

Maritime Transportation System National Advisory Committee
Minutes of Public Meeting

Dates: March 22-23, 2023

Location: Virtual

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Acronyms and Abbreviations

AAPA	American Association of Port Authorities
AASHTO	American Association of State Highway and Transportation Organizations
ABS	American Bureau of Shipping
AIS	Automatic Identification System
AWS	Automated Weather Station
CBP	Customs and Border Protection
CHAMP	Common Hull Auxiliary Multi-Mission Platform
CMTS	Committee on the Marine Transportation System
CSP	Cable Security Program
DFO	Designated Federal Official
DOD	Department of Defense
DOE	Department of Energy
DOT	Department of Transportation
ECMC	U.S. Exporters Competitive Maritime Council
EMBARC	Every Mariner Builds a Respectful Culture
EPA	Environmental Protection Agency
FACA	Federal Advisory Committee Act
FLOW	Federal Freight Logistics Optimization Works
FMC	Federal Maritime Commission
FSS	Fast Sealift Ship
IMO	International Maritime Organization
IRA	Inflation Reduction Act
IRPT	Inland Rivers, Ports and Terminals, Inc.
ISO	International Organization for Standardization
LRF	Lloyds Registry Foundation
MARAD	Maritime Administration
MEBA	Marine Engineers Beneficial Association
META	Maritime Environmental and Technological Assistance
MRF	International Marine Rescue Foundation
MPF	Maritime Prepositioning Force
MM&P	Organization of Masters, Mates & Pilots
MSP	Maritime Security Program
MTS	Maritime Transportation System
MTSNAC	Maritime Transportation System National Advisory Committee
NASSCO	National Steel and Shipbuilding Company
NAVSEA	Naval Sea Systems Command
NDAA	National Defense Authorization Act
NDRF	National Defense Reserve Fleet
NMERPAC	National Merchant Marine Personnel Advisory Committee
NSMV	National Security Multi-mission Vessel
OSRA	Ocean Shipping Reform Act of 2022
OSCAR	Ocean Shipping Container Availability Report
OTS	Off the Shelf

PEO	Program Executive Officer
PM	Program Manager
QOL	Quality of Life
QMED	Qualified Member of The Engine Department
RDT&E	Research, Development, Test, and Evaluation
RFI	Radio Frequency Identification
RO/RO	Roll on/Roll/off
ROS	Reduced Operating Status
RRF	Ready Reserve Fleet
SES	Senior Executive Service
SIP	Student Incentive Program
SNDME	Society of Naval Architects and Marine Engineers
SME	Subject Matter Expert
STB	Surface Transportation Board
STCW	Standards of Training, Certification, and Watchkeeping
SUNYMC	State University of New York Maritime College
Title XI	Federal Ship Financing Program managed by MARAD
TOTE	Totem Ocean Trailer Express
TSP	Tanker Security Program
USCA	Usable Cargo Stowage Area
USCG	U.S. Coast Guard
USDA	U.S. Department of Agriculture
USDOT	U.S. Department of Transportation
USTRANSCOM	U.S. Transportation Command
VAM	Vessel Acquisition Manager
VCM	Vessel Contract Manager
VOS	Voluntary Observer Ship Program
WMO	World Meteorological Organization

Meeting Agenda

Wednesday, March 22, 2023

- 10:00 am** **Call to Order & Roll Call**
Chad Dorsey, Designated Federal Officer
- Item 1** **Welcome and comments from the MTSNAC Chairman**
Robert "Bob" Wellner, Chairman, Maritime Transportation System National Advisory Committee
- Item 2** **Chair Guidance and Breakout Session – Breakout Rooms**
Staff Liaisons to facilitate breakout sessions and prioritize Issue Areas and Desired Outcomes
- Item 3** **Reconvene and Update to Chairman**
Robert "Bob" Wellner, Chairman, Maritime Transportation System National Advisory Committee
- Item 4** **Public Comments (if required)**
Chad Dorsey, Designated Federal Official
- Item 5** **Break for Lunch**
- Item 6** **Chair Guidance and Breakout Session – Breakout Rooms**
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- Item 7** **Reconvene and Brief Update Report to Chair by Sub-Committee Chairs**
Robert "Bob" Wellner, Chairman, Maritime Transportation System National Advisory Committee
- Item 8** **Closing Remarks and Adjournment**
Robert "Bob" Wellner - Chairman, Maritime Transportation System National Advisory Committee

Minutes of the Public meeting of the
Maritime Transportation System National Advisory Committee
March 22, 2023
10:00 am–3:00 pm EDT

Call to Order & Roll Call

Mr. Chad Dorsey, Designated Federal Officer with MARAD, called the meeting to order at 10:07 am EDT, took the roll call, and provided administrative information to those present.

Members Present

Federal Government Employees:

Michael Moltzen – U.S. Environmental Protection Agency
Shelley Sugarman – U.S. Coast Guard
Brian Tetreault – U.S. Army Corps of Engineers

Special Government Employees:

Lauren Beagen – Squall Strategies

Representative Members:

Aimee Andres – Inland Rivers, Ports, and Terminals, Inc.
Cheryl Ball – Missouri Department of Transportation
David Cicalese – International Longshoremen's Association
Brian Clark – North Carolina Ports Authority
Mario Cordero – Port of Long Beach
James Dillman – Gateway Terminal
Bill Doyle – Maryland Port Administration
Berit Eriksson – Sailors' Union of the Pacific
Joe Gasperov – International Longshore and Warehouse Union
Roger Guenther – Port Houston
Craig Johnson – Flagship Management, LLC
Brian Jones – Nucor Corporation
David Libatique – Port of Los Angeles (Vice-Chair)
Kevin Krick (for Jack Sullivan) – Matson Navigation, Inc
Bethann Rooney – Port Authority of New York/New Jersey
Stephen Spoljaric – Bechtel
Penny Traina – Columbiana County Port Authority
Robert Wellner – Liberty Global Logistics, LLC (Chair)
Tom Wetherald – Global Dynamics – NASSCO (retired)

Members Absent

Russell Adise –U.S. Department of Commerce
Erik Stromberg– Lamar University

MARAD / USDOT Members Present

Shawn Brede - MARAD
Keith Crum - MARAD
Chad Dorsey – DFO and Director, Inland Waterways Gateway Office (Paducah, KY), MARAD
Jeffrey Flumignan – Director, Office of Maritime and Intermodal Outreach, MARAD
Ian Gansler - MARAD
Brian Hill – Alternate DFO and Director, Western Gulf Gateway Office (Houston), MARAD
Shannon Jordan - MARAD
Zanna Khurana - MARAD
Elisabeth Kohl – Office of the General Counsel, USDOT
Natasha Pavlovich - MARAD
Branden Villalona – Alternate DFO and Director, South Atlantic Gateway Office (Jacksonville, FL) MARAD

Public Members Present

Sarah Fuentes - nominated MTSNAC member, Transportation Institute
Michael Heier – Director of Regulatory Affairs, Offshore Marine Services Association
Mikkel Holm-Peterson – Counsellor (Maritime), Embassy of Denmark
Jim Kearns – Special Counsel, Jones Walker (IRPT Board Member)
Ray Newby – Waterways Coordinator, Maritime Division, Texas DOT
Emily Rankin – Government Affairs Policy Analyst, Northwest Seaport Alliance
Daniel Wanke – Program Manager for Freight, AASHTO
Matt Wiggins – Freight & Infrastructure Policy Associate, AAPA

Item 1- Welcome & Comments from the MTSNAC Chairman

Mr. Robert Wellner welcomed the group and remarked that MARAD hopes to have its full committee membership of twenty-seven, including a CBP, Transportation Institute, and MEBA (Marine Engineers Beneficial Association) representative. He then summarized some recent items of interest to the membership. MARAD recently awarded \$12 M in grants for the Marine Highway Program and received \$450 M /year for the Port Infrastructure Program. The next round of applications is due in April of this year. MARAD's agency budget request for Fiscal Year 2024 is \$980 M. He also noted that MARAD and FMC are scheduled to testify on OSRA before Congress on Thursday of this week.

Mr. Wellner told the members that General David Berger of the U.S. Marine Corps recently expressed his concern over U.S. Navy staffing and insufficient vessel types and capacities, in

addition to an erosion of the U.S. industrial base to support the U.S. military in Asia well Europe adequately. In addition, the U.S. Secretary of the Army, Christine E. Wormuth, has expressed concerns and said that expanding and retaining the maritime workforce is a matter of national security.

Mr. Wellner then reminded the group that the first draft of the Priority 1 recommendation from the Sub-Committees is due in April, and the final version is due in June. The Port Sub-Committee focuses on export enhancements and decarbonization, while the Starboard Sub-Committee works on RRF Recapitalization, Shipyard grants, and shipyard capabilities.

Mr. Libatique noted that the Sub-Committees are doing a significant amount of work. Every MTSNAC feels its work is consequential, the same as this MTSNAC. Mr. Wellner said he and Mr. Libatique would visit each Sub-Committee during the breakout sessions.

Item 2 – Chair Guidance and Breakout Sessions – Breakout Rooms

Mr. Wellner advised the Sub-Committees that a verbal report after today's breakout sessions is acceptable. He then directed the members to join Sub-Committees for this morning's breakout session.

Item 3 – Reconvene and Update to Chairman

When the members reconvened, the Starboard Committee reported on its work (Appendix A for full details). Mr. Wetherald, Starboard Sub-Committee co-chair, presented for the Sub-Committee. He reported that the Sub-Committee has officially finished its work on Task 1 – recapitalization of the Ready Reserve Fleet. Meanwhile, the Sub-Committee has begun to receive information to assist it on its Task 2 – mariner shortage.

Mr. Jones presented for the Port Sub-Committee(Appendix B for full details). The Sub-Committee is working on Problem Statement #1 - make recommendations that support improved access to international markets, including alternate trade lanes and legislation explicitly designated for domestic and international shipment of agricultural commodities and other goods, emphasizing inland ports. During the afternoon session, the Sub-Committee will focus on deep-water ports.

