act
NMFN	National Multimodal Freight Network
N-MERPAC	National Merchant Marine Personnel Advisory Committee
NMS	National Maritime Strategy
NOAA	National Oceanic and Atmospheric Administration
NOFO	Notice of Funding Opportunity
OMB	Office of Management and Budget
PIDP	Port Infrastructure Development Program
PSLF	Public Student Loan Forgiveness
QOL	Quality of Life
RRF	Ready Reserve Fleet
SIP	Student Incentive Payment Program
SME	Subject Matter Expert
STCW	Standards of Training, Certification, and Watchkeeping for Seafarers
TSP	Tanker Security Program
USACE	U.S. Army Corps of Engineers

USCENTCOM	U.S. Central Command
USCG	U.S. Coast Guard
USDA	U.S. Department of Agriculture
USDOT	U.S. Department of Transportation
USTRANSCOM	U.S. Transportation Command

A – Presentation - Starboard Subcommittee Recommendations – Task 2 - Recommendation Mariner Shortage, March 2024

Slide 1



Maritime Administration
Maritime Transportation System National Advisory Committee

**Starboard Subcommittee
Task 2 Recommendations
Mariner Shortage
21 March 2024**

Slide 2



Maritime Administration

Subcommittee Membership

Tom Wetherald – Retired Shipbuilder – Co-chair
Lauren Beagen – Squall Strategies – Co-chair
Berit Erickson – Sailor’s Union Pacific
Jack Sullivan – Matson Navigation
Jim Dillman - President, Gateway Terminals
Russell Adise - Intl Trade Admin, U.S. Dept of Commerce
Shelly Sugarman – U.S. Coast Guard
Steve Spoljaric – Bechtel
Craig Johnson – Maine Maritime Academy
Sara Fuentes – Transportation Institute
Bill Doyle – Dredging Contractors of America

Brian Hill - MARAD

Slide 3

Task 2 – Mariner Shortage Recommendations

Maritime Administration

1. The Secretary should implement MARAD’s Work Force Strategic Plan and effectively track mariners, including national security mariners.
Desired Outcome:
MARAD’s Work Force Strategic Plan is implemented and funded, so MARAD is better able to help grow the mariner workforce.
2. The Secretary should support legislation to increase SIP appropriated funds from \$32K to \$64K for students enrolled in the Unlimited License programs at the state Maritime Academies, to match the 2024 NDAA authorized level. In the interim, the Secretary should direct MARAD to utilize currently available SIP surplus funds to increase the SIP grant to incoming and current students to the authorized level. Additionally, the Secretary should support legislation that establishes a retroactive sailing option to those who have fully complied with SIP requirements when a SIP funding surplus is available.
Desired Outcome:
Achieve long term retention of experienced mariners that are fully qualified to sail as well as decreased barriers to earning and sailing on a USCG license.

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Task 2 – Mariner Shortage Recommendations

Maritime Administration

3. The Secretary should support legislation to strengthen MARAD’s marketing and outreach campaign by partnering with military organizations and maritime groups to promote maritime careers, increase the utility of MARAD gateway offices, develop tools to map maritime career options and hire additional staff to support these efforts..
Desired Outcome:
Improved messaging for and awareness of maritime careers and benefits. Attract and retain talent for the mariner pool. Coordinate regional MARAD Gateway Offices with outreach efforts and educational materials.
4. The Secretary should advocate for funding an updated Merchant Mariner Licensing and Documentation (MMLD) database and ensure MARAD can access data from the new MMLD.
Desired Outcome:
An accurate accounting of all sealift-qualified mariners and non-fully qualified mariners.

Slide 5

Task 2 – Mariner Shortage Recommendations



5. The Secretary should support efforts to establish a MARAD-led industry working group to identify cost-effective methods for providing mental health resources and best practices and establish a framework for policies, procedures, and training tools that address and promote mental health in the maritime workplace.


Desired Outcome:
A mariner mental health industry working group that will help prioritize and improve mental health and wellness in the maritime industry.

6. The Secretary should support legislation to provide funding to improve QOL standards aboard RRF vessels, thereby improving recruitment, retention, morale, and overall mental health of mariners working aboard RRF vessels.

Desired Outcome:
Improving QOL standards on MARAD vessels will improve habitability in the maritime industry, which helps attract and retain mariners, improves overall morale and mental health, and provides a clean, comfortable, and safe living environment for all mariners.

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Task 2 – Mariner Shortage Recommendations



7. The Secretary should support legislation to include Merchant Mariners in the list of Public Student Loan Forgiveness (PSLF) qualified professions. Specifically, this would consist of adding Merchant Marine to 34 CFR 685.219(b) Definitions and adding “Merchant Marine” to paragraph (ii) of 34 CFR 685.219(c)(1).

Desired Outcome:
Mariner workforce attraction and retention are significant issues that can impact the nation’s economic prosperity and military readiness if not addressed and improved. To attract and retain workers in similar professions, a Public Student Loan Forgiveness (PSLF) program was developed; the list of qualified occupations should be expanded to include mariners, a profession similar to others currently listed in the program.

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Task 2 – Mariner Shortage Recommendations

8. The Secretary should support efforts to create and incentivize USCG-approved Hawsepip education programs at Centers of Excellence (COEs) and other USCG- approved training facilities and the Secretary should support legislation to create a competitive grant program.

Desired Outcome:
Increase the number of mariners who achieve their license through the “Hawsepip” and thus increase the total number of licensed mariners, particularly those more likely to serve a long career at sea.

9. The Secretary should support legislation to fund an increased stipend for MSP and TSP vessels in its budget request to cover the costs of adding entry-level billets and management costs. MARAD should add entry-level billets to RRF vessels to increase the number of STCW unlicensed mariners.

Desired Outcome:
More entry-level mariners accumulating sea time and an increased number of mariners.

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Task 2 – Mariner Shortage Recommendations

10. The Secretary should support legislation to provide funding for fuel subsidies for the maritime academy training ships.

Desired Outcome:
Providing increased funding of \$9.8M/year for fuel subsidies to the state maritime academies will cover the largest cost associated with training cruises, a cost currently borne by the cadets on sea term.

11. The Secretary should review Standards of Training, Certification and Watchkeeping for Seafarers (STCW) requirements and, if appropriate, establish a cooperative working group co-led by United States Coast Guard to review and make recommendations for coordinated modifications to STCW in both domestic and international compliance, and similarly, advocate for N-MERPAC’s recommendations on modifications and reductions, if agreeable.

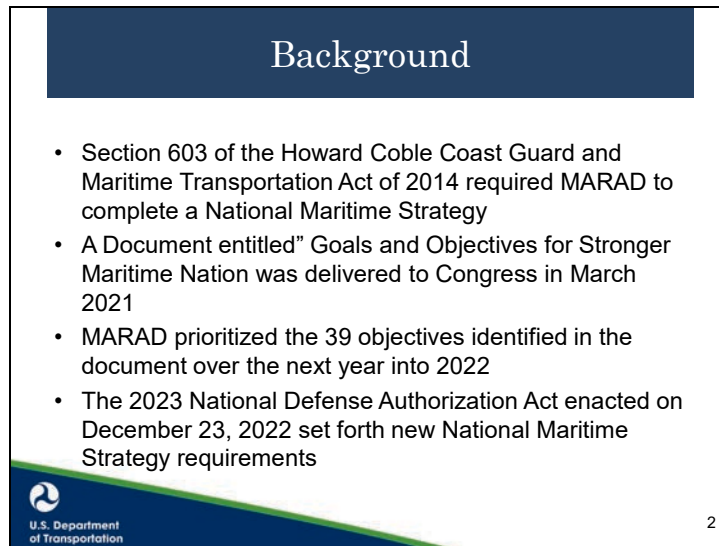
Desired Outcome:
A decrease in the number of obsolete training requirements and other reported impediments faced by the mariner workforce during the credentialing process. (See also TS 21-4, TS22-4, referenced below).

B – Presentation - National Maritime Strategy, March 2024

Slide 1



Slide 2



Section 603 of the Public Law 113-281, the Howard Coble Coast Guard and Maritime Transportation Act of 2014 (Coble Act), directs DOT, in consultation with the U.S. Coast Guard (USCG), to deliver a National Maritime Strategy to the House Transportation and Infrastructure Committee and the Senate Commerce Committee by February 16, 2015.

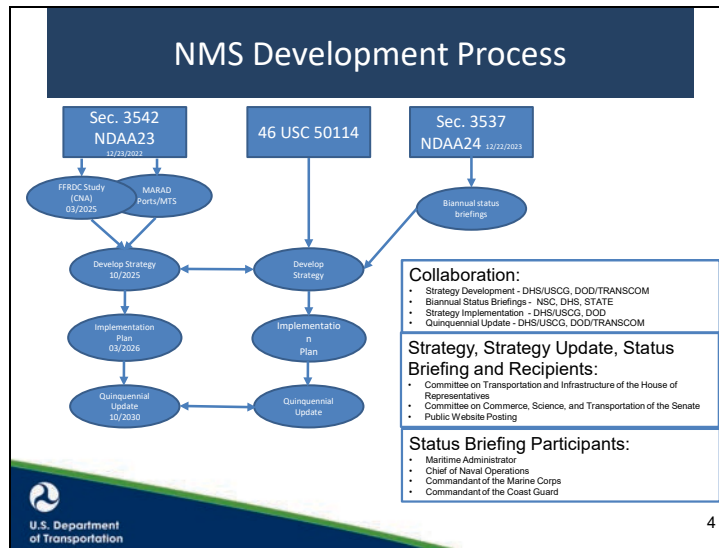
Slide 3

2023 NDAA 3542 NMS Requirements

- Section 3542 (a) – MARAD will contract with an FFRDC to conduct a study to inform a National Maritime Strategy
 - Center for Naval Analysis selected
- Section 3542 (b) – MARAD will develop a National Maritime Strategy
 - Consult with USCG and TRANSCOM
- Section 3542 (d) – MARAD will develop an implementation plan
 - Consult with USCG and DOD
- Section 3542 (c) – MARAD will provide updates no later than every 5 years

