

Minutes of Public Meeting

October 18, 2016 – October 19, 2016

St. Louis City Center Hotel

400 South 14th Street

St. Louis, MO 63103

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Minutes of Public Meeting

**St. Louis City Center Hotel
400 South 14th Street
St. Louis, MO 63103**

**October 18, 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. Mr. Mabry updated members on his participation in the BTS Port Performance Working Group.

Members Present:

Gary Adams – Walmart Stores Inc.
John Baker – International Longshoremen’s Association
Richard Berkowitz – Transportation Institute
Robert Berry – International Shipbreaking Limited, LLC
Gary Brown – Genesee & Wyoming – Coastal Region
Meredith Dahlrose for Molly Campbell – Port Authority of New York & New Jersey
John Demers for 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
Jim Kruse – Texas A&M – Transportation Institute
Mark Locker – Ohio Department of Transportation
Brian McDonald for Griff Lynch – George Ports Authority
James Lyons – Alabama State Port Authority
Mike Mabry – Maritime Transportation System National Advisory Committee
Jim Pelliccio – Port Newark Container Terminal
Mike Roberts for William Pennella – Crowley Maritime Corporation
Torey Presti – National Shipping Agencies, Inc.
Jonathan Rosenthal – Saybrook Corporate Opportunity Funds
David Libatique for Gene Seroka – Port of Los Angeles
Scott Sigman – Illinois Soybean Association
Karl Simon – U.S. Environmental Protection Agency
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
Thomas Wakeman III – Stevens Institute of Technology

U.S. Maritime Transportation System National Advisory Committee

Robert Wellner – Liberty Global Logistics LLC

Lisa Wieland – Massachusetts Port Authority

Brian Wright – Owensboro Riverport Authority

Members Absent

Vanta Coda II – Duluth Seaway Port Authority

Peter Ford – Ports America

Tim Hinckley – Hasbro

CAPT James Jenkins – U.S. Coast Guard

Lynn Korwatch – Marine Exchange of the San Francisco Bay Region

Gary LaGrange – Port of New Orleans

Gary Love – FAPS, Inc.

John Reinhart – Virginia Port Authority

Thomas Wetherald – General Dynamics – NASSCO

Agency Members Present

Jeffrey Flumignan, Designated Federal Officer, Maritime Administration

Eric Shen, 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

Bill Paape introduced himself and sent Lauren Brand's regrets for being unable to attend. The DFO then introduced new members that were unable to attend the July 2016 meeting.

Introduction of Keynote Speaker

Mike Mabry then introduced Ms. Mary Lamie to the group. Ms. Lamie briefed the group on the work that the St. Louis Freightway does. The big picture mission of the St. Louis Regional Freightway is to put plans into action so that the St. Louis freight community can seize the opportunity that will come with population growth. By 2020, the United States will surpass China; according to a report based on surveys from five-hundred (500) Chief Executive Officers from around the world, top considerations for placement of industry is talent, cost competitiveness, productivity, supplier network, and legal/regulatory systems. What does this tell us? The message is that the MODEL is CHANGING. This model does not pursue the least expensive labor, but is tracking a highly skilled labor force. From global perspective, businesses are eager to work with the United States in order to remain competitive.

STL Regional Freightway conducted a study to determine how the necessary steps to prepare St. Louis for growth, and to compete. What was discovered was a need to act as a region, to bundle

resources, to coordinate multimodal connectivity with Illinois and Missouri Departments of Transportation, to engage the private sector and to create an office to face these challenges. Hence, the office of Bi-State Development created the St. Louis Regional Freightway, authorizing the entity to purchase, market, lease and/or sell property. The office is on an accelerated schedule to catch up with our peer cities that have been focusing on these types of endeavors, some ahead of us by ten (10) to fifteen (15) years.

The key strengths that our region possesses, from a marketing standpoint, includes the largest manufacturing workforce, centralized location, home of specialized industries, a range of modal options with north east south west connectivity. Strategically, to advance the freight economy we need to build on regional successes, promote industry specialization, strengthen modal flexibility, enable e-commerce growth and capitalize on Panama Canal expansion. We are home to FedEx and UPS – from a service delivery perspective what can we do to continue competitive rate structures as transportation trends and corridors shift?

Container on vessel – A working group has been formed in an effort to capitalize on the inland empire, the inland ports growth rate, and is looking for shippers to carry containerized cargo to and from the inland system. E-commerce is growing, and so is there need for distribution centers – how can we take advantage?

Site Selection – Develop a streamlined process to increase jobs in the manufacturing and logistic industries. The St. Louis Regional Freightway has identified all available property in the region, and filtered criteria that economic development agencies/private industry are looking for, and created matrix of availability. The marketing committee completed an interactive map, available on the website, which features eleven (11) real estate opportunities, their surrounding amenities, and transportation assets and connectivity. Each parcel is connected to the site specifications, and contact information for the broker. St. Louis is in the midst of a record-setting industrial market. In all, nearly seven (7) million square-feet of industrial real estate will come online in the near future.

Freight Development Committee – This committee was formed to advocate for infrastructure funding. A public process was initiated to identify criteria for projects – efficiency, economic impact, and multimodal impact; the project MUST service the supply chain. The Merchants Memorial Mississippi Rail Bridge is a rail bridge crossing the Mississippi River that was opened in 1889; replacement of that bridge was determined by the community as the highest priority freight infrastructure project in the region, which would impact cost competitiveness. The remainder of the list mostly focuses on first and last mile infrastructure. Now that the list is completed, the St. Louis Regional Freightway and stakeholders will work with the Departments of Transportation and elected officials to compete for funding.

Container-on-Barge Working Group – The first goal of the working group is to work through feasibility issues with freight forwarders so as to consider this a viable method of freight movement. The second goal is to develop a pilot Container-on-Barge project from Shanghai, China; trans loaded at the Port of New Orleans, barged up the Mississippi River for unloading at America's Central Port. Weekends Only is a local business specializing in seasonal furniture, and is participating because when labor strikes took place in California, their entire season of merchandise was stuck in a container on an ocean carrier. Even though Container-on-Barge

costs may be higher during the start-up initiative, the need for a secondary transportation network is imperative from a resiliency, risk management perspective. The Working group has partnered with the Port of New Orleans for marketing, which will impact THEIR container business with an emphasis of inland supply chain. Cost effectiveness will kick in after the pilot project has completed, and a working model will exist for the industry. Many thanks to America's Central Port and Kaskaskia Riverport, who are vested in seeing this seasonal, international model, come to fruition. To make this work for the industry, we need to look at surrounding ports/networks not as competitors, but as partners to invest in and expand the market within the Midwest, in order to better utilize the national freight network for continued expansion.

A question and answer session ensued, after which Mr. Mabry announced a 10 minute break.

Discussion of MTSNAC Bylaws

After the break, the committee received a brief of the draft MTSNAC bylaws from the DFO. An early version of the bylaws was provided to members in their binders. An updated version that had been reviewed by MARAD Counsel was presented to members on screen. After a brief dialogue, the next draft would be sent to members for their review and comment, prior to approval at a future meeting.

Subcommittee Overview

Bill Paape provided overview of the working group or subcommittee requirements. The MTSNAC in July 2016 identified and emphasized the role and responsibilities to the agency and the Maritime Administration. Consensus recommendations must fall within guidelines but they all must be actionable, per the Administrator at the summer meeting. Mr. Paape urged the MTSNAC to be aggressive in recommendations. In addition, the four subcommittees have been assigned a staff liaison, Fran Bohnsack, Stephen Shafer, Tim Pickering, and Anthony Padilla.

Breakout Session

The groups then recessed for a working lunch at 12:10 p.m. and proceeded to their respective breakout rooms by subcommittee. Subcommittees worked with their staff liaison to capture notes for the minutes to provide transparency and for understanding of the accomplishment.

Reconvene & Public Comments

The meeting was reconvened at 12:50 p.m.

Public Comments were made by Ms. Tracie Noel representing parents of children at Merchants Marine Academy. They are concerned with recent unprecedented risks facing the Merchant Marine Academy. See Appendix for written comments.

Jonathan Rosenthal (MTSNAC member) announced that on 18 – 20 November, Port of Long Beach, Department of Commerce and Department of Labor will host a workshop on data backbone infrastructure featuring IBM and Intel. By bringing stakeholders together, they can utilize industry needs to continue developing common protocols to data backbone infrastructure.

The workshop will be held at University of Southern California. The Department of Commerce website has further detail.

Robert Berry (MTSNAC member) commented that U.S. flag ships are being dismantled in Turkey and India, including those named for Medal of Honor recipients. There is no SOP regarding disposal and dismantling of ships and they are not required to abide by safety and environmental regulations.

Conclude public comments at 1:09 p.m.

Marine Highway Update

The Chair then introduced Stephen Shafer from the Maritime Administration. He started the presentation with the American Marine Highway Supply Chain video, as posted on the Maritime Administration website.

StrongPorts by Stephen Shafer - Roads, railroads, bridges and highways connecting the port to the freight network are managed and maintained by state/local agencies. There is no overarching integration for the silos of infrastructure that feed the freight system. Fast Act establishes a freight program with state formula funds and competitive grants, with an emphasis on intelligent transportation systems. The development of planning and performance measures for port performance is a component of the act.