Item 4 – Public Comments (if required)

Mr. Dorsey announced that there were no comments submitted for today.

Item 5 – Break for Lunch

Mr. Wellner advised the members that the Committee would reconvene at 1:00 pm and that everyone should go directly to their breakout sessions.

Item 6 – Chair Guidance and Breakout Sessions – Breakout Rooms

The members went directly to their respective breakout session rooms.

Item 7 – Reconvene and Brief Update Report to Chair by Sub-Committee Chairs

When the members reconvened, the Starboard Sub-Committee reported first, with Mr. Wetherald presenting (Appendix A for full details). The Sub-Committee has drafted three recommendations for the first task - recapitalization of the Ready Reserve Fleet (RRF). The first recommendation is to pursue a sealift ship design and hire a Vessel Construction Manager (VCM) to contract to build these ships.

The second recommendation is for the Secretary to institute a grant program for shipbuilders involved in the program to improve efficiency and reduce the costs of the shipbuilding program. The third recommendation is for MARAD to create and publish an annual compendium of U.S. shipbuilding capabilities. Finally, Mr. Doyle asked about possibly using multiple VCMs to construct the vessels. He expressed concern over the reliance on only one VCM.

Mr. Jones presented for the Port Sub-Committee (Appendix B for full details). He said the first problem statement had expanded beyond just agricultural products. Under this problem statement, there are seven action recommendations:

- 1) Develop an updated National Freight Strategy that builds upon and incorporates the National Maritime Strategy to address last and first-mile freight transportation within the U.S. and its territories,
- 2) Designate inland barges as Vessels of National Interest to prioritize Title XI loan guarantees for the construction of new barges and fleet expansion,
- 3) Encourage more significant funding for the Small Shipyard Grant Program and prioritize grant awards for shipyards engaged in the construction of inland barges,
- 4) Liaison with the U.S. Army Corps of Engineers (USACE) and U.S. Department of Agricultural (USDA) to identify those inland ports which are critical agricultural export facilities to receive increased dredging funding,
- 5) Office of Freight Transportation should hold quarterly meetings between STB, FMC, and DOT to coordinate on freight, logistics, and supply chain issues,
- 6) Encourage a domestic supply base for cargo handling equipment, and
- 7) The Department of Transportation will coordinate with FMC and USDA to restart the container availability dashboard for exporters.

Ms. Sugarman asked if inland ports included Great Lakes and the St. Lawrence Seaway. Mr. Jones responded that the Sub-Committee could expand the definition. Mr. Wellner noted a possible overlap between the Starboard Sub-Committee's Small Shipyard Grant Program recommendation and that of the Port Sub-Committee.

Mr. Wellner then announced that tomorrow the Starboard Sub-Committee would focus on the mariner workforce, and the Port Sub-Committee would focus on decarbonization.

Item 8 – Closing Remarks and Adjournment

Mr. Dorsey adjourned the meeting at 3:07 pm.

Meeting Agenda

Thursday, March 23, 2023

- 10:00 am Call to Order & Roll Call**
Chad Dorsey, Designated Federal Official
- Item 9 Welcome & Opening Statements**
Robert "Bob" Wellner - Chairman, Maritime Transportation System National Advisory Committee
- Item 10 Chair Guidance and Breakout Session – Breakout Rooms**
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- Item 13 Break for Lunch**
- Item 14 Chair Guidance and Breakout Session – Breakout Rooms**
Staff Liaisons to facilitate breakout sessions and prioritize Issue Areas and Desired Outcomes
- Item 15 Reconvene and Reports from Sub-Committee Chairs**
Robert "Bob" Wellner, Chairman, Maritime Transportation System National Advisory Committee
- Item 16 Meeting Schedule and Planning Discussion**
Chad Dorsey, Designated Federal Officer
- Item 17 Closing Remarks and Way Ahead**
William "Bill" Paape, Associate Administrator for Ports and Waterways
- Item 18 Closing Remarks and Adjournment**
Robert "Bob" Wellner, Chairman, Maritime Transportation System National Advisory Committee

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David Cicalese – International Longshoremen's Association
Mario Cordero – Port of Long Beach
James Dillman – Gateway Terminal
Bill Doyle – Maryland Port Administration
Berit Eriksson – Sailors' Union of the Pacific
Joe Gasperov – International Longshore and Warehouse Union
Craig Johnson – Flagship Management, LLC
Brian Jones – Nucor Corporation
David Libatique – Port of Los Angeles (Vice-Chair)
Bethann Rooney – Port Authority of New York/New Jersey
Stephen Spoljaric – Bechtel
Penny Traina – Columbiana County Port Authority
Robert Wellner – Liberty Global Logistics, LLC (Chair)
Tom Wetherald – Global Dynamics – NASSCO (retired)

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Russell Adise –U.S. Department of Commerce
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Roger Guenther – Port Houston
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Jack Sullivan – Matson Navigation, Inc

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Ian Gansler - MARAD
Brian Hill – Alternate DFO and Director, Western Gulf Gateway Office (Houston), MARAD
Shannon Jordan - MARAD
Zanna Khurana - MARAD
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Jim Kearns – Special Counsel, Jones Walker (IRPT Board Member)
Ray Newby – Waterways Coordinator, Maritime Division, Texas DOT
Emily Rankin – Government Affairs Policy Analyst, Northwest Seaport Alliance
Daniel Wanke – Program Manager for Freight, AASHTO
Matt Wiggins – Freight & Infrastructure Policy Associate, AAPA
Adam Vock – President, The Marine Engineers’ Beneficial Association (MEBA)

Public Comment

Roberta Weisbrod, Executive Director, Worldwide Ferry Safety Association

Item 9 – Welcome and Opening Statements

Mr. Wellner welcomed everyone to today's meeting and apologized for the early start time, especially for those participating from the West Coast. He commented on the excellent exchange yesterday and noted that much must be done. Today, the Starboard Sub-Committee will focus on maritime workforce and mariner retention, while the Port Sub-Committee will work on

decarbonization. He added that Adam Bocak would join the Starboard Sub-Committee as an SME.

Item 10 – Chair Guidance and Breakout Sessions – Breakout Rooms

The briefing time will be extended to 30 minutes to allow for more thorough Sub-Committee reports vs. 15 minutes. Today's lunch hour will be shortened to 30 minutes to accommodate this. He asked that the members return from their breakout sessions at 11:45 am and that the briefings be verbal only. He also encouraged everyone to bring up anything they felt the entire Committee should review and to think outside the box. He then directed the members to join their respective breakout sessions.

Item 11 – Reconvene and Update to Chairman

Mr. Wellner welcomed the group back and said there would be a hard stop at noon to allow time for public comment. The afternoon breakout sessions will begin at 12:40 pm and stop at 2:15 pm.

Mr. Wetherald presented the Starboard Sub-Committee report (Appendix C for full details). The Sub-Committee is looking at the mariner shortage issue. It collects documents, a list of SMEs to address the Sub-Committee, and areas within each subject matter.

Ms. Rooney presented the Port Sub-Committee report (Appendix D for full details). The group is working on Problem Statement #2, which calls for port decarbonization and emission reductions. At the Sub-Committee's last meeting in January, they drafted five recommendations and have worked on four. The group will address the fifth recommendation in today's afternoon session. They may also add one recommendation addressing international organizations and alternate fuels. Mr. Wellner asked if the Sub-Committee would be using SMEs in their work, to which Ms. Rooney replied that the Sub-Committee already has as a member Mr. Moltzen of EPA.

Mr. Wellner then announced that dates for the June meeting had been chosen. This meeting will be in Washington. However, the September meeting could be at an alternate site, and he asked each Sub-Committee to suggest some possible sites. Ms. Sugarman asked if any sessions were being planned at the maritime schools. Mr. Wellner said no. Ms. Sugarman noted that a recent ECMC meeting was held at SUNY Maritime School in New York City. Mr. Dorsey cautioned the group that any alternate location must be less costly than Washington. Ms. Sugarman added that there are now more U.S. projects supported by DOE which carry a U.S.-Flag shipping requirement and asked if there was any move to increase the U.S.-Flag percentage voluntarily. Mr. Wellner responded that this might be an excellent opportunity to increase the U.S.-Flag requirement, but the group needs to look at its work plan to see where that would fit in.

Item 12 – Public Comment

Mr. Dorsey announced that Ms. Roberta Weisbrod, Executive Director of the Worldwide Ferry Safety Association, would address the Committee. (See Appendix E for full text). Ms. Weisbrod pointed out that severe weather events are more common than ever. Although weather satellites can track broad weather patterns, they lack accuracy and resolution and require in situ weather measurements on land and sea. However, insitu, maritime weather information is severely lacking. In addition, there is the Voluntary Observing Ship Program (VOS). However, very few

eligible vessels have signed up for this. Therefore, there is a need for more weather stations on vessels. In 2019, the U.S. Army Corps of Engineers initiated a pilot project that put about fifteen automated weather stations (AWS) on vessels. The AWS is connected to the AIS already on vessels and can text out weather information with locational information to nearby vessels and send weather information to the national and international weather services.

The Worldwide Ferry Safety Association has received an initial Lloyds Register Foundation (LRF) grant to do a small pilot project in Indonesia. From the pilot, the association learned that it is inexpensive to purchase the necessary equipment – about \$1250, or the price of a cellphone. It is also easy to install. There is a need for IMO to add AWS to its AIS mandate. Also, the World Meteorological Organization (WMO) could offer automated weather stations. The total cost would be less than \$250 M. This topic will be presented at the annual meetings of the International Marine Rescue Foundation (IMRF) and the Society of Naval Architects and Marine Engineers (SNAME).

Ms. Weisbrod hopes that MTSNAC will also consider this. Mr. Wellner thanked Ms. Weisbrod and added that the focus on weather alerts should be in the next two hours, not the next two weeks. (Roberta Weisbrod, Ph.D., Executive Director, Worldwide Ferry Safety Association ferrysafety@gmail.com).