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NDAA Sec. 3542 (b) “The Strategy”

- Requirements are largely the same as those in the 2014 Howard Coble Act of 2014
- The new requirement does contain new elements to address issues identified since last strategy
 - Identify gaps in landside infrastructure to move goods through ports and the transportation system
 - Includes considering innovative information technologies
 - Increase resilience at ports and within the MTS
 - Broaden training focus beyond mariners to include innovative technologies

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Strategy Development Timeline

2023 NDAA 3542 NMS Requirements Timeline

2023 NDAA 3542 NMS Requirements

1. Study to inform a National Maritime Strategy
2. National Maritime Strategy
3. Implementation Plan


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Progress to Date

- MARAD hired CNA in fall of last year
- CNA has conducted extensive outreach to the industry and federal stakeholders and continues to do so.
- Regular cadence of out briefs with the Maritime Administrator
- Deliverables
 - Establish a base line of capabilities and projections for economic and national security (NS and ES)
 - Project future requirements for NS and ES
 - Identify gaps and challenges to address them
 - Develop options
 - Finalize and disseminate report
- First deliverable was provided in February and second is expected in April.
- Expect a preliminary report in the October/November timeframe.
- Includes Wargaming Exercise




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Wargaming Exercise

- CNA will convene a wargaming exercise later in 2024
- Focus attention on the problems associated with commercial shipping capacity in support of a large-scale NS crisis.
- Outcome is to help DOD, DOT, and commercial stakeholders understand the requirements and the challenges and meeting them with commercial capability.
- Identify actions that can be taken now to promote regrowth in the commercial maritime industry and the MTS.




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MTSNAC Input

- CNA is interested in hearing your views, particularly as a collective body.
- While CNA is conducting a study focused primarily on sealift capabilities, MARAD still must address ports, waterway infrastructure, resiliency and innovation in the strategy.



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**C – Presentation - Port Subcommittee Recommendations – Task 2 – Recommendation
Workforce development Marine Highway March 2024**

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Maritime Administration
Maritime Transportation System National Advisory Committee

**Port Subcommittee
Task 2 Recommendations**
Workforce Development / Marine Highway
21 March 2024

Slide 2




**Task 2 – Workforce Development
Recommendations**

Maritime Administration

- 1. STUDY LESSONS LEARNED FROM 2020 – 2022
SUPPLY CHAIN DISRUPTIONS**
- 2. ASSESMENT OF MARITIME TRANSPORTATION
LOGISTICS & DISTRIBUTION (TLD)
WORKFORCE**
- 3. CENTERS OF EXCELLENCE FOR DOMESTIC
MARITIME WORKFORCE TRAINING FUNDING**

Slide 3

Task 2 – Marine Highways
Recommendations




1. REDUCE TIMELINE FOR AWARDS & NEPA / CATEX

- a. INCREASE STAFFING FOR GRANT AGREEMENTS/NEPA**
- b. FAST TRACK NEPA FOR MHP PROJECTS THAT ARE ELIGIBLE FOR CATEGORICAL EXCLUSION (CATEX)**

2. SET ASIDE FOR CONTINGENCIES / PROJECT COST RISK

Slide 4

Task 2 – Marine Highways
Recommendations



3. EXPAND POST PROJECT COMPLETION REPORTING TO 5 YEARS

4. INCREASED FUNDING FOR GRANT PROGRAM

5. EDUCATION & MARKETING CAMPAIGN

6. “NAUTICAL NUDGE TAX CREDIT”

D – Presentation - Office of Multimodal Freight Infrastructure and Policy, March 2024


Slide 1



Slide 2

MTSNAC Briefing: March 21, 2024

1. The Purpose and Activities of the Multimodal Freight Office
2. What is the National Multimodal Freight Network (NMFN)?
3. Brief History of Prior efforts to establish the Multimodal Freight Network
4. Factors and Considerations for designating the NMFN
5. Proposed Process and Timing



U.S. Department of Transportation


Office of Multimodal Freight Infrastructure and Policy

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USDOT Office of Multimodal Freight Infrastructure and Policy

Led by the Assistant Secretary for Multimodal Freight Infrastructure and Policy, our mission is to carry out the National Multimodal Freight Policy

- Develop and manage the National Freight Strategic Plan and the National Multimodal Freight Network
- Oversee the development and updates of State freight plans
- Assist cities and States in developing freight mobility and supply chain expertise
- Assist States in the establishment of freight advisory committees and multi-State freight mobility compacts
- Promote and facilitate the sharing of freight information between the private and public sectors
- Provide input to the Bureau of Transportation Statistics regarding freight data and planning tools
- Conduct research on improving multimodal freight mobility and oversee the freight research within the Department
- Liaise and coordinate with other Federal Departments and agencies on freight transportation policy

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Office of Multimodal Freight Infrastructure and Policy


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Section 70101: National Multimodal Freight Policy

It is the policy of the United States to maintain and improve the condition and performance of the National Multimodal Freight Network...to ensure that the Network provides a foundation for the United States to compete in the global economy.

The goals of the national multimodal freight Policy are:

- (1) to identify infrastructure improvements, policies, and operational innovations that—
 - (A) strengthen the contribution of the National Multimodal Freight Network to the economic competitiveness of the United States;
 - (B) reduce congestion and eliminate bottlenecks on the National Multimodal Freight Network; and
 - (C) increase productivity, particularly for domestic industries and businesses that create high-value jobs;
- (2) to improve the safety, security, efficiency, and resiliency of multimodal freight transportation;
- (3) to achieve and maintain a state of good repair on the National Multimodal Freight Network;
- (4) to use innovation and advanced technology to improve the safety, efficiency, and reliability of the National Multimodal Freight Network;
- (5) to improve the economic efficiency and productivity of the National Multimodal Freight Network;
- (6) to improve the reliability of freight transportation;
- (7) to improve the short- and long-distance movement of goods that—
 - (A) travel across rural areas between population centers;
 - (B) travel between rural areas and population centers; and
 - (C) travel from the Nation's ports, airports, and gateways to the National Multimodal Freight Network;
- (8) to improve the flexibility of States to support multi-State corridor planning and the creation of multi-State organizations to increase the ability of States to address multimodal freight connectivity;
- (9) to reduce the adverse environmental impacts of freight movement on the National Multimodal Freight Network; and
- (10) to pursue the goals described in this subsection in a manner that is not burdensome to State and local governments.

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Office of Multimodal Freight Infrastructure and Policy

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National Multimodal Freight Network (NMFN)

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National Multimodal Freight Network (NMFN)

What is it?
The National Multimodal Freight Network is a national network of corridors and facilities that are critical to the efficient flow of freight into, out of, and throughout the U.S.



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6 Office of Multimodal Freight Infrastructure and Policy

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PS1

National Multimodal Freight Network (NMFN)

- NMFN will include many freight modes, including highway, rail, maritime, air, etc.
- Includes major intermodal transfer points (ports, airports)
- “Corridors” include Great Lakes, St. Lawrence Seaway, inland and intracoastal waterways



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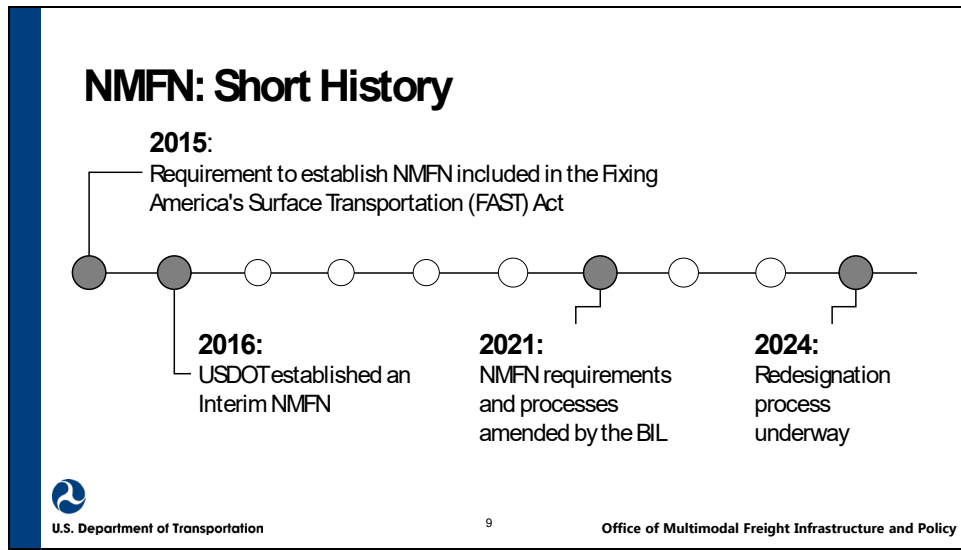
Intended Uses of the NMFN

Congress directed that the NMFN be used to:

1. Assist States in strategically directing resources to improve the efficiency of freight movement on the NMFN
2. Inform freight transportation planning
3. Assist in the prioritization of Federal investments
4. Assess and support Federal investments to achieve the national multimodal freight policy goals and the National Highway Freight Program goals