Port Conveyance, Deep Water Ports, Tiger and Fastlane are the only funding mechanisms available to work with right now. TIGER VIII \$54.5 million was awarded for port related projects, while the total request for project funding exceeded \$147 million; FASTLANE awarded \$114.7 million in funding, but the total amount requested was \$284.4 million.

Fastlane \$42 million for Conley Terminal Intermodal Improvements in Boston. Port of Savannah – Garden City Terminal was awarded \$44 million for an international multi-modal connectivity project. The nation can look forward to four (4) more rounds of FASTLANE funding to continue the investment in our national footprint for port multimodal freight connectivity.

Stephen then introduced Tim Pickering who provided an update on the Marine Highway Program – The Marine Highway program issues an open season call for projects every six (6) months; the next due dates are December 31, 2016 and June 30 2017. Fiscal Year 2017 Marine Highway grants are awaiting approval of the budget. As we are currently running on a continuing resolution of the Fiscal Year 2016 budget, the allocation is still a line item of \$4.85 million. The Marine Highway Program office is awaiting approval of Fiscal Year 2016 grant awards from the Secretary of Transportation, but anticipate the announcement to be issued this month. Currently, there are seven (7) to eight (8) designated projects that are in the queue, and qualified for future funding, should it become available.

The Maritime Administration has increased the emphasis of inland waterway system, specifically including that sector of the industry in the draft National Maritime Transportation Strategy; Administrator Jaenichen has promoted the inclusion of inland ports throughout his tenure.

There has been recent interest from California Department of Transportation (CALTRANS) to restart the Marine Highway M-580 Container on Barge service, proposing to restructure the operations and sponsorship. The previous labor structure was utilizing a full ship crew to unload barges, costing in excess of \$1 million per month, which was not a viable cost market for continued growth of the container on vessel market. CALTRANS plans to meet with stakeholders to develop a proposal for the service; the equipment that was funded in the original grant award is still functional, and is available for transference of ownership to CALTRANS once the new service proposal has been vetted and approved.

A zero emission vessel technology is currently under development by the California Air Resources Board (CARB). The Maritime Administration is coordinating with other Federal Agencies for research and development of these types of new technologies for use throughout the Marine Highway system.

Growing congestion. Landside infrastructure cannot support congestion growth, but there is available capacity on the waterways; the United States only moves 6% of freight through the 25,000 miles of coastal and inland waterways, while Europe moves 40%. The capacity is available.

PORTTALKS!!! The Marine Highways program hosted Roundtables in Cincinnati and Fort Smith, Arkansas to discuss/present resources available at the Federal level, and how to work with Metropolitan Planning Organizations, Departments of Transportation, and Ports. These roundtable discussions were formulated through a Port Talk evaluation, whereas the needs of the ports community are shared with our Gateway Directors. Also available as a resource through the Marine Highway office are case studies and best practices, such as the port planning and investment toolkit funding strategy module.

Breakout Session

The MTSNAC then adjourned into subcommittee breakout sessions.

Closing Remarks and Adjournment

Reconvened at 4:30 p.m. The DFO outlined expectations for deliverables. Following this meeting, each working group is required to submit a white paper to the members-at-large, and will need to then present that to the members-at-large, and the Administrator, at the next meeting. Focus on recommendations for the four (4) deliverables.

The DFO requested the Chairman to change the agenda to reflect a call to order on Wednesday, October 19, at 8:15 a.m., instead of 8:00 a.m.; there will be one breakout session for working groups to finalize their presentations, then present to the members. The meeting will adjourn after that. Chairman approved. Chairman adjourned at 4:36 p.m.

U.S. Maritime Transportation System National Advisory Committee

**St. Louis City Center Hotel
400 South 14th Street
St. Louis, MO 63103**

**October 19, 2016 (Day Two)
8:15 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.
Richard Berkowitz – Transportation Institute
Robert Berry – International Shipbreaking Limited, LLC
Gary Brown – Genesee & Wyoming – Coastal Region
Meredith Dahlrose for Molly Campbell – Port Authority of New York & New Jersey
John Demers for 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
Jim Kruse – Texas A&M – Transportation Institute
Mark Locker – Ohio Department of Transportation
Gary Love – FAPS, Inc.
Brian McDonald for Griff Lynch – George Ports Authority
James Lyons – Alabama State Port Authority
Mike Mabry – Maritime Transportation System National Advisory Committee
Mike Roberts for William Pennella – Crowley Maritime Corporation
Torey Presti – National Shipping Agencies, Inc.
Jonathan Rosenthal – Saybrook Corporate Opportunity Funds
David Libatique for Gene Seroka – Port of Los Angeles
Scott Sigman – Illinois Soybean Association
Karl Simon – U.S. Environmental Protection Agency
Richard Suttie – California State Maritime Academy
John Townsend – Honeywell Technology Solutions, Inc.
Margaret Vaughan – U.S. Exporters Competitive Maritime Council
Thomas Wakeman III – Stevens Institute of Technology
Robert Wellner – Liberty Global Logistics LLC
Lisa Wieland – Massachusetts Port Authority
Brian Wright – Owensboro Riverport Authority

U.S. Maritime Transportation System National Advisory Committee

Members Absent

John Baker – International Longshoremen’s Association
Vanta Coda II – Duluth Seaway Port Authority
Peter Ford – Ports America
Jared Henry – Hapag-Lloyd USA, LLC
Tim Hinckley – Hasbro
CAPT James Jenkins – U.S. Coast Guard
Lynn Korwatch – Marine Exchange of the San Francisco Bay Region
Gary LaGrange – Port of New Orleans
Jim Pelliccio – Port Newark Container Terminal
John Reinhart – Virginia Port Authority
Anne Strauss-Weider – North Jersey Transportation Planning Authority
John Townsend – Honeywell Technology Solutions, Inc.
Thomas Wetherald – General Dynamics – NASSCO

Agency Members Present

Jeffrey Flumignan, Designated Federal Officer, Maritime Administration
Eric Shen, 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

Re-focus of Subcommittees

Mr. Mabry announced that four work groups would proceed to breakout sessions and will reconvene at 10:45 a.m. to report out subcommittee recommendations.

Breakout Sessions

At 08:30 the Subcommittee’s went into breakout sessions.

Report out to Chairman

10:47 a.m. Call to order – Mr. Mabry announced there would be ten (10) minutes available to each Subcommittee to report out, and to please hold questions and comments until all presentations are complete.

Port Capacity Subcommittee report

Presented by Ryan MacDonald – Problem Statement: the nations maritime gateways will either facilitate or impede economic growth. The nation lacks a dedicated effort to assess, develop and maintain port capacity to ensure the identified gateways support national competitiveness, security

Identify gateways, integrate funding and streamline regulatory process: The methodology is to assess what the gateway is, then look to funding and regulatory systems. Rather than assess port specific impacts, look to the importance of the gateway, from end to end i.e. is it rail, and/or road constrained?

Develop and provide a resiliency framework for a project evaluator to determine what is strategic, and to allow a strategic status based on prioritization of these factors: commodity group, resiliency, market reach/impact, and how it fits into end-to-end supply chains. Will the entire supply chain fail if one port isn't resilient? How does it fit into national system? Is there another facility that can absorb the impact for the port? If not, then the facility is nationally significant.

A criterion for assessing what is strategic – choke points (channel depth, first and last mile, infrastructure, air draft, etc.). Important stakeholders are all inclusive of the transportation industry.

Next steps – Develop paper and presentation describing these concepts in more detail. Begin working on Intelligent Transportation System topic when MARAD provides the draft study materials, which is expected prior to the MTSNAC spring meeting; the materials will answer most of the questions expected today. The whitepaper draft for circulation to the membership-at-large is the priority for the working group, to develop something substantive for the committee to review and approve at the next meeting.

Education and Awareness Subcommittee

Presented by Richard Suttie – Task: Review problem statement and strategies, and proposed white paper outline. Problem statement “a looming crisis confronts the maritime transportation system resulting from a lack of awareness of the value of the Marine Transportation System. Failure to act now threatens our economic well-being and national security.” Objectives – establish a unified voice for the MTS; align and empower advocates and advance as national priority. The subcommittee devised a multi-strategy approach for each of the objectives. The outline of the subcommittee structure evaluates the current status, the intended outcome, and the associated cost estimate.

Task is to educate and make aware. The subcommittee and Maritime Administrator asked for another function of workforce development to include education. In response, the subcommittee scoped an awareness and educational campaign.

Marine Highway Subcommittee

Presented by Dan Harmon - Short sea shipping barriers have been expanded through the Marine Highway program. Four recommendations to frame the whitepaper – 1) inclusion in Federal Transportation Legislations/WRRDA. 2) National Maritime Transportation Strategy. 3) Executive Sponsorship. 4) Separate funding bill. Much like Eisenhower's approach.

Designated Lead Agency – fund and staff accordingly, then prioritize and coordinate the maritime activities. No one agency can or should have complete oversight

Align stakeholders – A top down strategy from USDOT to local governments. If there are recommendations, regarding structure and content, for the state transportation plans, the enforcement of such requirements must be enforced by USDOT. The stakeholders will need to align with the requirements and have buy-in, because they are responsible to take those actions to the ground level, and make them effective for the freight community. If stakeholders do not see the strategy as viable, then there will need to be paradigm shifts. Working with the trucking sector could provide further understanding to the industry of the positive impacts by decreasing congestion. Labor crew adjustments are vital to financial feasibility and efficiency.

