

Minutes of Public Meeting

July 19, 2016 - July 20, 2016

Federal Motor Carrier Safety Administration (FMCSA) National Training Center

1310 N. Courthouse Road

Arlington, VA 22201

Table of Contents

July 19, 2016 (Day One).....	3
Call to Order & Roll Call	3
Members Present:	3
Members Absent	4
Agency Members Present.....	4
Administrative Briefs	4
Introduction of Maritime Administrator	4
Chairman’s Brief & Acceptance of Minutes from December 2015 Meeting	6
Self-Introductions.....	6
Presentation – Changing Trends in Marine Transportation	6
Reconvene & Public Comments	7
Charge to Breakout Session	7
Brief – Opportunities to Use Intelligent Transportation System to Relieve Congestion in and around Ports.....	7
Technology Session.....	8
Transportation Advisory Committee Roundup.....	8
Analysis of Opportunities and Threats.....	9
Public Comments	10
Closing Remarks and Adjournment	10
July 20, 2016 (Day Two).....	11
Welcome and Opening Statements	11
Members Present:	11
Members Absent	12
Agency Members Present.....	12
Analysis of Opportunities and Threats (continued) & Development of MTSNAC Work Plan	12
Education and Awareness	13
Marine Highways	13
International Competition and Global Trends.....	13
Port Capacity.....	14
Closing Remarks and Adjournment	14
Certification and Approval.....	15
Appendix.....	15

Minutes of Public Meeting

Federal Motor Carrier Safety Administration (FMCSA) National Training Center
1310 N. Courthouse Road
Arlington, VA 22201

July 19, 2016 (Day One)
8:30 a.m. –4:00 p.m.

Call to Order & Roll Call

Mike Mabry, Chair, opened the meeting and welcomed all attendees. Jeffrey Flumignan, the Designated Federal Officer (DFO) then took the Roll Call.

Members Present:

Gary Adams – Walmart Stores Inc.
John Baker – International Longshoremen’s Association
Robert Berry – International Shipbreaking Limited, LLC
Gary Brown – Genesee & Wyoming – Coastal Region
Molly Campbell – Port Authority of New York & New Jersey
Vanta Coda II – Duluth Seaway Port Authority
Kristin Decas – Port of Hueneme
Gregory Faust – Washington State DOT, Washington State Ferries Division
John Graykowski – Maritime Industry Consultants
Bill Hanson – Great Lakes Dredge & Dock Company, LLC
Daniel Harmon – Texas Department of Transportation
Susan Hayman – Foss Maritime Company
Jared Henry – Hapag-Lloyd USA, LLC
Tim Hinckley – Hasbro
Lynn Korwatch – Marine Exchange of the San Francisco Bay Region
Jim Kruse – Texas A&M – Transportation Institute
Gary LaGrange – Port of New Orleans
Mark Locker – Ohio Department of Transportation
Gary Love – FAPS, Inc.
Griff Lynch – George Ports Authority
Mike Mabry – Maritime Transportation System National Advisory Committee
Jim Pelliccio – Port Newark Container Terminal
William Pennella – Crowley Maritime Corporation
Torey Presti – National Shipping Agencies, Inc.
Jonathan Rosenthal – Saybrook Corporate Opportunity Funds
Gene Seroka – Port of Los Angeles
Scott Sigman – Illinois Soybean Association
Anne Strauss-Weider – North Jersey Transportation Planning Authority

U.S. Maritime Transportation System National Advisory Committee

Richard Suttie – California State Maritime Academy
John Townsend – Honeywell Technology Solutions, Inc.
Margaret Vaughan – U.S. Exporters Competitive Maritime Council
Robert Wellner – Liberty Global Logistics LLC
Thomas Wetherald – General Dynamics – NASSCO
Lisa Wieland – Massachusetts Port Authority
Brian Wright – Owensboro Riverport Authority
James Jenkins – U.S. Coast Guard
Karl Simon (via phone) – U.S. Environmental Protection Agency

Members Absent

Richard Berkowitz – Transportation Institute
Peter Ford – Ports America
James Lyons – Alabama State Port Authority
John Reinhart – Virginia Port Authority
Thomas Wakeman III – Stevens Institute of Technology