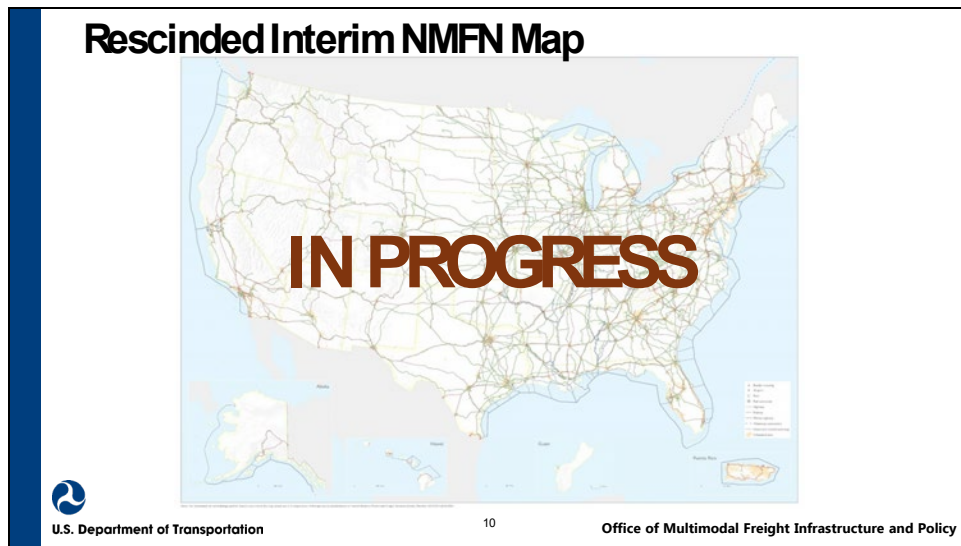
U.S. Department of Transportation 8 Office of Multimodal Freight Infrastructure and Policy

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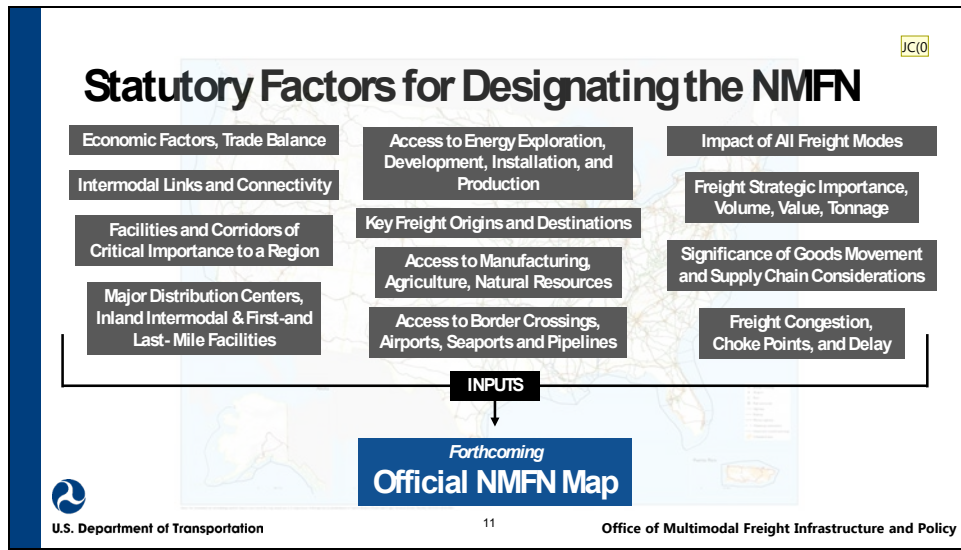
Section 8001 of the FAST Act is codified at 49 U.S.C. 70103

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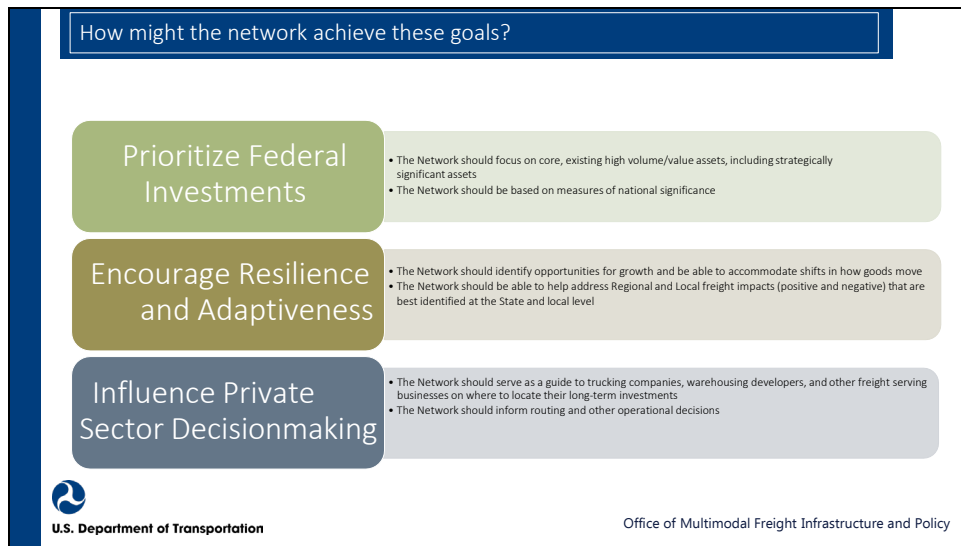
Source: <https://www.transportation.gov/freight/us-interim-nmfm-map>
Last updated: May 31, 2016

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This is the process for the future update. The gray boxes are different input that will be considered. All of these will be used to create the new official NMFM Map

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Proposed Process for Designation

The NMFN statute requires considerable public outreach, including Notice and Comment on a draft system prior to establishing the NMFN. The statute also provides a framework for States to formally submit additional designations to the network (“State Input”), in an amount that is not more than 30% of the total mileage in the State. States must certify that they considered nominations from MPOs, SFACs, and owners and operators of port, rail, pipeline and airport facilities in order for their designation to be accepted by DOT. DOT is proposing to solicit the “State Input” following the publication of the Draft Map.

NMFN	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6
Activity	Publish RFI Seeking Notice and Comment on potential prioritizing factors, and identifying thresholds, but no map/mileage	Notice and Comment on RFI; Review comments and prepare draft map	Finalize draft network map; prepare response to comments;	Publish Draft Network; Notice and Comment and State Input Process	Adjudicate comments, review and approve State Input additional designations	Designate the (Final) Network
Timing	March	April-May	June	Summer	Fall	Fall



U.S. Department of Transportation

Office of Multimodal Freight Infrastructure and Policy

E - Port Subcommittee meeting minutes March 20 (morning and afternoon), March 21 (morning)

MTSNAC Port Sub-Committee

Meeting Minutes – March 20, 2024 (morning breakout session)

Present:

Cheryl Ball (virtual)	Natasha Pavlovich	Roger Guenther
Bill Doyle	(MARAD)	Erik Stromberg
Mike Moltzen	Brian Clark (virtual)	Chad Dorsey (MARAD)
David Cicalese (virtual)	Joe Gasperov	Brian Jones
Jeff Flumignan (MARAD)	Bethann Rooney	Penny Traina (virtual)
	Mario Cordero	

Co-chair Brian Jones said the group would be working on Priority 3 recommendations today. The first problem statement is Freight Logistics Optimization. He recommended that the group remove this statement since FLOW addresses this issue. Currently, FLOW has three ports and two Class I railroads participating. Ms. Pavlovich reported that there will soon be additional participants in FLOW. Mr. Jones suggested the group ask the newly established multimodal freight office to explore the need for more significant input and participation in FLOW. The vote to keep Freight Logistics Optimization in the subcommittee's work plan was evenly split, so Mr. Jones said he would draft language reflecting that.

The following problem statement for review was Helping Communities near Ports. Mr. Moltzen mentioned that the EPA has a port program called the Ports Initiative. He added that Justice 40 is a priority in this program and suggested that MARAD similarly enhance its current port programs. EPA is collaborating with MARAD and will host a joint webinar with AAPA on April 11. He reported that currently, there is no coordination between EPA and MARAD regarding the best use of funds. Ms. Ball said that FHWA allows an application to be directed to the most appropriate grant program. Mr. Moltzen responded that it makes good sense for MARAD and EPA to coordinate applications early in the application process so that if an application to a MARAD port program would be better suited for an EPA program or vice-versa, the two agencies could make that happen. Mr. Guenther agreed, adding that this recommendation should focus on looking forward into the future.

Mr. Cordero stated that the emphasis should be on congestion around the ports. Mr. Guenther noted that approximately 80% of the imports and exports at the Port of Houston only move within 100 miles of the port. Ms. Rooney noted that even at those ports with appointment systems for truckers, many still line up simultaneously, causing additional congestion at the gates. Mr. Cicalese added that appointments are poorly managed throughout the warehouse and port systems. Mr. Guenther highlighted the need to find ways to move cargo into inland terminals during off-peak hours. This, however, would involve additional costs. Mr. Jones added U.S. Maritime Transportation System National Advisory Committee that Hours of Service (HOS) requirements are a big issue in the smooth movement of trucks throughout port areas. Ms. Ball suggested establishing short-term staging for truckers in nearby inland ports. Mr. Cordero said that the Port of Long Beach does not have land for this. Ms. Rooney said there is a pressing

need to change fundamental behavior within the local trucking communities. Ms. Pavlovich said MARAD is working with FHWA to identify potential staging areas. Mr. Moltzen added that staging areas could also be electric dray truck charging stations.

Ms. Ball suggested that on the West Coast, truckers could be given a number that would correspond to the arrival of a ship at the pier. Mr. Jones said there is no connection between offloaded vessels and where containers are dropped. There is no coordination with truck arrivals. Ms. Rooney added that truckers often make appointments and do not fulfill them, so space is needed to park a tractor, not the truck itself. Mr. Flumignan noted that truck parking spots are monitored along sections of I-95.

