

Maritime Transportation System National Advisory Committee

Minutes of Public Meeting

Dates: August 30-31, 2022

Location:

USDOT Headquarters – Washington, D.C.

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Acronyms and Abbreviations

CII	Carbon Intensity Indicator
CSF	Cable Security Fleet
DFO	Designated Federal Officer
DOD	Department of Defense
DOT	Department of Transportation
ECA	Emission Control Area
EEXI	Energy Efficiency Existing Ship Index
EMBARC	Every Mariner Builds a Respectful Culture
EPA	Environmental Protection Agency
FACA	Federal Advisory Committee Act
FEMA	Federal Emergency Management Agency
FLOW	Federal Freight Logistics Optimization Works
FMC	Federal Maritime Commission
IMO	International Maritime Organization
INFRA	Infrastructure for Rebuilding America
MARAD	Maritime Administration
MSC	Military Sealift Command
M & R	Maintenance and Repair
MSP	Maritime Security Program
MTS	Maritime Transportation System
MTSNAC	Maritime Transportation System National Advisory Committee
NASSCO	National Steel and Shipbuilding Company
NDAA	National Defense Authorization Act
NDRF	National Defense Reserve Fleet
NIMA	Norwegian Maritime Authority
NSIA	Norwegian Safety Investigation Authority
NSMV	National Security Multi-Mission Vessel
OMB	Office of Management and Budget
OSRA	Ocean Shipping Reform Act of 2022
PIDP	Port Infrastructure Development Program
RAISE	Rebuilding American Infrastructure with Sustainability and Equity
Ro/Ro	Roll on/Roll off
ROS	Reduced Operating Status
RRF	Ready Reserve Fleet
SGE	Special Government Employee
SM	Ship Manager
SME	Subject Matter Expert
STCW	Standards of Training, Certification, and Watchkeeping
TOTE	Totem Ocean Trailer Express
TSP	Tanker Security Program
USDOT	U.S. Department of Transportation
VCM	Vessel Contract Manager

Appendix

	MSTNAC Meeting Presentations August 30-31, 2022
	Presenter
Appendix A August 30-31, 2022, MTSNAC Meeting Agenda	Chad Dorsey/MARAD
Appendix B Goals & Objectives for a Stronger Maritime Nation: A Report to Congress	Douglas McDonald/MARAD
Appendix C Briefing on the Office of Ports & Waterways	Bill Paape/MARAD
Appendix D Strategic Sealift Overview	Kevin Tokarski/MARAD
Appendix E Public Comment	Tom Ewing/Maritime Writer
Appendix F MTSNAC By-laws	Robert Wellner/MTSNAC

Minutes of Maritime Transportation System
National Advisory Committee Public Meeting
August 30, 2022
9:30 am–4:00 pm EDT

Call to Order & Roll Call

Mr. Chad Dorsey, Designated Federal Officer with MARAD, called the meeting to order at 9:30 am EDT, took the roll call and provided important safety and other administrative information to those present.

Members Present

Federal Government Employees:

Russell Adise – U.S. Department of Commerce
Michael Moltzen – U.S. Environmental Protection Agency
Shelley Sugarman – U.S. Coast Guard
Brian Tetreault – U.S. Army Corps of Engineers (nominated)

Special Government Employees:

Lauren Beagen – Roger Williams University
Erik Stromberg – University of Memphis

Representative Members:

Aimee Andres – Inland Rivers, Ports and Terminals, Inc.
Cheryl Ball – Missouri Department of Transportation (virtual)
David Cicalese – International Longshoremen's Association (virtual)
Brian Clark – North Carolina Ports Authority
Mario Cordero – Port of Long Beach (virtual)
James Dillman – Gateway Terminal
Berit Eriksson – Sailors' Union of the Pacific
Roger Guenther – Port Houston
Craig Johnson – Maine Maritime Academy (virtual)
Brian Jones – Nucor Corporation
David Libatique – Port of Los Angeles (Vice-Chair)
Jack Sullivan – Matson Navigation, Inc
Adam Tindall-Schlicht – Port of Milwaukee
Penny Traina – Columbiana County Port Authority
Robert Wellner – Liberty Global Logistics, LLC (Chair)

Tom Wetherald – Global Dynamics – NASSCO (retired)

Members Absent

Stephen Spoljaric – Bechtel

MARAD / USDOT Members Present

Bill Paape – Associate Administrator for the Office of Ports and Waterways, MARAD
Chad Dorsey – DFO and Director, Inland Waterways 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
Branden Villalona – Alternate DFO and Director, South Atlantic Gateway Office (Jacksonville, FL) MARAD
Travis Black – Director, Inland Waterways Gateway Office (St. Louis), MARAD
Douglas McDonald – Director, Office of Policy and Plans, MARAD
Fred Jones – Office of Ports & Waterways Planning, MARAD
Peter Simons – Office of Port Infrastructure Development, MARAD
Kirk Claussen – Office of Ports & Waterways Planning, MARAD

Public Members Present

Jim Kearns – Jones Walker
Joe Gasperov – International Longshore and Warehouse Union (virtual)
Bethann Rooney – Port Authority of NY/NJ (virtual)
Carleen Walker – Morgan Marketing & Communications (virtual)
Bob Wurtenberg -- Constituent Affairs Manager, Maritime Exchange for Delaware River and Bay

Item 1: Welcome & Comments from the MTSNAC Chairperson

Mr. Robert Wellner welcomed the group and noted that this is his third term on MTSNAC, having previously served as Vice-chair. He added that the Committee is fortunate to have Mr. David Libatique as Vice-Chair. He noted that this was a diverse group of 27 + industry and government members. This is the group's first in-person meeting (the June administrative meeting was held virtually). The last few years have been challenging for the maritime industry, especially with transportation supply chain issues and Covid-19. He challenged the group to explore innovative solutions to the maritime problems. All opinions matter. He also noted that many challenges are repetitive and have been identified for several years.

The current administration has four focus areas – environment, diversity, economy, and jobs. Within this context, MARAD and MTSNAC are focused on strengthening the maritime sector, growing the maritime workforce, improving port infrastructure, and expanding the Nation's shipbuilding capacity. To address these issues, MTSNAC has two subcommittees – Port and Starboard. The Port Subcommittee will address short sea transportation and marine highways,

port infrastructure, and innovation. The Starboard Subcommittee will address strengthening the U.S. maritime capabilities and workforce development. The timelines and priorities have already been established. The subcommittees may create independent working groups and employ the services of specialists in their work. In addition, Mr. Wellner will ask MARAD to make available prior MTSNAC recommendations to the subcommittees. In closing, he told the members to feel free to contact either himself or Mr. Libatique with any questions and challenged the group to be creative in their work. Mr. Wellner then introduced Mr. Douglas McDonald, Director of MARAD's Office of Policy and Plans, to address the group on a report that MARAD released in March 2020.

Item 2: Briefing on the Goals & Objectives for a Stronger Maritime Nation: A Report to Congress

Mr. McDonald gave a little background for this report (Appendix B) which was mandated by the Howard Coble Coast Guard Act of 2014 and the John S. McCain National Defense Authorization Act of Fiscal Year 2019. Congress directed MARAD to identify:

- 1) Those Federal regulations and policies that reduce the competitiveness of U.S.-Flag vessels in international markets, and the impact of reduced cargo flow due to reductions in the number of members of the United States Armed Forces stationed or deployed outside of the United States, and
- 2) Include recommendations to:
 - a. make United States flag vessels more competitive in shipping routes between the United States and foreign ports.
 - b. increase the use of United States flag vessels to carry cargo imported and exported from the United States.
 - c. ensure compliance by Federal agencies with chapter 553 of title 46, United States Code.
 - d. increase the use of third-party inspection and certification authorities to inspect and certify vessels.
 - e. increase the use of short sea transportation routes, including routes designated under section 55601(c) of title 46, United States Code, to enhance intermodal freight movements; and
 - f. enhance United States shipbuilding capability

To assist in this effort, MARAD hosted two symposiums and worked with MTSNAC to gather input. The final report was delivered to Congress on March 4, 2020. The report contained four goals and 39 objectives. The four goals were:

- 1) Strengthen U.S. maritime capabilities essential to national security and economic prosperity
- 2) Ensure the availability of a U.S. maritime workforce that will support the sealift resource needs of the National Security Strategy
- 3) Support enhancement of U.S. port infrastructure and performance

- 4) Enable maritime industry innovation information, automation, safety, environmental impact, and other areas

The Office of Management and Budget (OMB) also directed MARAD, in coordination with the Committee on the Marine Transportation System (CMTS), to prioritize the 39 objectives for near, medium, and long-term capability, develop an implementation plan for the near-term objectives, consider a timeline for addressing the medium and long-term objectives and review and report on regulations that impact the competitiveness of the U.S. flag fleet. The directive does not require any follow-up on MARAD's part, and work was put on hold in 2020 when the prior administration left office. Since then, the new administration priorities have continued to shift while the full DOT/MARAD leadership team was not on board until earlier this year.

Mr. McDonald then briefed the group on the Way Forward. Activities include:

- 1) Carry out objectives that ARE NOT ongoing and ARE under MARAD's purview
- 2) Many objectives under MARAD's purview are being carried out
- 3) Ensure objectives carried out are consistent with current administration priorities
- 4) Coordinate with CMTS to gather input
- 5) Coordinate with industry to carry out objectives

He also reviewed several ongoing efforts to accomplish the four goals, including

- 1) Recapitalizing the RRF and developing and expanding marine highway options (Goal #1)
- 2) Attracting and equipping mariners and other maritime workers with skills needed to support the Nation's seafaring and economic needs (Goal #2)
- 3) Leveraging America's Marine Highways Program to reduce landside congestion further and increase port efficiency (Goal #3)
- 4) Working with government and industry stakeholders to facilitate innovations that improve the safety, security, and resilience of the MTS (Goal #4)

Mr. McDonald then opened the floor to questions. Mr. Wellner noted that many themes in Mr. McDonald's presentation are the same as those in 2016. One member asked if there is a National Maritime Strategy, to which Mr. McDonald responded that there is an outline for one, which can be found on MARAD's website. We need to understand how all the parts work and are linked together. For example, the Jones Act is not just vessels but also includes the Strategic Petroleum Reserve and other landside investments. Korea is a good example of that. It recognizes that shipbuilding is an integral part of the industrial base and that ships, like autos, depend on steel and semiconductors.

Mr. Wellner said that since 27 Federal agencies have some authority over the Maritime Transportation System, this effort is even more difficult. This is part of the reason that we are still addressing some of the same issues since 2014, which was when investigation and consideration of a new National Maritime Strategy last commenced. Mr. McDonald added that all sides must come to a consensus and collectively decide what is important. Perhaps MTSNAC can develop three to five objectives that MARAD and the industry can agree upon.

One member asked about the status of previous MTSNAC recommendations. Mr. Flumignan responded that MARAD has a list of recommendations for a crosswalk. However, it is important to remember that political considerations may prevent some recommendations from moving forward. It may take several years for some recommendations to be acted on. One recommendation that a multi-modal freight office is established in the USDOT Secretary's office was one of MTSNAC's recommendations. This is finally to come about after many years. One member articulated MTSNAC's wish for MARAD to develop a National Maritime Strategy, to which Mr. McDonald responded that MARAD needs industry consensus for this to happen. In addition, such a strategy is much bigger than just MARAD and would involve other agencies.

Mr. Wellner observed that things have changed with the new administration and asked for some examples of those changes. Mr. McDonald said they include a multi-modal approach, negative impacts of climate, disparities in racial equity, Made in America initiative (onshoring), and zero vessel emissions. When asked if MARAD needed data elements from MTSNAC, Mr. McDonald responded that it was too early to tell and that only aggregate data would be helpful. He added that USDOT is working with industry partners on a new initiative – FLOW (Freight Logistics Optimization Works) – to develop a digital tool that gives companies information on the condition of a node or region in the supply chain so that goods can be moved more quickly and cheaply, ultimately bringing down costs for families. There are now 36 participants that are a part of FLOW.

Mr. McDonald also commented that Transport Canada (the equivalent of USDOT), is composed of mostly career government professionals. This has allowed Transport Canada to develop and implement a 10 -year maritime strategy plan. However, the U.S. political system does not easily lend itself to such long-term planning and development. Mr. Wellner thanked Mr. McDonald for his presentation and introduced Mr. Bill Paape, MARAD Associate Administrator for Ports and Waterways.

Item 3 – Briefing on the Office of Ports & Waterways

Mr. Bill Paape, the Associate Administrator for Ports and Waterways, began his presentation (Appendix C) by introducing his staff members who were in attendance. He also encouraged the group to consider his office as a resource and support for MTSNAC.

He provided an overview of the Office of Ports & Waterways, including its leadership, mission/vision, and organizational chart, and announced that Ms. Tretha Chromey is the office's newly appointed Deputy Associate Administrator for the Office of Ports & Waterways. There are 66 positions in the office, in addition to 10 contractor support positions. Within the Office of Ports & Waterways, there are five main office divisions:

- 1) Port Infrastructure Development
- 2) Ports and Waterways Planning
- 3) Deepwater Port Licensing and Port Conveyance
- 4) Federal Assistance Education & Engagement, and
- 5) Maritime and Intermodal Outreach (which has direct responsibility for MTSNAC)

In addition to these five headquarter offices, there are 10 regional or Gateway offices under the direct supervision of the Maritime and Intermodal Outreach office, headed by Mr. Jeff Flumignan. These 10 regional offices are in New York, Washington, D.C., Jacksonville, FL, New Orleans, Houston, Paducah, St. Louis, Chicago, Los Angeles, and Seattle.

The mission of the Office of Ports & Waterways is to improve the Maritime Transportation System, including ports, connectors, and Marine Highways, through investment, integration, and innovation to meet the current and future needs of the Nation. The vision is to create a capable, connected system – water, road, and rail – to benefit every American.

The critical tasks of the office are port infrastructure and maritime and intermodal outreach, and its mission essential tasks include:

- 1) The Deepwater Port (DWP) Licensing Program
- 2) The Port Conveyance Program
- 3) Port Infrastructure Development Program (PIDP)
- 4) America's Marine Highway Program (AMHP)
- 5) Federal Assistance Education & Engagement
- 6) Maritime Transportation System National Advisory Committee (MTSNAC)

Mr. Paape pointed out that the Office of Ports & Waterways is responsible for monitoring discretionary grant awards and selected projects that benefit local ports and waterways throughout the nation. One of the newer programs is the Port Infrastructure Development Program (PIDP), established in Fiscal Year 2019. The program works to improve the safety, efficiency, or reliability of the movement of goods through ports and intermodal connections to ports. To date, 58 grants have been awarded totaling more than \$713 million for projects in 25 States and two Territories.

At the end of his presentation, Mr. Paape opened the floor to questions. Mr. Wellner asked if there was any focus on offshore wind infrastructure. Mr. Paape said that there was no specific set-aside for that, but offshore wind projects could conceivably qualify under any grant program. There is currently a congressional initiative to address this issue. Mr. Wellner followed up by asking if MARAD is looking at offshore wind in a broad sense. The response was yes – several MARAD offices are working together on this. Mr. Wellner added that offshore developers had identified six areas of concern, including the Jones Act and Ports and Terminals, providing that MARAD and USDOT should actively participate in these conversations and possibly consider establishing an internal committee/group to actively engage in developments in this area.

Mr. Dillman of Gateway Terminals said that his terminal in New London, CT will soon handle the transportation and placement of offshore turbines and that MARAD needs to be involved. Mr. Libatique added that the recently enacted Infrastructure Law requires new elements, including system resilience, for USDOT to include in the National Freight Plan, to which Mr. Paape responded that the increased public awareness of the supply chain would undoubtedly help this effort. He pointed out that Mr. John Porcari, the former Port and Supply Chain Envoy, is an excellent example of how the department can reach out and work with industry on supply chain issues. He added that the MARAD Gateway offices have supported the work of the Port and

Supply Chain Envoy office. Mr. Wellner thanked Mr. Paape for his informative presentation and introduced the Maritime Administrator, RADM Ann C. Phillips USN (ret), who assumed her position on May 16, 2022.

Item 4 – Welcome and Comments from the Maritime Administrator

Administrator Phillips, welcomed everyone and said she was very honored to kick off this meeting of MTSNAC. She reminded everyone that MTSNAC is the only Federal Advisory Committee within USDOT focused on strengthening the maritime transportation system and ensuring it is seamlessly integrated into a multi-modal freight movement network. She thanked the members for their willingness to be part of this Committee which has not met in person for several years. The time is right to highlight the critical role that the supply chain and the maritime industry play in the Nation's transportation system.

She noted that MTSNAC would be discussing its two-year work plan during the next two days, during which time the group may want to make some changes. She then took a few minutes to highlight some of the programs and accomplishments that make a real difference in the Nation's transportation system. MARAD has been helping to facilitate investments in its ports and waterways, especially during the recent increase in consumer demand as the economy recovers from the pandemic. She singled out labor for the monumental contributions it has made over the last two years.

The Bipartisan Infrastructure Law provides more than \$17 billion in port infrastructure and waterways to address needed repairs and maintenance backlogs. Ports are now eligible for funding under several USDOT grant programs, such as RAISE (Rebuilding American Infrastructure with Sustainability and Equity) and INFRA (Infrastructure for Rebuilding America). Recently the RAISE program awarded more than \$2.2 billion to urban and rural communities. At least a dozen of these projects are port related. The PIDP program, which MARAD administers, will add \$450 million to port-related projects. Awards for this grant program should be made in early fall. America's Marine Highway Program received additional funding from the Bipartisan Infrastructure Law. The recently enacted Inflation Reduction Act includes billions of additional dollars administered by the EPA to help fund the installation of alternative-fueled cargo-handling equipment and systems to support port electrification.

USDOT has launched a new initiative called Freight Logistics Optimization Works, or FLOW. It is a pilot effort to develop a digital tool that gives companies information on the condition of a node or region in the supply chain so that goods can be moved more quickly and cheaply, ultimately bringing down costs for families. There are more than 30 participants in FLOW, which should grow in the coming months. Another critical issue is maritime workforce shortages and the provision of support for mariner training. In addition, MARAD maintains the RRF. Last year it recognized the first-ever Centers of Excellence consisting of community and technical colleges and maritime training centers, and it plans future engagement with the K-12 community to help build the next generation of a diverse and inclusive maritime workforce. Stress among the mariner workforce has taken a stark toll, and MARAD supported a 2021 University of Washington study that found that approximately one-fifth of mariners were at risk for major depressive disorder. MARAD is working to provide access to information about support systems on which mariners can draw when they need assistance.

Another issue facing the maritime industry is bullying, sexual harassment, and sexual assault. Last year MARAD paused its Sea Year training at the Merchant Marine Academy. This was done to strengthen both the measures required of the vessel operators carrying cadets and also MARAD's institutional policies, procedures, and training instructions to improve safety and support a culture of respect. In response to a request from Congress, MARAD developed a program called EMBARC (Every Mariner Builds a Respectful Culture). The program enumerates policies to help prevent sexual assault and sexual harassment, support survivors, and support a culture of accountability. Vessel carriers must adopt these policies before cadets can embark on their vessels. The goal of these policies is to strengthen cadet safety and the safety of every mariner.

In conclusion, Admiral Phillips, asked MTSNAC to take every opportunity to learn more about the initiatives that MARAD already has underway in all these areas. Mr. Wellner then asked the Administrator if she had a specific set of goals that she could share with MTSNAC. Admiral Phillips, listed the following:

- 1) Supply chain issues
- 2) Mariner workforce issues, including a better understanding of why many left as well as developing a new cadre of workers
- 3) Building the U.S.-Flag fleet. MARAD will address cargo preference at an upcoming congressional hearing
- 4) Rebuilding the RRF
- 5) Responding to port challenges
- 6) Shipping Reform Act (with FMC) to add additional capacity
- 7) Tanker Security Program (TSP)

Ms. Eriksson asked for MARAD's help addressing the shortage of entry-level positions on vessels. Another member asked if MARAD would like MTSNAC input on the RRF and the answer was yes. Ms. Beagen asked if there was any ongoing dialogue with MARAD's U.K. or Canadian counterparts on any of these issues, and the response was yes. One member asked if MTSNAC should consider Offshore wind as a focus area, and the response was Yes. Mr. Wellner thanked Admiral Phillips for taking the time to address the group.

Item 5 – Public Comments

Mr. Dorsey advised the group that no public comments were received for today and turned the floor over to Mr. Wellner.

Item 6 – Break for Lunch

Mr. Wellner announced that the lunch would be a working lunch so that all the new members could introduce themselves, better get to know each other and introduce key areas of focus and concern they would like to address during this current MTSNAC. The group then broke for lunch at 11:55 am.

Item 7 – Briefing on Strategic Sealift

Mr. Kevin Tokarski, Associate Administrator, Office of Strategic Sealift, was introduced and provided the group with an update on strategic sealift and the role played by MARAD (Appendix D). Mr. Tokarski emphasized that strategic sealift focuses on the readiness of the vessels that MARAD maintains for the U.S. Navy in the event of a national emergency. Strategic Sealift is both a government as well as a private effort. As a result, the U.S. has more sealift than any other nation. 90% of the U.S. Department of Defense (DOD) equipment moves via sealift. MARAD maintains a fleet of vessels in readiness condition so they can be activated within four to five days after receiving an order from DOD. The National Defense Fund provides \$350-750 million to maintain these vessels in a readiness status.

The National Defense Reserve Fleet (NDRF) was established by the Merchant Ship Sales Act of 1946 and consists of a reserve of merchant ships at various locations for national defense and emergencies. The NDRF has approximately 90 vessels, including 51 active vessels, with 41 ships in the RRF program. The Ready Reserve Fleet (RRF) is a subset of the NDRF, established in 1976 at the Navy's request. It serves as ready surge sealift components and supports rapid, worldwide deployment of U.S. military equipment. There are currently 41 RRF ships (the average age of the fleet is 46 years of age) that are maintained in Reduced Operating Status (ROS); ready in 5-days (ROS-5). These ships are operated under contracts by seven commercial U.S. Ship Manager (SM) companies, and the fleet is expected to grow in Fiscal Years 2022/2023 as seven MSC (Military Sealift Command) sealift ships enter NDRF and the RRF program, and four used-buy acquisition starts. The NDRF ships are based on the East coast (James River, VA), Gulf Coast (Beaumont, TX), and West Coast (Suisun Bay, CA). During the Korean War, 540 NDRF vessels were activated, and 172 were in the Vietnam War.