There will need to be public subsidies for environmental, congestion management, and safety. Current incentives need to be reviewed by stakeholders, to determine what additional programs are needed.

Development of performance metrics, consideration of tax incentives, and an effective toolkit for utilization and implementation.

Future plans for subcommittee working sessions include monthly webinar meetings; this presentation will be used as the skeleton for the white paper.

International Competitiveness and Global Trends Subcommittee

Presented by Scott Sigman. Thomas Wakeman has been added as a subcommittee member. Reviewed problem statement, and added opportunities as a SWOT analysis. Will need to weave together cohesive, comprehensive program with all levels of government, but Federal Government will lead the top down approach.

First priority is to identify critical long term infrastructure projects as related to supply chain bottleneck. Developed specific recommendation, knowing that state freight plans are submitted by Fast Act – develop a national freight framework by September 30, 2017 to give the states a sense of intent. USDOT will evaluate state plans against national, to ensure improved resilience. Map national freight framework over the state freight plans, all transport modes. Second is to facilitate common standards and protocols to develop efficiency and utilize the existing infrastructure. In particular, a data backbone. Business and policy decisions based on data facts. Cross-modal. Multidisciplinary stakeholders and tech professionals to provide the data without allowing proprietary information but to identify trends and markets.

Objective 2 does align with existing approaches heard today, to streamline and drill down through the approval process for regional or nationally significant projects. Address pinch points; align proposed projects, put through single portal or clearinghouse to move through funding and construction. Will require a central champion to troubleshoot through process.

Next steps include a progressive monthly meeting schedule, which will increase frequency as research and development is scoped.

Public Comments

11:40 a.m. public comments from Marty Hettel, chairman of the Inland Waterway Users Board. Provided company overview of American Commercial Barge Lines, and committee involvement. Mel Price Lock and Dam to replace lock 26. During the buildout, asked for another chamber for resiliency, but received pushback. A fuel tax was instead developed for the purpose of paying for the additional chamber at Lock 26. WRDA 86 increased the tax and established the IWUB. Major Colonel of Civil Works Ed Jackson. WRDA 2014 changed the responsibilities from recommendations for funding, which added recommendation to president budget, and assistant secretary provide updates on currently funded projects. Now have quarterly meetings throughout the entire inland system. OLMSTED to replace lock 52. \$776M was allocated for the project. Recently increased another 0.09\$. 85/15 cost share program to fund legacy projects in 2023 – 2024. Lagrange in 2018 – 2019.

Closing Remarks and Adjournment

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

Mr. Mabry then announced that there would most likely be a spring 2017 meeting, 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.

Mike Mabry

Joseph M. Mabry
Chairman, Maritime Transportation System National Advisory Committee
January 9, 2017

Appendix

1. Presentation by Keynote Speaker: Mary Lamy
2. Presentation by Stephen Shafer and Timothy Pickering
3. Presentation by Ryan MacDonald, Port Capacity Subcommittee
4. Presentation by Capt. Richard Suttie, Education and Awareness Subcommittee
5. Presentation by Daniel Harmon, Marine Highway Subcommittee
6. Presentation by Scott Sigman, International Competition & Global Trends Subcommittee
7. Minutes of Port Capacity Subcommittee breakout sessions
8. Minutes of Education and Awareness Subcommittee breakout sessions
9. Minutes of Marine Highway Subcommittee breakout sessions
10. Minutes of International Competition & Global Trends Subcommittee breakout sessions
11. Public Comments Tracie Noel



ST LOUIS REGIONAL FREIGHTWAY

Your Gateway to the World

October 18th, 2016



WHAT WE BELIEVE

Our Mission

To **optimize** the region's freight transportation network through public and private partnerships

Our Goal

To produce results that **strengthen the St. Louis region** by increasing job growth through manufacturing and logistics, and improving the local economy



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GATEWAY TO THE WORLD

Beyond Traffic Study released by the U.S.DOT – 2015

The U.S. population will grow by 70 million people and freight volume will increase by 45 percent by 2045.

United States Will Surpass China in 2020

The U.S. will surpass China as the No. 1 Country for Manufacturing by 2020

Deloitte and the Global Manufacturing Competitiveness Index 2016

- ✓ CEO survey respondents were asked to rank nations in terms of current and future manufacturing competitiveness
- ✓ Six focus nations: U.S., China, Japan, Germany, South Korea and India
- ✓ China is the most competitive manufacturing nation...for now. The US continues to improve its ranking from 4th in 2010 to 3rd in 2013 to 2nd in this year's study.

United States Will Surpass China in 2020

Top drivers of manufacturing competitiveness Deloitte and the Global Manufacturing Competitiveness Index 2016

1. Talent
2. Cost competitiveness
3. Productivity
4. Supplier Network
5. Legal and Regulatory System

Business executives want to do business in the United States

BACKGROUND

- Business unit of Bi-State Development
- Launched in September 2014
- Executive Director in July 2015
- Support from both sides of the river



FREIGHTWAY FAST TRACKED SCHEDULE

The St. Louis Regional Freightway is operating under an accelerated schedule. Through tremendous support from public and private sector leaders, our region has made significant progress in the first 12 months.

KEY STRENGTHS



Central to US manufacturing

“...metropolitan areas attain a more central position within the national trade network based on their production or logistics specialties in particular commodities.”

This is the case for high-ranking St. Louis.

- from 'Mapping Freight'. Brookings Institution

KEY STRENGTHS

1
2
3
4

Home to specialized industries



AB InBev



HERSHEY'S



Gateway Commerce Center



Cargill



LS



MONSANTO



amazon.com



EMERSON



World Wide Technology, Inc.



ADM



Peabody ENERGY




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9


KEY STRENGTHS

1
2
3
4


Range of modal options




4 highways with national access




5 airports with capacity




6 Class I railroads



3rd and 8th largest inland ports




6 natural gas & 9 refined product pipelines




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10


GOALS




Build on regional successes



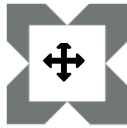
Promote industry specialization




Strengthen modal flexibility



Enable e-commerce growth



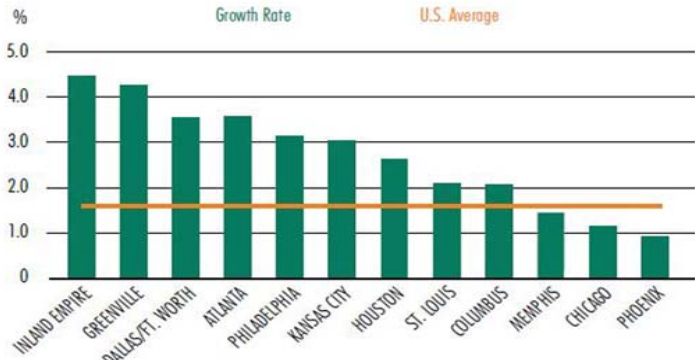
Capitalize on Panama Canal expansion



A Bi-State Development Enterprise


11

Growth rate of inland ports vs. U.S. average.



City	Growth Rate (%)
INLAND EMPIRE	4.5
GREENVILLE	4.2
DALLAS/FT. WORTH	3.5
ATLANTA	3.5
PHILADELPHIA	3.0
KANSAS CITY	2.9
HOUSTON	2.5
ST. LOUIS	2.0
COLUMBUS	2.0
MEMPHIS	1.5
CHICAGO	1.0
PHOENIX	0.8

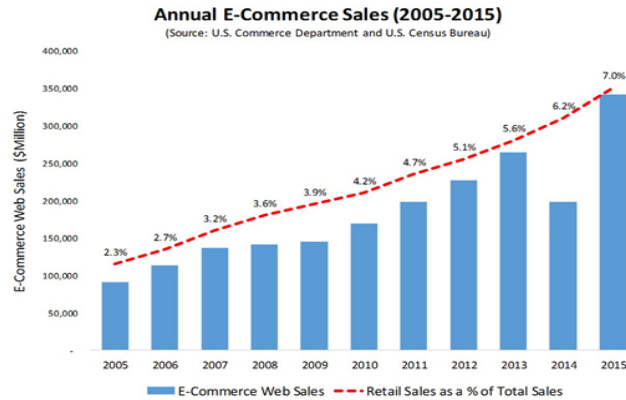
Source: CBRE Research, 2016.



A Bi-State Development Enterprise

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Annual E-Commerce Sales (2005–2015)



STREAMLINING THE SITE SELECTION PROCESS

Promoting industrial user real estate and streamlining the site selection process to increase jobs in the manufacturing and logistic industries:

- **Map** – The region’s Multi-Modal Transportation map with the top eleven industrial real estate sites. Selected sites are based on criteria for large-scale industrial and logistic developments.
- **Information Resource** – Provides labor data on hiring/turnover/wage scales, incentives, industrial sites/buildings, demographics, etc.
- **Broker service source for specific market data and deal data.**
- **Project Management Services** – The Freightway provides assistance to out of town prospects and consultants. Provides access to state and local leaders for incentive packages/business assistance for companies considering the St. Louis Region.