Mr. Jones asked why electric trucks are not filling the drayage gap, to which Mr. Guenther replied that cost and availability are issues. Ms. Rooney added that there are very few electric vehicles due to a lack of sufficient range and the weight that a battery adds to the truck. Mr. Cordero said that electric vehicles are only in the transitory phase. Hydrogen-powered trucks might be the answer. Mr. Guenther added that the EPA has \$3B for electric vehicles and will only fund about 7,500 vehicles at the current price. Mr. Moltzen replied that the EPA is not dictating electric vehicles to the industry but merely trying to get the industry to focus on innovative technologies. Mr. Jones asked if the government should give a signal to industry or merely give them a choice. He will draft recommendations for this problem statement.

Ms. Rooney asked if the government should designate environmentally clean/green corridors. Mr. Gasperov said there needs to be a balance between environmental and economic justice. We do not want to shut down port operations. He gave the example of the California South Coast Air Quality Management District's proposed Air Response Initiative Implementation, which, according to an analysis, would force some ports to shut down late in the year due to not meeting the air quality requirements. The implementation of that initiative has now been delayed to December of this year. Mr. Jones then asked if these issues were important in Asian ports, to which Mr. Cordero replied no.

The following problem statement is the Disaster Response Framework. Mr. Jones noted the 2015 report on Port Resilience by T.H. Wakeman, J. Miller, and G. Python. Mr. Guenther pointed out that all ports have a disaster response plan, and most are focused locally or regionally. Mr. Jones asked if MARAD should compile a list of minimum standards for such plans, and Mr. Guenther replied no. Ms. Ball added that Texas ports could bounce back after a recent hurricane; however, the roads to and from the ports were not. Perhaps state freight plans should include a multimodal risk assessment framework incorporating inland river ports. Mr. Jones replied that the state freight plans now come under DOT's new multimodal freight office. Mr. Cordero asked about U.S. Maritime Transportation System National Advisory Committee

Hazmat incidences and transportation of lithium batteries and if they are being adequately addressed. Ms. Rooney suggested that this might be more in USCG's lane. She also pointed out that NOAA already has a port resilience index. There should be a recommendation that PIDP grants require basic risk assessments. Mr. Jones commented that this might be reinventing the wheel, so perhaps a recommendation should state that the ports use these already available indices. The meeting was then adjourned.

MTSNAC Port Sub-Committee

Meeting Minutes – March 20, 2024 (afternoon breakout session)

Present:

Cheryl Ball (virtual)
Bill Doyle
Mike Moltzen

David Cicalese (virtual)
Jeff Flumignan (MARAD)

Natasha Pavlovich
(MARAD)
Brian Clark (virtual)

Joe Gasperov
Bethann Rooney
Mario Cordero

Roger Guenther
Erik Stromberg
Chad Dorsey (MARAD)

Brian Jones
Penny Traina (virtual)

Mr. Stromberg began the meeting by highlighting the importance of asset management within the port community. There is a business process to improve the allocation of assets within a port. A conditions assessment and level of services are required. The assessment of assets is critical to successful operations. ISO 55000, an international standard covering the management of assets of any kind, is widely used throughout the international port industry. North American ports, such as Vancouver, B.C., and the Virginia Port Authority in Hampton Roads, are gradually adopting it. Mr. Stromberg proposes that the utilization of the asset management process be included as a determining factor in the award of MARAD's port grants. When asked how much the ISO 55000 port assessment process costs, Mr. Stromberg said it is \$100K. Mr. Jones then suggested that the recommendation include language allowing funding to start an asset management process. Ms. Rooney added that the language could make the development of an asset management framework a factor in awarding grants.

Ms. Ball noted that both the Federal Transit Administration (FTA) and FHWA require asset management plans in their programs. An asset management plan for critical pieces in port operations should be required. Mr. Jones asked how an asset management plan would be documented. Mr. Stromberg responded that this might fit nicely under the problem statement Data-Driven Methods to Identify and Mitigate Risks. He then asked if the EPA has this requirement, and Mr. Moltzen replied that it has a provision for risk to climate change (climate and air quality planning). Ms. Ball pointed out that FTA has a manual for transit asset management. Mr. Flumignan noted that asset management is included in the Notice of Funding Opportunity (NOFO), which will soon be released for the PIDP program. The session was then adjourned.

Present:

Cheryl Ball (virtual)	Natasha Pavlovich	Mario Cordero
Bill Doyle	(MARAD)	Roger Guenther
Mike Moltzen	Brian Clark (virtual)	Erik Stromberg
David Cicalese (virtual)	Joe Gasperov	Chad Dorsey (MARAD)
Jeff Flumignan (MARAD)	Bethann Rooney	Brian Jones

Mr. Jones directed the group’s attention to the topic of port resiliency. He suggested that the group develop a list of potential SMEs that could brief them on integrating MARAD’s PIDP program and EPA’s Ports program. Someone from NOAA should be invited. Ms. Rooney suggested that USCG should be invited to address cybersecurity. Mr. Jones commented that the Port Resiliency Index document produced in 2015 is very well done and still valid. He wondered how many ports had used it. Ms. Rooney said the new FEMA Port Risk Assessment Model will be used for future FEMA port security grants. Mr. Jones suggested that someone from FEMA should also be invited. Ms. Rooney agreed and added that an SME from MARAD should be included. Mr. Jones said that as far as asset management is concerned since Mr. Stromberg has shared information from the American Society of Civil Engineers, they should also be included. Mr. Jones then proposed the following dates/times for upcoming sub-committee virtual meetings:

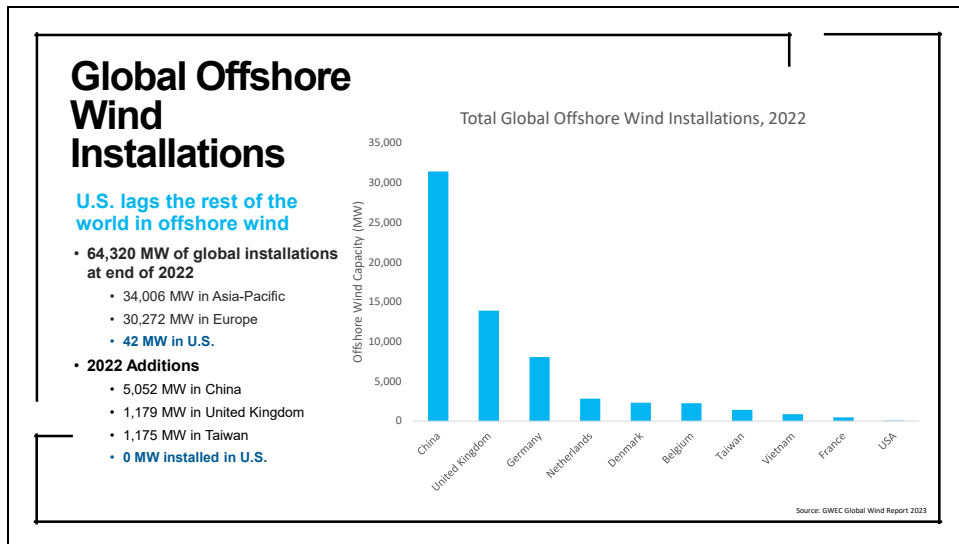
- April 22 @ 3 p.m. EDT
- May 17 @ 1 p.m. EDT
- June 14 @ 1 p.m. EDT

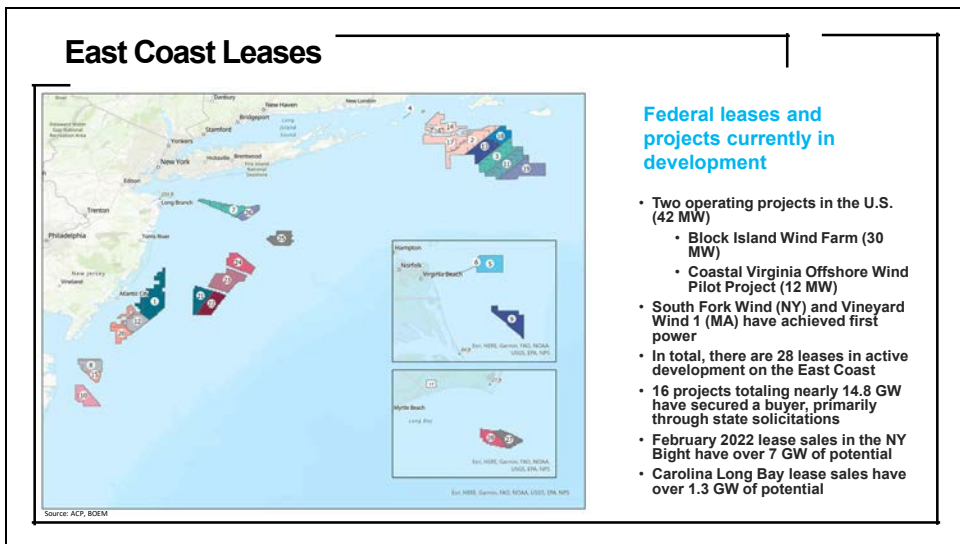
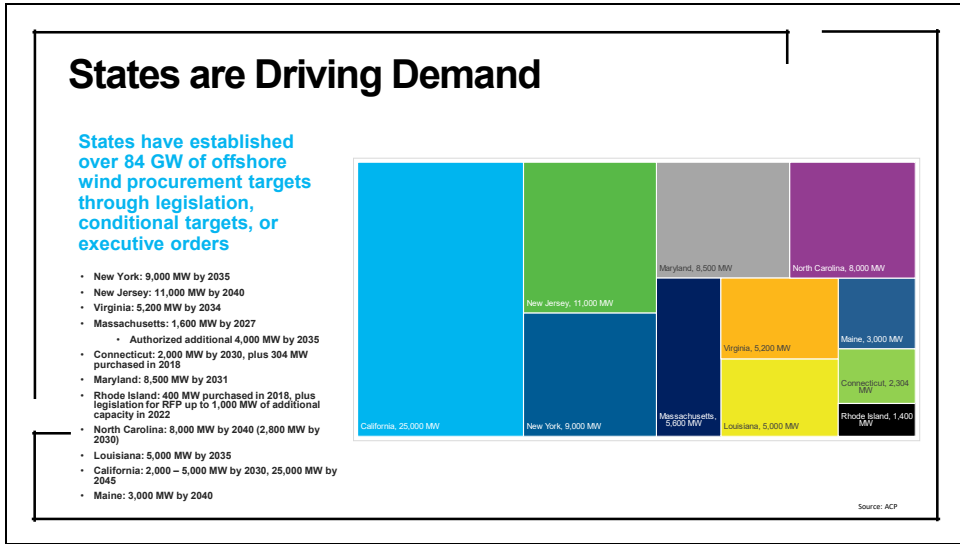
He said he would prepare a first draft of these recommendations by next week. Meanwhile, he asked the group if they had any comments concerning Mr. Baumer’s earlier presentation at the multimodal freight infrastructure office. Mr. Cordero noted that it might overlap with the National Maritime Strategy. He is concerned with how far the NMS will get into port issues, e.g., positioning of railcars during the second daily shift at West Coast ports. Mr. Guenther pointed out that the NMS should include gas and inland infrastructure. Ms. Ball was concerned that FLOW is only for ports and might not catch cross-border traffic. Mr. Jones acknowledged that FLOW only captures imports and exports from Los Angeles/Long Beach ports, the Port Authority of New York and New Jersey, and Savannah. He hopes that NMFN will go beyond seaports and container cargo. Ms. Ball was surprised that the NMFN and NMS teams were not working together. Mr. Jones said that he had a discussion with the Deputy Maritime Administrator and asked why there seems to be a rush to offshore wind and wondered how many facilities will eventually survive. The Deputy Maritime Administrator said that despite this possibility, the investments will be suitable in the long term, and offshore ports can perhaps have other uses in the future. The meeting was then adjourned.