The U.S. Navy supplies the funding for the RRF. Approximately 38% of MARAD's workforce is directly involved in National Security. MARAD administers a ship management contract with seven operating firms. This contract is the single largest contract within USDOT. The RRF ships are in 15 ports throughout the U.S. 35 of these 41 vessels are Ro/Ros (Roll on/roll off). These ships also provide disaster relief capability to other Federal agencies such as FEMA.

The Sealift Recapitalization strategy is currently in its early stages and has a three-phased approach:

- 1) Existing vessels service life extensions
- 2) Acquiring used vessels
- 3) New construction of vessels

The U.S. Navy has bought two used vessels, possibly two more soon. In addition to maintaining the RRF, MARAD is responsible for the Ship Disposal Program, which disposes of Federally owned merchant vessels of more than 1500 gross tons. Some of the challenges facing the RRF include increased M & R costs and regulatory scrutiny, including Emission Control Areas (ECA). MARAD is looking to the industry to support recapitalization options.

Mr. Tokarski then briefed the group on the MSP (Maritime Security Program), which consists of 60 privately-owned U.S.-Flag vessels (18 Ro/Ros and 84 containerships). These vessels cannot be older than 25 years and must then be replaced with vessels no older than 15 years. The annual stipend paid to the vessel owners increases each year. However, funds for this stipend must be appropriated every year by Congress.

The Cable Security Fleet (CSF) was established in 2021 and currently consists of two vessels capable of laying underwater cables. Another program that supports national security is the Tanker Security Program (TSP). Two tanker vessels currently in MSP will be transferred to the TSP, and eight more vessels will be added, for a total of 10.

Another challenge for strategic sealift is the U.S. mariner shortfall. If all RRF vessels were to be activated at once, there would not be enough mariners to fill all required billets. MARAD is working with the state maritime academies, secondary educational schools, and shipboard labor unions to find a possible solution to this serious problem.

Finally, MARAD oversees the NSMV (National Security Multi-Mission Vessel) program. Congress has authorized up to five vessels to be built for use as training ships at the U.S. Merchant Marine Academy as well as several state maritime academies. MARAD used an innovative approach with a commercial model and a Vessel Construction Manager (VCM), TOTE. The vessels will have diesel-electric propulsion and a top speed of 18 knots. They will also have the capacity to house 1,000 persons supporting humanitarian missions. They will have a cargo crane for loading/unloading containers and Ro/Ro space. The first ship is expected to be launched in September at the Philly Shipyard in Philadelphia.

Mr. Tokarski then opened the floor to questions. Mr. Wetherald asked if the MSC surge fleet was being transferred to MARAD and Mr. Tokarski replied yes. Ms. Eriksson asked if the ships were STCW compliant. Mr. Tokarski responded that they had a ratio of two full crews per vessel. Mr. Wellner asked if there is an overall budget for RRF recapitalization. Mr. Tokarski replied that there is funding for the first seven ships (approximately \$370 million) but no funding yet for new ships. Mr. Wellner then asked, as other maritime areas have been designated as national security elements (MSP, TSP, CSO), has any consideration been giving to designating offshore wind fleets as a national security requirement. Mr. Tokarski said that nothing had been decided on that yet. Mr. Wellner then thanked Mr. Tokarski for his presentation.

Item 8 – Chair Guidance and Breakout Session – Breakout Rooms

Mr. Wellner directed the members to review the subcommittee rosters to go to the proper rooms for the breakout sessions. He also encouraged them to speak out during these subcommittee sessions to maximize the value of these sessions. The Starboard and Ports subcommittee members went to their respective rooms to begin their sessions.

Item 9 – Reconvene & Update Report to Chair by Sub-Committee Chairs

The members reconvened to present the results of their two subcommittees. The first report was presented by the Ports Subcommittee co-chair, Mr. Brian Jones. The subcommittee agreed that supply chain resiliency was a primary focus. Additionally, the subcommittee identified several priorities and action items:

- 1) Request for an expert to brief the subcommittee on FLOW
- 2) Explore enhancements for U.S. agricultural exports
- 3) Dynamic capacity modeling
- 4) Supply chain digitalization

The report from the Starboard Subcommittee was made by its co-chair, Mr. Wetherald. The subcommittee identified a list of high-end tasks and a priority list within each one:

- 1) How to strengthen U.S. Maritime capabilities essential to national security and economic prosperity
 - a. RRF recapitalization
 - b. Increase the size of the U.S.-Flag fleet
- 2) Ways to ensure the availability of a U.S. maritime workforce that will support the sealift resource needs of the National Security Strategy
 - a. Offshore wind and its shipbuilding and Jones Act implications.
 - b. Suggest a crosswalk with the Ports Subcommittee on this
- 3) Ways to enable maritime industry innovation in information, automation, safety, environmental impact, and other areas
 - a. Decarbonization and impact of IMO regulations on Jones Act fleet
 - b. Role of MARAD and USDOT
 - c. Suggest a crosswalk with the Ports Subcommittee on this

Mr. Jones, the co-chair of the Ports Subcommittee, said that the subcommittee could consider offshore wind and its implications. There was general agreement that offshore wind was an important segment that both subcommittees should explore. Mr. Flumignan added that the Subcommittee chairs could meet with MTSNAC to refine the problem statements in October. Ms. Andres advised the group that there are already several inland onshore wind farms, some of which are approaching the end of their useful lives and will need replacement. It was pointed out that there are also many opportunities for offshore wind farms in the U.S. Great Lakes. Mr. Libatique asked if there was a direct connection between offshore wind and shipping/supply chain decarbonization, to which Mr. Jones responded that offshore wind farm operators focus on low carbon input/output. One member asked if excess energy from wind farm production could be used to create hydrogen, to which Mr. Wellner replied that Europe is already doing that and is far ahead of the U.S.

Item 10 – Closing Remarks and Adjournment

Mr. Wellner thanked the subcommittee presenters and reminded the group that it was important to pick the right recommendations as the subcommittees moved forward. Mr. Libatique expressed his satisfaction that the Committee's work is now finally commencing. Mr. Wellner then adjourned the meeting at 4:00 pm EDT.

Minutes of Maritime Transportation System
National Advisory Committee Public Meeting
August 31, 2022
9:30 am–2:00 pm EDT

Call to Order & Roll Call

Mr. Chad Dorsey, Designated Federal Officer with MARAD, called the meeting to order at 9:30 am EDT and took the roll call.

Members Present

Federal Government Employees:

Russell Adise –U.S. Department of Commerce
Michael Moltzen – U.S. Environmental Protection Agency
Shelley Sugarman – U.S. Coast Guard
Brian Tetreault – U.S. Army Corps of Engineers (nominated)

Special Government Employees:

Erik Stromberg– University of Memphis

Representative Members:

Aimee Andres – Inland Rivers, Ports and Terminals, Inc.
Cheryl Ball – Missouri Department of Transportation (virtual)
David Cicalese – International Longshoremen's Association (virtual)
Brian Clark – North Carolina Ports Authority
Mario Cordero – Port of Long Beach (virtual)
James Dillman – Gateway Terminal
Berit Eriksson – Sailors' Union of the Pacific
Roger Guenther – Port Houston
Craig Johnson – Maine Maritime Academy (virtual)
Brian Jones – Nucor Corporation
David Libatique – Port of Los Angeles (Vice-Chair)
Jack Sullivan – Matson Navigation, Inc
Adam Tindall-Schlicht – Port of Milwaukee
Penny Traina – Columbiana County Port Authority
Robert Wellner – Liberty Global Logistics, LLC (Chair)

Tom Wetherald – Global Dynamics – NASSCO (retired)

Members Absent

Stephen Spoljaric – Bechtel
Lauren Beagen – Roger Williams University

MARAD / USDOT Members Present

Bill Paape – Associate Administrator for the Office of Ports and Waterways, MARAD
Chad Dorsey – DFO and Director, Inland Waterways 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
Branden Villalona – Alternate DFO and Director, South Atlantic Gateway Office (Jacksonville, FL) MARAD
Travis Black – Director, Inland Waterways Gateway Office (St. Louis), MARAD
Fred Jones – Office of Ports and Waterways Planning, MARAD
Peter Simons – Office of Port Infrastructure Development, MARAD

Public Members Present

Jim Kearns – Jones Walker
Joe Gasperov – International Longshore and Warehouse Union (virtual)
Tom Ewing – Maritime Writer (virtual)

Item 11: Welcome & Opening Statements

Mr. Wellner welcomed back the members and reminded them that although everyone comes to the Committee with an individual focus, MTSNAC's role is the betterment of the maritime industry overall. The membership should rely on their experience and expertise to develop a valuable list of recommendations. He expressed his hope that there will be more time in the Sub-Committee sessions for members to speak up. Mr. Flumignan asked the members to think of suitable time frames for meetings next year. Mr. Wellner then advised the group that he, Mr. Libatique, Mr. Flumignan, and Mr. Paape would be meeting with the Maritime Administrator later this morning to discuss various areas of interest mentioned or discussed by MTSNAC members from yesterday's sessions. He also mentioned that some members have inquired about changing subcommittees and that this is under consideration.

Mr. Flumignan then said that at the next meeting, there would be a crosswalk of previous key MTSNAC recommendations and the results. He emphasized that some recommendations took up to a decade before USDOT took action. Mr. Wetherald asked if a repository of MTSNAC documents could be set up again for the benefit of the new members. Mr. Dorsey replied that this

could be done. He added that the format for virtual subcommittee meetings going forward would be Microsoft Teams and that MARAD will assist each subcommittee in setting this up. Mr. Adise asked if internal USDOT statistics could be available to other Federal agency participants. Mr. Dorsey replied that MARAD would work to ensure access to this information.

Mr. Libatique added that past MTSNAC recommendations might provide a sense of continuity and the way forward, but that should not prevent full member participation in the breakout sessions. Ms. Andres said that there seems to be some tension between past recommendations and current questions and recommendations. Mr. Libatique emphasized that the group needs to address current issues. Some uncertainty is natural.

Item 12 – Re-focus of Subcommittees/Motion for By-Laws

Mr. Wellner asked the members to review the draft committee by-laws in their binders and be prepared to vote on them later in the day.

Item 13 – Breakout Session – Breakout Rooms

Mr. Wellner then asked the members to meet in their respective Sub-Committee breakout rooms to continue to prioritize issue areas and desired outcomes.

Item 14 – Reconvene and Update to Chairman

Mr. Wellner suggested that the Sub-Committee reports be moved to the afternoon session and asked if there were any Public Comments.

Item 15 – Public Comments

Mr. Dorsey said that there was one public comment speaker, Mr. Tom Ewing, who would make his comments virtually. (Appendix E)

Mr. Ewing addressed the Committee from Cincinnati. He urged MTSNAC to look at the report of the Brim lithium battery vessel fire, a report prepared by the Norwegian Safety Investigation Authority (NSIA), publicly released on July 15 of this year. There is a broad concern that not only mariners but families and vacationers, commuters, tourists, and people on a day-fishing trip will soon be boarding lithium battery-powered vessels. The report states that a commonly used fire suppressant, Novec, had little effect on the development of the fire aboard the Brim. Another agency, the Norwegian Maritime Authority (NIMA), has stated that no suppression system is available that would be capable of extinguishing a lithium-ion fire. Mr. Ewing asked that MTSNAC:

- 1) Review the Brim report or make a formal motion that a federal agency should undertake such a review
- 2) That the review should highlight which issues within the report are pertinent and of most relevance within the U.S. and whether those issues are being addressed appropriately to offset lithium battery risks, and

- 3) If the review finds no issues within the Brim report about the use of lithium batteries in U.S. maritime vessels, then a conclusion of low or minimal risk should be documented and published within six months.

Mr. Ewing then asked if there were any questions. Mr. Adise of the U.S. Department of Commerce stated that the aviation industry has similar concerns with lithium batteries. Are there any lessons learned to be applied? Mr. Ewing replied that the report did not discuss this issue. Mr. Wellner then thanked Mr. Ewing for his comments and advised that his requests would be forwarded to the appropriate parties for future consideration as may be applicable.

Mr. Wellner gave the group a synopsis of his meeting with the Maritime Administrator. He relayed the following feedback that the Committee had provided yesterday to the Administrator:

- 1) Desire to engage with other federal advisory committees and agencies, especially on supply chain issues
- 2) The structure and makeup of MTSNAC – are there enough members, and does it have the right mix? The Administrator said that there could be additions to the subcommittee memberships
- 3) Need for greater awareness of the maritime industry and its value to the national defense and its economic benefit. How best to integrate it into the workplan? The Ports Subcommittee has requested that Dr. Shashi Kumar, Deputy Associate Administrator and National Coordinator for Maritime Education and Training at MARAD, address the group on this.
- 4) What is the relevance of MTSNAC?

Mr. Flumignan reminded the group that MTSNAC is a policy committee, and as such, it takes time for recommendations to gain traction within the government. Congress recently amended the Committee's statutory language and broadened its authority. It also increased the number of federal members to five from one in the previous MTSNAC. Mr. Flumignan said he would provide the group with recommendations from the last three MTSNAC committees.

Mr. Wellner then shared the Administrator's top priorities with the members:

- 1) Workforce development – a collaborative effort between the Ports and Starboard Sub-Committees
- 2) Decarbonization – Starboard Sub-Committee
- 3) Growing the U.S.-Flag fleet – Starboard Sub-Committee
- 4) RRF expansion
- 5) Offshore wind development.

He added that flexibility is crucial, and MTSNAC should keep the five focus areas in mind as they pursue their workplan. Supply chain issues have been moved down the priority list since several other agencies are also addressing them. Mr. Jones stated that the Ports Subcommittee plans to address supply chain digitalization in its September meeting. Mr. Wellner reminded the group not to forget the use of subject matter experts (SMEs) when doing their work. In addition, he urged them to consider other commodities, besides just containers and to keep in mind the

inland waterways. Finally, he advised the Committee that any recommendations must be actionable by USDOT to be useful. Mr. Wetherald asked if the Ports Sub-Committee could invite outside members to join them, to which Mr. Wellner responded not yet as overall changes and additions are being considered for each Sub-Committee.

Item 16 – Break for Lunch

Mr. Wellner reminded the group that since everyone was on their own for lunch, please be sure they return for a 1:15 pm start.

Item 17 – Reconvene & Update Reports from Sub-Committee Chairs

Before the subcommittees presented their updates, Mr. Wellner asked the committee members to review and vote to adopt the draft committee by-laws. A motion was made, seconded, and the by-laws were adopted (Appendix F).

Starboard Sub-Committee Presentation

After the adoption of the by-laws, Mr. Wetherald, co-chair, presented the recommendations of the Starboard Sub-Committee. He began by saying that the recommendations are organized by timeline and not necessarily by priority. Below is an outline of his presentation and the recommendations of the Starboard Sub-Committee.

Starboard Sub-Committee tasks from Workplan

- 1) How to strengthen U.S. Maritime capabilities essential to national security and economic prosperity
- 2) Ways to ensure the availability of a U.S. maritime workforce that will support the sealift resource needs of the National Security Strategy
- 3) Ways to enable maritime industry innovation in information, automation, safety, environmental impact, and other areas

Based on MARAD's timelines, the following are the main Priority Recommendations:

Priority I - Growing the Size of the U.S.- Flag fleet

Priority II – Retaining and Attracting Talent

- Selective Service and Mariners

Priority III - Removing Impediments to Marine Highway Services

Review of Maritime Administrator's Priorities

1. Supply Chain challenges
2. Workforce development
3. Grow the U.S.- Flag fleet, including RRF capacity
4. Port capacity challenges
5. Decarbonization

He provided some guidance to the group as they began their work:

- 1) The Sub-Committee should discuss focus areas
- 2) Plan for three delivery periods over the next two years
- 3) Remain open to modifications for requests for recommendations
- 4) The New MTSNAC charter will probably be broader in tasking

The group then discussed some focus areas, the first being workforce development, which includes ships and the entire industry (Priority II). The suggestion was made to do a crosswalk with the Ports Subcommittee. Another focus area is decarbonization. The new IMO regulations in 2023 will apply to existing and new ships. How can vessel operators comply in the short term? Slower speeds. This IMO requirement could cause a shortfall in the Jones Act tanker fleet. Although most operators are looking at the use of alternative fuels, most such fuels emit carbon and won't meet the IMO requirements. One member asked if the U.S. must always follow IMO regulations. Mr. Wetherald responded that the current administration is interested in reviewing this issue. Another focus area is offshore wind projects. This will undoubtedly affect the shipbuilding industry and Jones Act workers. This is another opportunity for a crosswalk with the Ports Subcommittee, especially regarding wind construction facilities and port land use. The last focus concerns the U.S.-Flag fleet and how best to increase the number of vessels under the U.S. Flag and recapitalize the RRF.

Second Breakout Session
August 31, 2022

Mr. Wetherald, the co-chair, briefly reviewed the notes from yesterday's session and began to flesh out the outline of the Sub-Committee's recommendations, objective by objective.

1. Objective: How to strengthen U.S. Maritime capabilities essential to national security and economic prosperity
 - 1) Priority and specific topic: (Priority I) RRF recapitalization. Make recommendations to the Secretary of Transportation on:
 - The use of the VCM concept to build auxiliary and sealift ships. This report might best be presented as a pros and cons discussion of the various methods of sealift ship acquisition.
 - How could the maritime industry be incentivized to better support military utility in commercial design to support non-combatant military requirements?
 - How existing or new commercially viable production lines are to recapitalize to build required sealift vessels.
 - Ways to enable maritime industry innovation in information, automation, safety, environmental impact, and other areas.

- Make recommendations on how MARAD might execute the design and construction program that the 2023 NDAA may require

Mr. Sullivan suggested exploring providing indemnity to RRF ship management contracts. Mr. Eriksson asked about operating requirements, and Mr. Sullivan suggested that the NSMV (training vessel) have a permanent crew. Ms. Sugarman asked if these ships could be used with offshore wind farms when not in call-up mode. Mr. Wetherald said probably not, but two vessels that are going from MSC into the NDRF perhaps could. One member asked if the U.S. Navy could lease RRF vessels for commercial use. Mr. Wetherald commented that this is an outside-the-box question but one that is probably beyond the scope of this subcommittee.

2. Objective: Ways to enable maritime industry innovation in information, automation, safety, environmental impact, and other areas

2) Priority and topic: (Priority I) Decarbonization. Make recommendations on:

- Why DOT/MARAD should be involved in this issue
- The impact of future IMO regulations on the Jones Act fleet
 - Contiguous service
 - Non-contiguous service
- Mitigating technologies and timelines
- Impact of cold ironing
- Policies to effectively manage EEXI and CII regulations without disrupting Jones Act services
- Question of a crosswalk with Ports on cold ironing
- Request EPA member of MTSNAC be added to Starboard Subcommittee

It was pointed out that effective January 1, 2023, IMO regulations for EEXI and CII will go into force. Initially, they will mainly affect Jones Act ships which in turn could make it challenging to maintain their strict sailing schedules.

3. Objective: Maritime capabilities, workforce, and innovation.

3) Priority and topic: (Priority II) Offshore wind. Make recommendations on:

- Jones Act implications (need govt and commercial SME)
- Promotion of associated industrial base
- Support of Jones Act and specialized workforce
- How MARAD should organize to support this industry
- Question of a crosswalk with Ports on wind construction facilities with a discussion of port land use

One member suggested that an SME brief the subcommittee on Jones Act issues so that they can better understand the effects this has on the industry. Another member said that MARAD

should have an internal offshore wind committee.

4. Objective: How to strengthen U.S. Maritime capabilities essential to national security and economic prosperity
 - 4) Priority and topic: (Priority III) US Flag Fleet. Make recommendations on how to increase the number under the US flag:
 - The focus is on large ocean-going ships
 - Jones Act service
 - International service

5. Objective: Ways to ensure the availability of a U.S. maritime workforce that will support the sealift resource needs of the National Security Strategy
 - 5) Priority and topic: (Priority III) Workforce development for ships, industry. Make recommendations on:
 - Retaining and Attracting Talent
 1. Increasing the number of spots for trainees at sea to meet STCW requirements
 2. Opportunities presented by MARAD takeover of the care and feeding of all sealift assets
 3. Crew spots on foreign ships that operate from US ports
 - Selective Service and Mariners
 - Industrial base workforce
 - Question of a crosswalk with port workforces

To support this objective and better inform the members about the impact that STCW has on vessel manning requirements as well as marine training, Ms. Eriksson volunteered to write a summary page about this issue.

Mr. Wellner suggested that the group define the U.S.-Flag fleet better, keeping in mind that it is more than just deep-sea vessels. A good definition must include inland shipping and coastwise vessels as well. The group should also use the term vessel vs. ship to include inland and other type of marine assets and vessels.

Meetings of the Starboard Subcommittee will be held on the first Wednesday of every month, starting in October, at 10:00 am Pacific Time. Mr. Wetherald then opened the floor to questions. Ms. Andres asked if the subcommittee was planning to do a crosswalk with Marine Highways, to which Mr. Wetherald replied that it decided not to since previous MTSNACs have covered that well. Mr. Wellner suggested that there would be investigation into previous MH recommendations and that possible additional consideration may be given to address Marine Highways. Mr. Stromberg asked if the subcommittee had explored energy sources on vessels, to which Mr. Wetherald replied that it had.