Agency Members Present

Hon. Paul N. Jaenichen – Maritime Administrator
Lauren Brand – Associate Administrator for Intermodal System development, maritime Administration
Jeffrey Flumigan, Designated federal Officer, Maritime Administration
Scott Davies, Maritime Administration
Kirk Clausen, Maritime Administration
Tony Padilla, Maritime Administration
Tim Pickering, Maritime Administration
William Paape, Maritime Administration
Fran Bohnsack, Maritime Administration
John Kennedy, Maritime Administration

Administrative Briefs

Ms. Lauren Brand, Associate Administrator for Intermodal Systems Development at the Maritime Administration (MARAD) then briefly explained the roles and responsibilities of the committee members as well as MARAD. She emphasized the need for input and advice from MTSNAC members.

Mr. Aaron Meyers of the Office of Chief Counsel at MARAD then provided the members with a briefing on ethics in government, pointing out that the committee members are representatives who will provide their views based on their position on the committee rather than their corporate, public or academic standing.

Introduction of Maritime Administrator

Mike Mabry then introduced Paul “Chip” Jaenichen, Maritime Administrator to the group. Mr. Jaenichen reminded the group that MARAD needs MTSNAC to help “pull” forward the National

Maritime Strategy which the committee had earlier reviewed and commented on at its last meeting. He stated that since his time at MARAD is running short success will be left to MTSNAC who alone can “pull” it forward. In the meantime Harmonic International had been retained by MARAD to conduct extensive interviews with scores of maritime stakeholders. These interviews attempted to assess everything from the state of the industry to the relevancy of MARAD. Mr. Jaenichen then introduced Robin Marie Williams of Harmonic International and turned over the discussion to her.

Ms. Williams briefed the group on the work that Harmonic International had done since the last MTSNAC meeting. They had conducted 80 interviews with a wide range of stakeholders, including Congress, shippers and industry representatives. As a result of these interviews several challenges to the maritime industry were identified, among them:

- Recruiting/retaining workforce
- Crumbling infrastructure
- Challenges to the Jones Act

Stakeholders also emphasized that the National Maritime Strategy must be future focused and in response to specific threats, such as industry consolidation, energy changes in five years, and bigger ships and terminals. Other topics that the stakeholder interviews identified as important included the implication of changes in the industry, how best to stay competitive, implications of not “getting it right,” the need for a vision, industry priorities, foreign competition, crumbling infrastructure in and around our ports, and the increased use of Short Sea Shipping (Marine Highways). Stakeholders were also asked what they thought about MARAD and how and if it should change.

When asked what was the one most important thing that MARAD could/should do, stakeholders answered that MARAD needs to get the National Maritime Strategy “right,” gain parity within the US Department of Transportation, and fix the U.S.- flag international fleet. In response to the question of how MARAD could add the greatest value to its constituents, stakeholders said MARAD should liaise with Congress and assist with state and national transportation planning. What do stakeholders want from MARAD? That it be an integrator of maritime research. What does Congress want most from MARAD? A clear vision with a clearly stated purpose for each component was the response. And finally, stakeholders were asked what should be the objective of the National Maritime Strategy. The two most frequently mentioned were to improve water transportation to help reduce landside congestion and to identify important U.S port improvements.

After her presentation, Ms. Williams opened the floor to questions. One of the members asked what industry can do to support MARAD since it cannot lobby for itself. Mr. Jaenichen responded that the agency needs a maritime “association” that brings all of the relevant sectors together. Congress doesn’t understand what MARAD and the maritime industry collectively do to benefit the American economy. He added that MARAD has received over 300 comments on the draft National Maritime Strategy from other federal agencies. Mr. Jaenichen thanked all of the members for their input to date and charged them to provide additional comments and recommendations to move the strategy forward again. Then Mr. Jaenichen announced that Mike

Mabry will again be the official Chair of MTSNAC and Mr. John Baker will be the Vice-Chair. At this time Mr. Mabry announced a 10 minute break.

Chairman's Brief & Acceptance of Minutes from December 2015 Meeting

After the break Mike Mabry asked the group to review and approve the minutes of the committee's December 2015 meeting. Margaret Vaughan made a motion to approve the minutes as written and Thomas Wetherald seconded the motion. The meeting minutes were approved unanimously.