Item 13 – Break for Lunch

The group then broke for lunch with the request to return by 12:40 pm.

Item 14 – Chair Guidance and Breakout Sessions – Breakout Rooms

The members went directly to their respective breakout rooms for continued discussion.

Item 15 – Reconvene and Reports from Sub-Committee Chairs

When the members returned, the first report was from the Starboard Sub-Committee. Ms. Beagen presented some slides (See Appendix C for full details). The Sub-Committee continues to collect several documents related to the maritime workforce issue. They are also reviewing the credentialing process at the National Maritime Center (NMC). Some potential SMEs are Capt. Kirsten Martin (former Commanding Officer of the NMC), Todd Mitchell, Capt. Don Marcus, and Mayte Medina (U.S. Coast Guard). The Sub-Committee is endeavoring to address every level of the maritime workforce.

They are also looking at some short-term issues, including Quality of Life, childcare, legislative support, increased tracking of mariners by MARAD, and incorporation of the Justice40 Initiative.

Mr. Wetherald then noted that the Sub-Committee would continue to address the Vessel Construction Manager (VCM) issue by reviewing the wording of this recommendation in light of manager performance.

Mr. Wellner then asked about the meaning of "commercial standards" on one slide. Are these commercial standards for shipyard contracts and construction or just for design issues? Mr.

Wetherald replied that they would use ABS-designed rules and that the vessels would be built with commercial standards. Mr. Wellner added that there might need to be a walkover conversation between the Starboard and Port Sub-Committees on decarbonization and workforce development issues.

Ms. Rooney presented for the Port Sub-Committee (See Appendix D for full details). During the afternoon session, the group focused on Problem Statement #2 – Decarbonization and Emissions Reduction at Ports. The following are their five recommended actions (See Appendix F for further details):

- 1) Recommended Action 1 – Deepen cooperative efforts with EPA and DOE to optimize decarbonization of and emission reductions in coastal, inland, and Great Lakes ports, including identifying best practices and quantifying benefits from implementing efficiency and productivity measures.
- 2) Recommended Action 2 – Coordinate with EPA to update on an appropriately frequent basis information, new technologies, and strategies that could contribute to port decarbonization goals for use, including but not limited to discretionary funding decisions.
- 3) Recommended Action 3 – Increase funding to MARAD, EPA, and DOE to research and develop reduced and zero-emissions transport vehicles, carbon capture and sequestration technologies for ports and terminals, alternative fuels, ultracapacitors, and other energy solutions.
- 4) Recommended Action 4 – Update the State Freight Plan Guidance to recommend including emissions reduction goals and decarbonization projects and include close port community collaboration in all plan updates.
- 5) Recommended Action 5 – DOT should follow the U.S. National Blueprint for Transportation Decarbonization and engage with U.S. maritime industry, especially as it concerns international coordination such as the Zero Emission Shipping Mission.

Concerning Problem Statement #1 – Export Enhancement recommendations (See Appendix G for further details), Recommended Action 1 focuses on the last and first-mile transportation. Recommended Action 2 addresses the issue of an inland barge crisis. Many are being scrapped, and one manufacturer has gone out of business. Recommended Action 3 emphasizes increasing funding for the Small Shipyard Grant Program. Recommended Action 4 highlights the gaps in dredging funding for inland ports. Recommended Action 5 addresses the need for more coordination between government agencies—recommended Action 6 underlines security concerns over our reliance on foreign suppliers of cargo handling equipment. Finally, recommended Action 7 encourages the FMC and USDA to report cargo equipment availability in eighteen locations throughout the U.S.

Mr. Wellner then asked if there were any questions or comments. Ms. Eriksson suggested upgrading workforce training should be added to the Small Shipyard Grant Program. Ms. Beagen said that under Recommended Action 7, there should be a request for increased funding for FMC to support this action.

Item 16 – Meeting Schedule and Planning Discussion

Mr. Dorsey announced the dates for the next two meetings:

- June 28-29 in Washington
- September 20-21 at a location yet to be determined

Item 17 – Closing Remarks and Way Ahead

Mr. Flumigan, on behalf of Mr. Paape, remarked that the Sub-Committees are doing well. He is hoping to arrange the September meeting for Jacksonville, FL. Beginning tomorrow (March 24, 2023), Mr. Flumignan will be the new DFO for MTSNAC. Support for MTSNAC will transition from the Office of Gateways to the Office of Ports and Waterways Planning, headed by Vince Mantero. This office handles stakeholder engagement with groups such as the American Waterways Organization (AWO). After the transition, Ms. Natasha Pavlovich will be the DFO for MTSNAC. Mr. Flumigan asked the group to consider meeting dates in the new Fiscal year beginning on October 1, 2023. There will also be a new contract for common MARAD FACA support since MARAD now sponsors three federal advisories, including MTSNAC.

Item 18 – Closing Remarks and Adjournment

Mr. Wellner advised that the final draft of the Sub-Committees' action items is due by the end of next week. Any format questions should be directed to Mr. Dorsey or Mr. Flumigan. He also thanked Mr. Dorsey for his great work and effort in supporting the work of MTSNAC.

He noted that the Port Sub-Committee addresses the National Freight/National Maritime Strategy issue. He encouraged MTSNAC to help both MARAD and USTRANSCOM as they develop the National Maritime Strategy.

Mr. Libatique added his thanks to Mr. Dorsey for all his work. He also thanked the Sub-Committee co-chairs for their time and effort. He added that there would be a crosswalk on decarbonization between the two Sub-Committees.

Mr. Wellner reminded the group to think outside the box and to focus on the supply chain. In conclusion, he thanked everyone for all their work and input. The meeting was then adjourned at 3:05 pm EDT.

Certification and Approval

Date: May 10, 2023



Robert Wellner
Chairperson

Appendices - Meeting Presentations - March 22-23, 2023

- a. Starboard Sub-Committee Breakout Sessions Minutes - March 22, 2023 - Tom Wetherald - Starboard Sub-Committee Co-Chair
- b. Port Sub-Committee - Breakout Sessions Minutes - March 22, 2023 - Brian Jones - Port Sub-Committee Co-Chair
- c. Starboard Sub-Committee Breakout Session Minutes - March 23, 2023 - Lauren Beagen Starboard Sub-Committee Co-Chair
- d. Port Sub-Committee - Breakout Sessions Minutes - March 23, 2023 - Bethann Rooney - Port Sub-Committee Co-Chair
- e. Public Comment Presentation -Roberta Weisbrod, Executive Director, Worldwide Ferry Safety Association
- f. Port Sub-Committee Decarbonization & Emissions Reductions at Ports Presentation - Bethann Rooney - Port Sub-Committee Co-Chair
- g. Port Sub-Committee Presentation - Export Enhancement - Brian Jones – Port Sub-Committee Co-Chair
- h. Starboard Sub-Committee Presentation - Tom Wetherald – Starboard Sub-Committee Co-Chair

Maritime Transportation System National Advisory Committee

Appendix A

Minutes of Starboard Sub-Committee Sessions March 22, 2023

Date: March 22, 2023

Location: Virtual

March 22, 2023, MTSNAC Starboard Sub-Committee Meeting Minutes 10.30 am EDT

Mr. Wetherald (co-chairman of - the Starboard Sub Committee) opened the initial breakout session with a brief review of the Sub-Committee work - recommendations for Task 1 concerning ready reserve force recapitalization and industry incentivization - and Task 2 on the issue of mariner shortage. In the review, the Sub-Committee expects to cover causes and recommendations. In establishing a baseline, the Sub-Committee presents everything that needs to be said and covered.

Mr. Wetherald discussed the importance of recapitalization, stressing that Congress has realized how important it is as they have been directed in the 2023 National Defense Act on what the MARAD Administrator needs to do and what the Navy needs to do.

He continued his discussion by noting that he recognizes that the recommendations are mandated because Congress said an investment structure manager is required, and the Sub-Committee would support that recommendation. However, he expressed concern about how to do that, which the Sub-Committee will address. An approach is to take previous MARAD work to define their used ship buying program. And he stressed that MARAD would need a more substantial shipbuilding program office to embark on a sealift program, even if it is another vessel construction manager-based program. If recommendation one results in a significant shipbuilding program as Congress has envisioned, ten ships to begin with, then recommendation two deals with how to help the industry become more efficient, how to help promote the industry, and how MARAD could use that program to enhance future shipbuilding with an eye toward more efficient and lower cost shipbuilding for the Jones Act with large, which is part of MARAD's term.

He also started his discussion on recommendation two with a brief introduction on the intent of this task and the resulting recommendation - it has to do with the incentivization of industry, and part of the idea is to help promote the industry, which in the end, is MARAD's principal function.

Ms. Eriksson focused on the discussion about building the industrial base; there is nothing for the shipyard workforce. She stressed that maybe the sub-committee suggests language to emphasize workforce training or apprenticeship utilization within the shipyard. Or perhaps say that matching shipyard grant parts be part of the apprenticeship utilization would be part of the matching part. She mentioned that she is trying to find a place to build a home base and be more creative about how the apprentices are referred to in building the workforce. She suggested that development cost could be part of the match, so whatever that cost would be one point in matching.

Ms. Beagen (co-chair) spoke on the matter of the third recommendation: creating a comprehensive compendium report of what we have because if we don't know what we have, then why are we asking for more money—the potential for duplicative and wasteful spending, unlikely so, but it is just a good practice for housekeeping.

Ms. Eriksson wanted to include in the compendium report mention of the workforce who will be involved.

Ms. Beagen supported the request by noting that it might be an additional recommendation once the workforce developments are adequately addressed because of a need to expand a mariner shortage to a maritime workforce shortage and include the shipyards. But Mr. Wetherald interjected to say the Sub-Committee must determine what workforce data fields should cover.