Port Sub-Committee Presentation

Mr. Jones, the co-chair, provided the Port Sub-Committee briefing. The Sub-Committee focused on three problem statements:

- 1) Supply chain resiliency. The Sub-Committee may shelve this for the time being but will proceed with a presentation on FLOW in September.
- 2) Dynamic capacity modeling. There are various data sources, and Mr. Paape offered to help coordinate this effort with Ms. Andres.
- 3) Export Enhancements for agricultural goods. The Ocean Shipping Reform Act of 2022 (OSRA) was recently enacted, and the subcommittee would like to wait and let OSRA get up to speed before delving into this effort. Meanwhile, the subcommittee will address the following issues:
 - a. Expansion of the problem statement beyond agricultural products and identify them.
 - b. Look at other than container shipments, e.g., bulk commodities and the impending shortage of inland barges. There has recently been a 15% reduction in inland barge fleet capacity. Also, explore how to expand the small shipyard grant program.
 - c. Workforce development needs to be added to the Sub-Committee's problem statements. This should include not just outside the gate but also inside the gate. The Sub-Committee plans to bring in SMEs to assist in this effort since other agencies are also looking at this issue. Also, diversity, equity, and inclusion in the workforce environment should be reviewed.
 - d. Mitigation of emissions in ports and assistance to communities near ports. Mr. Moltzen will address EPA programs to the subcommittee in October.

The Sub-Committee has agreed to meet once a month - the exact day and time to be decided. Mr. Jones then opened the floor to questions. Mr. Dillman asked if the Sub-Committee's review would include rail. He said there is a lack of export elevators (only one has been built in the last 10 years). Mr. Jones replied that the Sub-Committee did not discuss rail but would investigate export facilities. Another member asked if the Sub-Committee considers the linkage between supply chain resiliency and workforce development. Mr. Jones responded that yes, it had and will continue to look at this in the future. One question concerned whether the Sub-Committee had looked at offshore wind production, to which Mr. Jones replied that this would be added to the Sub-Committee's work plan later. Mr. Wellner suggested that workforce management be added to the Sub-Committee's workplan.

Item 18- Meeting Schedule and Planning Discussion

Mr. Dorsey announced that the next full committee meeting would be held on November 29-30, 2022, at USDOT Headquarters. More details will follow. The tentative meeting schedule for 2023 includes March, June, and September. In the meantime, he encouraged the Sub-Committee

co-chairs to work closely with the MARAD liaisons to plan and coordinate future Sub-Committee meetings.


Item 19 – Closing Remarks and Way Forward

Mr. Paape thanked everyone for attending this first full committee meeting in three years. He pointed out that there are currently five committee vacancies, with two of them for the U.S. Army Corps of Engineers and U.S. Customs and Border Protection. He hopes that there will be a full committee by the November meeting. The current MTSNAC charter expires later in September of this year. The charter renewal process is in process. He urged all members to do their best to attend all the committee meetings and use the MARAD liaison staff as needed. He also shared a slide from the last MTSNAC, which illustrated the impact of their recommendations against the political will to carry these recommendations forward. Mr. Wellner asked for MARAD to provide a format for committee recommendations. Mr. Flumignan responded that MARAD has a standard template and will provide it soon. Mr. Libatique stated how impressed he was with the products of both Sub-Committees and thanked everyone for their participation. Mr. Wetherald asked that an agenda item on how to construct Sub-Committee crosswalks be added for the November meeting.

Item 20 – Closing Remarks and Adjournment

Mr. Wellner encouraged everyone to participate in the work of the Sub-Committees. He urged members to continue to be creative, think outside the box, and always feel free to speak up. Ms. Eriksson suggested that additional members be added to the Committee to facilitate the discussion of workforce development issues, specific representatives from the metal trade unions. Mr. Wellner then adjourned the meeting at 2:07 pm EDT.

Certification and Approval


Robert Weller Chair

5 October, 2022
Date

Appendix A
Meeting Agenda

U.S. Maritime Transportation System National Advisory Committee

MEETING AGENDA

Tuesday, August 30, 2022

Microsoft Teams Meeting Link: [click here](#)

- 9:30 AM Call to Order & Roll Call**
Chad Dorsey, Designated Federal Officer
- Item 1 Welcome and comments from the MTSNAC Chairman**
Robert "Bob" Wellner, Chairman, Maritime Transportation System National Advisory Committee
- Item 2 Briefing on the Goals & Objectives for a Stronger Maritime Nation: A Report to Congress**
Douglas McDonald, Director, Office of Policy & Plans
- Item 3 Briefing on the Office of Ports & Waterways**
William (Bill) Paape, Associate Administrator for the Office of Ports & Waterway
- Item 4 Welcome and Comments from the Maritime Administrator**
Rear Admiral Ann C. Phillips (USN, Ret.), Maritime Administrator
- Item 5 Public Comments (if required)**
Chad Dorsey, Designated Federal Official
- Item 6 Break for Lunch**
- Item 7 Briefing on Strategic Sealift**
Kevin Tokarski, Associate Administrator, Office of Strategic Sealift
- Item 8 Chair Guidance and Breakout Session - Breakout Rooms**
Staff Liaisons to facilitate breakout session and prioritize Issue Areas and Desired Outcomes
- Item 9 Reconvene and brief update report to Chair by subcommittee Chairs**
Robert "Bob" Wellner, Chairman, Maritime Transportation System National Advisory Committee
- Item 10 Closing Remarks and Adjournment**
Robert "Bob" Wellner - Chairman, Maritime Transportation System National Advisory Committee

Wednesday, August 31, 2022

Microsoft Teams Meeting Link: [click here](#)

- 9:30 AM Call to Order & Roll Call**
Chad Dorsey, Designated Federal Official
- Item 11 Welcome & Opening Statements**
Robert "Bob" Wellner - Chairman, Maritime Transportation System National Advisory Committee
- Item 12 Re-focus of Subcommittees / Motion for By-Laws**
Robert "Bob" Wellner - Chairman, Maritime Transportation System National Advisory Committee
- Item13 Breakout Session - Breakout Rooms**
Staff liaisons to facilitate breakout session and prioritize Issue Areas and Desired Outcomes
- Item 14 Reconvene and Update to Chairman**
Robert "Bob" Wellner, Chairman, Maritime Transportation System National Advisory Committee
- Item 15 Public Comments (if required)**
Chad Dorsey, Designated Federal Official
- Item 16 Break for Lunch**
- Item 17 Reconvene and brief update reports from Subcommittee Chairs**
Robert "Bob" Wellner, Chairman, Maritime Transportation System National Advisory Committee
- Item 18 Meeting Schedule and Planning Discussion**
Chad Dorsey, Designated Federal Officer
- Item 19 Closing Remarks and Way Ahead**
William "Bill" Paape, Associate Administrator for Ports and Waterways
- Item 20 Closing Remarks and Adjournment**
Robert "Bob" Wellner, Chairman, Maritime Transportation System National Advisory Committee

Appendix B
Goals and Objectives for a
Stronger Maritime Nation

MTSNAC



Goals and Objectives for a Stronger Maritime Nation

August 2022



U.S. Department
of Transportation



Background

- Section 603 of the Howard Coble Coast Guard and Maritime Transportation Act of 2014 originally set a deadline for delivery to Congress of January 16, 2015
- The John S. McCain National Defense Authorization Act for Fiscal Year 2019 moved the deadline to February 2020



The Requirements

- Sec. 603 (b)
 - The strategy required under subsection (a) shall—
 - (1) identify—
 - (A) Federal regulations and policies that reduce the competitiveness of United States flag vessels in international transportation markets; and
 - (B) the impact of reduced cargo flow due to reductions in the number of members of the United States Armed Forces stationed or deployed outside of the United States; and



Requirements Continued

- 2) include recommendations to—
 - (A) make United States flag vessels more competitive in shipping routes between United States and foreign ports;
 - (B) increase the use of United States flag vessels to carry cargo imported to and exported from the United States;
 - (C) ensure compliance by Federal agencies with chapter 553 of title 46, United States Code;
 - (D) increase the use of third-party inspection and certification authorities to inspect and certify vessels;
 - (E) increase the use of short sea transportation routes, including routes designated under section 55601(c) of title 46, United States Code, to enhance intermodal freight movements; and
 - (F) enhance United States shipbuilding capability.



Strategy Development Timeline

- MARAD gathered input from its stakeholders on a continuous basis and held 2 symposiums in 2014 to receive input.
- MARAD also worked with industry through its Federal Advisory Committee, the Marine Transportation System National Advisory Committee. (MTSNAC)
- As a condition of release, OMB directed DOT to coordinate and finalize the document through the Committee on the Marine Transportation System(CMTS)
- The document was delivered to Congress on March 4, 2020



Goals and Objectives for a Stronger Maritime Nation: A Report to Congress

- Signed by the Secretary in March 2020
- Four goals and 39 objectives
 - Goal 1: Strengthen U.S. Maritime Capabilities Essential to National Security and Economic Prosperity
 - Goal 2: Ensure the Availability of a U.S. Maritime Workforce that Will Support the Sealift Resource Needs of the National Security Strategy
 - Goal 3: Support Enhancement of U.S. Port Infrastructure and Performance
 - Goal 4: Enable Maritime Industry Innovation in Information, Automation, Safety, Environmental Impact and Other Areas
- Completion of the strategy satisfied the requirements for the Consolidated Appropriations Act of 2014, the Coble Act, and the John McCain Act NDAA 2019



OMB Follow-up Requirement

- Within one year, the DOT, **through the Maritime Administration and in coordination with the CMTS** and other Federal agencies and entities, as appropriate, will:
 - Prioritize the 39 objectives for near, medium and long-term capability
 - Develop an implementation plan for the near-term objectives
 - Consider a timeline for addressing the medium and long-term objectives
 - Review and report on regulations that impact the competitiveness of the U.S. flag fleet
- The committal does not require MARAD to deliver the follow-up to anyone
- Work began to fulfill the commitment but was put on hold when the prior administration left in late 2020
- Priorities shifted significantly with the incoming administration and the full MARAD leadership team (both career and non-career) did not arrive until 2022



The Way Forward

- Carry out objectives that ARE NOT ongoing and ARE under MARAD's purview
- Many Objectives in the strategy under MARAD's purview are already being carried out
- Ensure objectives carried out are consistent with current Administration priorities
- Coordinate with CMTS to gather input on objectives external to MARAD
- Coordinate with industry through MTSNAC to carry out objectives



1. Strengthen U.S. Maritime Capabilities Essential to National Security and Economic Prosperity

1.1 - Leverage U.S. maritime policies to advance U.S. commercial interests in the global economy.

1.2 - Increase the use of U.S. flagged vessels in domestic energy transportation and international energy markets.

1.3 - Develop and expand marine highway service options and facilitate their further integration into the current U.S. surface transportation system through the America's Marine Highway Program, especially where water-based transport is the most efficient, effective and sustainable option

1.4 - Adapt organizational structures and related authorities, roles, and responsibilities to ensure the sustained ability to monitor the global performance of the US flagged fleet and the third-party organizations that perform delegated inspection and certification functions on the US Government's behalf

1.5 - Ensure effective use of third parties for inspection and certification by strengthening third-party oversight, auditing, and integrated risk management

1.6 - Address the challenges of the Arctic's rapidly-changing environment to ensure the safety and security of the US marine transportation system

1.7 - Recapitalize the Ready Reserve Force (RRF) with modern vessels as ships reach the end of their usable lives

1.8 - Improve the capability of US flag international trading vessels to better align with DOD and DOT sealift requirements through a combination of MSP funding, MCS chartering, enforcement of preference cargo requirements, regulatory reform and policy, and incentives to reduce vessel operating costs

1.9 - Examine new ways to support shipbuilding and repair facilities, and increase US coastwise trade for eligible US flag vessels

1.10 - Enhance the US shipyard base by fostering support for shipyard modernization and innovation, and promoting use of the Capital Construction Fund (CCF) and Construction Reserve Fund (CRF) programs.



2. 2. Workforce that Will Support the Sealift Resource Needs of the National Security

2.1- Attract and equip mariners and other maritime workers with skills needed to support the Nation's sealift and economic needs

2.2- Develop an accurate roster of sealift-qualified mariner volunteers

2.3- Foster innovation in maritime education and training

2.4- Designate the US Merchant Marine Academy (USMMA) as the National Center for Maritime Excellence

2.5- Update USMMA education curricula to address future innovation and emerging technologies

2.6- Increase the percentage of seagoing employment at appropriate levels of qualification for maritime academy graduates

2.7- Coordinate with the maritime industry and labor to emphasize "best practices" training standards against sexual harassment, assault and discrimination, and increase diversity in the maritime workforce

2.8- Recapitalize three State Maritime Academy (SMA) training ships by 2025 to provide safe and modern merchant marine training platforms

2.9- Support the training and education of unlicensed mariners (rating) using domestic Centers of Maritime Excellence

2.10- Incentivize the qualification of steam engineers to assure an adequate pool to support full RFF activation until full RRF recapitalization is achieved

2.11- Engage with community college, K-12 schools, and non-SMA training institutions to promote the development of future mariners and other skilled maritime workers

2.12- Work with interagency partners to improve credentialing processes for mariners, shipyard workers, port workers, and transitioning veterans.



3. Support Enhancement of U.S. Port Infrastructure and Performance

- 3.1- Leverage America's Marine Highways Program to further reduce landside congestion and increase port efficiency
- 3.2- Coordinate with port authorities, Metropolitan Planning Organizations (MPOs), State DOTs, and other stakeholders to significantly reduce national port congestion through improved planning and information
- 3.3- Incorporate more maritime data from other authoritative sources into DOT's multimodal data inventory
- 3.4- Facilitate US port access to funding and financial assistance to modernize and improve port infrastructure and increase intermodal efficiency, including measures to improve infrastructure resiliency to storm surge and other risks
- 3.5- Work with DOT interagency partners to enhance the safety of surface transportation intermodal connectors
- 3.6- Work with Stakeholders to improve and expand landside facilities at US port and intermodal connectors to ensure adequate accommodation of all sizes of dry bulk, tanker, LNG, and containerships
- 3.7- Work with stakeholders and Federal partners to address US ports' capability to accommodate changes in waterway and vessel characteristics, including the recapitalization of aging waterway facilities, aids to navigation and construction tenders, infrastructure such as locks and dams, and navigation services to maintain a safe and efficient system
- 3.8- Compile informed forecasts of long-term demand and technology trends to prepare adequate and resilient future port and landside capacity
- 3.9- Increase the effectiveness of the National Port Readiness Network
- 3.10- Develop a comprehensive plan for accommodating vessels using LNG as fuel, including LNG bunkering facilities in key domestic ports
- 3.11- Work with stakeholders to improve and expand wind energy shore side support
- 3.12- Work with stakeholders to leverage emerging future technologies to improve port efficiency



4. Enable Maritime Industry Innovation in Information, Automation, Safety, Environmental Impact and Other Areas

4.1- Work with government and industry stakeholders to facilitate innovations that improve the safety, security, and resilience of the MTS

4.2- Leverage existing Intelligent Transportation System (ITS) technologies, conduct research on innovation solutions, and work with industry and academia to develop new ITS applications to benefit the safety and efficiency of the maritime transportation/intermodal transportation environment

4.3- Work with government, industry, and labor partners to accelerate the adoption of productivity and safety-enhancing automation for vessel and port functions, while also meeting national needs for conventional technologies and preserving the existing maritime workforce

4.4- Promote research to reduce environmental impacts of maritime activities, including assistance to ports and vessel operators to comply with Federal regulations regarding invasive species, vessel emissions (including by using alternative fuels), and other marine impacts

4.5- Support the implementation of inshore and offshore fairways to prevent construction of obstacles and ensure free flow of commerce, in coordination with resource development proposals and other ocean management plans



Near Term Objectives

1.1 - Leverage U.S. maritime policies to advance U.S. commercial interests in the global economy. (Presidential EO's and BIL)

1.2 - Increase the use of U.S. flagged vessels in domestic energy transportation and international energy markets. (Made in America and Supply chain EO)

1.7 - Recapitalize the Ready Reserve Force (RRF) with modern vessels as ships reach the end of their usable lives

1.8 - Improve the capability of US flag international trading vessels to better align with DOD and DOT sealift requirements through a combination of MSP funding, MSC chartering, enforcement of preference cargo requirements, regulatory reform and policy, and incentives to reduce vessel operating costs (TSP, Made in America EO)

2.11- Engage with community college, K-12 schools, and non-SMA training institutions to promote the development of future mariners and other skilled maritime workers

2.5- Update USMMA education curricula to address future innovation and emerging technologies

2.7- Coordinate with the maritime industry and labor to emphasize "best practices" training standards against sexual harassment, assault and discrimination, and increase diversity in the maritime workforce (EMBARC)

2.9- Support the training and education of unlicensed mariners (rating) using domestic Centers of Maritime Excellence (COEs)

3.5- Work with DOT interagency partners to enhance the safety of surface transportation intermodal connectors (AMH, PIDP)



Ongoing Objectives

1.3 - Develop and expand marine highway service options and facilitate their further integration into the current U.S. surface transportation system through the America's Marine Highway Program, especially where water-based transport is the most efficient, effective and sustainable option

1.4 - Adapt organizational structures and related authorities, roles, and responsibilities to ensure the sustained ability to monitor the global performance of the US flagged fleet and the third-party organizations that perform delegated inspection and certification functions on the US Government's behalf

1.10 - Enhance the US shipyard base by fostering support for shipyard modernization and innovation, and promoting use of the Capital Construction Fund (CCF) and Construction Reserve Fund (CRF) programs.

3.1- Leverage America's Marine Highways Program to further reduce landside congestion and increase port efficiency

3.6- Work with Stakeholders to improve and expand landside facilities at US port and intermodal connectors to ensure adequate accommodation of all sizes of dry bulk, tanker, LNG, and containerships



Ongoing Objectives - Continued

3.11- Work with stakeholders to improve and expand wind energy shore side support

3.12- Work with stakeholders to leverage emerging future technologies to improve port efficiency

3.2- Coordinate with port authorities, Metropolitan Planning Organizations (MPOs), State DOTs, and other stakeholders to significantly reduce national port congestion through improved planning and information

3.3- Incorporate more maritime data from other authoritative sources into DOT's multimodal data inventory

3.4- Facilitate US port access to funding and financial assistance to modernize and improve port infrastructure and increase intermodal efficiency, including measures to improve infrastructure resiliency to storm surge and other risks

3.8- Compile informed forecasts of long-term demand and technology trends to prepare adequate and resilient future port and landside capacity

3.9- Increase the effectiveness of the National Port Readiness Network

4.1- Work with government and industry stakeholders to facilitate innovations that improve the safety, security, and resilience of the MTS

4.2- Leverage existing Intelligent Transportation System (ITS) technologies, conduct research on innovation solutions, and work with industry and academia to develop new ITS applications to benefit the safety and efficiency of the maritime transportation/intermodal transportation environment

*List not exhaustive



Appendix C
MARAD Mission & Program
Overview to the MTSNAC



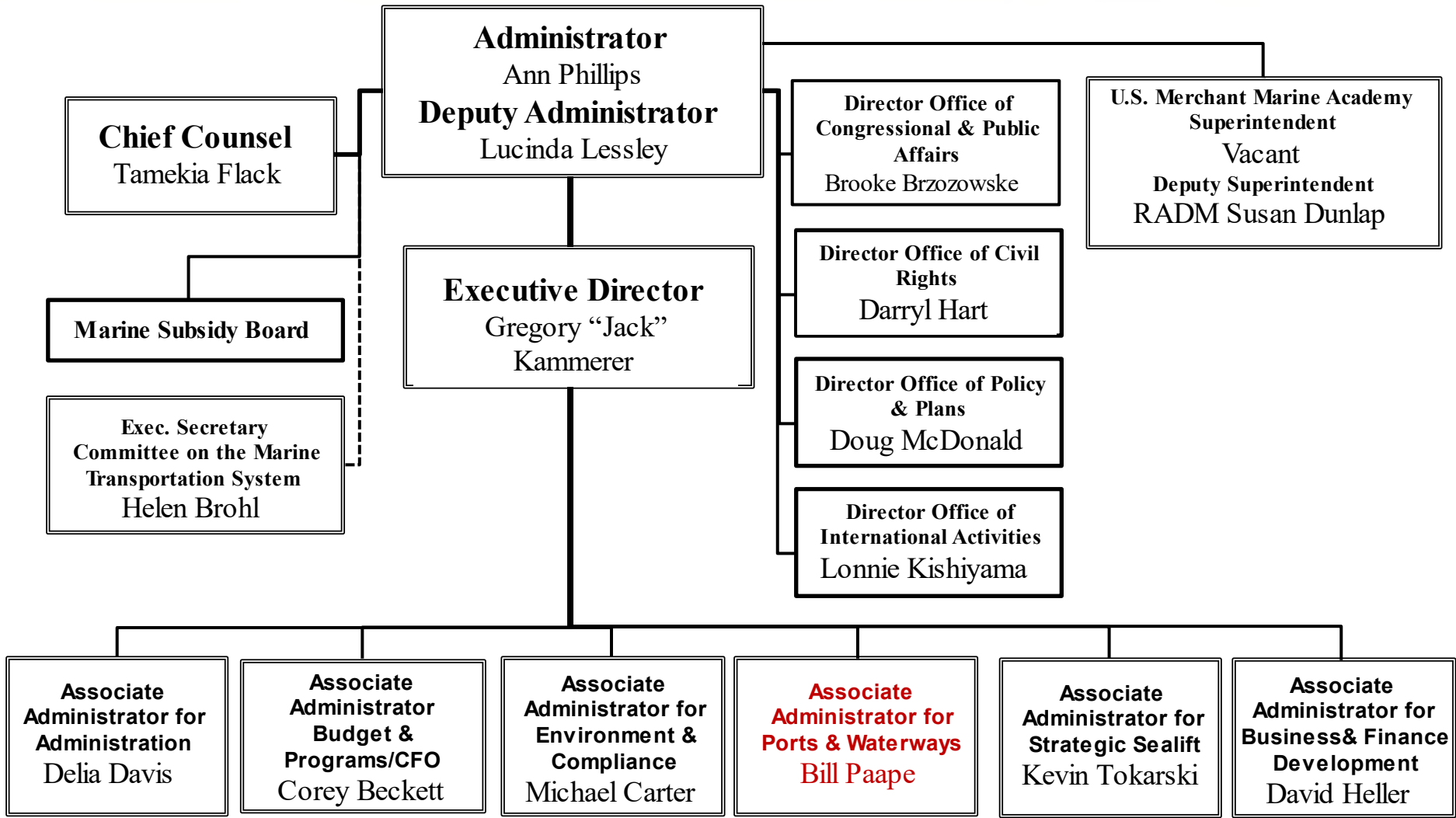
Maritime Administration (MARAD) Office of Ports & Waterways