February 2016 - Alliance Workshop

St. Louis Regional Freightway Alliance

Needs Analysis and Freight Development Committee

Terminal Rail Association of St. Louis – President Mike McCarthy

Marketing Committee

America's Central Port - Executive Director Dennis Wilmsmeyer

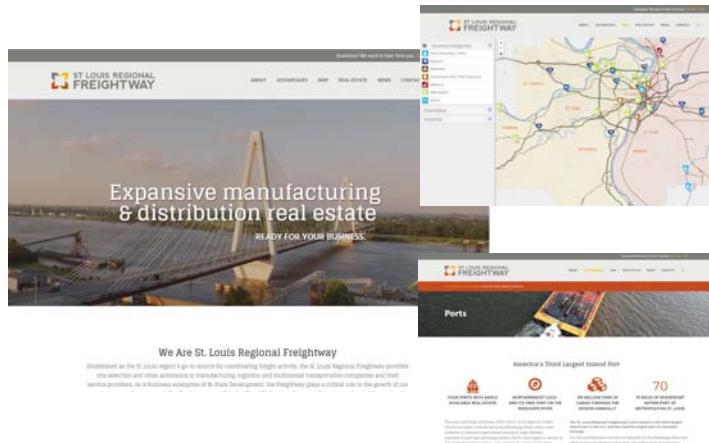
Policy Committee

MO Baptist University - Dean of Graduate Studies Dr. Ed Hillhouse



A Bi-State Development Enterprise

REGION'S DIGITAL PRESENCE – APRIL 2016



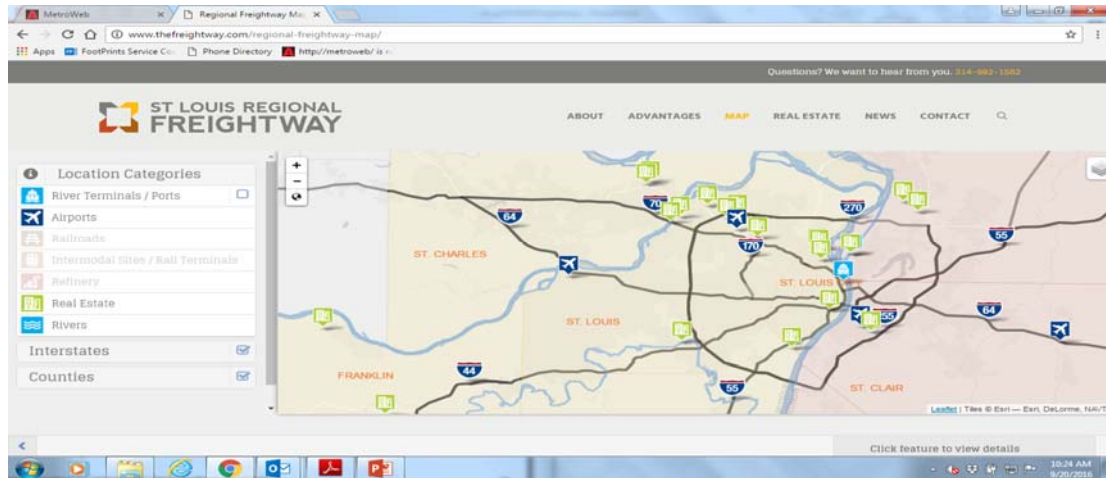
TheFreightway.com is our front door for attracting businesses, investors and real estate speculators to the region

The fact sheet and comprehensive real estate resource are **tools for the entire region**



A Bi-State Development Enterprise

Top Industrial Real Estate Sites



New Industrial Real Estate Development

The St. Louis Region is in the midst of a record-setting industrial market. In all, nearly 7 million square feet of industrial real estate will come online this year at an estimated cost of \$350 million, according to JLL research. Calendar year 2017 is on track for at least 4 million square feet.

ECONOMIC IMPACT – MULTI-MODAL IMPACT - EFFICIENCY

Highest Priority

Merchants Rail Bridge Replacement

- 126-year old rail bridge that spans the Mississippi River
- Connections to six Class I railroads
- Currently carries more than 40 million gross tons annually
- Total estimated project cost = \$222 million
- Promise Zone-10 year designation

Interstate 270 Mississippi River Bridge Replacement

- Replacement of two existing structures
- Construction of new structure to accommodate forecasted vehicle/freight flow
- Total estimated project cost = \$160 - \$175 million

ECONOMIC IMPACT – MULTI-MODAL IMPACT - EFFICIENCY

Highest Priority

Interstate 270 Improvements

- Increase capacity by widening to six lanes from Lilac Ave. to IL-111
- Corridor improvements between Lilac Ave. to Lindbergh Blvd.

North Riverfront Commerce Corridor Improvements

- Improve mobility and circulation issues in 3,000 acre multimodal logistics and business district

Relocate IL Route 3 in St. Clair County, Illinois

- New construction between East St. Louis and Sauget

Falling Springs Diversion Loop/IL Route 3 Railroad Bypass

- Construction of bypass loop from IL Route 3 over A&S railroad in Sauget to eliminate substantial through-traffic delays



APRIL 2016

April 27th 2016 – Freight Summit

Keynote speaker – Federal Highway Administration Administrator Gregory Nadeau

“I can’t think of any place in the country whose history is more closely linked with trade than St. Louis. That’s what we are talking about – trade. It’s about commerce. It’s about expanding economic opportunity,”

“Regionalism and this kind of smart strategic thinking. Are leveraging maximum benefits for the people we all serve and creates jobs and opportunities.” USDOT FHWA Administrator Gregory Nadeau – 2016 St. Louis Freight Summit.



APRIL 2016

September 12, 2016 – U.S.DOT Beyond Traffic Roundtable

Federal Highway Administration Administrator Gregory Nadeau

Maritime Administrator Paul Jaenichen

The St. Louis Region is key to nation’s freight future. If anyone buys anything in the U.S., the odds are good it traveled through St. Louis. U.S.DOT FHWA Administrator Gregory Nadeau

St. Louis Post-Dispatch Editorial Sept. 18, 2016

MOVING FORWARD

▪ Working Group Committees

Manufacturing, Logistics and Truck Driver Workforce Initiatives

- Two year technical degree has starting salaries earning up to \$40,000, \$50,000 and higher per year.
- Manufacturing is no longer a dirty, dangerous or disappearing industry.
- Manufacturing is a smart, safe, fast-paced and high-paying career using the latest in state-of-the art technology.
- Nationwide and local shortage for truck drivers.

MOVING FORWARD

Working Group Committees - Container-on-Barge Service – St. Louis Region

Challenges	Action Items
Concept selling job	Demonstrate COB service is feasible between inland cities in the Midwest and the Port of New Orleans via the Mississippi River system. Promoting an alternative in the event of supply-chain disruption.
Infrastructure	
Lack of outreach with third party logistic providers and freight forwarders	Coordinate with intermodal logistic companies. Barge, rail and truck modes need to be working together. Working with Unigroup, Ingram, SCF Marine, trucking companies and our shortline railroads -TRRA and Class I railroads.
Lack of structured and schedule service	Coordinating a quote for transit times and transit costs where COB can compete and the barging advantage is greatest.



MOVING FORWARD

Working Group Committees - Container-on-Barge Service

Challenges	Action Items
Concept selling job	Demonstrate COB service is feasible between inland cities in the Midwest and the Port of New Orleans via the Mississippi River system. Promoting an alternative in the event of supply-chain disruption.
Infrastructure	St. Louis Region has two ports with COB capacity
Lack of outreach with third party logistic providers and freight forwarders	Coordinate with intermodal logistic companies. Barge, rail and truck modes need to be working together. Working with Unigroup, Ingram, SCF Marine, trucking companies and our shortline railroads -TRRA and Class I railroads.
Lack of structured and schedule service	Coordinating a quote for transit times and transit costs where COB can compete and the barging advantage is greatest.



MOVING FORWARD

- **Develop and build partnerships** with other regions that can benefit the region's freight and manufacturing investment. (Mid-West Coalitions, New Orleans, Cincinnati, Houston, Columbus)
- **Develop the Needs Analysis and Freight Development Plan (FDP).** The FDP will identify truck, rail and river bottlenecks and provide recommendations to improve velocities and reduce congestion.