Ms. Beagen suggested it might be best for the next task because the whole compendium could be for the maritime workforce and have subcategories, including shipbuilders. Another thought to focus upon is an alternative approach of pushing all data to workforce tasks or "sprinkle" into this as they are identified.

Regarding the ongoing discussion, Stephen Spoljaric mentioned that he would like to see it consolidated since if it gets spread too thin, with too many topics, then the focus of the matter is lost.

Ms. Beagen reminded the Sub-Committee members that the final report is due before the June MSTNAC meeting. She emphasized that the Sub-Committee should start diving into Task 2—workforce development—and then a decision can be made as to going forward for the data collection on the workforce. She expressed her thoughts as being able to understand the broad spectrum of the workforce to understand where layoffs are, where and what opportunities are for development, and capabilities and training. She feels strongly about the importance of this topic and agrees with Spoljaric not to stretch the discussion too thin and to keep it consolidated. She provided an email with the 2019 Team Maritime Working Group Reports to Congress link as a quick reference point. She mentioned there are many different ways the Sub-Committee can approach this. The Sub-Committee has much experience with workforce development in the maritime industry. She outlined a scenario, including starting the research in the interim and maybe having general discussions now. The Sub-Committee's most significant danger with this tasking is keeping the scope too large and losing focus.

Mr. Wetherald asked Ms. Eriksson for a starting point—a baseline of work going on for some time and identifying some of the fundamental issues in the at-sea maritime workforce.

In response to Mr. Wetherald's question, Ms. Eriksson explained that STCW is the training of certification of watch standards, STCW. The internet shows that the maritime organization agreement is a United Nations party between the signatory and is a standard required for international mariner training that involves steps you follow.

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Mr. Wetherald invited Bob Wellner, co-chair of the MTSNAC, to explain the Committee's reasoning for prioritizing this task (addressing the mariner shortage). Mr. Wellner explained that advancing the importance of the task on the Mariner and the overall shipping industry workforce issue—the Mariner shortage.

Mr. Wellner reminded the Sub-Committee members that the issue had been highlighted and defined by the Department of Defense as a National Defense Crisis/Emergency. He directed the Sub-Committee members to statements forwarded by General Berger (Marine Corps), the Secretary of Navy Carlos Del Toro's comment to Congress about addressing the workforce issues.

Mr. Wetherald added to the comments from Mr. Wellner that, in his opinion, COVID has made things much worse, certainly in industry. But the worker shortage at sea has been more acute. However, in the interim, we might want to look at being creative and make some recommendations on how to quickly turn those people when we need them, for example, preparing them to be qualified for the first round.

Mr. Wetherald asked Mr. Wellner for clarification on when certification is required. In other words, is it required for Jones Act coast-wise trade?

Ms. Eriksson quired about a quick fix for addressing domestic mariners so they can become international mariners and noted that this issue is being discussed by MERPAC (Merchant Marine Personnel Advisory Committee), which is within Homeland Security under the Coast Guard. So, by a simple example, MERPAC would oversee and advise merchant mariner credentialing and regulation and processes when we got the [MPRS] when we did the work on developing the regulations, the CFRs or STCWs that was done under the umbrella of the MERPAC organization for members. And she cited examples of international maritime organizations working to streamline and revise the SEW conventions and the US delegation's role and much of that came from the work in MERPAC. So, this Sub-Committee's recommendations to MERPAC will inform the US delegations, IMO, or the streamlining.

Mr. Wetherald asked what is seen as the most significant barrier to getting these STCW or the international certification—is it cost, is it time—not having enough time at sea, but as far as the courses are concerned, is its difficulty getting availability to the courses, is its cost factor, what are the real issues there?

Ms. Eriksson explained further the tools available to mariners to get recertified or certified. She cited, for example, that they are very good at community colleges or private schools with special training. Although the cost is often high, it becomes affordable to most because a lot of the deep-sea mariners, when they are ready to upgrade there, are union members, and it's part of their benefits package is negligible depending on who you work for. However, it has become evident that sea time is a problem. Berit stated that right now, as it stands, to become an able seafarer, you need 540 days of sea time. As an ordinary seaman, while you are getting assessed, or the deck assessments, you have done the hearing assessments on simulation or in school, or you can

do them on board. But the need to be assessed and the sea time required takes about three dispatches per OS to acquire that.

Ms. Eriksson proceeded to offer solutions in ways to create billets for the ratings.

1. There needs to be natural outreach and recruitment strategies
2. Increasing entry-level billets
3. NSMV3 school vessels
4. Maritime Security Program and Tanker Security Program
5. Cable Ships
6. STCW and domestic credentials – ongoing process at MERPAC
7. National Maritime Partnership

Ms. Beagen emphasized the work of other Federal, state, and industry groups to remove or lessen regulatory barriers affecting the Mariner and certification or recertification. Outside MARAD efforts included four different working groups: one group at the regulatory barriers, one group that did quality of life, one group that did wage benefits and incentives, and one group that did marketing and outreach. Each group was given the work that the many groups had done on this topic, including the summary from the MARAD workshop and inputs from the SOP work, gathering up all the threads going up. And each one of the task forces has produced several recommendations. Nine suggestions came out of the regulatory barriers group that everyone agreed on right away. They were pretty noncontroversial regs—like appropriating authorized programs, AB language change, and public service loan forgiveness for mariners. Those are the ones on the Hill right now that are being supported for the sailing and also that had been filed as a provisions request, shared with the oversight committees. There are still more left. They include some things for industries, best practices for labor, long-term marketing, outreach, and even long-term legislative proposals that still need a little more work and feedback. Right now, those summaries and those ideas are with the CEOs and the NDCH committee members and union cousins of those committee members to review and provide me feedback to help the current utilization. The Coast Guard liked everything except the interim credentialing issue because they didn't want to do the work twice. They think it will be a long drag when you do embarkment requirements. There is not one sex offender database; there is one per state, and because the laws are different, they have to do it all manually.

Mr. Johnson cited an abnormality as an example: he and his group did a quick study recently on where some of this workforce went and looked up drilling. He reported that many mariners have gone into the drilling for various reasons, and as a baseline of that, 13,000 people found that they chose to work for groups such as, TransOcean has 300 of them, Diamond Drilling probably another 300 or 400, so you get up to a thousand pretty quick. Those are just the ones we can count. These folks have left the union for the assured duration and more money, among many reasons.

Mr. Wetherald noted that the other academies and Kings Point tended to have much lower tension in the industry and asked why?

Mr. Johnson responded that from his experience, it's geographic. Maine is so economically poor that the money goes much further up there. The wages at sea are still much better than the average in Maine; they can live where they want, go to school where they want, and live an excellent life. The Academy has put in a request to Senator Collin's office for a CDS request. We are training our admissions team; our goal is to go out and get 2,000 recruits to round up to 250 to 300 students. What we intend to do under this is to go out and try to get 250 unlicensed out of that batch and offer them an AB fast track, a fast track CUMAD course at one of our facilities or one of our main campuses. And then also try and have that be the fast track for the Hawse pipe. Offer a Hawse pipe version or STCW through our other classes, but although, out of that pact, feed the shipbuilding industry. American licensed unions should be tapped into. We (Maine Maritime) are trying to attack the big problem with some reality due.

He continued his discussion, noting the significant problem with the maritime folks is the applications are down across the board. There is what you call the enrollment cliff out there. Every time you turn around, an article says, is college worth it no? We are working as the school to foster improvements across the board. We've got a couple of co-signees in Maine—Bath Iron Works, American Maritime Officers, and a few others. There are a bunch of companies that have approached this on their own. I know Hornbeck (international shipping) in Louisiana is doing workforce development grants, training, and zero to the seafarer. We've always had our military de-maritime program in many places—so workforce development grants are local and national.

Mr. Wetherald inquired if a curriculum track within Maine Maritime exists for the non-licensed.

In response, Mr. Johnson: noted, yes! And he further stated that we just submitted an AB and are submitting a QM course next week. And Ms. Eriksson added there is a lot of maritime professional training noting there are a lot of companies—a lot of schools around—that have these courses.

Mr. Wetherald began to summarize the ongoing discussion recognizing that there was a trove of information, and he started to list those things that the Sub-Committee should be reviewing, initially as primary background data. And he asked the Sub-Committee members for ideas on what other documents and reports, be they government think tanks, would help provide a more substantial base for future discussion.

1. The 2018 Maritime Workforce Working Group Report to Congress
2. Sarah provided links to legislative proposals, which will be converted to pdf files so they can be accessed.
3. Comments from the Transportation Institute Group

Ms. Beagen asked the Sub-Committee members if there were additional data sources that should be considered in their discussion.

Ms. Eriksson responded that additional information would soon be available and that she would share it with the Sub-Committee members ASAP.

Ms. Beagen suggested that the Sub-Committee invite Captain Kirsten Martin (retired), former commanding officer of the NMC, as a subject matter expert- extremely knowledgeable on credentialing. Ms. Beagen noted that Captain Martin is still active in women's leadership in Coast Guard and is staying connected to the Coast Guard. And Ms. Beagen also noted Captain Martin was part of the team when Chip Jaenichen, former Maritime Administrator, was putting military to Mariner together. Her expertise on the topic of the military to Mariner could be a significant contribution to the Sub-Committee if we expand.

Ms. Eriksson brought forth the name and experience of Todd Mitchell, who sits on the Washington Workforce Development Board, for consideration as an SME. She also suggested Captain Don Marcus, President of NASA Making Pilots (NM&P), who has strong connections with the IMO and STCW, as an SME.

Mr. Wetherald mentioned that in looking forward, the Sub-Committee could begin identifying other SMEs and their subject area of expertise, compiling a list that Lauren mentioned to prioritize the subject areas the Sub-Committee will look at and those the group will not consider in narrowing down the process.

Ms. Eriksson recalled the earlier discussion with Bob Wellner and his use of "quick fixes." She reminded the Sub-Committee that "quick fixes" of maritime are not easily obtained because of the requirements for credentialing and training. She cautioned the group that they might want to divide it into short-term and long-term fixers.