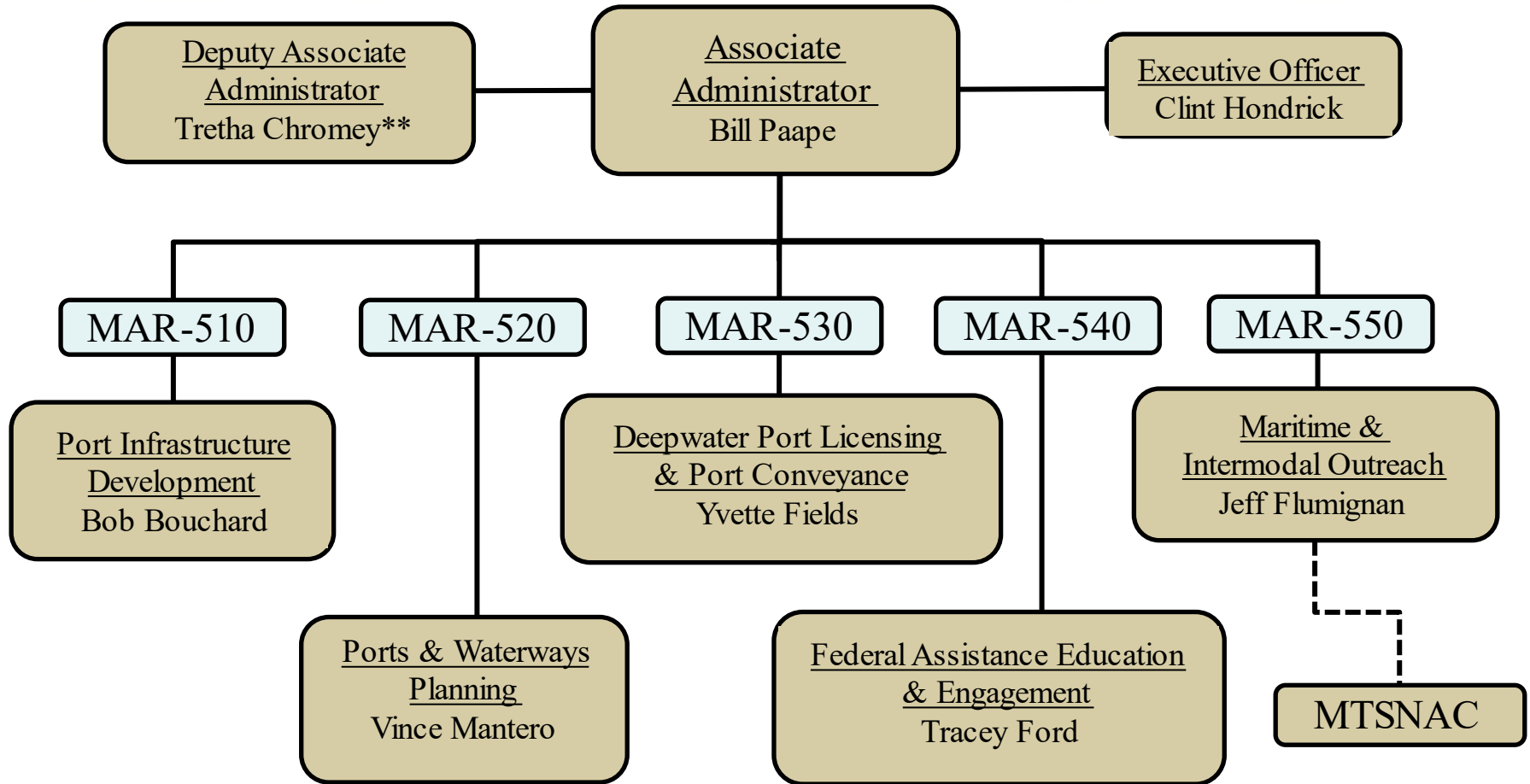
Mission & Program Overview to the MTSNAC

August 30, 2022

- Office of Ports & Waterways
 - Leadership, Mission/Vision, supporting Critical and Mission Essential Tasks
 - MARAD and Ports & Waterways Org Charts (Leadership & Gateways)
 - Mission & Vision – Supporting Tasks (Critical and Mission Essential)
 - Main Locations
 - Programs & Activities/Portfolio
 - Grant Award Selection Locations
 - Office and Program Overview
 - ✓ Office of Port Infrastructure Development (MAR-510)
 - ✓ Office of Ports & Waterways Planning (MAR-520)
 - ✓ Office of Deepwater Port Licensing & Port Conveyance (MAR-530)
 - ✓ Office of Federal Assistance Education & Engagement (MAR-540)
 - ✓ Office of Maritime & Intermodal Outreach (MAR-550)
- Q & A

MARAD Organizational Chart





66 Positions
- 56 Government Employees
- 10 Contractors
HQ: 52 / Gateway Offices 14

** = Incoming



William (Bill) Paape
Associate Administrator



Tretha Chromey
(Incoming)
Deputy Associate
Administrator



Robert (Bob) Bouchard, Director
Port Infrastructure Development



Vince Mantero, Director
Ports & Waterways Planning



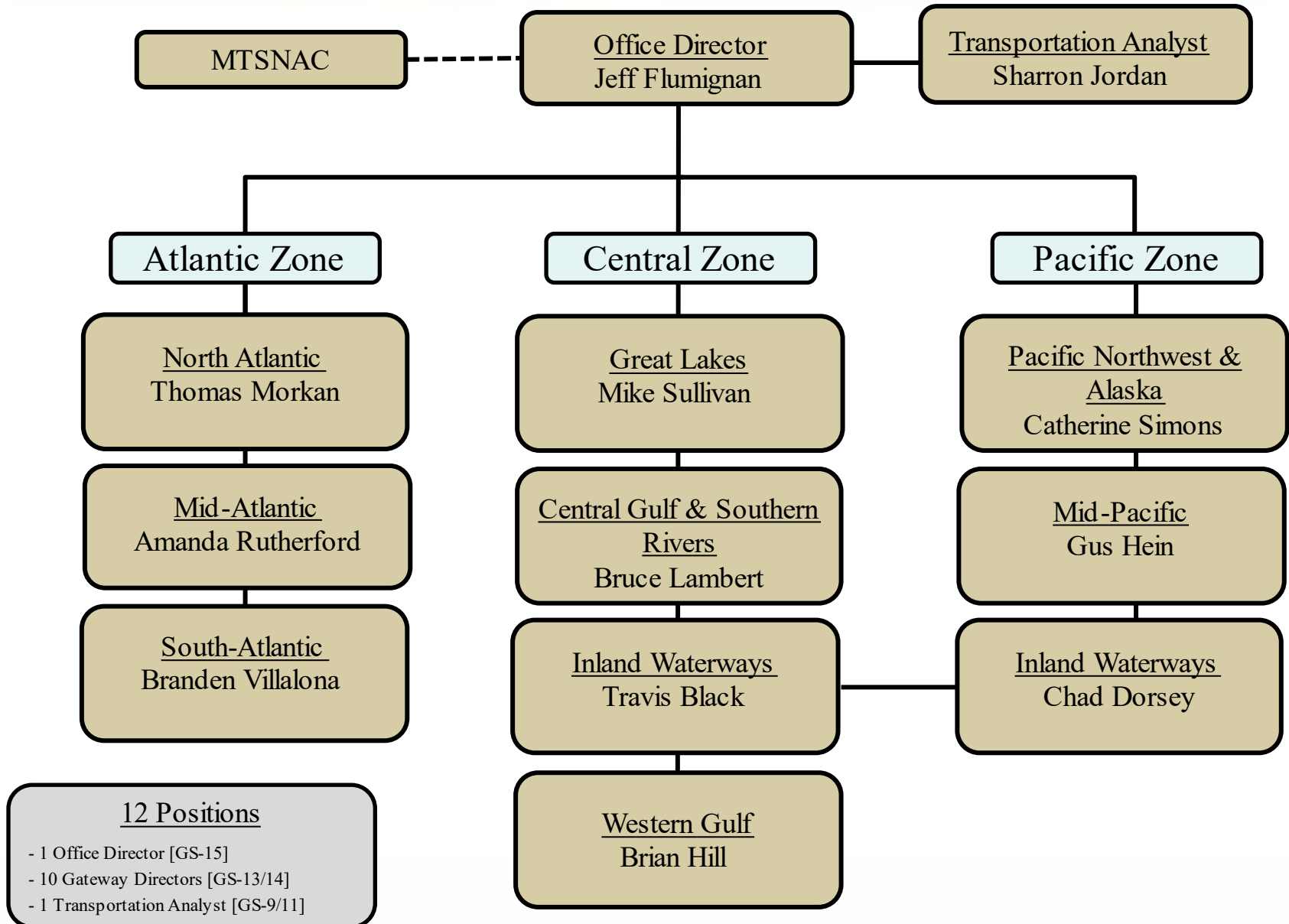
Yvette Fields, Director
Office of Deepwater Port
Licensing & Port Conveyance



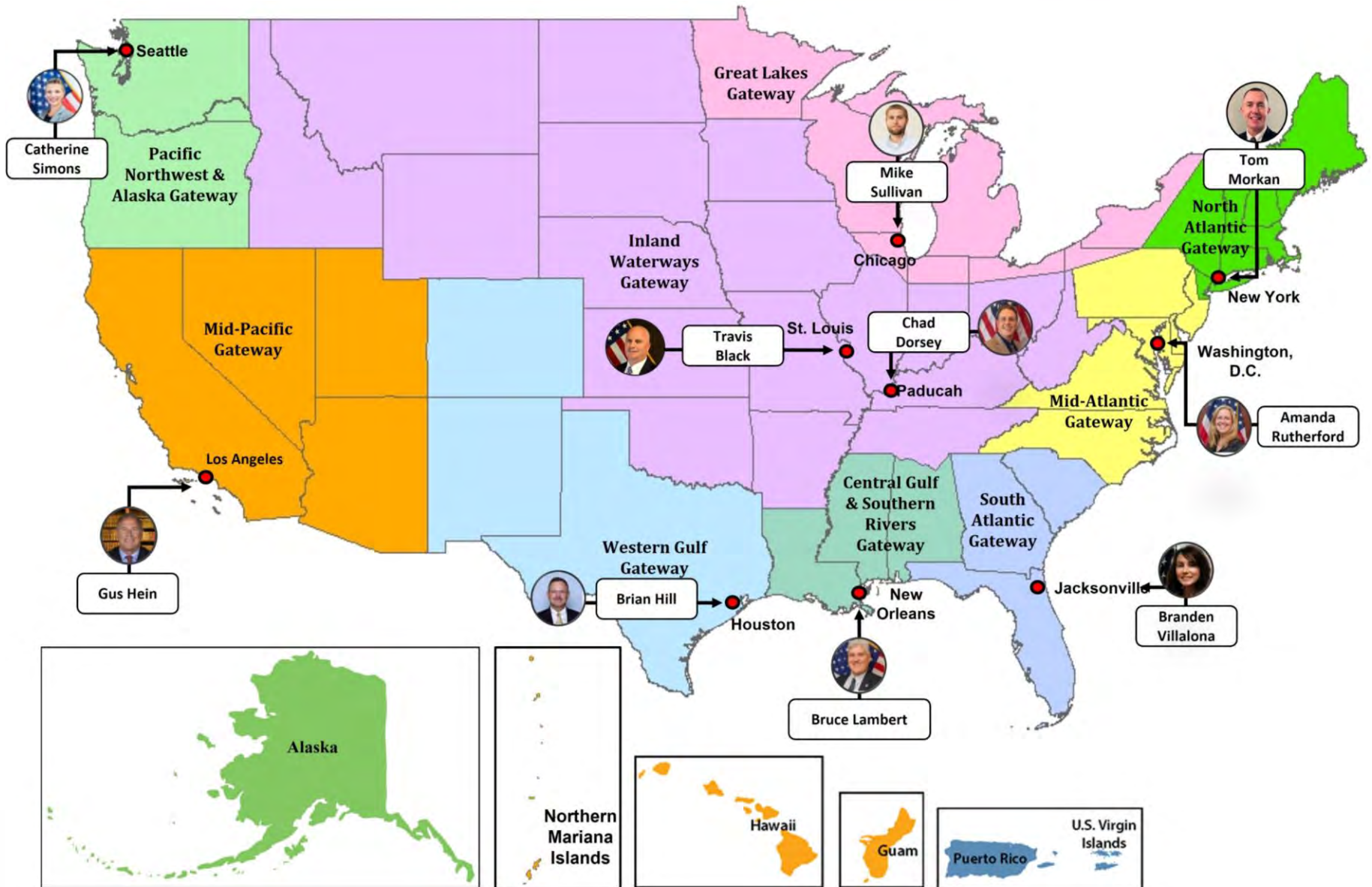
Tracey Ford, Director
Federal Assistance,
Education & Engagement



Jeff Flumignan, Director
Maritime & Intermodal Outreach



Gateway Offices & Directors

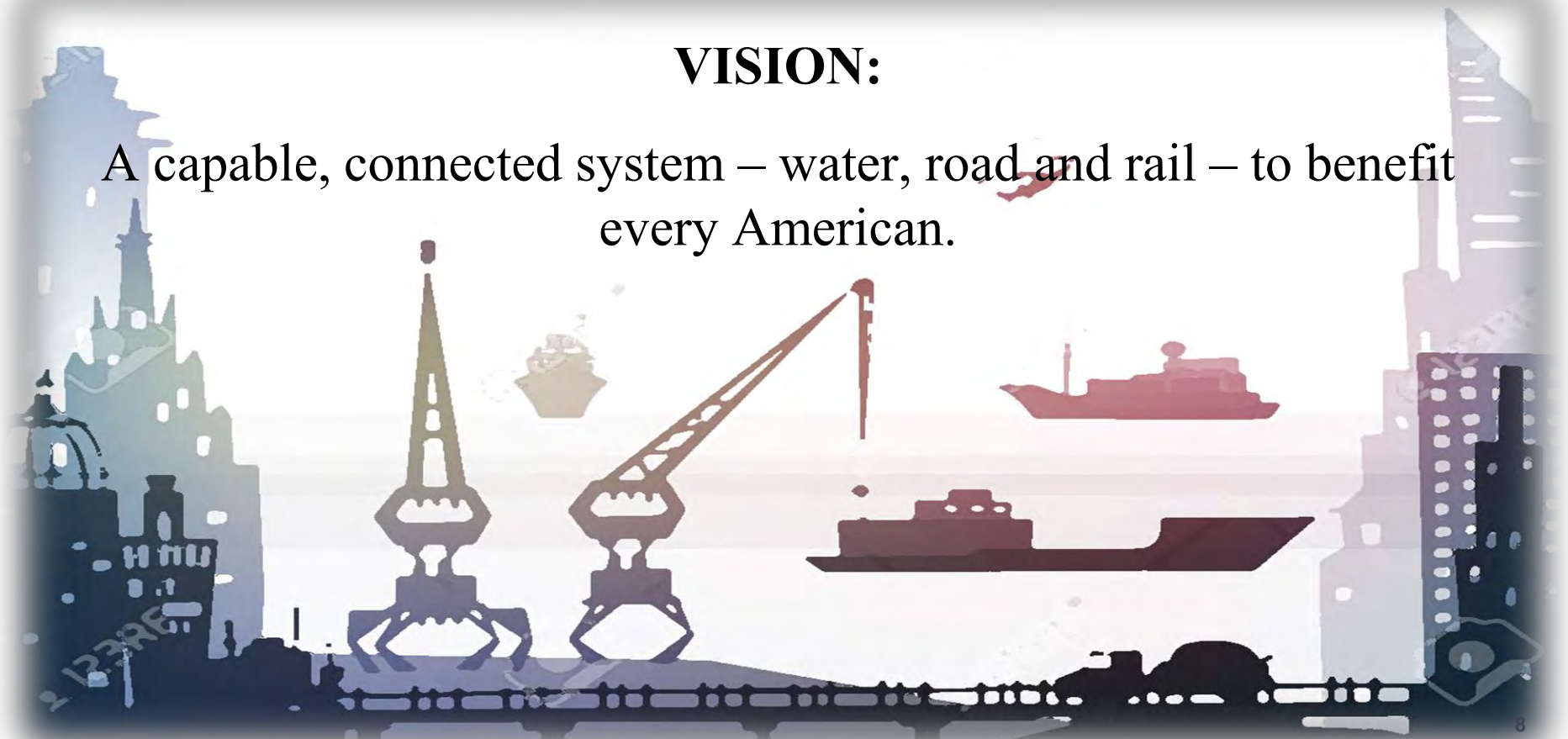


MISSION:

Improve the Maritime Transportation System, including Ports, Connectors and Marine Highways through Investment, Integration and Innovation to meet the current and future needs of the Nation.

VISION:

A capable, connected system – water, road and rail – to benefit every American.



Critical Tasks:

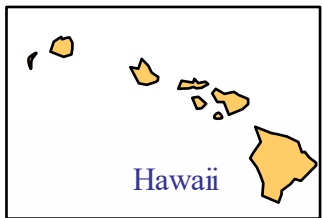
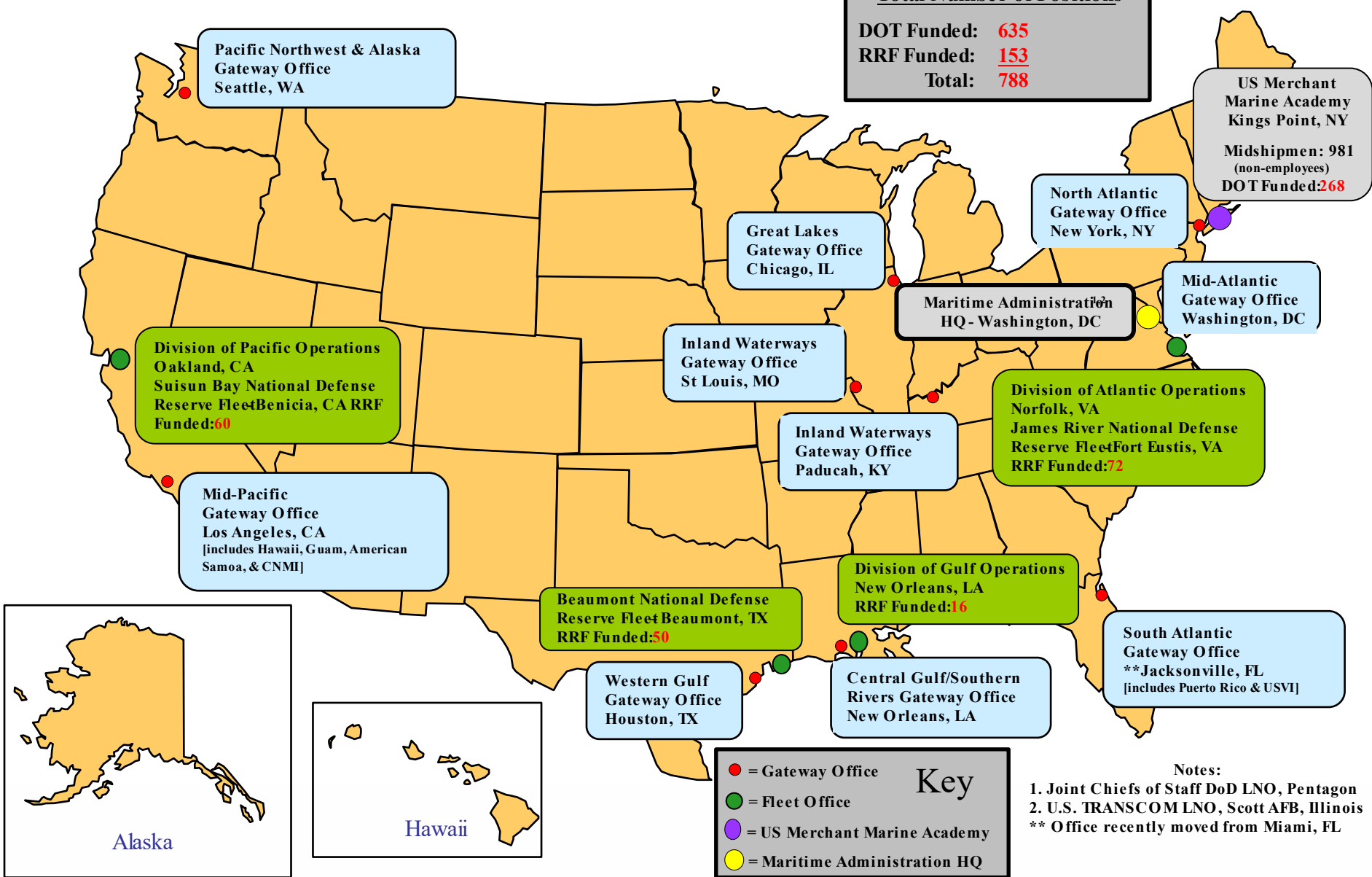
- Port infrastructure
- Maritime & Intermodal Outreach

Mission Essential Tasks:

- The Deepwater Port (DWP) Licensing Program
- The Port Conveyance Program
- Port Infrastructure Development Program (PIDP)
 - PIDP Grant Program
 - Port Development & Intermodal Planning Program
- America's Marine Highway Program (AMHP)
- Federal Assistance Education & Engagement
- Maritime Transportation System National Advisory Committee (MTSNAC)

MARAD Main Locations

Total Number of Positions
 DOT Funded: **635**
 RRF Funded: **153**
 Total: **788**



Office of Ports & Waterways (MAR-500)

Federal Assistance Education & Engagement (MAR- 540)