**ST LOUIS REGIONAL
FREIGHTWAY**
Your Gateway to the World

McLamie@TheFreightway.com TheFreightway.com



MTSNAC

October 18, 2016

Tim Pickering and Stephen Shafer
Office of Intermodal System Development
U.S. Department of Transportation, Maritime Administration


Maritime Administration
1200 New Jersey Ave., SE | Washington, DC | 20590
www.dot.gov

MARAD

U.S. MARITIME ADMINISTRATION



PAST



MARAD




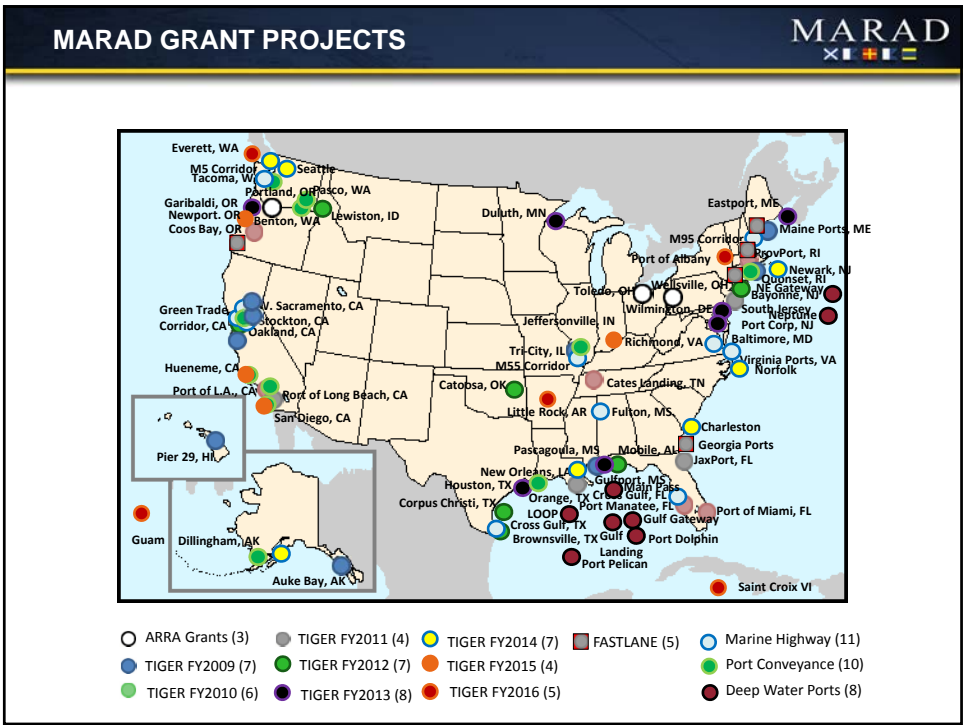
Illustration courtesy of | Version 44, March 2008
U.S. Department of Transportation
Maritime Administration
Navigating a stronger future.

2

PRESENT: FIXING AMERICA'S SURFACE TRANSPORTATION ACT **MARAD**
x i + e n

- FAST ACT was signed December 4, 2015
- Establishes a freight program with State formula funds and competitive grants - \$10.8B over 5 years
- Emphasis on Intelligent Transportation Systems through the ATCMTD Grant Program -- \$300M over 5 years
- Planning and performance measurement requirements
 - Port Performance Act
 - National and State Freight Plans
 - Multimodal Freight Network

3



FY16 Grants \$169.2M awarded for port improvement projects totaling \$432.2M

- **TIGER VIII \$54.5 for projects totaling \$147.8M**

- Little Rock, AR \$6.2M/\$9.9M
- Guam "H" Wharf \$10M/\$20M
- Albany, NY \$17.2M/\$49.6M
- USVI Finch Terminal \$10.7M/\$13.3M
- Everett, WA \$10M/\$55M

- **FASTLANE \$114.7M for projects totaling \$284.4M**

- Port of Savannah Int'l Multi-modal Connector \$44M/\$128.7M
- Conley Terminal Intermodal Improvements and Modernization (Massport) \$42M/\$102.9M
- Maine Intermodal Port Productivity Project \$7.7M/\$15.4M
- Cross Harbor Freight Program (rail@ PANYNJ) \$10.7M/\$17.8M
- Coos Bay Rail Line Tunnel Rehabilitation \$11M/\$19.6M

5

EXAMPLE PROJECT – MASSPORT






FASTLANE Grant \$42M awarded for Conley Terminal Intermodal Improvements and Modernization



EXAMPLE PROJECT – PORT OF SAVANNAH MARAD
× ■ + ■ =

FASTLANE Grant \$44M awarded to Port of Savannah International Multi-modal Connector



Garden City Terminal
MULTI-MODAL CONNECTOR PHASE 3 

LEGEND:
- NEW INFRASTRUCTURE
- EXISTING INFRASTRUCTURE
- EXISTING ROADWAY
- EXISTING RAILROAD
- EXISTING CANAL
- EXISTING WATERWAY
- EXISTING UTILITIES

Building Supply Chain Solutions Through Our Waterways MARAD
× ■ + ■ =



America's
Marine Highways






FUTURE – AMERICA'S MARINE HIGHWAY PROGRAM **MARAD**
 × ■ + ■ ■ ■

Marine Highway Routes


LEGEND
 MH Routes
 U.S. Interstate

Marine Highway Call for Projects and Grants

- \$4.8 Million America's Marine Highway Grants FY2016
- MH Project submissions due December 31, 2016

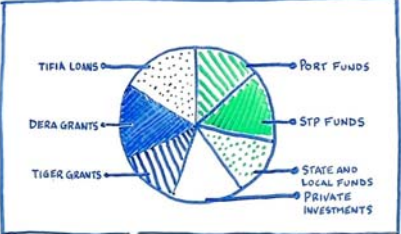
MARAD



PORT TALK / MARINE HIGHWAYS OUTREACH & TOOLS



PortTalk
 A Regional Maritime Collaboration
 U.S. Department of Transportation


- 2016 – Cincinnati, OH and Fort Smith, AK
- Document port and waterway needs, concerns and opportunities to collaborate at National, regional and local levels
- Provide PortTalk Engagement Effort Tools:
 - Presentations, workshop agendas and educational materials to share with MPOs, State DOTs, & Ports
 - Case Studies and Best Practices
 - “Port Planning and Investment Toolkit Funding Strategy Module” and similar products




MARAD



Growing Congestion and the Marine Highway Solution

- International trade growth can only increase congestion.
- Landside infrastructure can't support the growth. Roads and railroads are near capacity, are costly, and take decades to expand.
- The U.S. moves about 6% of freight by water
 ✓ Europe - 40%
- The U.S. has about 25,000 miles of coastal and inland waterways that are operating below capacity.
- \$4.8 Million in FY2016 grants should be announced soon...





U.S. Coastal & Inland Waterways





Thank you!

Questions?

Timothy.Pickering@dot.gov

Stephen.Shafer@dot.gov

Port Capacity Subcommittee Addressing Strategic Gateways

October 17-19, 2016



Problem Statement

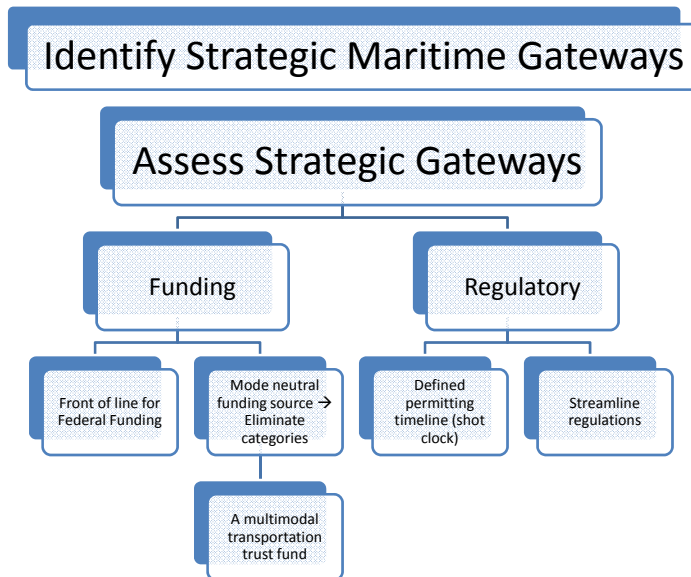
The nation's Maritime Gateways will either facilitate or impede economic growth. The nation lacks a dedicated effort to assess, develop and maintain port capacity to ensure the identified Gateways support national competitiveness, security and sustainable economic growth.

This assumes a supply chain approach, rather than a location-based approach.

Objectives

- Identify Strategic Maritime Gateways
- Integrate funding approaches
- Streamline regulatory processes

Proposed Actions For Strategic Gateway



Factors for Identifying Strategic Gateways

1. Defined by Commodity Groups (separate to compare)
 - Container
 - RoRo
 - Breakbulk/general
 - Dry Bulk
 - Liquid Bulk
 - Military?
2. Resiliency for U.S.
 - How does this port fit into the national system?
3. Market reach / impact
 - Nationally significant to the economy and security of the U.S. → i.e. bananas vs. chlorine
 - Can other ports within the community substitute for this port until more infrastructure can be built?
 - Supply chain disruption resulting from challenges at the port
4. How does this fit into end-to-end supply chains

Assessment of Strategic Gateways

After defining a framework for strategic gateways, then work to prioritize projects within each commodity group. Build an assessment of financial and institutional barriers.

1. Who has capacity chokepoints (i.e., congestion)?
 - Channel depth
 - First and last mile (modal connections)
 - Terminal infrastructure
 - Air draft restrictions
 - Operational
2. Level of planned investment by port and industry (shows commitment to development)
3. Who is being held back by regulatory process?