Mr. Wetherald suggested, in going forward, that the Sub-Committee present an overview of recommendations—a more rapid run-through of what was presented earlier in the day and discuss in a few words the continued direction of the Sub-Committee. He suggested that the group looking to do a more detailed presentation on this subject tomorrow and use today as a sort of "this is our formal brief to a wider MTSNAC."

Maritime Transportation System National Advisory Committee

Appendix B

Minutes of Port Sub-Committee Session March 22, 2023

Date: March 22, 2023

Location: Virtual

March 22, 2023, MTSNAC Port Sub-Committee Meeting Minutes –10:30 am EDT

Mr. Jones, the Sub-Committee co-chair, led the discussion, which was focused on the Sub-Committee's first **Problem Statement**:

Make recommendations to the Secretary of Transportation on actions that support improved access to international markets, including alternate trade lanes and legislation explicitly designated for domestic and international shipment of agricultural commodities and other goods.

Recommended Action 1:

Develop an updated National Freight Strategy that includes focus areas for coastal waterways and ports, inland waterways and ports, regulatory harmonization, and sustainability.

Mr. Jones asked the group if they wanted to keep this action, and the response was to review it at the end of the day.

Recommended Action 2:

Designate inland hopper barges as Vessels of National Interest to prioritize Title XI loan guarantees for the construction of new barges and fleet expansion.

Ms. Andres suggested the addition of inland hopper and tank barges or other vessels supporting the Marine Highway System. Mr. Doyle suggested they eliminate hoppers to include all inland barge types. Ms. Andres said that the focus should be on agricultural exports. Mr. Doyle asked if Title XI loan guarantees could be used for barges. Mr. Jones suggested that the group check with MARAD to clarify this issue. Ms. Rooney said Title XI did not prioritize hopper barges and wondered if there would be adequate funding for barges vs. offshore wind facilities. Mr. Jones interjected that the issue of hopper barges is current while the offshore wind industry is several years away. Ms. Ball reminded the group that a move to containerized freight would support inland vessels. Ultimately, the group agreed to remove "hopper" from the recommended action.

Recommended Action 3:

Encourage greater funding for the Small Shipyard Grant Program and prioritize grant awards for shipyards constructing inland barges.

Mr. Jones asked if the group wanted to keep this recommended action. Ms. Andres asked how much is requested vs. the amount available for this program. Ms. Villalona offered to check on this. Ms. Ball asked if the Small Shipyard Grant Program is available to build defense-related vessels. Mr. Jones replied, no. The focus of the program is on inland vessels. The group agreed to keep this recommended action.

Recommended Action 4:

Create a liaison with USACE to designate priority dredging activities for ports identified as strategic ports for agricultural exports.

Mr. Flumignan suggested that the group eliminate the word strategic to avoid confusion with the existing strategic ports program. Mr. Cordero said there needs to be more clarity on the differences between strategic ports, namely, what is a strategic port and what benefits a strategic port receives. Mr. Doyle suggested that the term strategic ports be removed from the recommended action. He also asked if this liaison equates to a full-time employee at MARAD. The discussion then moved on to the Harbor Maintenance Tax (HMT) and who pays it. Mr. Doyle said that the shipper pays for it. Ms. Andres pointed out that inland waterways don't benefit from the HMT. Ms. Ball explained that there is an annual appropriation for inland waterways dredging for ports that handle more than one million tons annually. She pointed out that some inland ports export critical products, although they export less than one million tons annually. The group agreed to modify the wording to read liaison with the USACE and USDA to identify those inland ports as critical agricultural export facilities to receive increased dredging funding. Ms. Rooney asked if the annual appropriation for inland ports is adequate. Ms. Andres responded that the Middle-Mississippi ports would like annual appropriations since they handle agriculture exports.

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Mr. Jones has reviewed the administration's report on the Federal Role in Addressing Supply Chain Disruptions, which made sixty-two policy recommendations. They were listed by category: highest or high impact, high to medium complexity, medium cost, and near-term timing.

Of the sixty-two recommendations, fourteen mentioned the maritime mode, and eight fell within MTSNAC's scope. The first is to invest in the inland waterways system, which the MTSNAC Port Sub-Committee currently engages in.

The second recommendation is to encourage ports to create port stakeholder committees with wide representation, including residents of port-adjacent communities. Ms. Rooney and Mr. Guenther said they already do this in their port areas. Ms. Traina added that the Ohio River Coalition was established in 2019 to address this issue in that region. Mr. Doyle said that there are many ad hoc groups to address the planned Howard St. Tunnel Project in Baltimore.

A third recommendation is to improve last-mile access to freight-oriented developments, use of near-dock cargo handling facilities, land-use strategies to support appropriate warehousing locations, and goods movement integration into smart streets/complete streets development. Ms. Ball suggested incorporating this recommendation into Sub-Committee Recommendation #1 inside the gates. Mr. Libatique added that there should be enhanced coordination and planning with other transportation modes across the Federal, regional, and local spectrum. He also suggested that the Sub-Committee should list ways that DOT can play a role in this area, including targeted infrastructure investment. Mr. Jones asked if Recommendation #1 should be rewritten to include these suggestions, and the answer was yes.

A fourth recommendation was to harmonize the appropriate roles of STB, FMC, and DOT concerning regulation and providing oversight for the freight and logistics industry. Ms. Rooney suggested that the group focus on gaps and overlaps, and Ms. Ball added that they should identify gaps and how to fill them. Mr. Doyle commented that FMC, STB, and DOT would benefit from quarterly meetings on the supply chain. Mr. Libatique added that the White Supply Chain Disruption Task Force would soon disband, so there is a need to encourage coordination between STB and FMC. Ms. Rooney suggested this might be a good role for the new DOT Office of Freight Transportation. The group then drafted the following language:

Recommended Action 5:

The Office of Freight Transportation should hold quarterly meetings between STB, FMC, and DOT to coordinate freight, logistics, and supply chain issues.

A fifth recommendation was to promote, incentivize and facilitate the alignment of operational hours at warehouse facilities, seaports, rail facilities, intermodal transfer facilities, and other stakeholders, including labor, to help mitigate congestion. Ms. Rooney commented that this was not a federal role but more of a regional and local corridor issue. Mr. Libatique added that this is more of a container availability issue. The group decided to pass on this recommendation.

A sixth recommendation was to support technology development to track containers and chassis and coordinate with CBP on data collection issues. Mr. Jones asked if FLOW was already doing this was already doing. Mr. Libatique answered that it was not at the container level. Mr. Doyle said that the FMC, USDA, and DOT had been doing this under the Ocean Shipping Container Availability Report (OSCAR) program but had been discontinued. Mr. Jones suggested that OSCAR be restarted. He offered to draft language for a recommendation for discussion at tomorrow's breakout session.

A seventh recommendation was to consider opportunities to develop a domestic supply base for specialized cargo handling equipment and gantry cranes not currently available from a U.S. manufacturer. The group agreed this was important and drafted the following language:

Recommendation Action 6:

Encourage a domestic supply base for cargo handling equipment.

An eighth recommendation was to explore the standardization of "'53' containers for international trade. However, the group decided that this was neither practical nor under the purview of this Sub-Committee and therefore took no further action.

Maritime Transportation System National Advisory Committee

Appendix C

Minutes of Starboard Sub-Committee Sessions March 23, 2023

Date: March 23, 2023

Location: Virtual

March 23, 2023, MTSNAC Starboard Sub-Committee Meeting Minutes 10:30 am EDT

Ms. Beagen and Mr. Wetherald (co-chairs Starboard Sub-Committee) exchanged thoughts and brought up Mr. Doyle's concern about VCM (vessel construction manager) vis-a-vis shipbuilding contracts. Mr. Doyle's concern, a misunderstanding, was coming from the perspective of where he works. His concern —is anti-competitive and monopolistic, trying to avoid monopolistic ideas. But, while acknowledging Bill's concern, the agreed opinion is that it should be a single VCM for the duration of an initial program, and it could be recompeted then for a follow-on program which is something that the Sub-Committee has proposed. Further, most federal contracts under the FAR have a clause that if you are not performing, the government can terminate the contract at their convenience.

Mr. Wetherald brought the Sub-Committee to focus on workforce development issues - mariner's shortage. The Sub-Committee started by working with a list of documents that should be reviewed, and Ms. Sugarman sent a document on 'sMARAD's report, Operation Mariner's Summary of Recommendations from 2020, about recommendations and challenges associated with mariner shortages.

Sitting in the sub-committee discussion, Mr. Wellner (co-chair of MTSNAC) reiterated that going through a preliminary list of recommendations might not be the best use of time. Instead, he strongly suggested that the Sub-Committee pull out the ones they think have the most value and recommend them in the overall response to the workforce issue to create change.

Mr. Wetherald again asked sub-committee members to suggest that SMEs invite them to future Sub-Committee meetings to discuss this subject. To this point, Ms. Sugarman suggested Mayte Medina, who leads the delegation for credentialing at the IMO and has been involved with Commercial Vessel Standards for the Coast Guard.

In an exchange that followed between Sub-Committee members, Ms. Eriksson suggested that there could be two workforce discussions that work directly under the banner of maritime sector workforce development: (1) the Mariner and (2) the shipyard report, citing that the sub-committee has the expertise for the mariner issues now. She asked the group their opinion, for example, if recruiting and outreach could be in one category, education and training in another, retention and credential maintenance, and skills maintenance in another. Ms. Sugarman interjected that her review of language from the task suggests areas of consideration could include current programming and funding to enhance future mariner availability, strategic solution to ensure wartime availability, and increasing availability of training billets. In response, Ms. Eriksson suggested that these topics indicate retention and maintenance or skills maintenance (every five years, you must renew your credentials which involves training).