Slide 1



Slide 2





East Coast Leases

Label	Lease	Project	Developer(s)
1	OCS-A 0499	Atlantic Shores	EDF, Shell
2	OCS-A 0500	TBD	Ørsted
3	OCS-A 0520	Beacon Wind	Equinor, bp
4	OCS-A 0506	Block Island Wind Farm	Ørsted
5	OCS-A 0483	Coastal Virginia Offshore Wind	Dominion Energy
6	OCS-A 0497	Coastal Virginia Offshore Wind Pilot	Dominion Energy
7	OCS-A 0512	Empire Wind 1	Equinor, bp
8	OCS-A 0482	TBD	Ørsted, PSEG
9	OCS-A 0508	Kitty Hawk Offshore	Avangrid
10	OCS-A 0490	MarWin; Momentum Wind	U.S. Wind
11	OCS-A 0521	South Coast Wind	EDP, ENGIE, Shell
12	OCS-A 0498	TBD	Ørsted
13	OCS-A 0534	Park City Wind; Commonwealth Wind	Avangrid
14	OCS-A 0486	Revolution Wind	Ørsted, Eversource

Label	Lease	Project	Developer(s)
15	OCS-A 0519	Skipjack Wind 1; Skipjack Wind 2	Ørsted
16	OCS-A 0517	South Fork Wind Farm	Ørsted, Eversource
17	OCS-A 0487	Sunrise Wind	Ørsted, Eversource
18	OCS-A 0501	Vineyard Wind	Avangrid, CIP
19	OCS-A 0522	Vineyard Northeast	CIP
20	OCS-A 0532	TBD	Ørsted
21	OCS-A 0541	Atlantic Shores Offshore Wind Bight	EDF, Shell
22	OCS-A 0542	Leading Light Wind	Invenery, energyRe, Others
23	OCS-A 0539	Community Offshore Wind	RWE Renewables, National Grid
24	OCS-A 0538	Attentive Energy One	TotalEnergies, Rise Light & Power, Corio
25	OCS-A 0537	Bluepoint Wind	EDP, ENGIE, GIP
26	OCS-A 0544	Excelsior Wind	Vineyard Offshore
27	OCS-A 0546	TBD	Duke Energy
28	OCS-A 0545	TBD	TotalEnergies

West Coast Leases

Source: ACP, BOEM

Federal leases and projects currently in development

- There are now five leases on the West Coast following the December 2022 lease auction.
- Two leases in Northern California, off Humboldt Bay.
- Three leases in Central California, off Morro Bay.

Label	Project	Developer(s)
1	Canopy Offshore Wind Farm	RWE
2	TBD	CIP
3	Atlas Wind	Equinor
4	Golden State Wind	EDP, ENGIE, Canadian Pension Plan Investment Board
5	Even Keel Wind	Invenery

Gulf of Mexico Lease

BOEM held the first offshore wind lease sale in the GoM on August 29, 2023.

Provisional Winner of the Gulf of Mexico Offshore Wind Energy Lease Area

OCS-G-37334 RWE Offshore US Gulf, LLC \$5,600,000

DEVELOPMENT AREA: 102,400
 INSTALLATION CAPACITY: 1,394
 ANNUAL PRODUCTION: 4,388,370
 HOME INVESTMENT: 425,000
 MINIMUM DEPTH: 10 METERS
 MAXIMUM DEPTH: 25 METERS

BOEM Bureau of Ocean Energy Management

Success in the First Gulf of Mexico Offshore Wind Auction

RWE

Lake Charles, Lease OCS-G - 37334

Galveston I, Lease OCS-G - 37335

Galveston II, Lease OCS-G - 37336

Source: BOEM

Lease Sales

Offshore Wind Leasing Path Forward 2021-2025

Our path forward will help achieve the first ever national offshore wind goal to deploy 30 gigawatts of offshore wind by 2030, which would create nearly 80,000 jobs.

Source: BOEM

BOEM's Path Forward outlines plans to hold lease sales in 7 regions by 2025

- NY Bight auction took place on February 23, 2022, and generated \$4.37 billion in federal revenue
 - Six leases were offered, the most areas ever offered in a single auction
- Carolina Long Bay Auction took place on May 11, 2022.
 - Two leases were offered
 - Generated \$315 million in federal revenue
- California lease auction took place on December 6th, 2022
 - Five leases were offered
 - Generated \$757.1 million in federal revenue
- Gulf of Mexico lease auction took place on August 29, 2023
 - Three leases were offered – just one received bids
 - Generated \$5.7 million in federal revenue
- Central Atlantic PSN released Dec 2023

Industry Dedicated to Providing Good Jobs

“This is an opportunity to develop good union jobs in an emerging industry. With the announcement of finalized contracts, we have taken another historic step.”

- John R. Durso, President of the Long Island Federation of Labor, AFL-CIO




Offshore Industry has committed to partner with labor unions. Agreements have already been signed with (sampling):

- North America’s Building Trades Unions
- Rhode Island Building and Construction Trades Council
- New London Building and Construction Trades Council
- Southeastern Massachusetts, Cape Cod and Islands Building Trades Council
- Nassau Suffolk Building and Construction Trades Council
- South Jersey Building and Construction Trades Council
- Massachusetts Building Trades Council
- Virginia State Building and Construction Trades Council
- Fairfield Building Trades Council
- Utility Workers of America
- International Association of Bridge, Structural, Ornamental and Reinforcing Iron Workers
- International Brotherhood of Electrical Workers
- Laborer’s International Union of North America (LIUNA) Mid-Atlantic Region
- Eastern Atlantic States Regional Council of Carpenters
- International Union of Operating Engineers Local 825,
- Ironworkers International
- Baltimore-D.C. Building Trades (BDCBT)
- United Steelworkers

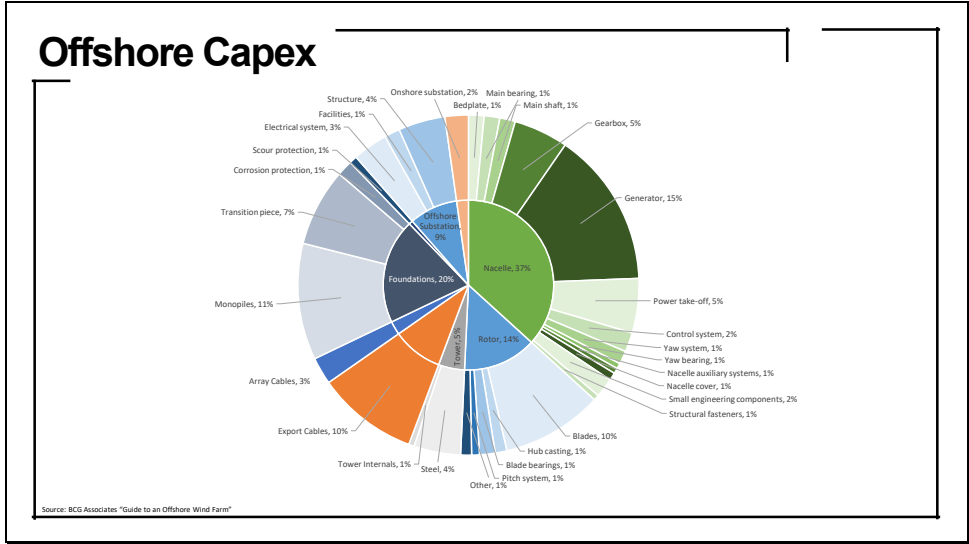
Infrastructure and Investment

U.S. offshore wind means U.S. jobs, manufacturing, and infrastructure



Industry committing billions of dollars to U.S. jobs, manufacturing, and infrastructure. Examples include:

- Ørsted and Eversource have signed an \$86 million supply chain contract with Riggs Distiller & Company, Inc. to construct advanced foundation components for wind turbines at the Port of Coeymans in New York.
- Wind tower manufacturers Welcon and Marmen are planning a manufacturing facility to build towers and fixed and floating foundations in a new factory in Albany, New York.
- Ørsted, PSEG, and steel pipe manufacturer EEW have broken ground on a monopile manufacturing facility at the Port of Paulsboro Marine Terminal in New Jersey.
- Vineyard Wind partnering with Marmon Utility to establish capabilities at CT facility for manufacturing Kerite cables for inter-array cable cores and investing \$10 million toward MA supply chain development.
- Nexans to manufacture the first U.S. subsea high voltage export cables in Goose Creek, S.C. to be used at several East Coast projects. Nexans is investing \$310 million in this project.
- US Wind facilitating the investment of an incremental \$150 million to develop a new steel monopile fabrication factory at Sparrows Point, Maryland at the former home of Bethlehem Steel.
- Prysmian Group is moving ahead with its project for a new submarine power cable plant in Massachusetts. Prysmian Group’s total investment to build the new plant will amount to around \$200 million.
- Community Offshore Wind, a joint venture between RWE and National Grid, has come to an agreement with four unique steel fabricators and manufacturers to establish a statewide steel consortium in New York. Combined, the facilities will support nearly 300 jobs in steel fabrication and processing.