Important Stakeholders

- Shippers / BCOs
- Port Authorities
- Terminal operators
- Residents near the port
- System (highway) users
- Distribution Centers / warehouses
- Transportation providers
 - Ships
 - Barge
 - Rail
 - Truck
 - Pipeline
- Port Services
- Workforce
- Intermodal Equipment Providers
- State government
- Metropolitan Planning Organizations
- Local Governments
- Regional Transportation Agencies
- Federal Agencies
 - Coast Guard
 - USDOT
 - USACE
 - Federal Inspection Agencies (CBP)

Next Steps

- Develop paper and presentation describing these concepts in more detail
- Begin working on ITS topic when MARAD provides draft study materials

MTSNAC Subcommittee National Advocacy & Awareness

October 19

A presentation prepared for our fearless leader >



Tasks

- Reviewed Problem Statement
- Reviewed Strategies
- Proposed Outline for White Paper
- Proposed Project Plan

Problem Statement National Advocacy & Awareness

A looming crisis confronts the Maritime Transportation System (MTS) resulting from a lack of awareness of the value of the MTS.

Failure to act now threatens our economic well-being and our national security.

Objectives

1. Establish a unified voice for the MTS
2. Align and empower MTS Advocates to influence public policy and advance the importance of the MTS to the American people
3. Advance the MTS to a national priority

Objectives w/draft Strategies

- 1. Establish a unified voice for the MTS**
 - Strategy (1): Create a consortium to bring together agencies, associations, private industry groups to develop, articulate and help deliver message/strategy.
 - Strategy (2): Develop 'brand' & marketing plan
 - Strategy (3): Create communications plan, including specific targets, channels and delivery methods

Objectives w/draft Strategies

2. Align and empower MTS Advocates to influence public policy and advance the importance of the MTS to the American people

- Strategy (1): Define roles and responsibilities of the public and private stakeholders.
- Strategy (2): Identify key champions
- Strategy (3): Develop delivery tools

Objectives w/draft Strategies

3. Advance the MTS to a national priority

- Strategy (1): Obtain equal voice and seat at the table at National, State & Local Freight Transportation planning.
- Strategy (2): Re-establish dedicated Congressional Committee centered on maritime priorities.
- Strategy (3): Increase funding allocations to maritime through effective implementation of Objectives 1&2.

White Paper

- I. Purpose / Intro to Problem Statement
 - II. Executive Summary
 - III. Problem Statement
 - I. Defined & Scoped
 - IV. Where We Are
 - I. Current Trends / Opportunities / Threats / Weaknesses / Strengths
 - V. Where We Want to Be
 - I. Benefits and Desired Outcomes
 - VI. How To Get There
 - I. Recommendations
- Annex: Estimate of Required Resources to Achieve Recommendations

Project Plan

- Establish cloud shared working space
- Determined:
 - Meeting frequency
 - Teaming and Tasking
 - Communications
- 1st Deliverable
 - Detailed Outline by Dec 15
- 2nd Deliverable
 - Draft White Paper by Mar 30

Back Ups

Old Problem Statement

- There is a lack of awareness of the value of the maritime industry due to ineffective messaging and the lack of a cohesive strategy to communicate to stakeholders including the public, Congress and across the industry itself.
- If we do not act, the maritime industry will remain non-competitive and underserved.
- Failure to educate our audiences results in societal, environmental and economic impacts.

Old Objectives

1. Elevate maritime as a national priority
2. Have a unified message and strategy
3. Stakeholders execute sponsorship, advocacy and ownership

Designate Marine Highway as a National Priority

- Inclusion in Federal Transportation Legislation/WRRDA
- National Maritime Transportation Strategy
- Executive Sponsorship
- Separate Funding Bill

Designate Lead Agency

- Fund & staff accordingly
- Prioritize & coordinate maritime activities

Align Stakeholders

- Government Top Down from DOT to local
- Stakeholder buy-in, education, and inclusion
- Promote awareness of public benefit
(environment, congestion mitigation safety, commerce...)

Define Current Incentives

- Identify current constraints/enablers
- Stakeholder engagement
- Performance metrics
- Consider tax incentives based on monetizing public benefit
- Environmental branding

Future plans

- Monthly webinar
- Engage MARAD staff

International Competition and Global Trends Subcommittee

Co-Chair:

**Scott Sigman
Anne Strauss-Weider**

Members:

**Molly Campbell (Alternate Meredith Dahlrose)
Gregory Faust
Bill Hanson
Mike Mabry
Jonathon Rosenthal**

MTSNAC Meeting, St. Louis, MO - 16-19 October

Problem Statement

- Trends in global economic development and supply chains pose significant opportunities and risk to U.S. national, political and economic competitiveness; and
- The United States lacks a comprehensive approach to address changes in global supply chains.

	CHARGE		PROBLEM STATEMENT
1	Accommodate larger vessels	A.	Trends in global economic development supply chains
2	Improve Waterborne Transport	A.i.	exposure significant risks
2a	Reduce Congestion	A.ii	meaningful opportunities
2b	Increase mobility	B	national US political and economic cost competitiveness
2c	Throughout domestic transport system	Bi	lack of comprehensive approach to
3	Strengthen Maritime Capabilities	C	address changes
4	Economic Security	D	global supply chain. REVISED paraphrased
5	National Security		

OBJECTIVE 1: ENSURE U.S. COMPETITIVENESS IN THE GLOBAL ECONOMY

STRATEGY 1: Identifying critical long term infrastructure projects as related to supply chain bottlenecks, and develop a National Freight Plan across all modalities, that includes a strategy for ever increasing ship sizes .

RECOMMENDATIONS...

- We recommend that the Secretary adopt and publish a National Freight Framework by September 30 2017.
- Evaluate State Freight Plan submittals against the National Freight Framework.
- USDOT will designate projects of regional or national significance based on alignment with the National Freight Framework.

IMPACTED PARTIES

- USDOT – Primary because the initial action item is tasked to them i.e. freight plan
- STATE DOT – Positive impacts – targeted needs, fast act formula funding based on needs, and regional constituents can see impacts to their AOR from funding outside their AOR.
- MPO – effect: formula funding trickles down through states to fund their programs so they may need to shift priorities to align with National Plan.
- Supply Chain – ports, shippers, rail, truck, manufacturers, consumers, producers.

OBJECTIVE 1: ENSURE U.S. COMPETITIVENESS IN THE GLOBAL ECONOMY

STRATEGY 2: Facilitate common standards and protocols for domestic infrastructure and data through private and public working groups to develop efficiency and better utilization of existing infrastructure through common standards and protocols i.e. data backbone...

RECOMMENDATIONS...

- To develop a domestic freight information backbone that must be interoperable, with standard protocols.
- To convene multidisciplinary stakeholders (interagency, public and private sector) to develop a transparent domestic freight information backbone. The objective is to enhance utilization of current infrastructure and to guide the evolution of the National Freight Framework.

IMPACTED PARTIES

- International Competitors
- Intel Companies
- Supply Chain – Producers, Ports, Shippers, Consumers

OBJECTIVE 2: STREAMLINE THE APPROVAL PROCESS FOR PROJECTS OF REGIONAL OR NATIONAL SIGNIFICANCE TO INCREASE MUTLIMODAL CAPACITY AND IMPROVE SERVICE

Strategy 1: Single portal and/or clearinghouse for multiple agencies..

Strategy 2: Establish a key central champion to establish and articulate how to address industry challenges...

...NEXT STEPS

SCHEDULE OF COMMITTEE MEETINGS

- TECHNOLOGY NEEDS – SKYPE FOR BUSINESS OR WEBEX
- REGULARLY SCHEDULED DISCUSSIONS – MONTHLY TO COMPILE EXISTING RESOURCES, THE PROGRESSIVELY MORE FREQUENT

OBJECTIVE 2

- FINALIZE STRATEGIES 1, 2 AND 3
- RECOMMENDATIONS
- IMPACTED PARTIES
- POLICY INITIATIVES

PROJECT WORK PLAN

- UTILIZE MAP-21 FREIGHT ANALYSIS FRAMEWORK
- BTS OUPUT
- DEVELOP THE SCOPE OF WORK

Breakout Session 1: Review Problem Statement and Prioritize Issue Areas / Desired Outcomes

The subcommittee began this session by re-reading the subcommittee charter and making edits. The revised problems statement reads: The nation’s Maritime Gateways will either facilitate or impede economic growth. The nation lacks a dedicated effort to assess, develop and maintain port capacity to ensure the identified Gateways support national competitiveness, security and sustainable economic growth.

The subcommittee then discussed their objectives for task 1.0, and changed their priorities. Their first priority is now for Stakeholders to identify strategic gateways (it was previously objective 2), and identifying funding and implementation items became their second priority (it was previously objective 1).

In discussing the objective for Stakeholders to identify strategic gateways, the subcommittee members noted a need to frame this effort systematically with a view towards the end-to-end supply chain. This systematic view includes the need to align with funding mechanisms, identify supply chain routes and congestion points, and to take into account the different system components and partners.