Mr. Vocak (MEBA), in furtherance of the discussion, explained that in his personal experience when he was sailing, he could go to the union and get my physicals, among other qualifying requirements and send them to the Coast Guard and wait a month or two or three to get your

apron. And Mr. Spoljaric explained that the Coast Guard created their two-year visit, which compounds the requirements that, in his opinion, do not make sense.

Mr. Johnson mentioned the topic of barriers, and there was much discussion about the introduction of AMBARC (every MMariner builds a respectful culture), which is about sexual harassment, a cultural issue. It is a cultural issue that the shipping industry could have embraced separately, and now it is being a forced multiplier upon the industry. It is coming from the right place; it is complicated; unless every company embraces it and signs on for it, it will be a struggle for the next few years to get cadets out. Sarah Fuentes said this matter had garnered legislative interest, with Federal legislation impacting the funding request. Mr. Vocak, from his experience, has observed different employers are embracing it in diverse ways. He cited that MARAD is supposed to pull the money away if AMBARC is not adhered to, but they have not put the hammer down. Mr. Wetherald asked if a company must meet specific criteria to comply with AMBARC, and you cannot put a cadet on that ship unless they are AMBARC certified.

Ms. Fuentes (Transportation Institute) interjected that the real complication is fixable. She mentioned that the federal departments required to check sexual assault databases do not exist. There is no national database. So, they have to check it 50 times manually. So, her association is trying to put the Coast Guard in touch with DOD to think about how they do one database instead of 50 different ones.

Mr. Wetherald opined that we could talk about how to expedite that or try to reduce the impact of this situation as a barrier to entry. He suggested that one of the primary areas would be considering entry barriers.

Mr. Spoljaric added that in his experience from a retention perspective, he had three students say that if they were not doing exciting work, they would go shoreside once they left their commitments. Mr. Wetherald suggested that this matter might fall into the recruiting.

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The discussion and explanations continued identifying SMEs while focusing on the overall charge of the Sub-Committee.

Ms. Beagen spoke; we are covering mariner workforce developments and maritime workforce shortage. The Sub-Committee is approaching this and tapping all the subject experts we already have on the Committee. We are collecting the ideas already out there and identifying the latest ideas that might come from the task force review. We are going to be reviewing MERPAC documents and what MERPAC has done. MERPAC is a federal advisory committee under the Coast Guard. The Sub Committee is fortunate to have Ms. Eriksson with us, and she is on that Committee. The Sub-Committee will review National Maritime Center (NMC) programs and responsibilities to examine the existing credentialing limitations. And the Sub-Committee will review CMTS documents since CMTS has a mariner workforce interaction workforce working group, reviewing what information they have, such as the Operational Mariner summary of recommendations for 2020 and the Mariner Opportunity Challenges report MARAD presented to Congress.

The Sub-Committee continues identifying SMEs such as Captain Kirsten Martin (retired). Captain Martin was the commanding officer of the National Maritime Center, where she was liaison to the MARAD when Chip Jaenichen was there; her former position and experience will be a tremendous informational asset. Additionally, the Sub-Committee will invite Todd Mitchell, who sits on the Washington State Workforce Development Board; Captain Don Marcus from NM&P; Mayte Medina, with US Coast Guard Credential Standards.

Ms. Beagen opined that when you solve the mariner workforce shortage, it feels like we are trying to solve world peace. We have many ideas, and the Sub-Committee is trying to keep organized as the latest ideas and thoughts are identified. Therefore, the Sub-Committee will organize them. Indeed, some of the following bullet points here are important.

In the Mariner workforce and broader industry, workforce development is the main topic for recruiting outreach, educational training, and credentialing maintenance of credentials. Therefore, we want to make sure that we are not only addressing maritime academy grants but we are also addressing every level of the technical workforce.

The Sub-Committee discussed retention in addressing barriers saying that this topic requires much thought and appropriate recommendations, recognizing this is a national emergency. Additional topics of concern contributing to the Mariner shortage that the Sub-Committee will review include quality of life, veteran fitness, shorter rotation, childcare, and half benefits, return incentives for 20, 30, and maybe young 40s, they tend to leave the industry, and you might not come back because there isn't that return incentive as topics that keep being mentioned within the different venues. The Sub-Committee also looked at legislative support for other topics, including merchant marine attitude, military childcare program, K-12 educational outreach, and directing and funding MARAD for outreach programs and marketing for the industry—already something happening; a little bit more of a directive. Further, regarding the issue of Selective Service, if a draft were to come up, the active mariners may not be drafted; they might be already

qualified—something that we will be looking further into, with active mariners being an exemption for drafting. And MARAD tracking of mariners trying to ensure these reports are accurate and identifying which categories and areas lack representation. We also talked about the disadvantaged and justice 40. Again, we want to incorporate a concern and find ways to highlight this issue.

The Sub-Committee again revisited the earlier concern raised by Bill Doyle on the matter of VCM visibility. Mr. Wetherald provided additional thought on this matter. The Sub-Committee discussed the recommendation regarding the one-vessel construction manager. We started to marginally stay with the recommendation as it stands that, at the high level, the program would probably be better off with an initial program of 10 ships or, however it gets laid out, to be run by a single manager that is probably the best way to get a standard design across multiple shipyards and administered the same way. However, we are going back and looking at the wording of the recommendation and putting something in that would indicate that if there is a problem with performance, we know things are covered under the Federal Acquisition Regulations (FAR), and that contract between the VCM and MARAD is FAR based.

Maritime Transportation System National Advisory Committee

Appendix D

Minutes of Port Sub-Committee Sessions March 23, 2023

Date: March 23, 2023

March 23, 2023, MTSNAC Port Sub-Committee -10:15 am EDT

Mr. Jones provided the following draft language to address the recommendation to restart the OSCAR Program, which the FMC had previously posted on its website:

Recommended Action 7:

The Department of Transportation to coordinate with FMC and USDA to restart the container availability dashboard for exporters.

The group agreed with this recommended action item.

The Sub-Committee turned its attention to Problem Statement #2:

Decarbonization and Emissions Reduction at Ports – Emissions from fossil fuel vehicles, operating equipment and vessels in and around ports contribute to climate impacts and pose health risks to nearby communities that often comprise low-income and minority populations.

Discussion centered on encouraging greater cooperation between federal agencies, such as EPA and DOE. What would such cooperation do, and what is DOE's role? Mr. Moltzen replied that a Joint Office of Energy and Transportation between DOE, EPA and DOT exists, and this office can provide program technical support for anything implemented. Mr. Libatique asked if such cooperation should include air quality and decarbonization, and Mr. Moltzen said yes. Mr. Doyle said that they needed to include Great Lakes ports as well. Ms. Ball emphasized the need for greater implementation efforts. The following draft recommendation was made:

Recommendation Action 1

Deepen cooperative efforts with EPA and DOE to optimize decarbonization of and emission reductions in coastal, inland, and Great Lakes ports, including identifying the best practices and quantifying benefits from implementing efficiency and productivity measures.

The group next turned its attention to the second recommended action – to coordinate with EPA to update the National Port Strategy Assessment and Shore Power Assessment. Mr. Moltzen advised the group that EPA has been doing this already. Ms. Rooney asked if the updates and assessments are done biannually, and Mr. Moltzen said not necessarily. Ms. Rooney remarked that time is needed to implement this sort of update and assessment, and it is an enormous task. Mr. Jones asked about the zero emissions mission and how it fits into this. Mr. Doyle asked about the transition to cleaner fuels and whether LNG is the way. Mr. Moltzen said that EPA is working on rules for a Notice of Funding Availability (NOFO) under IRA funding. RFI

equipment is planned for zero-emission equipment. The group then agreed on modified language for this recommended action:

Recommended Action 2:

On an appropriately frequent basis, update information related to, and characterization of, new technologies and strategies that contribute towards established decarbonization goals for use, including but not limited to discretionary funding decisions.

The third recommended action originally read:

Increase funding provided through the Maritime Environmental and Technical Assistance (META) program targeted at research and development of reduced and zero-emissions transport vehicles, carbon capture, and sequestration technologies for ports and terminals, alternative fuels, ultracapacitors, and other energy storage solutions.

Mr. Moltzen suggested that funding should not be limited to the MARAD META program. But for EPA and DOE as well. The group agreed, and the following language for this recommended action was adopted:

Recommended Action 3:

Increase funding provided to MARAD, EPA, and DOE targeted at research and development of reduced and zero-emissions transport vehicles, carbon capture, and sequestration technologies for ports and terminals, alternative fuels, ultracapacitors, and other energy storage solutions.

The group then focused on the fourth recommended action under this problem statement. The original language stated:

Require state freight plans to include emissions reductions goals and decarbonization projects in all plan updates.

Mr. Jones remarked that he thought this was already required to which Ms. Ball replied that it is merely suggested and only for state entities. Therefore, the group revised the language to read:

Recommended Action 4:

Update State Freight Plan guidance to recommend the inclusion of emissions reductions goals and decarbonization projects and include near-port community collaboration.

March 23, 2023, MTSNAC Port Sub-Committee -12:45 pm EDT

The group began to discuss the original Recommended Action 5, which reads:

Develop an updated National Freight Strategy that includes a focus on port traffic mitigation strategies and operation practices that shift cargo away from nearby communities.

Ms. Rooney remarked that this recommendation is already covered in Recommended Action 4. The group agreed, and this recommended action item was removed.

The group then discussed a replacement for the previously Recommended Action 5. Mr. Jones mentioned that the National Blueprint of Transportation Decarbonization is worthy of incorporation. Mr. Libatique added that this parallels with international efforts already underway. The group agreed, and the following action item was added:

Recommended Action 5:

USDOT should follow the U.S. National Blueprint for Transportation Decarbonization and engage with the U.S. maritime industry, especially as it concerns international coordination, such as the Zero Emissions Shipping Mission.

Mr. Jones then asked Mr. Flumignan what format should be used for these recommendations. Mr. Flumignan responded that MARAD already has a template and shared it with the group. Mr. Jones then announced that the next two virtual meetings of the Sub-Committee would be on April 20 and June 16 at 2:00 pm EDT.