MAR-510

**Port
Infrastructure
Development**

Port Infrastructure
Development Grants

Project Management

Grant Management
Oversight

MAR-520

**Ports &
Waterways
Planning**

America's Marine
Highways

Port Development
& Intermodal
Planning

Supply Chain
Analysis

Research

MAR-530

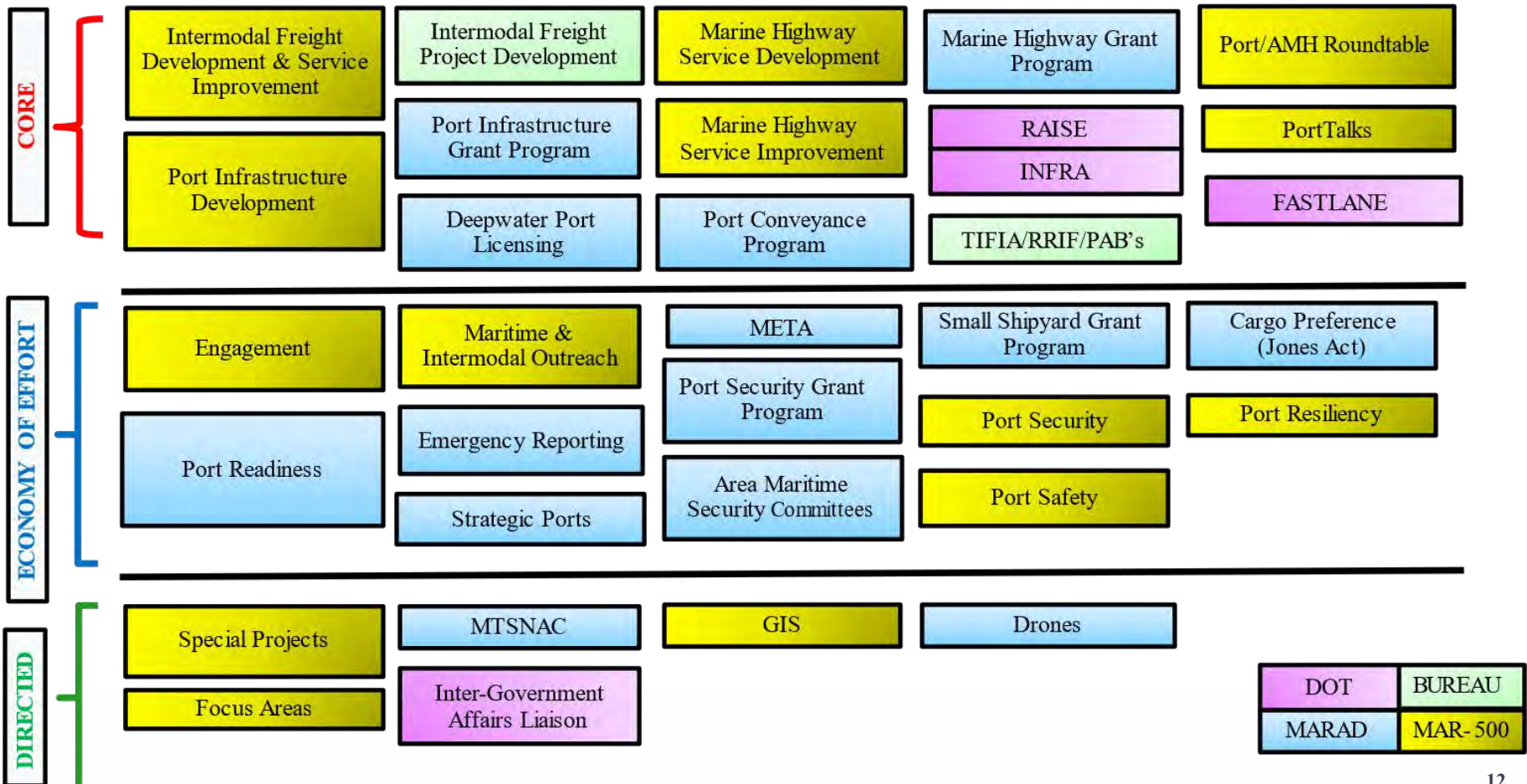
**Deepwater Port
Licensing & Port
Conveyance**

Deepwater Port
Licensing

Port Conveyance

Maritime & Intermodal Outreach (MAR -550)

Office of Ports & Waterways



DOT	BUREAU
MARAD	MAR-500

The Office of Port Infrastructure Development was established to assist with port, terminal, waterway, and transportation network development issues and to develop supporting infrastructure for port and freight facilities and transportation needs through Federal assistance programs to include discretionary grants and loan programs.

Additionally, the office provides port investment assistance where viable, as well as reports to inform future financial decisions and provide budgetary transparency.



- The PIDP, now in its fourth year, was established in FY2019 under 46 U.S.C. Section 50302
- The program works to improve the safety, efficiency or reliability of the movement of goods through ports and intermodal connections to ports
- To date, 58 grants have been awarded totaling more than \$713 million for projects in **25 States and 2 Territories**
- PIDP grants can be awarded to coastal seaports, inland river ports, or Great Lakes ports
- Consistent with the R.O.U.T.E.S. Initiative, the Department may consider how projects will address the challenges faced by rural areas under the PIDP
- **Under the Bipartisan Infrastructure Law, the PIDP has received \$450 million per year for FY22 – FY26**
- **Under the FY2022 Consolidated Budget Act the PIDP has received \$234 million**

- **Marine Highway Program**

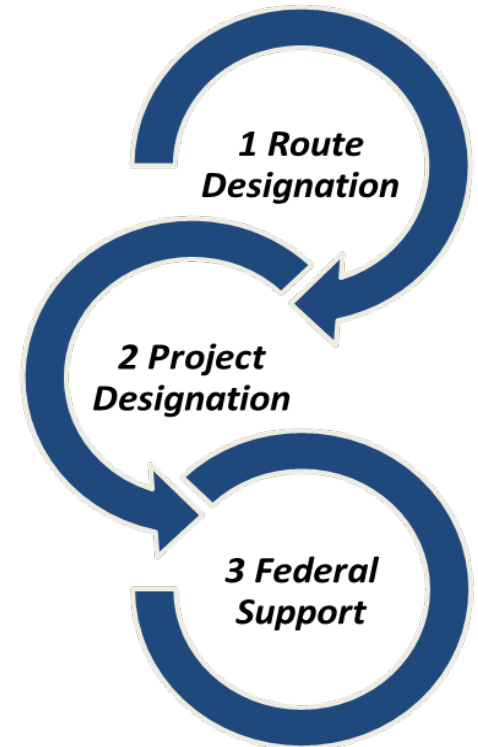
- ✓ Approve, direct and administer the Maritime Administration's Marine Highway Program Designation Process and Grant pre-award activities
- ✓ Encourage the use of available capacity in our nation's waterways to supplement congested landside routes for the transport of freight

- **Port Development & Intermodal Planning Program**

- ✓ Promote the development and improved utilization of ports and port facilities including intermodal connections, terminals and distribution networks for the reduction of traffic congestion
- ✓ Support development in advances of technologies, innovations, and applications for increasing waterborne transportation throughput, port readiness and resiliency etc
- ✓ Conduct outreach, providing materials, training, technical information and advice to internal and external maritime stakeholders

- The Marine Highway System consists of the **vast majority of the Nation's navigable waterways**
- Includes inland waterways, coastlines, U.S. territories, and the Great Lakes/St Lawrence Seaway System
- The Marine Highway Program has three steps:
 1. Designating Marine Highway Routes
 2. Designating Marine Highway Projects
 3. Awarding Marine Highway Grants*

** Grants can be used to alleviate the upfront capital risk associated with starting new services...*



- Notice of Funding Opportunity (NOFO) Published 3 March 2022 for BIL funding (\$25 M) - Original deadline 29 April 2022
- NOFO amended 26 April 2022, adding Appropriations funding (\$14,819,000)
 - New deadline of 17 June 2022
 - Total NOFO amount is \$39,819,000
 - Total funding available for awards under this NOFO is \$38,624,430 (minus grant administration and oversight)
- Applications are currently under review, with an expected award announcement by September 30, 2022

The Office of Deepwater Port Licensing & Port Conveyance is responsible for the formulation, direction, and coordination of national policies designed to evaluate and render decisions on proposals for the construction and utilization of deepwater port oil and natural gas import and export facilities.



The Office also administers the Port Conveyance Program which transfers surplus Federal property to eligible state and local governments for the development or operation of a port facility.

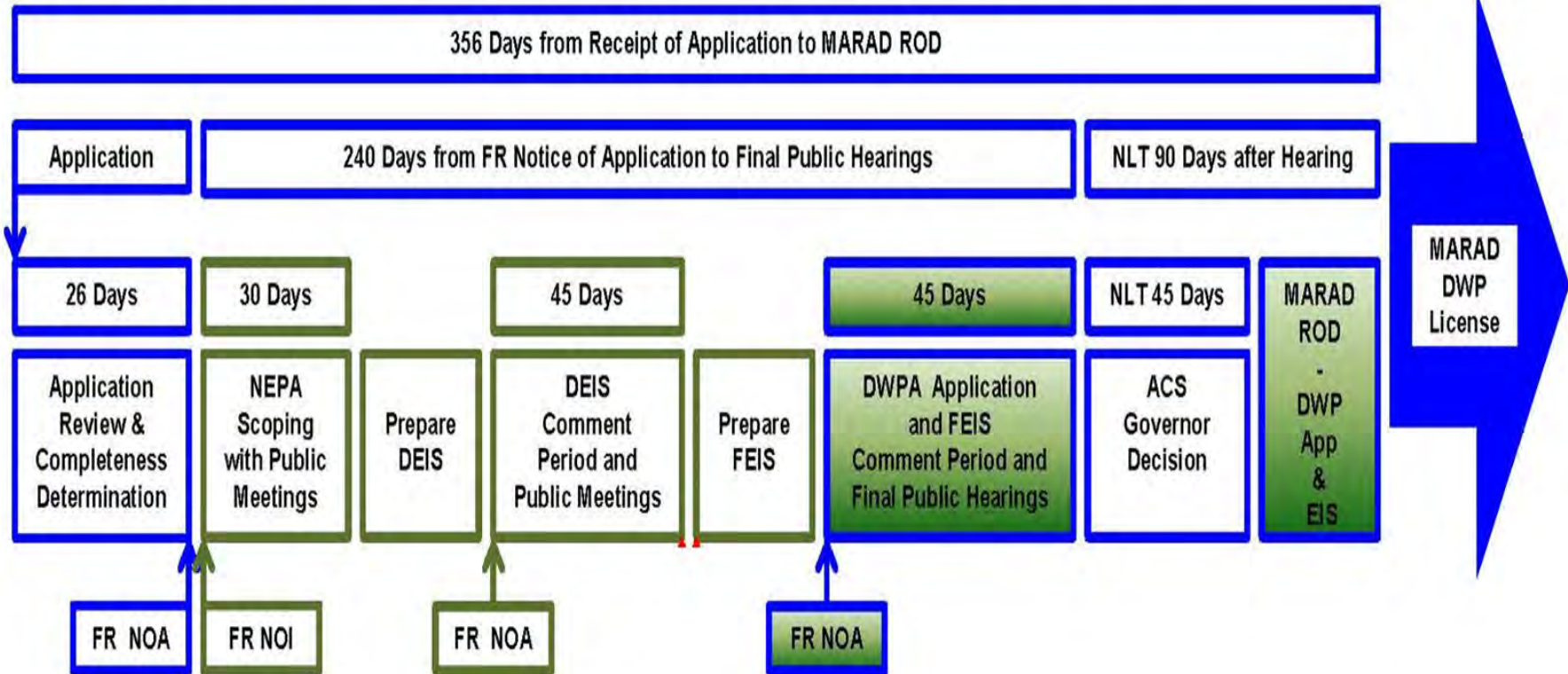
- The Deepwater Port Act of 1974, as amended, authorizes a licensing system for the construction, operation, and eventual decommissioning of deepwater ports located beyond State seaward boundaries (3 to 9 U.S. nautical miles) for the offshore import and export of oil and natural gas.
- MARAD collaborates with the U.S. Coast Guard, Federal resource agencies and State Governors to evaluate and render decisions within the required 356-day review process.
- The Deepwater Port Act requires the prior approval or presumptive approval of the proposed project by the Adjacent Coastal State or State(s) (ACS) before a decision is rendered by the Administrator. ACS Governors have a veto power for Deepwater Port Act projects. No response from an ACS Governor is considered a presumption of license approval.
- License decisions are rendered by the Maritime Administrator based on 9 license criteria outlined within the Deepwater Port Act. These criteria address environmental, financial, safety, security and other requirements.

Deepwater Port Licensing Authorities:

- ***Statutory Authority:*** Deepwater Port Act of 1974, as amended
- ***Regulatory Authority:*** Program regulations promulgated by the U.S. Coast Guard in 33 CFR Parts 148, 149 and 150
- ***Related Laws:*** National Environmental Policy Act (NEPA), and other related Federal and State Environmental Laws

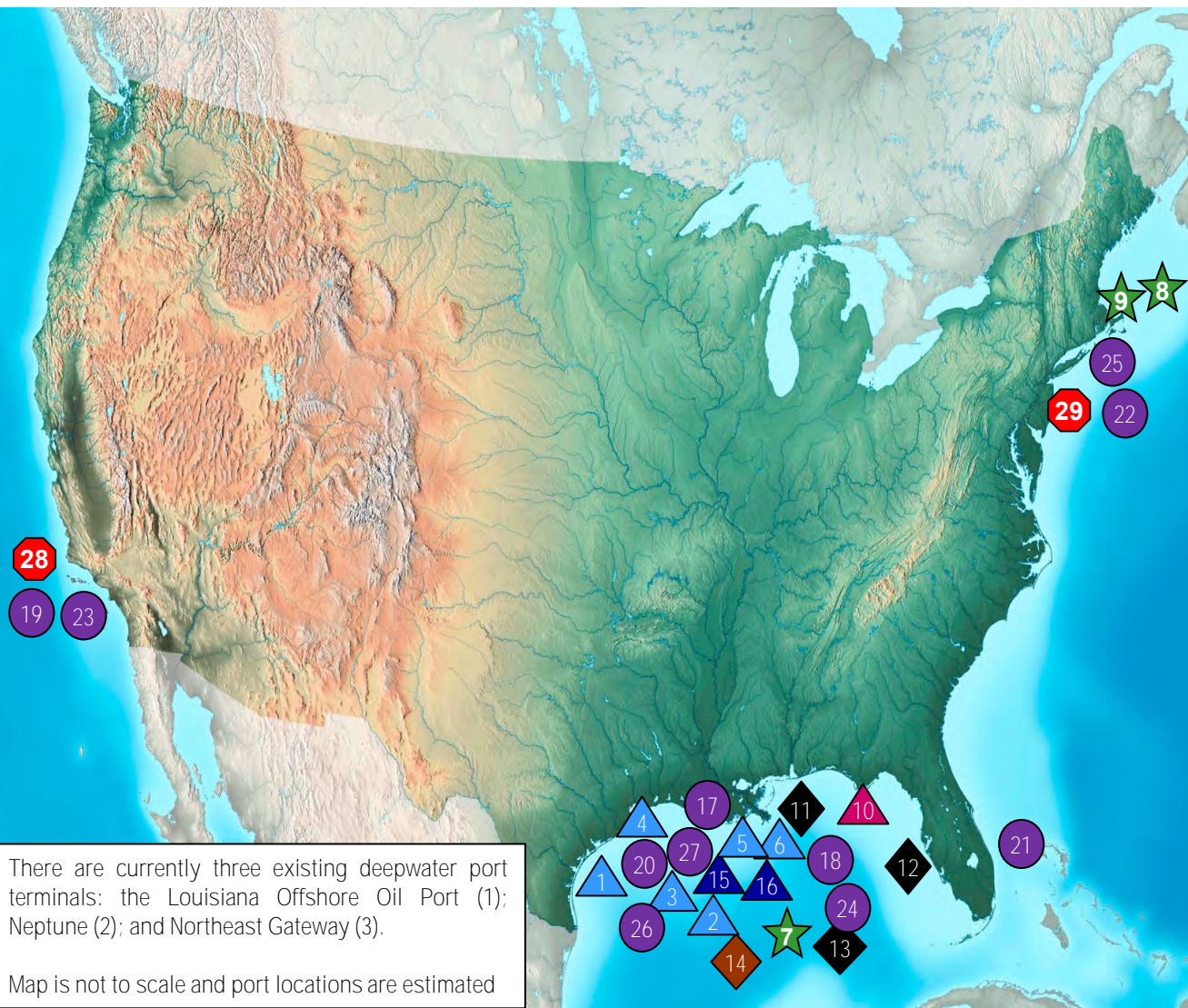


Deepwater Port Act and National Environmental Policy Act Timeline



Deepwater Port Location and Status Map

There are three constructed deepwater ports: LOOP, Neptune and Northeast Gateway.



Applications Currently Under Review

- 1. Bluewater SPM (Oil [Export])
- 2. Blue Marlin Offshore Project (Oil [Export])
- 3. GulfLink (Oil [Export])
- 4. SPOT Terminal Services (Oil [Export])
- 5. West Delta LNG (LNG [Export])
- 6. NFE Louisiana FLNG (LNG [Export])

Approved: Constructed Facilities

- 7. Louisiana Offshore Oil Port (Oil [Bidirectional])
- 8. Neptune (LNG [Import])
- 9. Northeast Gateway (LNG [Import])

Approved: License Issuance Pending

- 10. Delfin (LNG [Export])

Approved: Surrendered License

- 11. Gulf Landing (LNG [Import])
- 12. Port Dolphin (LNG [Import])
- 13. Port Pelican (LNG [Import])

Approved: Decommissioned

- 14. Gulf Gateway (LNG [Import])

Approved: Withdrawn After Record of Decision and Prior to License Issuance

- 15. Bienville (LNG [Import])
- 16. Main Pass Energy Hub (LNG [Import])

Withdrawn Prior to Record of Decision

- 17. Beacon Port (LNG [Import])
- 18. Calypso (LNG [Import])
- 19. Clearwater Port (LNG [Import])
- 20. COLT (Oil [Export])
- 21. Compass Port (LNG [Import])
- 22. Liberty Natural Gas (LNG [Import])
- 23. Oceanway Secure Energy (LNG [Import])
- 24. Pearl Crossing (LNG [Import])
- 25. Safe Harbor Energy (LNG [Import])
- 26. Texas Gulf Terminals (Oil [Export])
- 27. Texas Offshore Port System (Oil [Import])

Disapproved Prior to Record of Decision

- 28. Cabrillo Port (LNG [Import])
- 29. Port Ambrose (LNG [Import])

There are currently three existing deepwater port terminals: the Louisiana Offshore Oil Port (1); Neptune (2); and Northeast Gateway (3).

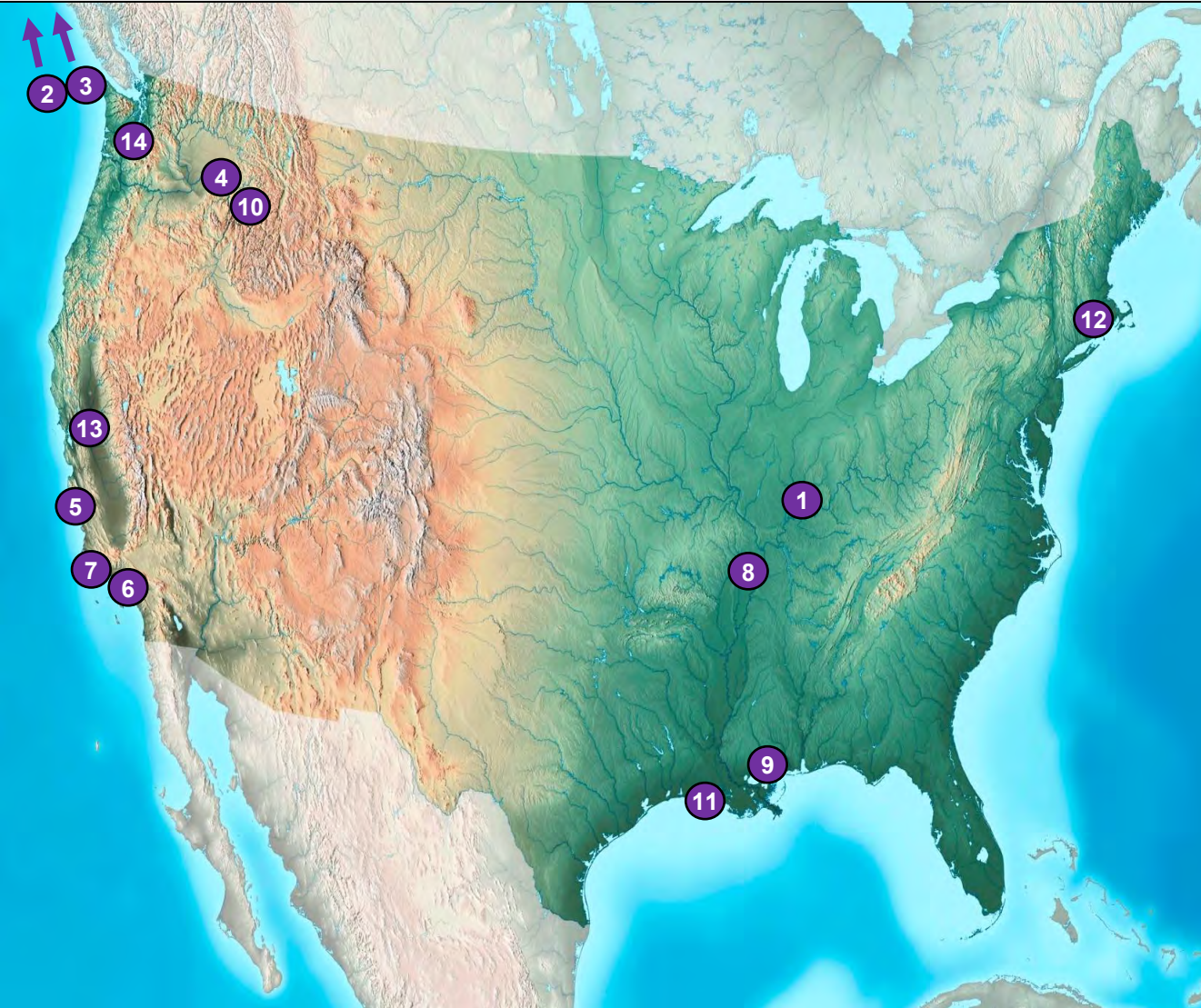
Map is not to scale and port locations are estimated

- Pursuant to the National Defense Authorization Act for Fiscal Year 1994 (40 U.S.C. 554), the Port Conveyance Program transfers surplus Federal land to states/ local governments at no cost for use as a port facility in perpetuity.
- MARAD approves applications, then submits recommendations to the landowning Federal agency and oversees properties after conveyance.
- Since 1996, MARAD has transferred twelve properties (totaling over 3,000 acres) to coastal and inland river port entities.
- MARAD is developing interests in four additional properties, totaling approximately 841 acres of land for future port use.