Mike Mabry then addressed the committee and outlined what success for MTSNAC looks like:

- Adoption of a two-year work plan
- Identification of working groups
- Understanding the difference between this and the other 36 maritime-related federal advisory committees

Mr. Mabry reported that he, as MTSNAC representative, had begun to address the third element of success by participating in the recently held Bureau of Transportation Statistic's Port Performance Freight Statistics Working Group meeting in Washington. At that meeting the group raised three questions:

- What is the definition of a port
- What are/should be nationally consistent measures for ports, e.g. capacity and throughput
- How should BTS collect and report nationally consistent measures

Mr. Mabry added that the Port Performance Working Group has asked for MTSNAC input within the week.

Self-Introductions

Each member then introduced him/herself and shared with the group the most defining moment in his/her career. Since this was the first meeting for many committee members this exercise was intended to help them better define themselves and add a more personal perspective to the entire committee.

Presentation – Changing Trends in Marine Transportation

After the self-introductions Ms. Lauren Brand of MARAD introduced the main speaker of the morning, Mr. John Vickerman, Principal of Vickerman & Associates LLC. Mr. Vickerman's firm has been assisting ports and shipping companies to recognize and prepare for future market and technological changes.

Mr. Vickerman introduced his presentation by showing the group a map of the ancient Silk Road in Asia and its modern counterpart, the Maritime Silk Road. It is no coincidence that the largest concentration of large ports is in Asia, helping to form the Maritime Silk Road. He noted that world trade is projected to increase by 73% over the next 30 years and as a result the top priorities of multinational shippers are schedule reliability and freight rates. He also pointed out

that the global container market demand continues to be concentrated in Asia and that according to Drewry the global container market is projected to grow by 260% by 2024. Other important statistics include the fact that the Suez Canal will double capacity by 2012 and of the ten busiest ports in the world, nine are in Asia. Of those top ten six are in China (Shanghai is #1 and Singapore is #2).

To support the increase in world trade, Vickerman described how the size of container vessels has increased by 24% from 2008 – 2012. He also highlighted the impact that the expanded Panama Canal will have on the Asia/America trades, including the pressures it will exert on intermodal rail in the US, the emergence of US Gulf and East Coast ports as major import gateways for Asian imports, and container vessel penetration into the US Midwest and the Lower Mississippi River. After his presentation Mr. Vickerman opened the floor to questions. To the question of where is the national will and funding to support this expanded maritime trade, Mr. Vickerman responded, somewhat tongue in cheek, that it could be accomplished with three minutes on a Cray computer and just 3% of the National Highway Trust Fund.

The group then recessed for a working lunch at 12:10 p.m.

Reconvene & Public Comments

The meeting was reconvened at 12:50 p.m. Ms. Helen Brohl, Executive Director of the interagency Committee on the Marine Transportation System (CMTS) addressed the group. Ms. Brohl offered CMTS as a resource to MTSNAC since its membership includes over 25 federal agencies and offices. She gave the group a brief overview of CMTS, its history and its work products, including the list of all federal advisory committees that deal with maritime issues (included in the members' binders).

Charge to Breakout Session

Ms. Brand then outlined the charge for the upcoming breakout session. She explained that MTSNAC would be developing two standing subcommittees:

- Marine Highways
- Technologies

She also stressed the need for diversity on the subcommittees and explained that working groups may be established that would explore issues for up to two years. In addition task forces may be formed, but these will be short-lived and narrowly focused. Scott Davies of MARAD added that the goal of the Marine Highways subcommittee is to focus on what US DOT and the industry can do to bring the marine mode to parity with the other transportation modes as well as how to assist shippers make informed decisions about their use of the Marine Highways.

Brief – Opportunities to Use Intelligent Transportation System to Relieve Congestion in and around Ports

Lauren Brand introduced Mr. Kenneth Leonard, Director of the Intelligent Transportation Systems – Joint Program Office at the U.S. Department of Transportation. Mr. Leonard gave the

group an overview of the ITS programs that US DOT is currently supporting, including connected vehicles, automation and emerging capabilities. He described connected vehicles as vehicles with a walkie-talkie. Connected vehicles have the ability to reduce non-impaired crash scenarios by 80%. Just recently the city of Columbus, OH was awarded a Smart City grant by USDOT to work to reshape its transportation system to become part of a fully-integrated city that harnesses the power and potential of data, technology, and creativity to reimagine how people and goods move throughout their city. This will also include connected vehicles. Mr. Leonard then answered some questions from the floor. These included how US DOT is handling privacy issues surrounding the use of connected vehicles as well as transmission spectrum interference issues.