Offshore Wind Vessel Needs

Over 25 different types of vessels are expected to be used to construct, operate, and maintain an offshore wind project. Multiple vessels will be needed for each offshore wind project, but the exact number and types will be dependent on project size, distance from shore, environmental conditions, and other factors. The majority of these vessels will be cost-share qualified (i.e. U.S.-flagged vessels with American crews that are built in the U.S.).

The chart on the following pages describes the different types of vessels projected to be needed during the different offshore wind project stages, including Surveying, Cable Lay, Component Transfer, Turbine Installation, Development, Construction, Decommissioning, and Operations and Maintenance (O&M). The first two vessels, Service Operation Vessels (SOVs) and Crew Transfer Vessels (CTVs) will be the workhorses of the industry. These vessels will be cost-share qualified vessels, used across the lifetime of the project in both the construction and O&M phases. The remainder of the chart covers the large variety of vessels that could be used during the 2-3 year construction and surveying stages, many of which will be cost-share qualified. The number of

Deploying 30 GW offshore wind by means shipbuilds opportunities for U.S.-flagged fleet jobs for American mariners.

Construction Vessels


These vessels will be used during the approximately 2-3 years of surveying and construction of offshore wind projects.

Project Stages	Type	What activities will the vessel conduct?
1 Surveying	 Environmental Survey Vessel 2-3 vessels	Conducts fisheries and seabed surveys on export cable routes and in the lease area. Plans O&M routes for various environmental assessments. A variety of results do this work. Nearshore work tends to be performed by smaller vessels, offshore work utilizes larger vessels.
	 Geotechnical Survey Vessel 1-4 vessels	Physically samples and tests seabed characteristics to optimally place turbines, foundations and cables. Typical surveys are conducted via soil borings to specific depths below the mean seabed.
	 Geophysical Survey Vessel 1-4 vessels	Acoustically maps seabed features, surface and sub surfaces, to determine Export Cable Routes and within the Lease Area. Detects and charts unexploded ordnance (UXO).

Project Lifetime Vessels

These vessels are used daily throughout the 35-year lifetime of the project including both construction and operations and maintenance.

Project Stages	Type	What activities will the vessel conduct?
Project Lifetime	 Crew Transfer Vessel (CTV) During Construction 1-4 vessels During O&M 8-10 vessels	Transfers personnel and light equipment in support of construction and operations. Construction: During construction, both the developer and turbine manufacturer are likely to have 2 CTVs respectively. O&M: For nearshore projects (less than ~15 hours from port) CTVs will be primary for O&M further offshore projects will use SOVs.
	 Service Operation Vessel (SOV) / Work to Wind (W2W) / Commissioning Support Vessel During construction 8-10 vessels During O&M 3-5 vessels	A Dynamic Positioning (DP2) vessel with motion compensated gangway allowing turbine technicians to "walk to work" directly from the vessel to the turbine. The use of these vessels as CTVs depends mostly on distance of the project from shore. Most, but not all, projects will utilize SOVs. Construction: Used for assisting with wind turbine installation and commissioning (driving turbine and cables onshore). Developers and turbine manufacturers are likely to hire one SOV each. O&M: Wind turbine servicing and operation.



Offshore Wind Investments in U.S.-flagged Vessels

The offshore wind industry is already investing in over 40 new offshore wind vessels. Investments include 22 Crew Transfer Vessels (CTV), 8 Service Operation Vessels (SOV), 4 different types of installation vessels, and 3 tugs and barges.

Vessel Type	Vessel Name	Status	Location	Manager
CTV	ARCT CTV 3	Under Construction	St. Johns Ship Building, FL	Atlantic Wind Transfers
CTV	ECO Edison Mini-CTV	Under Construction	Edison Chouest, LA	Edison Chouest Offshore
CTV	PATRIOT CTV	Under Construction	Gladding-Hearn Shipbuilding, MA	Patriot Offshore Maritime
CTV	WINDEA CTV 1	Under Construction	St. Johns Ship Building, FL	Windeas
CTV	WINDEA CTV 2	Under Construction	Gulf Craft, LA	Windeas
CTV	WINDEA CTV 3	Under Construction	St. Johns Ship Building, FL	Windeas
CTV	WINDEA CTV 4	Under Construction	Breaux Brothers, LA	Windeas
CTV	WINDEA CTV 6	Under Construction	St. Johns Ship Building, FL	Windeas
CTV	AOS CTV 1	Ordered	Blount Boats, RI	American Offshore Services
CTV	AOS CTV 2	Ordered	Blount Boats, RI	American Offshore Services
CTV	AOS CTV 3	Ordered	Blount Boats, RI	American Offshore Services
CTV	AOS CTV 4	Ordered	Blount Boats, RI	American Offshore Services
CTV	AOS CTV 5	Ordered	Blount Boats, RI	American Offshore Services
CTV	AOS CTV 6	Ordered	Blount Boats, RI	American Offshore Services
CTV	ARCT CTV 4	Ordered	St. Johns Ship Building, FL	Atlantic Wind Transfers
CTV	ARCT CTV 5	Ordered	St. Johns Ship Building, FL	Atlantic Wind Transfers
CTV	ARCT CTV 6	Ordered	St. Johns Ship Building, FL	Atlantic Wind Transfers
CTV	ARCT CTV 7	Ordered	St. Johns Ship Building, FL	Atlantic Wind Transfers
CTV	ARCT CTV 8	Ordered	St. Johns Ship Building, FL	American Offshore Services
CTV	Windserve CTV 2	Ordered	Sarasco Marine, RI	Windserve Marine
CTV	Windserve CTV 3	Ordered	Sarasco Marine, RI	Windserve Marine
CTV	Windserve CTV 4	Ordered	Sarasco Marine, RI	Windserve Marine
CTV	TSD	Ordered	Platypus Marine, WA	TSD
CTV	Atlantic Endeavor	In Service	Blount Boats, RI	Atlantic Wind Transfers
CTV	Atlantic Pioneer	In Service	Blount Boats, RI	Atlantic Wind Transfers
CTV	Gaspee	In Service	Providence, RI	McAllister Towing
CTV	Windserve Odyssey	In Service	Sarasco Marine, RI	Windserve Marine

More details:

- Consortium led by Dominion investing up to \$500 million to build the first U.S. offshore wind installation vessel in a Texas shipyard to be used in several offshore wind projects. Currently under construction.
- U.S. shipbuilder Philly Shipyard has won a contract from Great Lakes Dredge & Dock Company to build a Jones Act-compliant subsea rock installation vessel that will serve the U.S. offshore wind market.
- Ørsted and Eversource signed a charter agreement with Edison Chouest Offshore of Louisiana for U.S. flagged Jones Act-compliant service operation vessel (SOV).
- Ørsted has also contracted a total of 7 crew transfer vessels (CTVs). Two are already constructed and five are under construction in the Northeast.
- Vineyard Wind has signed a charter agreement for a CTV with Patriot Offshore Maritime Services. Patriot will construct the CTV at Gladding-Hearn Shipbuilding in Somerset, Massachusetts.
- Vineyard Wind has also signed a contract with American Offshore Services for a CTV that will be built by Blount Boats in Rhode Island.
- Empire Offshore Wind, a joint venture between Equinor and bp, has awarded a long-term SOV charter agreement to US marine transportation provider, Edison Chouest Offshore. The plug-in hybrid SOV will be the first in the US offshore wind sector capable of sailing partly on battery power. The SOV will be constructed with components from ECO’s extensive supplier base across 34 US states.
- US-based Mayflower Wind has agreed with Gladding-Hearn Shipbuilding/Duclos Corporation of Somerset, MA for the specification, design, and manufacture of an industry-leading, Jones Act-compliant, hybrid battery diesel electric CTV.
- Kirby Offshore Wind will provide the Jones Act compliant feeder barges and tugboats which will transport the wind towers and turbines from the South Brooklyn Marine Terminal to a specialized Maersk wind turbine installation vessel installing Equinor’s project in the New York Bight. Kirby will be investing in two new feeder barge and diesel-electric hybrid tugboat units which will be constructed in U.S. shipyards.

Supporting Mariners & Vessel Incentives

- Facilitating Military to Mariner transition
- Modernizing the Merchant Mariner Credentialing process
- Supporting good credit ratings for vessel owners at MARAD Title XI



Slide 15

Recent Negative Headlines

N Newsweek
U.S. Offshore Wind Industry Is Off to a Turbulent Start in the New Year

Bloomberg
US Offshore Wind Chiefs Blast Barriers to Progress

With projects crippled by soaring costs, developers are calling on the government for more support.