Mr. Jones said SMEs need to be considered for the upcoming workforce discussion. Mr. Wellner reminded the group to include shipyard and labor in the discussion. Mr. Jones offered to put together a list of presenters. Ms. Ball asked about SMEs for training. Ms. Andres said that IRPT has a contract with the River School mariner workforce training program in Memphis. Mr. Gasperov said that the west coast labor community is working on starting a training center in Los Angeles/Long Beach. Mr. Doyle noted that truckers and warehouse workers are bigger problems than longshoremen. Mr. Jones said that the primary focus will be outside the gate. Ms. Ball highlighted housing shortages and adequate childcare as important issues as well. Mr. Moltzen said there is a shortage of portside electricians and that training funding is available through EPA.

Maritime Transportation System National Advisory Committee

Appendix E

Public Presentation Session

Roberta Weisbrod Ph.D. Executive Director
Worldwide Ferry Safety Association

Date: March 23, 2023

Location: Virtual

To MTSNAC March 23, 2023

Roberta Weisbrod Ph.D. Executive Director, Worldwide Ferry Safety Association
ferrysafety@gmail.com

The Marine Transportation System National Advisory Committee is well aware that the **severity of weather events is increasing**, that severe events are more **frequent**, and that severe weather systems are moving more rapidly; hence they are experienced with more suddenness. This is especially critical for safety and efficiency at sea.

Members of the Committee may be aware of the limitations of our tools. **Weather satellites** can track broad weather patterns but lack accuracy and resolution and require in situ weather measurements on land and sea.

But in situ, maritime weather information is **severely lacking**. Away from the shoreside weather stations and the relatively shallow water weather buoys, there is the Voluntary Observing Ship Program (VOS), for which 70,000 vessels are eligible, 4000 signed up, and 2500, and falling, are active.

To rectify this problem to get more weather stations on vessels, the US Maritime agencies led by the Army Corps of Engineers in 2019 initiated a pilot project, putting automated weather stations (AWS) on vessels – about 15 – including Maersk container ships to the Delaware River Bay Ferry. The AWS are connected to the AIS already on vessels and text out weather information with locational information to nearby vessels as well as send weather information to the national and international weather services.

Our goal is to continue the follow up on this program and make it global. We are doing our bit. With an initial Lloyds Register foundation grant (LRF) we did a small pilot project in Indonesia and with an additional LRF grant we are setting up a proof of concept again in Indonesia. The result of the pilot learned how inexpensive to purchase (\$1250) price of a cell phone --and easy to install.

To make global scale AWS + AIS happen one of the following things has to happen:

1. **IMO** would add AWS to its AIS mandate. SOLAS V process. We have spoken with IMO staff. The US CG would be the US agency to bring the concept to IMO delegates for their consideration.
2. **WMO** would incentivize VOS – making it easier and more attractive. WMO would offer automated weather stations which traditional VOS is not; and this system is not only easier but also of value to the Mariner because the AIS texts out weather information that can be read by vessels in the region and thus be alerted to sudden hazardous weather. The retail cost to make this happen would be less than 250 million –a rounding error in the over 3 billion WMO project to make the developed world weather ready. What we propose would cast a

mobile maritime weather network over the oceans – and improve alerts for hazardous weather at sea and improve understanding of global weather .

We hope this will be considered by the MTSNAC. For more information we have published papers, citations for papers by others, and tutorial videos. We will be presenting on the topic at the annual meetings of the IMRF and of SNAME. We will have a session in our Ferry Safety and Technology conference next month in NYC and a workshop in Surabaya Indonesia in August.

Thank you for your attention.

Maritime Transportation System National Advisory Committee

Appendix F

Port Sub-Committee Problem Statement

DECARBONIZATION & EMISSIONS REDUCTIONS AT PORTS

Date: March 23, 2023

Location: Virtual



MTSNAC PORT SUB-COMMITTEE PROBLEM STATEMENT

DECARBONIZATION & EMISSIONS REDUCTIONS AT PORTS

Confidential DRAFT – 23 March 2023



Context

Emissions from fossil fuel vehicles, operating equipment and vessels in and around ports contribute to climate impacts and pose health risks to nearby communities that often comprise low-income and minority populations.

Recommendation Request

Make recommendations to the Secretary of Transportation on actions that decarbonize our nation's ports to reduce climate impacts and improve the health of American and address the environmental inequities that disadvantaged communities often experience.

RECOMMENDED ACTION NO. 1

Deepen cooperative efforts with EPA and DOE to optimize decarbonization of and emission reductions in coastal, inland and Great Lakes ports, including through identification of best practices and quantification of benefits from implementing efficiency and productivity measures.

RECOMMENDED ACTION NO. 2

Coordinate with EPA to update on an appropriately frequent basis information, new technologies and strategies that could contribute to Port decarbonization goals for use including but not limited to, discretionary funding decisions.

RECOMMENDED ACTION NO. 3

Increase funding provided to MARAD, EPA and DOE targeted at research and development of reduced and zero emissions transport vehicles, carbon capture and sequestration technologies for ports and terminals, alternative fuels, ultracapacitors and other energy storage solutions.

RECOMMENDED ACTION NO. 4

Update the State Freight Plan Guidance to recommend the inclusion of emissions reduction goals and decarbonization projects and include near port community collaboration, in all future plan updates.

RECOMMENDED ACTION NO. 5

DOT should follow the US National Blueprint for Transportation Decarbonization and engage with US maritime industry especially as it concerns international coordination such as the Zero Emission Shipping Mission.

Maritime Transportation System National Advisory Committee

Appendix G

Port Sub-Committee Problem Statement

EXPORT ENHANCEMENTS

Date: March 23, 2023

Location: Virtual

MTSNAC PORT SUB-COMMITTEE
PROBLEM STATEMENT

EXPORT ENHANCEMENTS

Increased freight congestion at some ports has obstructed the international supply chain for American agricultural commodities and other goods. Promoting access to shipping trade lanes for nationally and globally significant agricultural commodities and other goods will help to stabilize transportation costs for farmers, processors, retailers and consumers.

Recommendation Request

Make recommendations to the Secretary of Transportation on actions that support improved access to international markets, including the use of alternate trade lanes and/or legislation designated specifically for domestic and international shipment of agricultural commodities and other goods.

RECOMMENDED ACTION NO. 1

Develop an updated National Freight Strategy that incorporates the National Maritime Strategy to address last and first mile freight transportation within the US and its territories

RECOMMENDED ACTION NO. 2

Designate inland barges as Vessels of National Interest in order to prioritize Title XI loan guarantees for construction of new barges and fleet expansion.

RECOMMENDED ACTION NO. 3

Encourage greater funding for the Small Shipyard Grant Program and prioritize grant awards for shipyards engaged in the construction of inland barges

RECOMMENDED ACTION NO. 4

Liaison with the USACE and USDA to identify those inland ports as critical agricultural export facilities to receive increased dredging funding

RECOMMENDED ACTION NO. 5

Office of Freight Transportation should hold quarterly meetings between Surface Transportation Board, Federal Maritime Commission and DOT to coordinate on freight, logistics and supply chain issues.

RECOMMENDED ACTION NO. 6

Encourage a domestic supply base for cargo handling equipment

RECOMMENDED ACTION NO. 7

DOT coordinate with FMC/USDA to restart the weekly Ocean Shipping Container Availability Report (OSCAR) identifying the quantity of equipment available in each major intermodal hub and seaport.

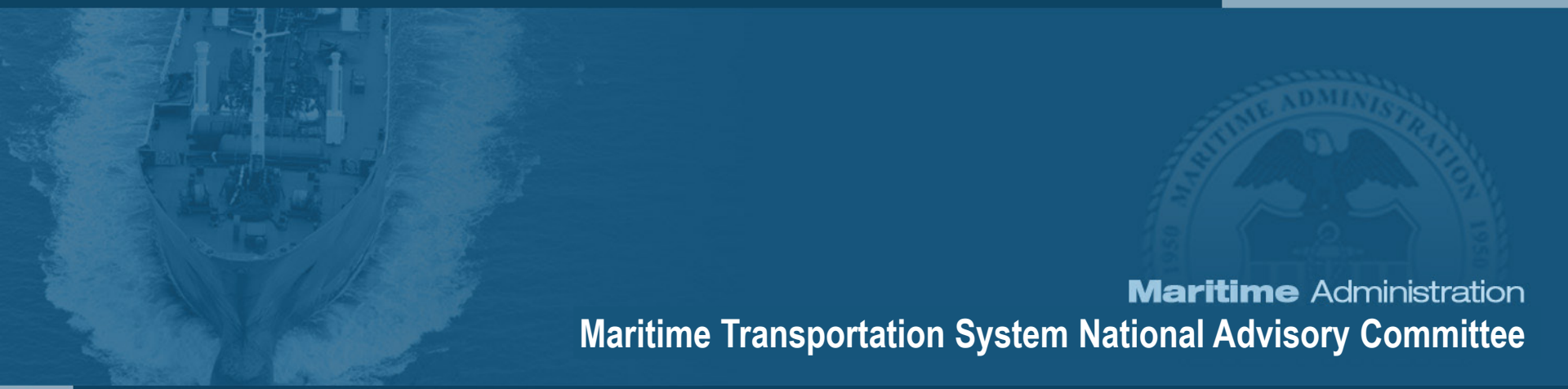
Maritime Transportation System National Advisory Committee