Technology Session

Mr. Leonard's presentation provided a useful backdrop for an interactive technology session, facilitated by Stephen Shafer of MARAD. Mr. Shafer elicited the members' thoughts and ideas on how the marine mode can best use Intelligent Transportation Systems to relieve congestion in and around ports. Some of the suggestions included the need to integrate port truckers with the other service providers in port areas. The need for information resiliency was also mentioned. One member pointed out the need for more than just RFID tag information, especially for midstream cargo loading/unloading. The possibility of autopilot vessels was also raised. Mr. Shafer announced that MARAD hopes to form an ITS subcommittee soon and one of the charges for the subcommittee will be to analyze a number of business cases.

Transportation Advisory Committee Roundup

Ms. Brand then introduced the speakers for the Transportation Advisory Committee Roundup. They included Commission Rebecca Dye of the Federal Maritime Commission (FMC) and Mr. Bruce Harsh, Acting Director of Supply Chain, Professional and Business Services at the Department of Commerce. The third speaker, Mr. Rolf Schmitt of the Bureau of Transportation Statistics at US DOT was not able to join the group today.

Commissioner Dye described the work of three Supply Chain Innovation Teams that FMC has formed. These Supply Chain Innovation Teams were formed to help develop commercial solutions to supply chain challenges and related port congestion concerns. The goal of the teams is to identify actionable recommendations to address these supply chain and congestion concerns. Since May of this year the three teams have been meeting independently at different locations around the country and have agreed to a regular schedule of face-to-face meetings and conference calls.

Mr. Bruce Harsh of the Department of Commerce then briefed the group on the work of the Department's Advisory Committee on Supply Chain Competitiveness. The committee has 45 members and is charged with addressing important supply chain issues. Since its inception the committee has been re-chartered three times. The committee is currently working on its Single Window initiative which will provide a single window in both the U.S. and Canada for the trade community to electronically submit all information to comply with Customs and other government regulations. The committee is also working to identify best practice ideas/issues.

After these presentations the floor was opened to questions. One member asked Commissioner Dye about the FMC's mission statement. She replied that there is no formal mission statement but FMC can be defined as the FTC on the water. It regulates large ocean operators and port and terminal operators. When asked what the FMC's position is on the Jones Act Commissioner Dye replied that the FMC doesn't have jurisdiction over the Jones Act. Mr. Harsh was asked the same question and he responded that the Department of Commerce does not support any change in the Jones Act since it was enacted by Congress. The members then took a 10 minute break.

Analysis of Opportunities and Threats

After the break Robin Marie Williams of Harmonic International began a facilitated discussion with the group about the opportunities for the maritime industry and the threats that it faces. She asked all participants to jot down what they considered to be the greatest weaknesses and strengths in the maritime industry and then to write down the greatest threats as well as opportunities. At the end of this exercise the following list of weaknesses and strengths was compiled:

Weaknesses

Lack of port capacity
Silos in supply chains
Short Sea Shipping/Marine Highways
Lack of public understanding of Marine Transportation
Capital/port infrastructure
Regulation/permitting
Lack of funding
U.S. tax structure
Maritime Education
Awareness

Strengths

People

The list of Threats and Opportunities is below:

Threats

Workforce
International competition
Canada/Mexico cargo diversion
Jones Act
Lack of data
Shifting trends in manufacturing

Opportunities

Greater international presence
Asia
Jobs
Different timelines
Include ports in planning

Ms. Williams explained that members of the Harmonic International team will review these lists with MARAD staff and present a more focused and concise list for the members to work on during tomorrow's session.

Public Comments

Mr. Robert Berry addressed the group by reminding them that US DOT had tasked MTSNAC with providing advice on how to strengthen the maritime economy. Jobs = economic strength. He pointed out that there are plenty of maritime recycling jobs in the Brownsville, TX area where he is located. He then requested that US DOT, MARAD and MTSNAC support the European Union in its recently proposed requirement that every ship have a recycling certificate and plan so that these vessels are recycled in ship recycling facilities included in the EU approved List. He suggested that the U.S. adopt a similar requirement so that U.S. – flag vessels are dismantled in U.S. recycling facilities (Mr. Berry's written comments are attached to this meeting file).