THE WALL STREET JOURNAL
U.S. Politics Economy Tech Finance Opinion Arts & Culture Lifestyle Real Estate Personal Fin
8 days ago
Another Big Write-Down for Offshore Wind Projects
By David Lambert, Reporter

The New York Times

What Ails Offshore Wind: Supply Chains, Ships and Interest Rates

Government officials and energy developers misjudged the difficulty of building huge clean energy projects in the United States, which has built very few of them.

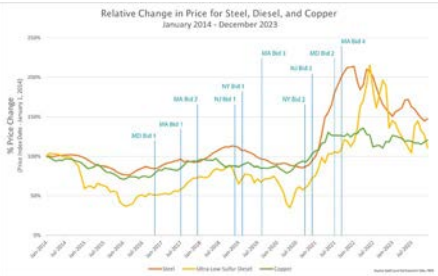
E&E NEWS
Offshore wind faces more financial turbulence in 2024
By Heather Strickland | 1/17/2024, 10:28 AM EST



Project Challenges

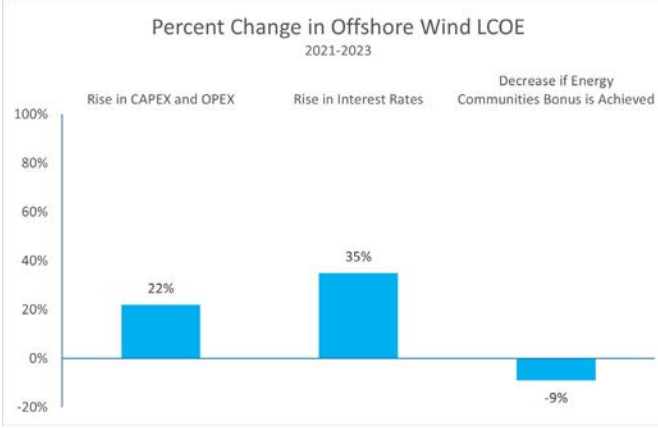
High inflation & interest rates, supply chain costs, and permitting/interconnection challenges are pushing developers to renegotiate offtake agreements.

- **High Inflation & Interest Rates**
 - Consumer Price Index averaged 1.8% before COVID-19 when many of the first projects got offtake. It peaked at 9% in 2022
 - Although inflation has come down from peak in 2022, still more than double than when projects were awarded
 - Offshore Wind Costs have increased much more than CPI or the Producer Price Index (PPI)
- **Supply Chains**
 - Steel, resin, copper, and other raw material prices jumped
 - Vessel availability
- **Permitting & Interconnection**
 - Projects can take at least 8 years from inception to commissioning

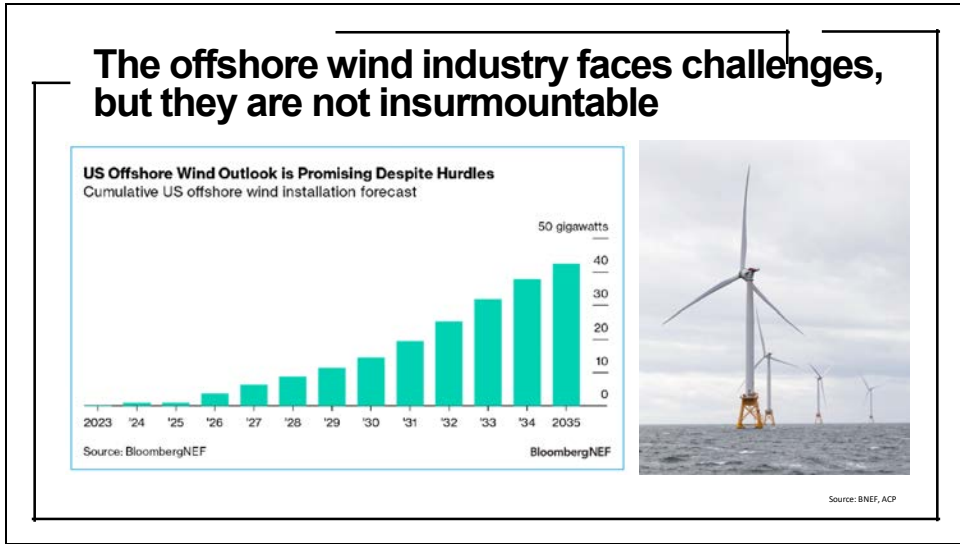


Impact on Levelized Cost of Energy

LCOE increased by 48% from 2021 to 2023.



Category	Percent Change
Rise in CAPEX and OPEX	22%
Rise in Interest Rates	35%
Decrease if Energy Communities Bonus is Achieved	-9%



Solicitations

NY and MA/CT/RI are expected to make new awards in the first half of 2024


- **MA, CT, and RI** released RFPs to coincide with offshore wind RFP procurement efforts in each state, driving economies of scale.
- **In July 2023, Maine's** governor signed a bill requiring an offshore wind RFP by January 2026 or 3 months after a BOEM lease auction in the region
- **In California,** recently signed AB1373 authorizes central procurement of clean energy resources, including offshore wind, enabling future solicitations.

State	Submission Date	Award Date
NY	January 2024	February 2024
MA/CT/RI	March 2024	August 2024
NJ	Q 1/2 2024	TBD
MD	July 2024	TBD
ME	2026	TBD
CA	TBD	TBD

Current Construction

[US Vessels currently on South Fork and Vineyard Wind 1](#)

- Cade Candies
- Go Liberty
- Paul Candies
- Gripper
- Windserve Odyssey
- Windserve Journey
- SEACOR Hawk
- Windea Courageous
- Gateway Endeavor
- Atlantic Pioneer
- Windserve Genesis





The map shows the construction sites for South Fork and Vineyard Wind 1. A red line indicates the route of the vessels. Labeled vessels include Atlantic Pioneer, Windserve Genesis, Endeavor, Procyon, Hugh B. Sharp, Gateway Endeavor, Paul Candies, Windserve Odyssey, Windserve Journey, Windea Courageous, and SEACOR Hawk. A yellow box highlights the South Fork site, and a red box highlights the Vineyard Wind 1 site.

Current Construction

The Washington Post
BUSINESS

The United States has its first large offshore wind farm, with more to come

By Jennifer McDermott | AP
March 14, 2024 at 7:18 p.m. EDT



Boston Herald

NEWS · POLITICS

Offshore wind farm near Martha's Vineyard generates enough power for 30K homes

Officials laud new era of energy production as power surges to the grid

South Fork: Completed! 12 x 11MW Turbines, substation, export & array cables
Vineyard Wind 1: 13MW Turbines, export & some array cables



AMERICAN
CLEAN
POWER

Thank you.

Questions? Contact crichen@cleanpower.org

G- Starboard Sub-Committee Meeting minutes March 20/21, 2024

MTSNAC Starboard Sub-Committee

Members present:

Tom Wetherald Co-Chair	Adam Vokac
Berit Eriksson	Sara Fuentes
Shelly Sugarman	Lauren Beagen CO-Chair
Nicholas Marrone	Jim Dillman
Craig Johnson	Steven Spoljaric
Bob Wellner MTSNAC Chair	

MARAD

Brian Hill Alternate DFO MARAD
Jeff Flumignan, DFO MARAD
SME: Claire Richer, American Clean Power Association

Meeting Agenda:

- Introduction-/Opening Remarks from Jeff Flumignan and Bob Wellner, and Co-Chairs
- Finish/Review updates to Task 2 Recommendations
- Discuss Task 3 (presentations from SMEs, initial draft recommendations)

Bob Wellner spoke to the Sub-committee and advised the members to identify and invite other qualified persons (good persons) to join the Sub-committee membership. He also asked the Sub-committee again to consider new initiatives for the next MTSNAC.

As to the Strategic Plan being developed, Mr. Wellner stated that CMA is currently doing the study and that once it is completed, it will be sent to MARAD for input into the final Strategic Plan development. Mr. Wellner also noted that the full MTSNAC would receive a presentation from the new Multimodal Freight Agency on Thursday (April 21, 2024).

Issues/discussions:

Mr. Wetherald noted that relating to Task 3, it was costly to maintain older ships and that while buying older vessels should continue, newer vessels must also be purchased.

Mr. Wetherald introduced Claire Rider, Director of Offshore Wind with the American Clean Power Association (ACPA), who will present information on the current state of the Offshore Wind industry.

Ms. Richer noted that she runs the Maritime Subcommittee for the ACPA. She noted that Europe is much further along on offshore wind energy than the U.S., with over 30,000 stations in use. A few offshore wind projects are currently being developed on the East Coast in the U.S., including two off Virginia and two off Block Island. Ms. Richer noted that the states are driving demand for this power source, as they will be the ones buying the power. Looking at future sites, Ms. Richer noted there would be 5 off the West Coast, 2 off Humboldt Bay, and 3 off Morro Bay, both in California. Sites off Oregon and Washington will come in the

future. For the Gulf, there is 1 under development off Louisiana, and the State of Louisiana did its lease offerings for 2 sites. As for Texas, were 2 sites offered off Galveston, but there were no takers at the auction. BOEM will be selling another lease option for these sites and others in the near future. These sites are very infrastructure intensive and require significant investments. Cabling and sub-stations are expensive, but there are many opportunities for U.S. companies to partner with European ones to lower costs by buying parts in bulk. Ms. Richer noted that "states should cooperate on sub-stations, as we can't have each state have their separate system, but states are fighting to have them in their state because of job creation there.

The U.S. may need "niche" ports for wind energy like New London and New Bedford. However, these ports are small so that no large component-carrying vessels can be called from there. The parts would have to be brought to a nearby large port and then shipped by barge to the smaller ones for construction. However, the concern is, once all the offshore towers are completed, what will the ports do with the land set aside for these parts?