Deepwater Port Licensing Authorities:

- ***Statutory Authority:*** The National Defense Authorization Act for Fiscal Year 1994 (40 U.S.C. 554)
- ***Regulatory Authority:*** 46 CFR 387.

Regional Areas: Pacific Coast, Inland waters: Columbia River, Mississippi River



- 1: America's Central Port**
752 Acres: Granite City, IL
- 2: City of Dillingham**
2.38 Acres: Dillingham, AK
- 3: City and Borough of Juneau**
1.91 Acres: Juneau, AK
- 4: Port of Benton**
71.15 Acres: Richland, WA
- 5: Port of Hueneme**
33 Acres: Hueneme, CA
- 6: Port of Long Beach**
407.35 Acres: Long Beach, CA
- 7: Port of Los Angeles**
48.32 Acres: Los Angeles, CA
- 8: Port of Memphis**
42.64 Acres: Memphis, TN
- 9: Port of New Orleans**
12.87 Acres: Jefferson Parish, LA
- 10: Port of Pasco**
2.16 Acres: Pasco, WA
- 11: Orange County Navigation & Port District**
13.73 Acres: Orange, TX
- 12: Rhode Island Commerce Corporation**
96 Acres: Davisville, RI
- 13: Port of Stockton**
1,433 Acres: Stockton, CA
- 14: Port of Tacoma**
9.03 Acres: Tacoma, WA

The Office of Federal Assistance Education & Engagement (the Office) works with federal financial assistance recipients and Agency program staff on policies, procedures, and regulatory requirements related to grants, cooperative agreements, and loan programs. The office establishes and maintains internal controls and performance methods to mitigate program risks; ensure proper policies, procedures and business practices are documented for program compliance to improve organizational effectiveness and efficiency.

- **Statutory Authority**

- Authority to execute administrative functions for MARAD (except as limited by statute) is set forth in 49 U.S.C. 109
- The Secretary has delegated the Secretary's authorities to the Maritime Administrator. 49 C.F.R. Part 1.81 and 1.93 (vested in the Maritime Administrator)

- **Program Responsibilities**

- The Office has training and assessment responsibility for 100+ Federal financial assistance infrastructure development projects totaling over \$2 billion in Federal funds and another \$2 billion in private sector matching investment funds. Approximately 85% of MARAD's Federal assistance grants and cooperative agreements - supported by this office.

Six Core Functional Areas:

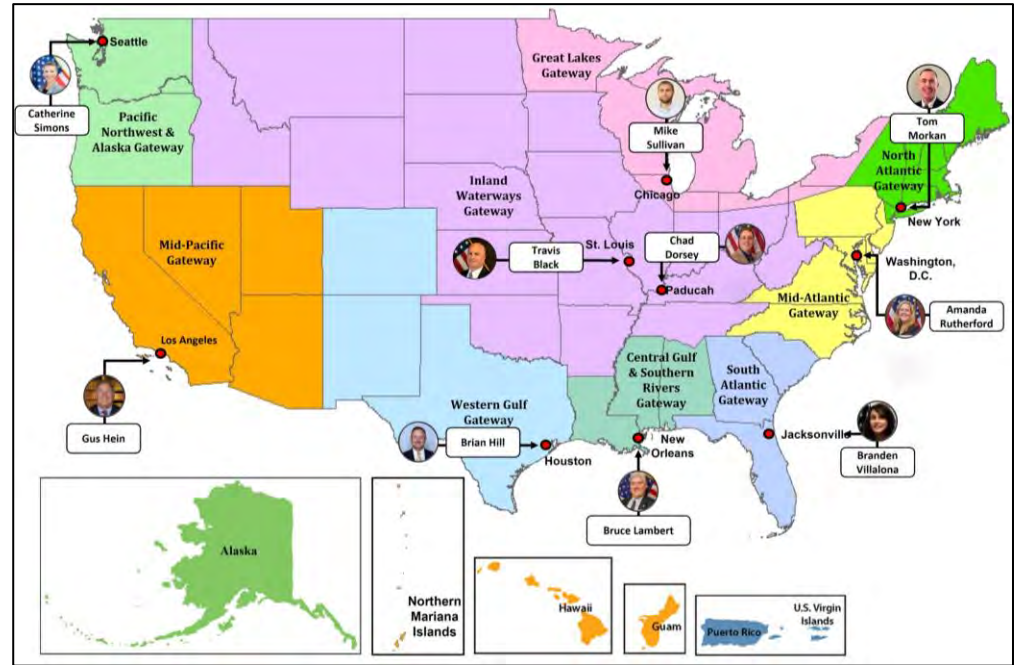
- Education
- Single Audit Follow-up
- Monitoring Reviews
- Policy Guidance
- Support to Resolve Compliance Issues
- Internal Controls/Audit Readiness



- **10 Offices – Outreach and engagement with:**
 - Port Authorities
 - Terminal Operators
 - Carriers
 - Rail roads

- **Day-to-day presence throughout the Maritime Transportation System**

- **Subject Matter Expertise**
 - Intermodal System
 - ✓ Connectors, Cargoes & Carriers
 - Commodity Sectors
 - ✓ Petroleum & Liquid Bulk
 - ✓ Agricultural Exports
 - ✓ Breakbulk & Project Cargo
 - Operational Sectors
 - ✓ Inland Waterways
 - ✓ Offshore Services Sector



- Functional Sectors
 - ✓ Infrastructure Finance & Grants
 - ✓ Transportation Planning & Development
 - ✓ Ice Breaking
 - ✓ Dredging & Aids to Navigation
 - ✓ Port Congestion
 - ✓ Transportation Disruption & Recovery
 - ✓ Data Driven Decision-making



- Oversight for the Maritime Transportation System National Advisory Committee (MTSNAC), a chartered, non-federal body, to advise the Secretary of Transportation on Maritime Transportation System issues.
- The 27 member MTSNAC is comprised of leaders from commercial transportation and supply-chain firms, port and water stakeholders, labor, academia, and Federal, state, and local public entities.

Questions?



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Appendix D
Maritime Administration
Strategic Sealift Overview



Maritime Administration Strategic Sealift Overview

*Briefing to MTSNAC
August 30, 2022*



MISSION:

Strengthen the U.S. marine transportation system including infrastructure, industry and labor to meet the economic and security needs of the Nation.

STRATEGIC GOALS:

CARGO: Develop domestic and international transportation opportunities to modernize and sustain a competitive commercial U.S.-flag fleet that ensures the Nation's economic and national security

READINESS: Ensure the availability of a capable U.S. Merchant Marine fleet with modern U.S.-flag vessels, skilled labor and global logistics support to drive the Nation's economy and to meet national maritime transportation requirements in peacetime emergencies and armed conflicts

INFRASTRUCTURE: Support the development of America's ports, shipyards and related intermodal infrastructure as key integrated components of an efficient, resilient and sustainable national transportation system and freight network

ADVOCACY: Advance awareness of the necessity and importance of a strong U.S. Marine Transportation System

Strategic Sealift Programs



MARITIME ADMINISTRATION
NAVIGATING A STRONGER FUTURE

- *Provide commercial and government-owned shipping capability to transport response assets during national emergencies*
- *Able to conduct large-scale military deployments and sustainment anywhere in the world on short notice makes the U.S. a “global super power,” and **roughly 90% of military equipment moves by sealift.***
- *Department of Defense relies on assured access to U.S.-flag ships and voluntary mariners for strategic sealift and to respond to emergencies*
 - *10 USC §2218. National Defense Sealift Fund*



Per DEPSECDEF PDM, MSC LMSRs like USNS Seay (above) will transfer to MARAD in FY22/FY23 timeframe



National Defense Reserve Fleet (NDRF)

- Established by Merchant Ship Sales Act of 1946
- Reserve of merchant ships at various locations for national defense and emergencies
- Approximately 90 vessels including :
 - 51 active vessels, with 41 ships in the RRF program
 - Two (2) vessels support Missile Defense Agency
 - Eight (8) retention vessels used for training at State and Federal Maritime Academies
 - 32 retention vessels & 3 NDRF Fleet sites

Ready Reserve Force (RRF) Program

- Subset of the NDRF, established in 1976 at Navy's request
- Serves as ready surge sealift component; supports rapid, worldwide deployment of U.S. military forces
- Currently 41 RRF ships (average age of fleet 46 years of age)
- Maintained in Reduced Operating Status (ROS); ready in 5-days (ROS-5)
- Operated under contracts by (7) commercial U.S. Ship Manager (SM) companies
- *Expected to grow in FY22/23 as (7) MSC sealift ships enter NDRF and the RRF program, and (4) used-buy acquisition starts*

National Defense Reserve Fleet (NDRF)



MARITIME ADMINISTRATION
NAVIGATING A STRONGER FUTURE

- Established in 1946 to retain thousands of WWII government cargo ships to provide reserve shipping capability and support future shipping operations during war and national emergencies
 - Eg. 540 vessels activated to support military during Korean War; 172 for Vietnam
- Consists of 90+ vessels; includes 41 active in the Ready Reserve Force, and 31 “retention” vessels, such as dry cargo ships, tankers, military auxiliaries, school ships, and missile tracking
- Retention vessels also provide spare parts support for active ships, including active MSC ships (e.g. GIANELLA, USNS YANO)
- Eight retention vessels used for training at U.S. Merchant Marine Academy, State Maritime Academies, and the Seafarers Harry Lundeberg School of Seamanship



DOT/MARAD's NDRF is now in its 75th year of providing a reserve of sealift vessels for war or national emergency⁵



NDRF - today

- *Facilities, anchorages, ships, MARAD personnel [308]*
- *Located on each coast of the U.S.*
- *James River Reserve Fleet (JRRF) on Joint Base Langley-Eustis [56-staff]*
- *Beaumont Reserve Fleet (BRF) near Orange, TX [60-staff] (includes MARAD built layberth facility for up to (8) LMSR-sized ships)*
- *Suisun Bay Reserve Fleet (SBRF) near Vallejo, CA [49-staff]*

Numbers approximately 90-vessels, including vessels in retention for other U.S. agencies (e.g. Navy, NOAA, etc.)

- *Retention awaiting disposal, or because military utility is still desired for DoD*
- *Examples ex-USS NASSAU (dismantled), NOAA, USACE, USCG vessels 6*

Ready Reserve Force (RRF)



MARITIME ADMINISTRATION
NAVIGATING A STRONGER FUTURE

RRF-today

- *Facilities, ships, MARAD personnel [308], includes NDRF personnel*
- *Within Office of Strategic Sealift (MAR-600), direct oversight by Dep. AA Federal Sealift*
- *HQ divisions within the Office of Ship Operations (MAR-610)*
- *3-field activities; located on each coast of the U.S.*
 - *Division of Atlantic Operations (DAO) [34 personnel] led by GS-15*
 - *Division of Gulf Operations (DGO) [26 personnel] led by GS-15*
 - *Division of Pacific Operations (DPO) [27 personnel] led by GS-15*

NDRF/RRF program funded by Navy; provides capacity for U.S. Transportation Command

- *Annual funding received from Navy (OM&N); general provision language in NDAA provides for “no-year” funding utilization*

MARAD Workforce



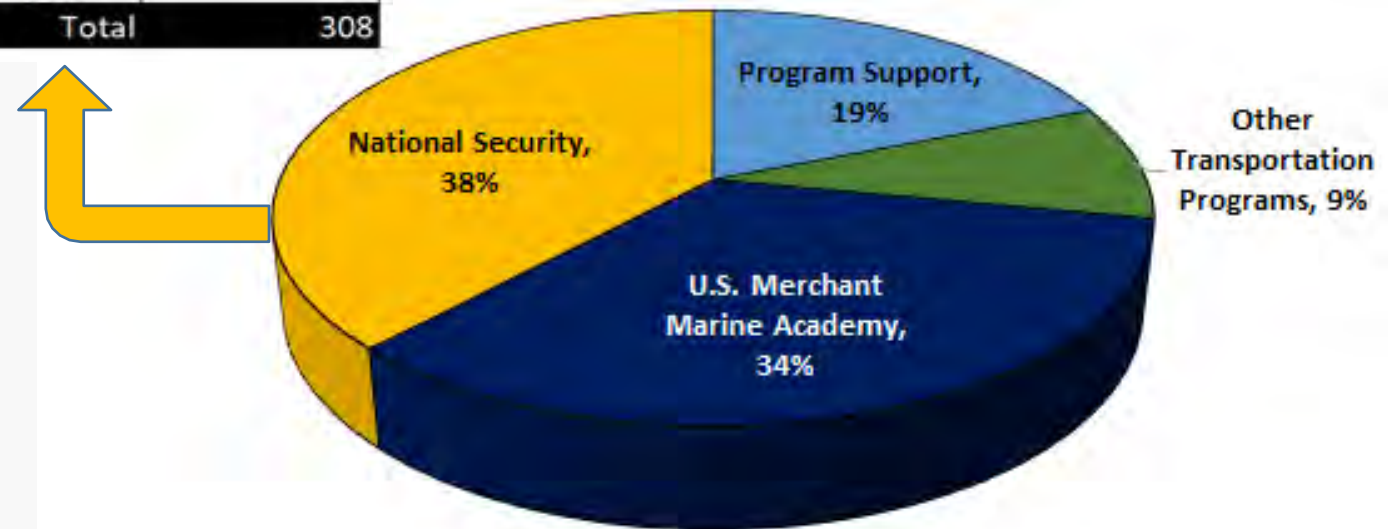
MARAD's workforce aligns with the agency mission for national security, education, and other transportation programs

Largest percentage aligns to national security at 38%

(Only those employees supporting the Ready Reserve Force (RRF) / National Defense Reserve Fleet (NDRF) are funded through Department of Defense (DoD)/Navy via reimbursable agreements)

The Office of Ship Operations (MAR 610)		
Location	MAR CODE	Billet Level
HQ	MAR-610	13
	MAR-611	15
	MAR-612	19
	MAR-614	9
DAO	MAR-615	34
	MAR-615.5	56
DGO	MAR-616	26
	MAR-616.5	60
DPO	MAR-617	27
	MAR-617.5	49
Total		308

Workforce at a Glance Mission





Fiscal Management

- *Funding through Navy, following Navy's POM process for submissions, with MARAD/OST visibility*
- *Within MARAD, utilizes annual Business Plan (BP) process; looks at 2-years*
- *Contracted Ship Managers develop initial BP; validated and prioritized by MARAD field and HQ divisions through Resource Management Board (RMB) = maintaining max. readiness*

Reporting to Navy Resource Sponsor (OPNAV N42)

- *MOA established to ensure budget execution oversight, visibility and reporting*
- *Two execution reviews in any budget year; submit via POM*
- *Urgent requirements frequently managed through any no-year funds carryover*

For the long-term, MARAD/DOT may reach the point that funding through Navy will continue to compete with warfighters and face challenges, as already noted in sealift recapitalization, M&R funding, outfitting, & personnel.

Ship Manager Contract Overview



MARAD Ship Management Contract (SMC) is a multi-award contract to 7 U.S. Ship Operating Companies:

- *18 Contract Awards covering*
 - *46 RRF Ships ((5) downgraded in FY21; now only 41 in RRF)*
 - *2 NDRF Ships for MDA*
- *Base period 4-year contract awarded in January 2016*
- *Two, 2-year option periods, with first 2-year option exercised Jan 27, 2020 and second 2-year option period expected to be exercised Jan 27, 2022*
- *A very large, significant contract for DOT target next SMC award early 2024*

General Agency Agreements – another means of conducting ship management in an emergency

- *There are currently 7 general agents*
- *Work is conducted on fixed-fee basis for assigned phase of operations plus reimbursable costs for directed tasks*
- *Also manage training ships for ship sharing and capacity sharing*
- *Will be used to assign GA for LMSR transfers, until next SMC is awarded*

Outport Locations for RRF Ships

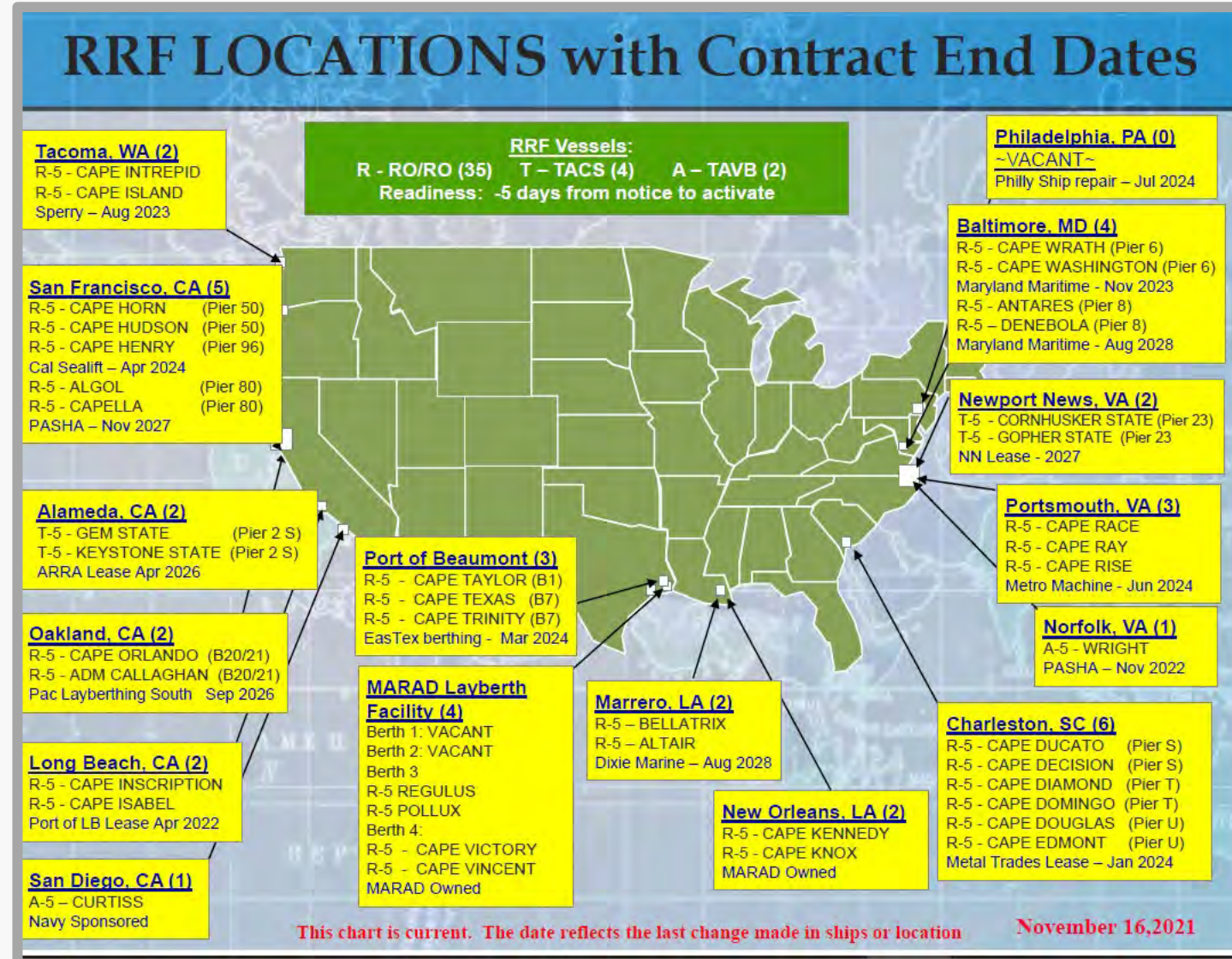


Commercially-contracted layberths:

- Strategically located
- Conform to USTC coast guidance
- Balanced to USTC OPLANs (SPOEs)
- Fund improvements in 1st CY
- (Type-III) Enable no-sortie for storms
- Multiple USCG OCMI jurisdictions

Challenges for NDRF/RRF

- Layberth space on West Coast
- LMSR Layberth size
- Increased capacity (power) needed at Beaumont's MLF
- Fleet anchorages; *not ideal for ROS*
- Potential for T-ESBs INCONUS
- MPSRONs revert from OCONUS increase demand/competition



Roll-on/Roll-off Ships (RO/RO)



MARITIME ADMINISTRATION
NAVIGATING A STRONGER FUTURE



Majority of RRF; USTRANSCOM's highest priority vessel type; 35 vessels

- Most frequently utilized vessels of the RRF; varying capacities and configurations
- Range from 83,000 to 296,000 ft² capacity to suit variable needs; including 8 Fast Sealift Ships (FSS)
- Outport layberths in 13 different ports around the US

Activate to meet timelines for load-out in U.S. ports; aligned to USTRANSCOM and DoD OPLANs

Disaster Relief Capability

Port Infrastructure Recovery: Crane Ships and Joint Logistics-Over-The-Shore Operations




- Deliver Relief Supplies – Liberia Ebola Virus
- Remove/Destroy chemical precursor agents –(Syria) ICW UN OPCW
- Charter Commercial Vessel Capabilities
- SAFEPORT: Crane Ships can remove “suspect” containers from box ships
- Emergency Worker Support: School Ships double as relief ships

SafeStor: Protective Storage: Emergency vehicles shelter on RRF RO/ROs



Major Initiatives: Vessel Recapitalization (DoD)