Closing Remarks and Adjournment

Mike Mabry announced that the next meeting is tentatively scheduled for October 18-19 and asked members to check their schedules for any conflicts and to let him or the DFO know as soon as possible. Tomorrow's session will begin at 8:00 a.m. He then adjourned the meeting at 3:55 p.m.

U.S. Maritime Transportation System National Advisory Committee

**Federal Motor Carrier Safety Administration (FMCSA) National Training Center
1310 N. Courthouse Road
Arlington, VA 22201**

**July 20, 2016 (Day Two)
8:00 a.m. –12:00 p.m.**

Welcome and Opening Statements

Mike Mabry, Chair, opened the meeting and welcomed all attendees. Jeffrey Flumignan, the Designated Federal Officer (DFO) then took the Roll Call.

Members Present:

Gary Adams – Walmart Stores Inc.
Robert Berry – International Shipbreaking Limited, LLC
Gary Brown – Genesee & Wyoming – Coastal Region
Molly Campbell – Port Authority of New York & New Jersey
Vanta Coda II – Duluth Seaway Port Authority
Kristin Decas – Port of Hueneme
Gregory Faust – Washington State DOT, Washington State Ferries Division
John Graykowski – Maritime Industry Consultants
Bill Hanson – Great Lakes Dredge & Dock Company, LLC
Daniel Harmon – Texas Department of Transportation
Susan Hayman – Foss Maritime Company
Jared Henry – Hapag-Lloyd USA, LLC
Tim Hinckley – Hasbro
Lynn Korwatch – Marine Exchange of the San Francisco Bay Region
Jim Kruse – Texas A&M – Transportation Institute
Mark Locker – Ohio Department of Transportation
Gary Love – FAPS, Inc.
Griff Lynch – George Ports Authority
Mike Mabry – Maritime Transportation System National Advisory Committee
Jim Pelliccio – Port Newark Container Terminal
William Pennella – Crowley Maritime Corporation
Torey Presti – National Shipping Agencies, Inc.
Gene Seroka – Port of Los Angeles
Scott Sigman – Illinois Soybean Association
Anne Strauss-Weider – North Jersey Transportation Planning Authority
Richard Suttie – California State Maritime Academy
John Townsend – Honeywell Technology Solutions, Inc.
Margaret Vaughan – U.S. Exporters Competitive Maritime Council
Robert Wellner – Liberty Global Logistics LLC
Thomas Wetherald – General Dynamics – NASSCO
Lisa Wieland – Massachusetts Port Authority
Brian Wright – Owensboro Riverport Authority
Karl Simon (via phone) – U.S. Environmental Protection Agency

Members Absent

John Baker
Richard Berkowitz
Peter Ford
Gary LaGrange
John Reinhart
Jonathan Rosenthal
Thomas Wakeman III
James Jenkins

Agency Members Present

Hon. Paul N. Jaenichen – Maritime Administrator
Lauren Brand – Associate Administrator for Intermodal System development, maritime Administration
Jeffrey Flumignan, Designated federal Officer, Maritime Administration
Scott Davies, Maritime Administration
Kirk Clausen, Maritime Administration
Tony Padilla, Maritime Administration
Tim Pickering, Maritime Administration
William Paape, Maritime Administration
Fran Bohnsack, Maritime Administration
John Kennedy, Maritime Administration

Mr. Mabry announced that four work groups have been identified as a result of yesterday afternoon's exercise:

- Port Capacity
- Marine Highways
- Education and Awareness
- International Competition and Global Trends

He asked all members to sign up for one of these four groups according to their background and interests. Ms. Brand then introduced Mr. Tony Padilla of MARAD's Office of International Affairs to the group. Mr. Padilla will be MARAD's liaison to the International Competition and Global Trends work group.

Analysis of Opportunities and Threats (continued) & Development of MTSNAC Work Plan

Robin Williams of Harmonic International then explained how these four work groups were identified and gave a brief overview of each of them. She gave each work group three tasks for today's work:

- Develop problem statement/challenge
- Develop 1-3 objectives

- For each objective, develop 1-3 strategies

The members then went to their respective work group and began to address these issues. After the four work groups completed their tasks, each group/subcommittee reported out to the Administrator and the entire committee.