Offshore Wind vessels:

Ms. Richer noted that 40+ new buildings are coming soon, and there are already many construction vessels, but installation vessels are much harder to find. Ms. Richer said one recommendation should be that MARAD's Title 11 program needs to offer below-market rates, as shipbuilders can get better rates from banks (per OMB note in May 2023).

Beritt talked with the Union on the issue, and Nicholas then reported on language in the CFR. The CFR notes a 50% Sea Time credit while the vessel is in ROS, so licensed and documented mariners get opportunities for gainful work. And, IF the power plant on the ship is on, engineers get full day sea time credit for that day. If the engines are cold, the same half-day credit applies. So, since the CFR is already clear on this, there is no need for this Sub-committee to make a Recommendation.

Citing potential issues, Ms. Richer noted that permitting takes too long, which messes with ship construction timelines. (Maybe get developers to collaborate on the use of vessels) but NOAA is the biggest permitting slowdown! All this uncertainty makes it hard to plan. There is also a problem with signing contracts with customers before the prices are known for construction and other costs.

Some industry people say the Jones Act is falsely identified as a hindrance. But Ormstead's CFO noted that a lack of vessels could be blamed on the Jones Act.

She added that maybe we will create a Security Program for wind vessels. Like for MSP/TSP? Possible Recommendation. It could help with cost differential.

TASK II issues?

Already legislation on increasing SIP to \$64,000 from \$32,000.

- Could the recommendation be for credit for Shore Work and SIP?
- MARAD has already given more dollars for SIP by Congress, so they should obligate it ASAP (based on funds availability). So, declare victory on the SIP increase issue and move on.

Possible Recommendation: In the future, MARAD may need to request authorization at a higher amount. Beritt noted that much of what the Sub-committee advocates is already in this year's NDAA. It was noted

that the current number of recommendations from this Sub-committee is 9, as the Sub-committee made most of them "bite-sized" for ease of explanation/use.

TASK III Issues (increasing the number of U.S. flag ships)

- The growth of the U.S. fleet through offshore wind vessels is coming.
- Other ways: Help with Taxation on vessels
- Removing barriers to entry into U.S. Flag
- Assistance with marine insurance

SMEs: The Subcommittee noted it needed SMEs from the wind industry to speak.

Possible speakers:

- American Waterways Operators (AWO) person
- Clarkson's Brokerage – knows wind vessel requirements and is a Jones Act application expert.
- Labor speaker – there are labor issues related to wind vessels. Possibly someone from one of the construction or metal trade unions.

How to Incentivize U.S. Shippers to use U.S. Flag vessels

- Possibly exempt U.S. flag vessels from having to pay HMT?

Tom noted there is still a shortage of U.S. tankers to move fuel. He suggested that all U.S. fuel should possibly be moved on U.S. flag tankers. It was noted that the TSP is now authorized at 20 ships (increase in 2023 NDAA), but it is only appropriated at 10 (and is now fully subscribed at 10). Increased funding will be required to support 20 ships in the TSP, which is a likely recommendation. He mentioned a possible Cargo Preference upgrade from 50% to the previous 75% or 100% but quickly added, "When the Cargo Preference requirement was reduced to 50%, U.S. flagship numbers quickly dropped by 25%".

Presentation by Jonathon Gold of the National Retail Federation

Jonathan noted that cost does matter to retailers, citing that he has never heard of a retail shipper looking at the flag of the vessels carrying their goods – all about costs. He offered some thoughts on other benefits of the U.S. flag that retailers might think about:

- The Navy can only officially help U.S. flag vessels in the Red Sea.

Maybe retailers could be made to care about the flags of the vessels they use by noting better security and quicker entry to port, among others.

Jonathan asked what could incentivize retailers to use U.S. Flag vessels for cargo.

- It is all about reliability
- Tax incentives could help

However, Mr. Gold raised an important point when he asked about the availability of U.S. flag vessels if shippers wanted to use them.

He suggested that MARAD or another entity give a presentation at the next National Retail Federation meeting to talk about U.S. flag vessels. He added that MARAD or others could also attend the Supply Chain Council's monthly meetings to discuss the U.S. flag. Mr. Gold admitted no knowledge at all about the Marine Highway Program.

In his discussion, Johnathan offered possible recommendations:

- Give priority to U.S. flag vessels when coming to a U.S. port. But could that be a violation of shipping laws?
- Provide a stipend to Marine Highway vessel mariners?
- Marine Highway works in Alaska because there is no truck option available.
- MARAD could support marketing the use of U.S. flag vessels, such as a note on goods that this product was shipped to the U.S. on a U.S. flag vessel. This may incentivize those who strive to buy American-made products, too.
- Possibly give a tax write-off to shippers that use U.S. vessels or recommend a Tax Break.

Mr. Gold noted that NRF members consider 1) Availability, 2) Capacity, and 3) Reliability in addition to price.

He raised an interesting point - How hard is it for a shipper to find a U.S. flag vessel to use? MARAD can help with this. But he also asked the proverbial question – which came first, the Chicken or the Egg: More U.S. flag vessels would affect vessel availability, reliability, etc.

Steven Spoljaric noted that using a vessel is usually not a Spot Market thing, more long-term. Moreover, on a recent check, the customer cost for using a U.S. vessel was \$7,000, but only \$1,800 for a foreign flag vessel. He noted that some shippers pay more to use a "green vessel," so a similar approach could be applied here. He thought that a shipper should be on the following MTSNAC committee.

Mr. Gold's fundamental message was that cost and availability are key – U.S. flag vessel use is not even a consideration. "MARAD should meet with shippers more to get them thinking about it."

In his closing remarks, Johnathan offered other recommendations for thought:

- Tax incentives. Make them broad. To this point, Jim Dillman noted the possibility of waiving tariffs for U.S. vessels. (like the tariff on Chinese goods)
- Call for a Study on tax incentives for importers/exporters if they use the U.S. flag. What taxes can be reduced here? Limit it only to a U.S. flag vessel coming to a U.S. port.
- Maybe all NATO cargo must be shipped on a U.S. flag? Or, if a NATO country uses a U.S. flag vessel to move their cargo, that could count towards the 2% of defense spending required by NATO countries?
- Possible tax breaks for the whole transport route if using a U.S. flag: Ship, rail, truck, etc.
- All goods moved in the DOD network are on the U.S. flag.
- Filling/taking out oil from the SPR? Today, foreign vessels can get a waiver without U.S. flag vessels.
- DOT does have an Infrastructure Permitting Improvement Center, which could help with permitting delays relating to new vessels.

NOTE:

Clair Richer is responsible for the Maritime Subcommittee for American Clean Power. She is Director, Offshore Wind, American Clean Power Association Cell: 507-421-3137, 1501 M St NW, Washington, DC.

MTSNAC Starboard Sub-Committee March 21, 2024

Members present:

Berit Eriksson	Berit Eriksson
Shelly Sugarman	Adam Vokac
Lauren Beagen Co-Chair	Nicholas Marrone
Sara Fuentes	Craig Johnson
Steven Spoljaric	Bill Doyle
Bob Wellner MTSNAC Chair	

MARAD

Brian Hill Alternate DFO MARAD

Chris Clark

Lauren Beagen, the co-chair, presented "some food for thought."

- There is an Office of Multimodal Freight Infrastructure and Policy in DOT. There is a National Multimodal Freight Network (NMFN) (Previously the National Freight Strategic Plan of 2020)
- The FLOW initiative does have carriers providing booking information, which can help avoid congestion. An RFI on this issue is coming out in the Federal Register soon.
- Maybe MARAD could poll foreign companies to see why they don't reflag some of their vessels to the U.S.? This could benefit these companies if they use U.S. flag vessels, noting that U.S. flag vessels are in better shape and that the quality of life on a U.S. flag vessel is generally higher.
- Maybe a reimbursement could be made to some SOVs if they make some extra berths available to U.S. mariners ordinaries, among others.
- The wind is a MAJOR OPPORTUNITY to get more U.S. flag vessels. MARAD should lead – and maybe a separate office for wind should be set up in MARAD?

Steven Spoljaric suggested some support to help owners that reflag their vessels to the U.S. These vessels often return to foreign after a while because they cannot find enough U.S. crew. But if they could receive a benefit/stipend, that would prevent this.

Lauren continued with other recommendations.

- Start giving an operation subsidy for vessels?
- Could the government help U.S. flag vessel owners with gaps between contracts?
- MARAD stand up an Office for Offshore Wind
- More push to lower Title 11 rates
- Decrease time for wind-related permits? "automatically get the permit if not finalized in 6 months?"
- Reduce NOAA permit times somehow
- Do something similar to what BOEM does in giving bidding credits for using a U.S. flag vessel?
- Some states could give similar power purchase credits if using a U.S. flag
- Beritt noted that the DOL has dollars for job training that may help, too.

- Security program for wind vessels (again)
- Service Operation Vessels (SOV) for larger groups of people on board to take to offshore sites.
- Crew Transfer Vessels (CRV) are being built in several states. Smaller vessels for 12+ crew
- Economic Note: All these vessels are NOT being built on speculation – they have a contract with a wind farm before constructing them.
- Subsea Protection vessels: Rock from U.S. ports being taken offshore to the sites to be used for stability.
- Wind Turbine Installation Vessels. (WTIV) If from a U.S. port, it has to be the Jones Act. If from a foreign port, no. Most sites use foreign carriers.

Presentation by Patrick Parsons of AWO: mostly Tug, two barge operators.

- Consider where the U.S. is required, like for Outer Continental Shelf. If moving cargo there, the Jones Act applies; the U.S. Passenger Vessel Security Act applies if moving people there.
- Surveying vessels, there can be foreign flags.
- Cable laying vessels – can be a foreign flag. (However, it was noted that MARAD does have cable-laying vessels – why not require their use out there)
- Foundation Installation vessels. Moving piles - The Jones Act applies if the piles come from a U.S. port.