Breakout Session 2: Identify Impacted Parties

The subcommittee began this session by developing a list of impacted stakeholders. That list is attached below (the list is in no particular order):

Important Stakeholders	
<ul style="list-style-type: none"> • Shippers / BCOs • Port Authorities • Terminal operators • Residents near the port • System (highway) users • Distribution Centers / warehouses • Transportation providers <ul style="list-style-type: none"> – Ships – Barge – Rail – Truck – Pipeline • Port Services 	<ul style="list-style-type: none"> • Workforce • Intermodal Equipment Providers • State government • Metropolitan Planning Organizations • Local Governments • Regional Transportation Agencies • Federal Agencies <ul style="list-style-type: none"> – Coast Guard – USDOT – USACE – Federal Inspection Agencies (CBP)

Breakout Session 3: Strategy Formulation to Achieve Outcomes

During this session, the subcommittee worked on developing and refining a proposed framework for defining strategic gateways. They identified the following factors to identify the strategic gateways:

1. Defined by Commodity Groups (separate to compare)

- Container
 - RoRo
 - Breakbulk/general
 - Dry Bulk
 - Liquid Bulk
 - Military?
2. Resiliency for U.S.
 - How does this port fit into the national system?
 3. Market reach / impact
 - Nationally significant to the economy and security of the U.S. [e.g. bananas vs. chlorine]
 - Can other ports within the community substitute for this port until more infrastructure can be built?
 - Supply chain disruption resulting from challenges at the port
 4. How does this fit into end-to-end supply chains

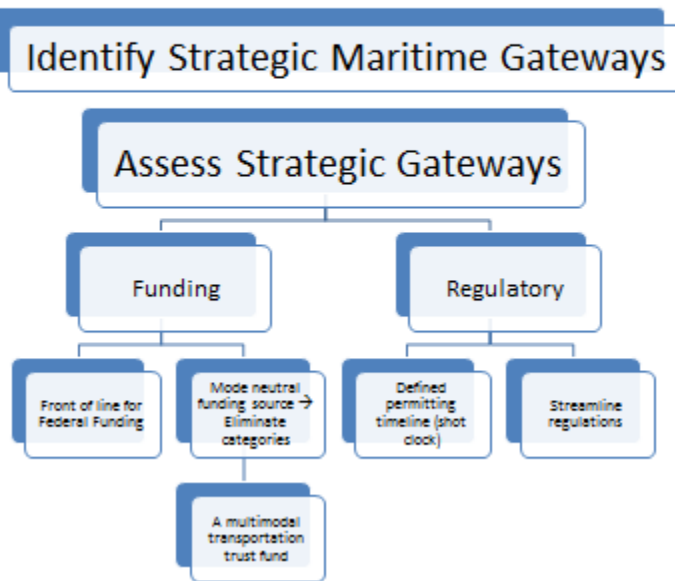
Breakout Session 4: Draft Policy Recommendations and Implementing Measures

Following the creation of the draft framework for identifying strategic gateways, the subcommittee worked on a methodology to assess the strategic gateways. They thought that this assessment might be useful to prioritize projects within each commodity group through an assessment of financial and institutional barriers. These factors include:

1. Which ports or systems have capacity chokepoints (i.e., congestion)?
 - Channel depth
 - First and last mile (modal connections)
 - Terminal infrastructure
 - Air draft restrictions
 - Operational
2. Level of planned investment by port and industry (shows commitment to development)
3. Who is being held back by regulatory process?

After completing those discussions, they charted a process through which the identification and assessments could take place.

Proposed Actions For Strategic Gateway



The discussion notes were taken on large flip-chart paper, and they were transferred into a power point presentation. The presentation was given to the full MTSNAC at the end of the meeting. The presentation included two next steps:

- Develop paper and presentation describing these concepts in more detail
- Begin working on ITS topic when MARAD provides draft study materials

Minutes Education and Awareness Subcommittee
October 18 – 19, 2016
St. Louis, MO

The following members of the Education and Awareness subcommittee were in attendance:

Co-Chairs: Acting for Kristin Decas, John Demers, COO Port Hueneme

Lisa Wieland, Port Director, Massachusetts Port Authority (acting as interim Co-Chair)

Workgroup Members:

John Graykowski, Maritime Industry Consultants

Richard Suttie, California State Maritime Academy

John Townsend, Honeywell Technology Solutions, Inc.

Margaret Vaughan, Exporters Competitive Maritime Council (ECMC)

Robert Wellner, Liberty Global Logistics

Staff Liaison: Fran Bohnsack, MARAD, South Atlantic Gateway

Members present introduced themselves, providing a brief background of their role in the MTS.

Staff suggested that a place to begin working on Education and Awareness would be in refining the Problem Statement from the previous meeting to make it more concise. Discussion led to the introduction of an added concept to the original work, based upon the Administrator's response to the Problem Statement at the July meeting: Mr. Suttie encouraged the group to consider workforce development in our messaging, which he suggested is the twin charge of Awareness. He presented succinct arguments to support this view, based upon his background in workforce development. John Demers, who shares a background in workforce development expressed his agreement, which was well-received by the workgroup. Lisa Wieland then suggested that the group re-examine the Co-Chair model to reflect the dual roles of the subcommittee, stepping aside in deference to the Chair (Decas) and suggesting a Workforce representative become the co-Chair. Since Mr. Demers is a designee for Chair Decas, it was agreed that Mr. Suttie should serve.

After a robust discussion of the problems in recruiting young people to the workforce while considering industries that have been successful in attracting students to their disciplines, the group embraced the idea of creating demand. Mr. Suttie led the group in a deliberation about how to "move Up" the demand with a campaign of objectives to 1) establish a unified voice; 2) empower MTS advocates to influence public policy and elevate the MTS with the American people; and 3) advance the MTS to a national priority. When those objectives have been met, the downward flow of pressures will naturally encompass workforce development.

The afternoon working session focused on capturing the process covered in the group discussion to present as a report-out to the entire MTSNAC group. The specifics are laid out in the attached slides:

Tasks undertaken:

Revision of Problem Statement

Order of Objectives

Determination of 3 Strategies for each Objective

Formation of a Project Plan going forward to complete deliverables:

Detailed Outline for Whitepaper by Dec. 15

Draft White Paper by March 30

The group speculated that two conference calls may be necessary to meet the December 15 deadline. Additionally, the committee members who were unable to attend need to be briefed, and a poll should be taken as quickly as possible to determine meeting times for groups working on each of the three objectives (see the attached letter to Co-Chairs penned by Lisa Wieland).

TWO ATTACHMENTS:

Slide from October 19 in St. Louis

Letter to Chairs from Lisa Wieland regarding Committee Assignments

MTSNAC Meeting – St Louis MO – 18 Oct, 2016

Marine Highway Subcommittee meeting – 11:00 a.m.

Tim Pickering called the meeting to order and took a roll call. The following members were in attendance:

Tim Pickering – Maritime Administration Staff Liaison
Gary Adams – VP Global Logistics, Walmart Stores, Inc.
Robert Berry – VP, International Shipbreaking Ltd, LLC
Mark Locker – Administrator, Office of Maritime and Freight Mobility, Ohio Dept of Transportation
Jim Pelliccio – President & CEO, Port Newark Container Terminal
Tory Presti – President, National Shipping Agencies, Inc.
Brian Wright – President & CEO, Owensboro Riverport Authority
Dan Harman – Director, Maritime Division, Texas Department of Transportation
Jared Henry – Hapag Lloyd, Vice-President, US Government Trade
Richard Berkowitz – Director, Pacific Coast Operations at Transportation Institute

Also present on day 2 of the meeting: Gary Love – VP, FAPS, Inc

The first order of business was to nominate a Subcommittee Chair and Vice-chair. Dan Harmon and Richard Berkowitz were nominated for Co-Chairs and both were seconded. A voice vote was taken and the vote was unanimous. Both members indicated a willingness to serve in the position if approved by the Maritime Administrator.

Dan Harman ran the meeting as one of the nominated Co-Chair. Over the two days of meetings, Dan took the group through the three objectives and the three strategies under each objective as outlined in the MTSNAC agenda. Notes were recorded on a flip-chart by a recorder from the group.

On the second day of the meeting, the group took the notes from the nine strategies and developed draft policy recommendations, and determined measures to implement those policies. A short PowerPoint presentation was created and presented to the larger MTSNAC body as the conference concluded on 19 October, 2016.

The team has agreed to meet on a monthly basis via Webex or conference call to work on the deliverable for the Administrator. The Subcommittee goal is to develop a 5-6 page white paper on institutional, physical, infrastructure, and economic barriers to expanding utilization by new and traditional users of the America's Marine Highway system. That paper will be presented to the full MTSNAC body and, once approved, to the Administrator.

INTERNATIONAL COMPETITION AND GLOBAL TRENDS SUBCOMMITTEE
MTSNAC Meeting, St. Louis, MO
18-19 October 2016

[Breakout Working Session 1: 18 October 2016 – Call to Order at 11:00 a.m.](#)

Members present include Meredith Dahlrose (alternate for Molly Campbell), Gregory Faust, Bill Hanson, Mike Mabry, Jonathon Rosenthal, Scott Sigman, Anne Strauss-Weider and Thomas Wigman.

The subcommittee appointed Scott Sigman and Anne Strauss-Weider as Co-Chairs.

The subcommittee members determined that a modification to the problem statement was necessary. Anne suggested breaking the problem statement into two (2), but the group consensus was to remove the last section of the problem statement altogether.

Problem Statement: Trends in global economic development and supply chains pose significant opportunities and risk to U.S. national, political and economic cost competitiveness.

What will the recommendation to the Administrator look like? Very specific, tangible, can be enacted in the short term. The basis of any system is data.

National strategy is restrictive and always out of date. Need ability to pivot. There must be standardization of some aspects i.e. containers must have certain standards in order to stack.