Education and Awareness

Lisa Wieland reported out for the Education and Awareness Working Group/Subcommittee. This subcommittee drafted the following problem statement:

There is a lack of awareness of the value of maritime due to ineffective messaging and a cohesive strategy for communicating to our stakeholders including the public, Congress and industry, despite the fact that 95% of international goods are moved by water. If we don't act, maritime will remain non-competitive and underserved. Failure to educate our audiences results in societal, environmental and economic impacts.

This subcommittee identified three objectives:

- *Elevate maritime as a national priority (July 2016 – May 2018)*
- *Have a unified message and strategy (August 2016 – March 2017)*
- *Stakeholders execute sponsorship, advocacy and ownership (August 2016 – October 2017)*

The strategies to accomplish these three objectives are outlined in the attached file to these minutes

Marine Highways

Dan Harmon reported out for the Marine Highways Working Group/Subcommittee. This subcommittee drafted the following problem statement:

There are significant barriers to SSS/Marine Highways that prevent expanded utilization by new and traditional users.

This subcommittee identified three objectives:

- *Identify institutional barriers*
- *Identify physical and infrastructure barriers*
- *Identify economic barriers*

The strategies to accomplish these three objectives are outlined in the attached file to these minutes.

International Competition and Global Trends

Scott Sigman reported out for the International Competition and Global Trends Working Group/Subcommittee. The subcommittee drafted the following problem statement:

Trends in global economic development and supply chains expose significant risks to U.S. national, political and economic cost competitiveness and the U.S. lacks a cohesive approach to address changes in that global supply chain.

This subcommittee identified three objectives:

- *Ensure U.S. competitiveness in the global economy*
- *Increase multimodal capacity and improve service, i.e. reliability and resilience for the flow of goods including imports, exports and domestic freight and passengers*
- *Reduce costs of goods to U.S. consumers and producers*

The strategies to accomplish these three objectives are outlined in the attached file to these minutes.

Port Capacity

Gene Seroka reported out for the Port Capacity Working Group/Subcommittee. This subcommittee drafted the following problem statement:

The Nation's gateways will facilitate or impede economic growth. The nation lacks a dedicated effort to assess, develop and maintain port capacity to ensure the gateways to support National competitiveness, security and sustainable economic growth.

This subcommittee identified three objectives:

- *Funding/implementation for 3 years*
- *Stakeholders identify strategic gateways*
- *Streamline regulatory process*

The strategies to accomplish these three objectives are outlined in the attached file to these minutes.

In response to these briefs Mr. Jaenichen made a few comments. He suggested that the U.S. Department of Education develop a logistics program for students in elementary and secondary schools. The group agreed and discussed how best to accomplish this. He also cautioned the group not to get ahead of the BTS Port Performance Working Group which is developing port performance metrics.

Closing Remarks and Adjournment

Mike Mabry acknowledged Mr. Jaenichen's good work over the last four years and noted that today is his fourth anniversary with the Maritime Administration; so it is important to think about the transition at the agency after this fall's election. This makes it all the more important for MTSNAC to develop a work plan that can be used during the transition so that all of this good work is not lost.

U.S. Maritime Transportation System National Advisory Committee

Mr. Mabry then thanked everyone for attending these two days of meetings and asked for feedback on the meeting format. Some suggestions/comments:

- Desire for more information on MARAD and who's who in the agency
- How do the committee's recommendations get vetted within the agency/department
- Desire for fewer informational presentations and more "roll up the sleeves" sessions
- This meeting was much more focused than the December 2015 meeting
- This meeting was a good opportunity to take a higher, national view of problems
- MTSNAC needs to make compelling case to next Administrator and Administration

Mr. Mabry then announced that after reviewing the members' calendars the next meeting will be held the week of October 17th, location TBD. He also entertained a motion to adjourn and the meeting was adjourned at 11:55 a.m.

Certification and Approval

I hereby certify that, to the best of my knowledge, the foregoing minutes are accurate and complete.



Joseph M. Mabry
Chairman
Maritime Transportation System National Advisory Committee
23 September 2016

Appendix

1. Presentation by Aaron Meyers
2. Presentation by Harmonics International
3. Presentation by John Vickerman
4. Presentation by Kenneth Leonard
5. Presentation by Bruce Harsh
6. Presentation by Working Groups