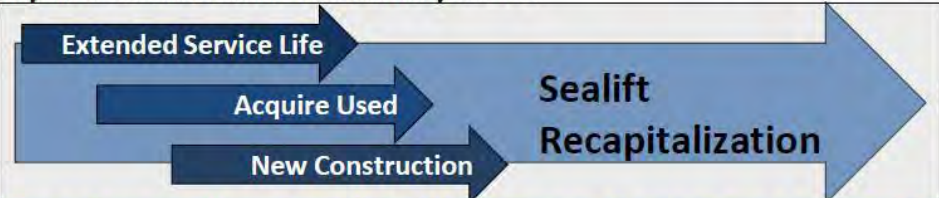


 Draft/Pre-Decisional: Exempt from public disclosure incident to a FOIA request

Sealift Recapitalization Strategy

Three-phased approach:

- **Service Life Extensions** will add roughly 10 additional years to select vessels (increases the service life from 50 to 60 years)
 - PB-20: \$11M FY19 + \$92M FYDP to continue PB-19 plan to extend 20 MARAD and 4 MSC ships, bringing total to 31 of 61 Surge Sealift ships
 - PB-20 also funds \$20M FYDP for 2 MSC SLEs (continuation of PB19 plan)
- **Acquiring Used Vessels** is a cost-effective approach to replacing the aging fleet and bridging the gap until delivery of a new construction program
 - 2018 NDAA authorized Navy to acquire two used vessels. PB20 programs 2 used ships (\$30M for FY21 and \$31M for FY22 procurement)
 - 2019 NDAA authorized Navy to acquire five additional (7 total) used vessels contingent upon SECNAV certifying an acquisition strategy for constructing no fewer than 10 new sealift vessels with lead ship delivery no later than 2026
- **New Construction** at U.S. shipyards for Common Hull Auxiliary Multi-mission Platform (CHAMPs) vessels is the final element and the long-term solution to sealift and auxiliary recapitalization
 - FY19: \$18M to initiate industry studies on common hull concepts and acquisition approaches
 - PB-20: \$8M FY20 RDTEN for industry studies and concept design
 - Initial procurement in FY25, delivery in FY28 (2 yrs later than FY19 NDAA intent) – however, industry responses on performance and technical maturity may allow award of a sealift variant as early as FY23

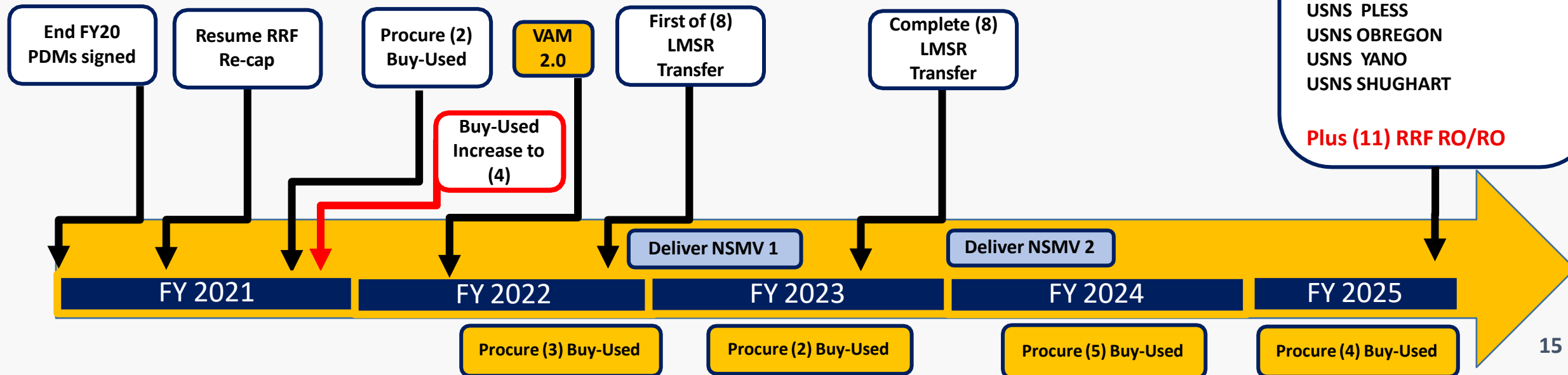


A comprehensive and cost effective three-phased approach to maintain USTRANSCOM sealift capability

Near-Term NDRF/RRF Program Changes



- FY21 Downgraded SS *Petersburg*; (2) T-ACS; (2) *Cape M*-class ships (Total: 5)
- FY21 Buy-used (2) ships; **potentially (4) [With approved PDM-2 from SECDEF]**
- FY21/22 Disposal *Petersburg*, *Chesapeake* (OPDS); *Cape Mendocino*; *Diamond State*; *Cape Girardeau*; Possibly: *Cape Jacob*; *Triumph*
- FY22 downgraded (6) MSC ROCON/LMSR; disposal for ex-*MARTIN*, ex-*WHEAT*
- 4Q FY22-3Q FY23 Transfer (8) MSC LMSR to MARAD RRF
- FY23 Disposal for *USNS YANO/SHUGHART/KOCAK/PLESS/OBREGON*



Ship Disposal Program



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MARAD is the disposal agent for Federally-owned merchant-type ships >1,500 gross tons

Dismantling/recycling of non-retention worst-condition NDRF ships, as well as vessels from other Federal agencies transferred to MARAD for disposition, is the most expedient, cost-effective and environmentally safe disposal method available

- *Non-retention NDRF ships in MARAD's 3 fleet anchorages; awaiting disposal, at historic low #*
- *Navy/Military Sealift Command is largest provider of vessels to MARAD for disposal*

Ship recycling using MARAD-qualified domestic ship recycling facilities

- *Competitive solicitations for award of fixed-price best value sales, or*
- *Fee-for-service recycling contracts when:*
 - *Collapsed scrap steel market results in no vessel sales*
 - *Recycler's dependent on service contracts to subsidize costs*

MARAD uses 5 qualified ship recycling facilities located in Texas (3) and Louisiana (2)

- *Qualified Recycler base has decreased due to market factors*

Ready Reserve Force (RRF) -Future



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Ready Reserve Force (RRF) Readiness Challenges

Increased maintenance and repair (M&R) costs due to age of vessels, systems, parts

Increased regulatory scrutiny during drydockings; with associated urgent repair costs

New regulatory challenges including Emissions Control Areas (ECAs); cyber concerns; electronic navigation implementation as well as ongoing trends such as decreasing number of mariner at-sea positions, increasing certifications, etc.

RRF Recapitalization & Extended Service Life (ESL) requirements/plans

Future RRF requirements are not defined by ship type

Indefinite extension not possible

Look for U.S. flag industry to support recapitalization options

Funding will be a challenge, even when market conditions may be best for purchase

RRF Resiliency Challenges in Contested Environment



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Future Challenges to Resiliency

- *Potential single point-of-failure in lack of assured positioning, navigation and timing (PNT) systems*
- *Potential single point-of-failure in INMARSAT-B installations (Fleet Broad Band (FBB))*
- *Cybersecurity concerns for communications, network data, and automation*
- *Shift to electronic-only navigation capability unlikely before end of CY-23*

How the RRF differs from Military Sealift Command (MSC)

- *UNCLAS data communications via INMARSAT-B are unencrypted (no KG-175 use)*
- *PC-to-PC Transfer System (PPTS) version 3 is not SIPRNET*
- *No back-up communication Iridium handset; no Iridium Security Module (Back-up is VSAT)*
- *No shipwide network (LAN); only MARAD's Nautical Systems NSE network*
- *No assigned electronics officers, electronics technician billets*
- *No shore organization N6 to manage networks*



Prepare National Defense Reserve Fleet (NDRF)/Ready Reserve Force (RRF) for program changes due to the following priorities:

- *RRF recapitalization; VAM execution; procurement, reflagging, outfitting, ROS*
- *LMSR Transfers from MSC; no loss of capability, identify lagging PM performance indicators for correction; CONOP for LMSRs in RRF needed (COMSC's capacity)*
- *NSMV integration into NDRF; postured with effective Ship Management*
- *Ship Manager Contract-Next and crewing actions*
- *Mid-term NDRF recapitalization (Pacific Tracker; Pacific Collector)*
- *RRF programmed downgrades (T-ACS; Cape M; T-AVB)*
- *NDRF/RRF HQ & field staff changes; location of DGO; status of SBRF, JRRF*
- *Long-term NDRF recapitalization (TSSOM; TVKP; TVFS)*

Maritime Security Program (MSP)



- Established by the Maritime Security Act of 1996, MSP is a critical national security program supporting DoD military sealift needs to ensure warfighter mobility and logistic support, while also contributing to economic growth
- Provides assured access to a fleet of 60 privately-owned, U.S.-flagged, U.S.-crewed, militarily useful ships active in international trade, yet available “on-call” to meet contingency requirements
- Assures access to the participants’ multibillion-dollar global intermodal networks—including logistics management services and port terminal facilities
- Supports employment of more than 2,400 trained and unionized U.S. merchant mariners and 5,000 shore-side jobs
- Provides fixed annual retainer payments enabling participating carriers to successfully compete internationally under U.S.-flag registry
- Payments help offset the high differential between the cost of operating vessels under U.S. registry versus foreign registry, now estimated at approximately \$7 million per ship/year

Maritime Security Program (MSP)



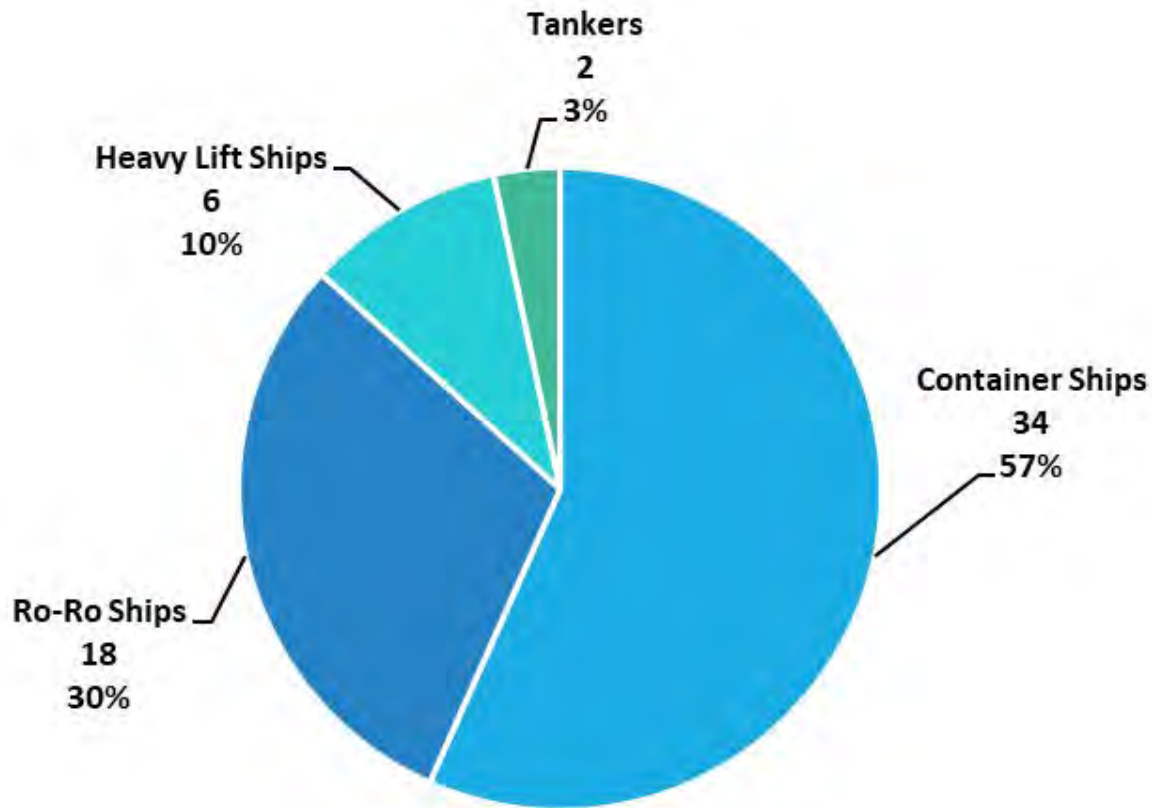
- Self-recapitalization is built into the program: vessels can not be older than 25 years of age and must be replaced with vessels less than 15 years of age
- MARAD continuously looks to secure newer, more militarily useful vessels with higher capacities for service in the MSP fleet
- Newer vessels bring with them newer technology, consuming less fuel while and emitting fewer greenhouse gas emissions than older vessels
- Section 3502 of the National Defense Authorization Act for fiscal year (FY) 2020 (NDAA) authorized the Secretary of Transportation to extend existing MSP operating agreements through FY 2035, and

•Enacted a schedule of stipend increases from \$5 million per ship/year in FY 2020 to \$6.8 million per ship/year by FY 2032:

FY 2022-2025	\$5.3 million per ship/year	\$441.6 million program budget/year
FY 2026-2028	\$5.8 million per ship/year	\$483.3 million program budget/year
FY 2029-2031	\$6.3 million per ship/year	\$525 million program budget/year
FY 2032-2035	\$6.8 million per ship/year	\$408 million program budget /year

•The program is appropriated year to year

Composition of the MSP Fleet



Vessel Type	# of Ships	Total Capacity
Container Ships	34	130,290 sqft
Ro-Ro Ships	18	3,162,079 sqft
Heavy Lift Ships	6	124,980 MT
Tankers	2	660,800 bbls
Total Ships	60	

Agreement Holder	# of Ships	Vessel Type
American International Shipping	1	Ro-Ro
APL Marine Services, Ltd	8	Container Ships
APL Maritime Ltd.	1	Container Ships
Argent Marine Operations	1	Heavy Lift
Farrell Line Incorporated	5	Ro-Ro & Container Ships
Fidelio Limited Partnership	8	Ro-Ro & Heavy Lift
Hapag-Lloyd USA, LLC	5	Container Ships
Liberty Global Logistics	1	Ro-Ro
Liberty Global Logistics, LLC	2	Ro-Ro
Maersk Line, Limited	18	Container & Ro-Ro
Mykonos Tanker, LLC	1	Tanker
Patriot Shipping, LLC	2	Heavy Lift
Santorini Tanker, LLC	1	Tanker
Waterman Steamship Corp.	2	Heavy Lift
Waterman Transport, Inc.	4	Ro-Ro
Total Ships	60	

Cable Security Fleet (CSF)



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- Established in 2021 by direction of 46 U.S.C. 53202
- Provides access to two active, commercially viable, cable vessels to meet national security requirements
- Program is funded at \$10 million/year under a FY21 appropriation (no-year money)
- MARAD selected two ships on 02 September: CS DEPENDABLE and CS DECISIVE, both owned by the Transoceanic Cable Ship Company, LLC of Baltimore, a subsidiary of SubCom, LLC of Eatontown, NJ
- CS DEPENDABLE reflagged U.S. on 17 November, CS DECISIVE is scheduled to reflag O/A 10 January
- The Navy's Military Sealift Command has been designated DoD's Operating Agency should activation of the CSF be required
- MSC developing Contingency Contracts with the owner

Tanker Security Program

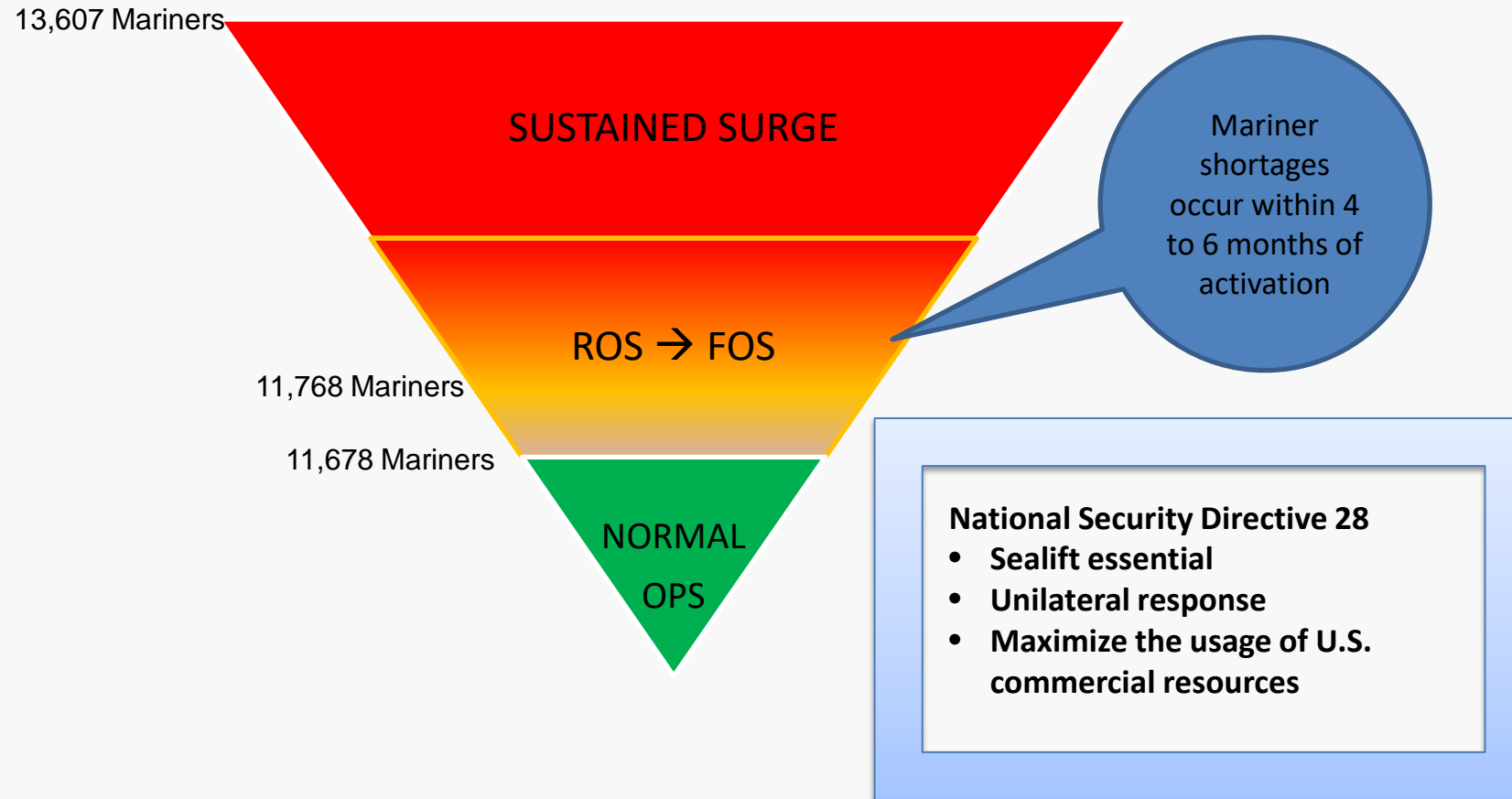


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- Authorized in the FY21 NDAA, contingent upon SecDef performing and submitting a Tanker Fuel Study to Congress
- Classified Tanker Fuel Study submitted to Congress 28 June 2021, certifying the program was in the national interest
- House and Senate Appropriations have approved \$60 million for TSP, and the expectation is the program will be fully funded at \$60 million for 10 tankers: \$6 million per ship per year
- Once funding has been appropriated:
 - MARAD has 60 days to post the Request for Applications in the Federal Register
 - Solicitation will remain open for 30 days
 - MARAD has 90 days to evaluate all requests and extend Operating Agreements to 10 tankers
 - 180 days total to stand up the program
- Two tankers currently in MSP will be transferred into TSP, leaving 8 slots for new tankers
- Supporting Voluntary Tanker Agreement (VTA) is being drafted to provide a supporting Emergency Preparedness Program
- VTA will be similar in nature to VISA



Mariner Pool Sufficiency



Overview of NSMV Program



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- **Congress mandated a commercial shipbuilding contracting model be used**
 - MARAD used an innovative approach with a commercial model and a Vessel Construction Manager (VCM)
 - Tote Services, LLC (“TOTE”) is headquartered in Jacksonville, FL.
 - The VCM held a commercial ship construction contract competition and Philly Shipyard Inc. (PSI) was selected for the contract.
 - Requires maximum possible U.S. components to be used in construction to meet coastwise-eligible (Jones Act) endorsement, as well as use of U.S.-flag commercial shipping for those overseas components.
- **Recapitalize the Maritime Administration's school ship training fleet**
 - Uses an innovative design that enables enhanced capabilities to support USDOT Emergency Support Function (ESF 1) requirements during National response to humanitarian and natural disasters (as many of the school ships have been used in this role over the years, hence the name “National Security Multi-Mission Vessel”)
 - Congress has funded all five ships of the State-Class.
 - The ships will be assigned to the following State Maritime Academies:
 - NSMV I *EMPIRE STATE* (State University of New York Maritime College)
 - NSMV II *PATRIOT STATE* (Massachusetts Maritime Academy)
 - NSMV III *STATE OF MAINE* (Maine Maritime Academy)
 - NSMV IV *LONE STAR STATE* (Texas A&M Maritime Academy)
 - NSMV V *GOLDEN STATE* (California Maritime Academy)



- Designed to meet International Maritime Organization Safety of Life at Sea (SOLAS) & U.S. Coast Guard Public Nautical School Ship (Subchapter R) requirements, classed as a Special Purpose Ship.
 - Collaboration with ABS and USCG via the utilization a of Design Basis Agreement.
- NSMV was designed based on requirements that were developed in coordination with the SMAs, other Federal partners, and the regulatory agencies.
- In developing the requirements, MARAD also drew from lessons learned during previous missions that used training ships for DOD and DHS national response efforts.
- This design incorporates core capabilities that are scalable, flexible, and adaptable, through the use of modular design and multi-purpose spaces. This approach also helped to reduce the cost of construction and increase the utility of the ship.
- Meets or exceeds latest and future environmental standards (air emissions, ballast water, treated wastewater).