Choke points exist within terminals at both the water side, and land side; without federal intervention (USDOT) to address the freight ecosystem systemically, then only major ports and their needs will to be addressed. While there are bi-state and multi-state regions, from a funding perspective, there needs to be further facilitation of the investments.

Labor – single biggest impediment to efficiency. Don't want cheap labor, want sophistication.

Consolidation of efforts, streamlined flow of funds from the Federal government; sometimes the bridge isn't the problem. It's the approach to the bridge that causes the problem. With constraint of Federal dollars, DOTs have had to creatively approach solutions. Instead of replacing the bridge with expanded lanes, change the approach to mitigate congestions.

ACTION ITEM THINK-TANK: building a house with no overarching blueprint. We are getting a chimney that doesn't hit the fireplace. Each state is developing a blueprint for different sections. Sometimes, best practices are established during the silo initiatives. Don't necessarily need to tell individual states how they get it done, but do need to direct the what needs to be accomplished.

WHAT: National freight plan with teeth that directs where funding initiatives will focus. States: align your plans to the national approach.

NATIONAL STRATEGIC FREIGHT PLAN as overarching document to provide a master plan for individual state freight plans i.e. all state and regional level priorities will link into the National Freight Plan to serve the bigger goal.

Adjourn working session one at 12:45 p.m.

Breakout Working Session 2: 18 October 2016 – Call to Order at 1:45 p.m.

Members present include Meredith Dahlrose (alternate for Molly Campbell), Gregory Faust, Bill Hanson, Mike Mabry, Jonathon Rosenthal, Scott Sigman, Anne Strauss-Weider and Thomas Wigman.

Objective 1: Ensure U.S. competitiveness in the global economy.

Strategy 1: Identifying critical long term infrastructure projects as related to supply chain that MUST get fixed that bottleneck everyone BY developing a National Freight Plan across all modalities, and includes strategy to include increased ship sizes ... recommend FHWA put together one compiled list of all priority projects

STRATEGY 1: WE RECOMMEND...

1. We recommend that the Secretary develop a national holistic approach via a national freight plan by September 30 2017.
 - a. Strategy or inclusion of implications from increasing ship sizes.
2. Then, when states submit individual state freight plans in Dec 2017, we recommend FHWA compile/map the priority projects and measure/compare to National Plan.
3. January 2018, map state vs national freight priorities.

STRATEGY 1: IMPACTED PARTIES

1. USDOT – Primary because the initial action item is tasked to them i.e. freight plan
2. STATE DOT – Positive impacts – targeted needs, fast act formula funding based on needs, and regional constituents can see impacts to their AOR from funding outside their AOR.
3. MPO – effect: formula funding trickles down through states to fund their programs so they may need to shift priorities to align with National Plan.
4. Supply Chain – ports, shippers, rail, truck, manufacturers, consumers, producers.

Strategy 2: Facilitate common standards and protocols for domestic infrastructure and DATA THROUGH PRIVATE AND PUBLIC WORKING GROUPS TO DEVELOP EFFICIENCY ... better utilization of existing infrastructure through common standards and protocols i.e. data backbone... talking about federal funding. If a dataset doesn't obscure who the actor is, then it is proprietary and can't be shared. EDI is/was to be a standard data program to find shared markets, and not necessarily the quantities, costs, etc.

STRATEGY 2: RECOMMENDATIONS... (for EDI, standardized barcoding)

1. To develop a domestic information backbone that must be interoperable, with standard protocols ... convene multidisciplinary stakeholders (interagency, public and private sector) to develop an interoperable, domestic information backbone with standard protocols that enable transparency to make better decisions to optimize the national freight network.... To facilitate the flow of goods.

STRATEGY 2: IMPACTED PARTIES

1. Intel Companies
2. Supply Chain

Strategy 3: Multi-Agency approach to leverage and optimize the flow of goods through technology and workforce development.

Technology can mean data, not always automation.

Recommendations: Develop a multi-agency approach to accessibility of workforce, to include Department of Labor, Department of Agriculture, and Human/Health Services.

IDENTIFY IMPACTED PARTIES – Public and private sector, all modal inputs; first and last mile connectors. Top down approach to what the backbone looks like, as prioritized by the Secretary, then matching up with what individual states have prioritized that fits into top level strategy. National Program – what is necessary for mobility and access to the critical supply chain? This approach will come down with a set of metrics.

From a funding perspective, could potentially see the private sector step up and support projects THEY want to see happen, so long as there is alignment with the national vision. If within the national approach, avoid bureaucratic red tape, could also provide transparency in the grant funding perspective as fitting with national vision, or not.

National economic development evaluation/strategy skeleton makes sense on an international level.

Adjourn at 4:30 p.m.

[Breakout Working Session 2: 19 October 2016 – Call to Order at 8:25 a.m.](#)

Members present include Meredith Dahlrose (alternate for Molly Campbell), Gregory Faust, Bill Hanson, Mike Mabry, Jonathon Rosenthal, Scott Sigman and Thomas Wigman.

See PowerPoint Presentation as minutes for the working session

Adjourn at 10:45 a.m.

**PUBLIC COMMENT TO U.S. Maritime Transportation System National Advisory
Committee**

My name is Tracie Noel and I'm here today to represent my fellow parents of Midshipmen attending the United States Merchant Marine Academy, at Kings Point, New York. Your agenda item F put forth to this Committee, "Inspiring and educating the next generation of mariners," is of great interest to us. We are very concerned about recent, unprecedented risks which are facing the Merchant Marine Academy.

Because we share a common interest with this committee in educating the next generation of mariners, and in particular Kings Point mariners, we are seeking your assistance.

Six months ago the Maritime Administration was notified by the Middle States Commission on Higher Education, MSCHE, that the Academy had failed 5 of 14 standards of accreditation due to serious issues with leadership and governance. MSCHE placed the Academy's accreditation in a warning status and issued a timeline for correcting deficiencies. Of note, academics and Sea Year were highly praised in the report.

Failure to correct the accreditation deficiencies in the time allotted will likely lead the Academy's closure as degrees from unaccredited institutions are considered useless. This is an unacceptable result for a federal service academy that should be a leader in its field.

Four months ago without warning, the Maritime Administration cancelled USMMA midshipmen training on all commercial vessels, claiming these ships are unsafe and pose a sexual assault and harassment (SA/SH) risk. MARAD admitted that no event or incident had occurred which caused them to cancel Sea Year and has presented no data to support the cancellation. These are the same commercial vessels that

midshipmen will return to as officers following graduation.

MARAD does not believe, however, that this same SA/SH risk exists on MSC-operated ships, navy ships, or state maritime training ships and has allowed midshipmen to spend sea year on those vessels. Of note, however, is that state maritime academy students continue to sail on the same *commercial* vessels which MARAD has deemed “unsafe” for USMMA midshipmen.

This dramatic and unprecedented cancellation has placed the supply of readyreserve highly competent mariners prepared to meet the surge sealift requirements of the U.S. government seriously at risk. A number of Midshipmen in two classes (2018 and 2019) already are facing delayed graduation due to the lack of commercial ship assignments. Compounding this issue is that commercial vessels are not only the essential core of the Sea Year program, they are the highest-value training environment. [Furthermore, the uncertainties surrounding Sea Year and accreditation have negatively impacted recruitment of the class of 2021.

Both Sea Year cancellation and re-accreditation failure are threats to the Academy and its ability to deliver a world-class maritime education. I would like to state unequivocally that of *course* the safety of Midshipmen is of the utmost importance to Kings Point parents. We fully support working with the industry to improve training and remedial measures in SA/SH situations. We believe, however, that this must be accomplished while midshipmen continue to train on commercial ships, as they have since the Academy was founded. Incidents of unacceptable behavior are isolated, and there already are numerous legal and regulatory levers in place to address any such incidents.

Inquiries by the USMMA Congressional Board of Visitors and other members of Congress into the decision by MARAD to suspend Sea Year on commercial ships have gone unanswered. The Secretary of Transportation has yet to

answer a single question, including whether this is all part of a plan to close the Academy. The lack of accountability and transparency by the Dept. of Transportation to the midshipmen and stakeholders has reached a crisis level and parents especially don't know where else to turn.]

Your assistance is requested to become more familiar with both of the situations adversely impacting USMMA: the Sea Year suspension and re-accreditation warning. MARAD may be proposing a model of moving KP midshipmen permanently to training exclusively aboard government vessels or state maritime training ships, greatly DILUTING the overall quality of Kings Point mariners entering the workforce. Please note that NONE of the other maritime state schools have maritime service as a **required** obligation, and therefore Kings Point remains the most reliable source of trained mariners ready to support the US armed forces when called upon.

What is needed is 1) a detailed action plan from Maritime Administrator Jaenichen with a timeline for resolving the accreditation issues in the time allotted and 2) the immediate resumption of the commercial sea year program. Without these two things the mission of the Academy cannot be accomplished. Without these two things, the mission of the academy cannot be accomplished. The goal must be to keep Kings Point graduating "licensed Merchant Marine officers of exemplary character who serve America's marine transportation and defense needs in peace and war."

Thank you for your time and Acta Non Verba – deeds not words.

- Submitted by Tracie F. Noel, Lake St. Louis, MO