NSMV Characteristics



MARITIME ADMINISTRATION
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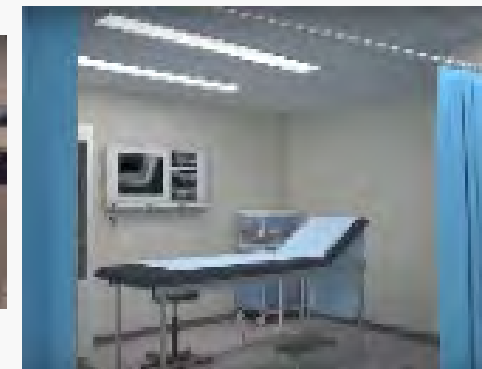
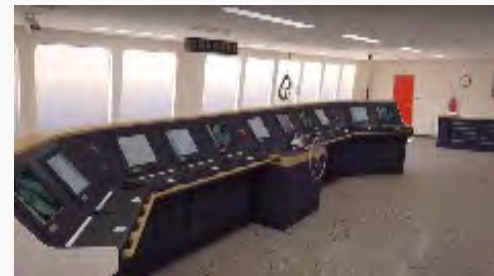
- *Principle Dimensions*
 - Length 160.05 m (525'-1")
 - Beam 27.0 m (88'-7")
 - Depth 16.8 m (55'-1.5")
 - Design Draft 6.5 m (21'-4")
- **Propulsion, Speed & Consumption**
 - Diesel electric – 4 main engines divided among two engine rooms
 - Total Installed power – 16,800 kW + 900 kW Emergency Generator
 - Two Sets of electric propulsion motors with an output of 9,000 kW
 - Full speed – 18 knots with 15% sea margin
 - Cruising speed – 12 knots with two engines
- *Maneuvering – Docking without tugs*
 - Bow Thruster – 1,200 kW Combi-type – tunnel thruster in normal maneuvering and drop down azimuthing type for “Take Home” power
 - Stern Thruster – 1,000 kW Tunnel type
 - Flap type rudder for improved low speed maneuverability
- **Range**
 - 10,000+ miles at 18 knots
- *Accommodation*
 - Training Ship Mode – 600 cadets, 100 officer, faculty, staff & crew
 - 1000-person surge capacity for Humanitarian Assistance/Disaster Relief missions (in-port)
 - Food Storage for 60 days
 - Fresh Water Storage for 14 days
- *Teaching & Training*
 - 8 Classrooms
 - Lab/Training areas for Cadets
 - Training Bridge
 - Large Multi-Purpose Space

NSMV Special Capabilities

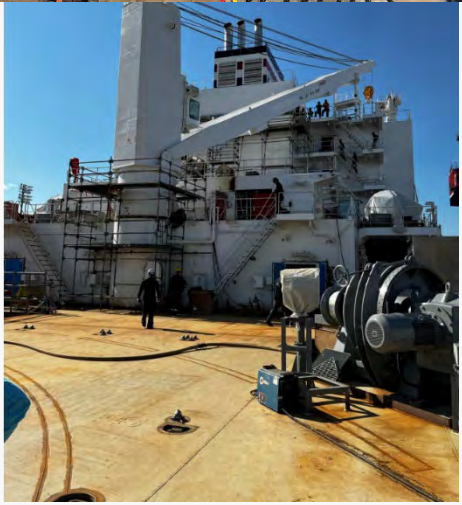


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- Cargo Crane - Self loading & unloading of containers
- Roll-on/Roll-off Space - storage of wheeled emergency equipment and containerized mission sets (eg: surgical suites)
- Roll-on/Roll-off ramp - for self loading and unloading of wheeled emergency equipment
- Helo deck - SOLAS and USCG CFR Compliant landing area that is suitable for specified helicopter size and weight
- Robust shipboard medical treatment spaces
- Two bridges – one for training and one for actual navigation
- Maneuvering – Capability to dock/undock without tugs in primitive or damaged port facilities
- The most modern environmentally compliant engines
- Advanced modern systems for the most up-to-date training



NSMV I Progress



NSMV II Progress



MARITIME ADMINISTRATION
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First Section of
NSMV II entering
Paint Hall



Appendix E
Public Comment

Comments to
The Maritime Transportation System National Advisory Committee
August 31, 2022

From

Tom Ewing

For contact information, contact Mr. Chad Dorsey.

[Note: spoken version is abbreviated for time.]

Mr. Chairman and Committee members, MARAD officials, thank you for the chance to participate in today's meeting and for the chance to recommend topics for the Committee's attention.

My name is Tom Ewing.

As conveyed in my original message to Mr. Dorsey I urge the Committee to commit to taking a close look at the report of the Brim lithium battery vessel fire, a report prepared by the Norwegian Safety Investigation Authority (NSIA), publicly released on July 15, 2022. A link to that report was provided to Mr. Dorsey. I hope Committee members have taken the time for at least an initial review of the Brim Report.

The Report's concerns already confront working mariners. But a broader concern is fast approaching – that non-mariners – families and vacationers, commuters, tourists, people on a day-fishing trip – will soon be boarding lithium battery powered vessels. To the extent the NSIA report can help US transportation agencies avoid an unthinkable event like the Brim fire, then those opportunities have to be exploited now, not after the fact. More importantly, the lessons in the Brim report can help regulatory agencies avoid the missed opportunities and systemic failures cited by NSIA. The Brim report can help America's safety and regulatory systems work better. Please take advantage of that!

The Brim report is disturbing for many reasons. Some are singular reasons, but still terrifying. Consider the use of Novec, a fire suppressant, referenced on page 68. NSIA writes that Novec "had little effect on the development of the fire." On the same page NSIA writes that Novec is unsuited for use as a fire suppression agent in battery rooms and it writes further that no "other fire suppression agents work optimally" and that "NSIA considers the lack of adequate means of extinguishing fires in lithium-ion batteries to be a safety problem." An understatement, to be sure.

Tragically, another agency – the NMA, the Norwegian Maritime Authority – was aware of these risks and is cited in the Report as stating that "no fire suppression system is available that would be capable of extinguishing a lithium-ion fire." I assume that is a reference to the whole world. But if it's not, if there are different safety systems and reviews and process approvals, then that is one broad conclusion that this Committee should seek and confidently declare to the American public that such safety systems are required on US lithium battery vessels.

There are broader concerns, beyond singular failures. Consider the “Risk Assessment” discussion on page 67. NSIA finds fault across the full range of project participants, including the shipyard, DNV – the classification society and the NMA. Or consider the hard-to-believe conclusions on page 69:

- “The NSIA believes the battery contractor had knowledge of the risks of seawater ingress and had several opportunities to identify the problem. It is unclear to the NSIA why the issue was never identified or addressed by the battery contractor until after the incident.”
- “Battery safety as a whole was not adequately addressed, and nobody identified the risk of seawater ingress through the ventilation arrangements. Based on the current rules and regulations, the same error may be made again.” (Emphasis added.)

Mr. Chairman, members of the Committee, we all know there is no such thing as 100% safety all the time everywhere. However, we can get closer to that goal by taking advantage of the key learnings and advisories that come from reports such as the Brim fire report. To close, my request has three parts:

1. That the Maritime Transportation System National Advisory Committee review the Brim report or make a formal motion that a federal agency should undertake such a review.
2. That review should highlight, and present in a report, which issues within the Brim report are pertinent and of most relevance within the US and whether those issues are being addressed in a manner that will offset lithium battery risks and within a schedule that is concurrent with efforts to expand the use of lithium batteries in maritime vessels in the US.
3. If the review finds there are no issues within the Brim report pertaining to the use of lithium batteries in US maritime vessels then a conclusion of low or minimal risk should be documented and published, hopefully within, say, six months.

Thank you. If you have any questions, I will try to answer them.

(End)

Appendix F
MTSNAC By-Laws

2.2 BYLAWS OF THE MARITIME TRANSPORTATION SYSTEM NATIONAL ADVISORY COMMITTEE

Section I: Purpose

The Maritime Transportation System National Advisory Committee (MTSNAC or Committee) was established by charter on May 19, 2010, pursuant to the Energy Independence and Security Act of 2007 (P.L. 110-140) and the Federal Advisory Committee Act, as amended (5 U.S.C., App. 2). In addition, Section 8332 of the National Defense Authorization Act for Fiscal Year 2021 (P.L. 116-283) broadened the scope of the MTSNAC to require that the Committee shall advise the Secretary of Transportation on matters relating to the United States maritime transportation system and its seamless integration with other segments of the transportation system, including the viability of the United States Merchant Marine.

The MTSNAC shall undertake information-gathering activities, develop technical advice, and present recommendations to the Administrator on matters including, but not limited to, the following:

- A. How to address impediments hindering effective use of marine highway transportation, including the expansion of America's Marine Highways, as directed in 46 U.S.C. § 55601;
- B. How to strengthen U.S. Maritime capabilities essential to national security and economic prosperity;
- C. Ways to ensure the availability of a U.S. maritime workforce that will support the sealift resource needs of the National Security Strategy;
- D. Ways to support enhancement of U.S. port infrastructure and performance; and,
- E. Ways to enable maritime industry innovation in information, automation, safety, environmental impact, and other areas.

The Committee's work will be aligned to the Agency's mission and guiding principle documents, such as the *Goals and Objectives for a Stronger Maritime Nation: A Report to Congress*. The Committee will not exercise program management responsibilities and will make no decisions directly affecting the programs on which it provides advice; decisions directly affecting implementation of maritime policy will remain with the Administrator.

Section II: Authority

The Committee is established pursuant to 46 U.S.C. § 55502, and is subject to the Federal Advisory Committee Act (FACA), as outlined in its Charter. The Secretary delegated to the Administrator authority to carry out functions related to the MTSNAC under 49 CFR § 1.93(a).

The MTSNAC is in the public interest and supports the Maritime Administration (MARAD) in performing its duties and responsibilities.

Section III: Meeting Procedures

- A. Scheduling Meetings:** The Committee will be expected to meet publicly at least three times per fiscal year. Meetings may be conducted via teleconference, with adequate public access, if necessary. The agenda for each meeting shall be developed and approved in advance by the DFO.

The following procedures shall govern the conduct of MTSNAC public meetings:

1. MARAD will publish notice of meetings in the *Federal Register* at least 15 calendar days prior to the date of the meeting. The Notice shall include the agenda, date, time, location, purpose of the meeting, and an opportunity for public comments.
 2. Each meeting will be held at a reasonable time, in a place reasonably accessible to the public, and in a room large enough to accommodate MTSNAC members, staff, and interested members of the public.
- B. Prepare an Agenda:** For each public MTSNAC (or subcommittee) meeting, the DFO, in consultation with the Chair and Vice Chair will prepare the agenda. Any MTSNAC member may submit items for the agenda to the DFO, Chair or Vice-Chair. Agendas will be outlined in the *Federal Register* notice announcing the public MTSNAC meeting and the DFO will distribute the agenda to MTSNAC members before each meeting. Items for the agenda may also be suggested by non-members, including members of the public. Administrative or preparatory meetings do not require notice in the Federal Register.
- C. Recommendations:** All advice and recommendations from subcommittees must be presented to the full MTSNAC for deliberation, discussion, and achievement of consensus. On behalf of the committee, the Chair in consultation with the Vice-Chair must submit advice and consensus recommendations through the DFO to the Administrator.
- D. Consensus:** The MTSNAC will use a consensus process to make recommendations to the Secretary through the Administrator.
1. **Definitions:** Consensus is a process, an attitude, and an outcome. Consensus processes have the potential of producing better quality; more informed and better-supported outcomes. As a process, consensus is a problem-solving approach in which all members:
 - i. Jointly share, clarify, and distinguish their concerns;
 - ii. Educate each other on substantive issues;

- iii. Jointly develop alternatives to address concerns; and then
- iv. Seek to adopt recommendations everyone can embrace or at least live with.

In a consensus process, members should be able to honestly say:

- i. I believe that other members understand my point of view;
- ii. I believe I understand other members' points of view; and
- iii. Whether or not I prefer this decision, I support it because it was arrived at openly and fairly and because it is the best solution we can achieve at this time.

Consensus as an attitude means that each member commits to working toward agreements that meet their own and other member needs and interests so that all can support the outcome.

Consensus as an outcome means that agreement on decisions is reached by all members or by a significant majority of members after a process of active problem solving. In a consensus outcome, the level of enthusiasm for the agreement may not be the same among all members on any issue, but on balance, all should be able to live with the overall package.

Levels of consensus on a committee outcome can include a mix of:

- i. Participants who strongly support the solution
- ii. Participants who can "live with" the solution
- iii. Some participants do not support the solution but agree not to veto it.

2. **Consensus Guidelines:** The MTSNAC will seek consensus decisions on their recommendations. Achieving consensus is a participatory process whereby, on matters of substance, the members strive for agreements which all the members can accept, support, live with or agree not to oppose.

In instances where, after vigorously exploring possible ways to enhance the members' support for the final decision on a package of recommendations, and the Committee finds that 100% acceptance or support is not achievable, final decisions will require at least 67% favorable vote of all members present and voting. This supermajority decision rule underscores the importance of actively developing consensus throughout the process on substantive issues with the participation of all members and which all can live with.

The MTSNAC, Subcommittees or Working Groups will develop their recommendations and report using consensus building techniques with the assistance of facilitators. Techniques such as the use of brainstorming, ranking and prioritizing approaches will be utilized. Where differences exist that prevent the MTSNAC or a Subcommittee from reaching a final consensus decision (i.e.,

with the support of at least 67% of the members) on a key issue or group of issues, the committee will outline the differences on the issue in its report. To enhance the possibility of constructive discussions as members educate themselves on the issues and engage in consensus building, members agree to refrain from public statements which may prejudice the outcome of the Advisory Committee's consensus process. In discussing the Committee process with the media, members agree to be careful to present only their own views and not the views or statements of other participants.

3. **Consensus Draft Development:** The Chair or Subcommittee Chair, as appropriate, may appoint drafting Work Groups, to be chaired by an MTSNAC member, to seek consensus recommendations for the Committee's consideration utilizing the Committee's consensus procedures and guidelines. Committee members may be asked to individually rank each initial draft recommendations from a Committee drafting Work Group using a consensus testing scale. Plenary review and discussion of the ranked recommendations will follow. MTSNAC Committee members in plenary and drafting Work Group sessions will be asked to address concerns and suggestions in redrafting and refining the recommendations. Redrafted recommendations will ultimately be compiled into a single text for the Advisory Committee's review, refinement, and adoption.

E. **Minutes and Records:** For each MTSNAC or Subcommittee meeting, the DFO will keep minutes and records of all meetings. Minutes of all MTSNAC and subcommittee meetings must be prepared and include:

1. Time, date, and place of the meeting.
2. List of the attendees at the meeting, including members of the public if available.
3. Complete and accurate description of matters discussed, and conclusions reached with a description of public participation, including the members of the public who presented oral or written statements.
4. Copies of all materials received, issued, or approved.

The Chair of the MTSNAC (or a subcommittee) will certify the accuracy of the minutes within 90 days of the meeting. Once approved, minutes will be published on the MTSNAC website and made available to the public.

F. **Public Procedures:** Unless otherwise determined in advance, each meeting of the MTSNAC will be open to the public. Once an open meeting has begun, it will not be closed for any reason. All materials brought before or presented to the MTSNAC during an open meeting will be made available to the public. Interested persons may attend meetings, appear before the Committee as time permits, and provide oral or written comments to the committee. Persons wishing to appear before the MTSNAC must notify the DFO at the beginning of the meeting. Written materials may be submitted to the MTSNAC at any time by notifying the DFO.

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Members of the public may attend MTSNAC meetings or portions of an open meeting and may offer oral comment at a time provided in the meeting agenda. The Chair may decide in advance to exclude oral public comment during a meeting, in which case the meeting announcement published in the *Federal Register* will note that oral comment from the public is excluded and will invite written comment as an alternative.

Materials brought before or presented to the MTSNAC during the conduct of a meeting, including the minutes of the proceedings of a meeting, will be available to the public for review or copying at the time of the next scheduled meeting.

Meetings of the MTSNAC will be closed only in limited circumstances and according to applicable law and DOT policies. Where the DFO has determined in advance that discussions during an MTSNAC meeting will involve matters about which public disclosure would be harmful to the interests of the Government, industry, or others, an advance notice of a closed meeting, citing the applicable exemptions of the Government in Sunshine Act, will be published in the *Federal Register*. The notice will announce the closing of all or a portion of a meeting. If during an open meeting, matters inappropriate for public discussion arise, the Chairman will order such discussion to cease and will schedule it for closed session. Notice of closed meetings will be published in the *Federal Register* at least 15 calendar days in advance. Requests for closed meetings must be approved by the Office of Chief Counsel.

Section IV: Role of the MTSNAC Officials

- A. **Chair:** The Chair shall be designated by the Secretary, and works with the DFO in establishing priorities, identifying issues to be addressed, determining support required, facilitating open and fair discussions, determining when a vote is required, and serving as the principal for the MTSNAC's membership. In addition, the Chair is responsible for certifying the accuracy of minutes. Members of the committee representing federal agencies may not serve as the Chair.
- B. **Vice-Chair:** The Vice-Chair shall be a member of the Committee designated by the Secretary and works closely with the Chair. If the Chair is unavailable, the Vice-Chair shall serve in his or her place. Members of the committee representing federal agencies may not serve as the Vice-Chair.
- C. **Designated Federal Officer (DFO):** The Maritime Administrator designates an agency representative to serve as the DFO for the MTSNAC and shall serve as DOT's representative for all matters related to the MTSNAC's activities. The Maritime Administrator may also designate Alternate DFOs to support the administrative and operational requirements of the MTSNAC.

In addition, the DFO is responsible for providing adequate staff support for the MTSNAC administrative functions, namely:

- a. Provide tasks or specific requests for recommendations, advice or analysis concerning marine transportation;
- b. Assist in developing plans for the activities of the Committee and its subcommittees;
- c. Serve as liaison between the Committee and other relevant Department of Transportation offices and Federal entities;
- d. Coordinate invitations for subject matter experts to comment and participate in meetings in accordance with Department of Transportation policy and the Federal Advisory Committee Act;
- e. Call meetings of the Committee after consultation with the Chair and determine the date, time, and location where they will be held;
- f. Formulate an agenda, in consultation with the Chair, for each meeting;
- g. Notify all Committee members of the date, time, place, and agenda for any meeting;
- h. Provide administrative support for all meetings of the Committee, including the designation of an Agency liaison or alternate DFO;
- i. Attend each Committee meeting and ensure compliance with the FACA;
- j. Maintain all MTSNAC files and disseminating information in accordance with applicable statutes, resolutions, and instructions;
- k. Adjourn any meeting when it is determined to be in the public interest; and,
- l. Chair meetings when directed to do so by the Administrator.

D. Subcommittee Chairs: When subcommittees are formed, the Maritime Administrator will designate MTSNAC members to serve as the Subcommittee Chairs. Members of the committee representing federal agencies may not serve as Subcommittee Chairs. The Chairs of the subcommittees shall be members of the Committee. The Chairs may establish working groups to address issues for the subcommittee. The Subcommittee Chairs, in coordination with the DFO, are responsible for leading subcommittee meetings, setting the agenda, overseeing issues assigned to the subcommittee, supervising the subcommittee or working groups, notifying all subcommittee members of the agenda, time and place for any meeting, and reporting all recommendations and advice to the full MTSNAC for consideration and adoption.

E. Working Group Team Lead: When working groups are formed, the Chair will designate one MTSNAC member to serve as the Working Group Team Lead (Team Lead). The Team Lead is responsible for leading working group meetings, setting the agenda, overseeing issues assigned to the working group, supervising the working groups, notifying all working group members of the agenda, time and place for any meeting, and reporting all recommendations and advice to the subcommittee and full MTSNAC for consideration and adoption, as appropriate.

Section V: Role of MTSNAC Members

MTSNAC members are expected to:

- a. Attend MTSNAC meetings in person or by an alternative means provided. If a member is unable to attend, the member may designate an alternate to attend on his or her behalf and shall notify the DFO of the substitution.
- b. Use available resources to seek information, opinions, and data from members of the community, public or industry represented, so it may represent the interests of their segment of the marine transportation industry as well as the industry in general.
- c. Join or otherwise actively support one or more of the subcommittees and/or working groups.
- d. Make a motion to vote and vote as required.

Section VI: Subcommittees

Subcommittees may be established by the MARAD. Establishment of a subcommittee will be considered when MARAD, in consultation with the Chair, Vice-Chair, and DFO, deem it in the best interest in completing specific tasks. Subcommittee membership shall be established by the Chair, in consultation with the Vice-Chair and the DFO. In addition to MTSNAC members, subcommittees may also include persons who are not members of the Committee. MTSNAC members may call upon subject matter experts to provide input, advice, or subject matter expertise. Only Committee members, however, may vote on subcommittee issues and recommendations. For the purpose of carrying out its duties, the Committee, Subcommittee or Working Group may invite subject matter experts to comment and participate in meetings after consultation with the Designated Federal Officer (DFO).

Each subcommittee meeting must have a MARAD staff member in attendance, who may also serve as the DFO's representative.

All advice and recommendations from subcommittees must be presented to the full MTSNAC for deliberation and discussion.

Section VII: Working Groups

Working groups are *ad hoc* and therefore temporary in nature; they are used to address a specific task and will be dissolved upon completion of the assignment. MARAD, in coordination with MTSNAC Subcommittee Chairs, the DFO, and Chair and Vice-Chair, may designate working groups, determine the issues they are to address and determine the length of their existence. Non-MTSNAC members may only be allowed to join a working group upon approval from the DFO, and Chair, Vice-Chair, and specific Subcommittee's Chairs with the understanding that balance would be achieved or maintained with the addition of any non-MTSNAC members. In addition, MTSNAC members on the working group may call upon subject matter experts to act in an advisory capacity.

All advice recommendations from the working group must be presented to the Subcommittee and the full MTSNAC for deliberation and discussion, as appropriate.

Section VIII: Reimbursement

While engaged in the work of the Committee, all members may be allowed reasonable travel, subsistence, and other necessary expenses, including per diem in lieu of subsistence, in accordance with the rates and rules set under the Federal Travel Regulations. Eligible reimbursement expenses are subject to the availability of appropriations.

Section IX: Additional Information

The General Services Administration's Committee Management Secretariat is responsible for Government-wide oversight of advisory committees. The Secretariat will provide advice to the DFO as needed to ensure compliance with all Federal advisory committee statutes and regulations.