Appendix H

Starboard Subcommittee Work

Date: March 23, 2023

Location: Virtual



Maritime Administration

Maritime Transportation System National Advisory Committee

Starboard Subcommittee Work

29-30 Nov 2022

Subcommittee Membership



Tom Wetherald – Retired Shipbuilder – Co-chair

Lauren Beagan – Squall Strategies – Co-chair

Berit Erickson – Sailor’s Union Pacific

Jack Sullivan – Matson Navigation

Jim Dillman - President, Gateway Terminals

Russell Adise - Intl Trade Admin, U.S. Dept of Commerce

Shelly Sugarman – U.S. Coast Guard

Steve Spoljaric – Bechtel

Craig Johnson – Maine Maritime Academy

Brian Hill - MARAD

Subject Matter Experts



- **John Graykowski – Philly Shipyard**
- **Brett Hershman – NASSCO**
- **Bob Merchant – Bollinger-Mississippi**
- **Art Divens – Maritime Consultant**
- **Jim Strock – Maritime Consultant**
- **John Bond – Philly Shipyard NSMV PM**
- **Chris Clark – TOTE Maritime NSMV PM**
- **Laila Linares – MARAD NSMV PM**

MARAD Administrator Priorities

- **Supply chain issues**
 - **Grow US Flag Fleet**
 - **Work Force Challenges**
 - **Port capabilities**
 - **Offshore Wind**
 - **Decarbonization**
- (in no particular order)**

Tasking 1

Recapitalization of the Ready Reserve Fleet



Make recommendations to the Secretary of Transportation on:

- The use of the VCM concept to build auxiliary and sealift ships.
- How MARAD might execute the design and construction program that may be required by the 2023 NDAA.
- How the maritime industry could be incentivized to better support military utility in commercial design to support non-combatant military requirements.
- How existing or new commercially viable production lines could be leveraged to recapitalize to build required sealift vessels.
- Ways to enable maritime industry innovation in information, automation, safety, environmental impact, and other areas.

Tasking 2

Retaining and Attracting Talent Selective Service and Mariners



- **Make recommendations to the Secretary of Transportation on actions that will support efforts to retain and attract talent in the maritime sector, including recruitment of women, mariners and maritime labor from communities of color, lower-income and underserved communities, and communities that neighbor ports. In addition, recommendations may include increased engagement actions and outreach to enhance racial, gender, and economic diversity within the maritime sector, along with increased opportunities for underrepresented groups. Areas of interest for consideration should include:**
 - Current programming and funding to enhance future mariner availability
 - Strategic solutions to ensure sustained wartime mariner availability
 - Increasing the availability of training billets to meet STCW requirements
- **Make recommendations to the Secretary of Transportation on actions that protect U.S. merchant mariners from military drafts through the Selective Service System. Recommendations could include supporting legislation and other exemption options for merchant mariners holding active mariner credentials.**

Tasking 3

Growing the U.S. Flag Fleet



Make recommendations to the Secretary of Transportation on actions that can increase the number of U.S. flagged vessels specifically large ocean-going vessels. Topics may include issues, such as:

- Current versus optimum fleet subsidization and taxation
- Consideration of barriers to entry for U.S. flag fleet for growth
- Potential enhancements to marine insurance and liability structures
- Removing barriers to America's Marine Highways

Recognizing the significance that offshore wind has on the development of ports and the domestic fleet, make recommendations to the Secretary of Transportation on actions to:

- Promote the use of the domestic US flag fleet
- Promotion of the associated industrial base
- Promote the development of the associated specialized workforce for offshore wind development.
- Research ways that the Maritime Administration can better support the development of offshore wind.

Tasking 4

Decarbonization and the US Fleet



Make recommendations to the Secretary of Transportation on:

- Decisions regarding the impact of future IMO regulations on the US flag fleet in:
 - Contiguous services
 - Non-contiguous services
 - International Trade
- Mitigating technologies for IMO compliance and timelines available
- Development of shore-power capabilities needed in the United States.
- The decisions regarding the impact of Energy Efficiency Existing Ship Index and the Carbon Intensity Indicator regulations

Summarize First Two Meetings

Review Strategic Sealift and NSMV Program



- **Strategic Sealift Fleet Mission and Structure**
 - MSC Surge, RRF, MPF, MSP
- **Coming changes**
- **Deficits**
- **Navy plans to correct shortfall**
- **Congressional Action**
- **NSMV program**
 - VCM contracting methodology
- **Congressional action on VCM**

Summarize First Two Subcommittee Meetings

- **25 October meeting**

- SMEs – Hershman (NASSCO/former MSC), Graykowski (Philly Shipyard/former MARAD), Divens (former Navy PEO Ships SES/former sealift PM), Strock (former Marine Corps SES)
- Reviewed:
 - Status of strategic sealift fleets
 - Growing deficit in lift capacity – particularly RO/RO
 - Govt plan for recapitalization including used ships
 - Failure of Navy CHAMP newbuilt program
 - Unconstrained requirements, \$1B ships
 - Congressional concern about govt plan
 - Vessel Construction Manager (VCM) program for NSMV
 - MARAD design, TOTE contract, Philly construction
 - Relationship to Buy America provisions – use of Korean supply chain
 - Potential use of VCM for sealift recap
 - MARAD requirements, Continuous build program (1-2 ships per year)
 - Commercial standards, commercial equipment, reduced cost

Summarize First Two Subcommittee Meetings



• 16 November meeting

- SMEs – Bond (Philly NSMV PM), Clark (TOTE NSMV PM)
- Discussed
 - Difference between govt and commercial shipbuilding project
 - How VCM was applied to NSMV project – Congressional mandate
 - Herbert design
 - TOTE manages project (\$1.5B contract), interface with MARAD
 - » Firewall btwn Philly and MARAD, Presence in the yard
 - » VCM does tasks that many shipyards are not equipped to do
 - Role of ABS and USCG
 - Minimal change (.3%)
 - \$315M per ship, NAVSEA estimated it at \$700-\$750M per ship)
 - Many fewer meetings/status reports compared to NAVSEA contract
 - Buy American requirements and Cargo Preference
 - Difference between govt specified equipment and commercial OTS equipment
 - » US Commercial ships are high quality
 - Need to change hearts and minds about VCM – particularly in Congress
 - » Develop elevator speech
 - Vulnerabilities of VCM

Sealift Task Background

- **Need for recapitalization of sealift**
- **The VCM process**
- **Ongoing Congressional Action**
- **Pros and Cons of using the VCM process for acquisition of new ships**

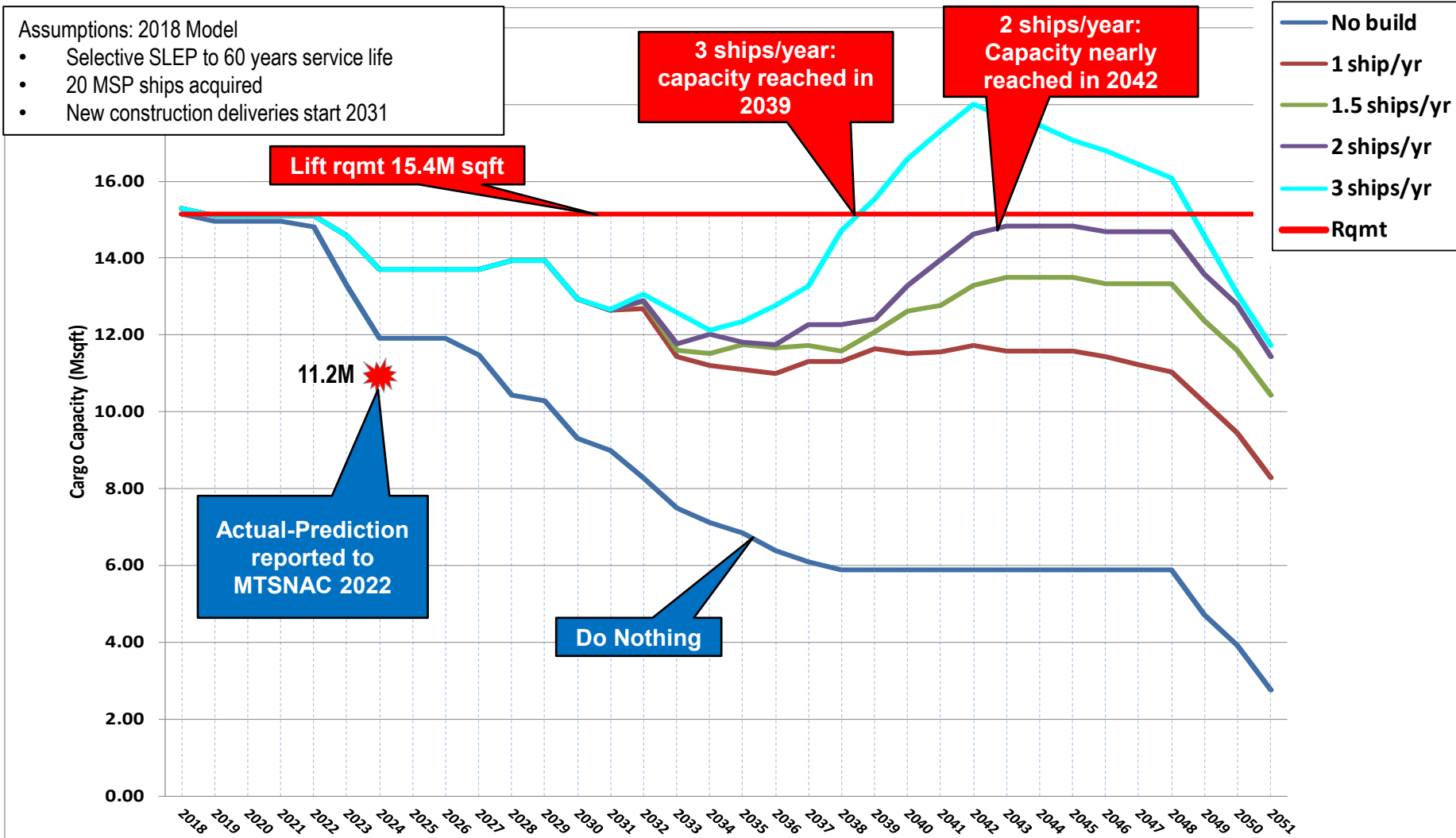
Need for Recapitalization



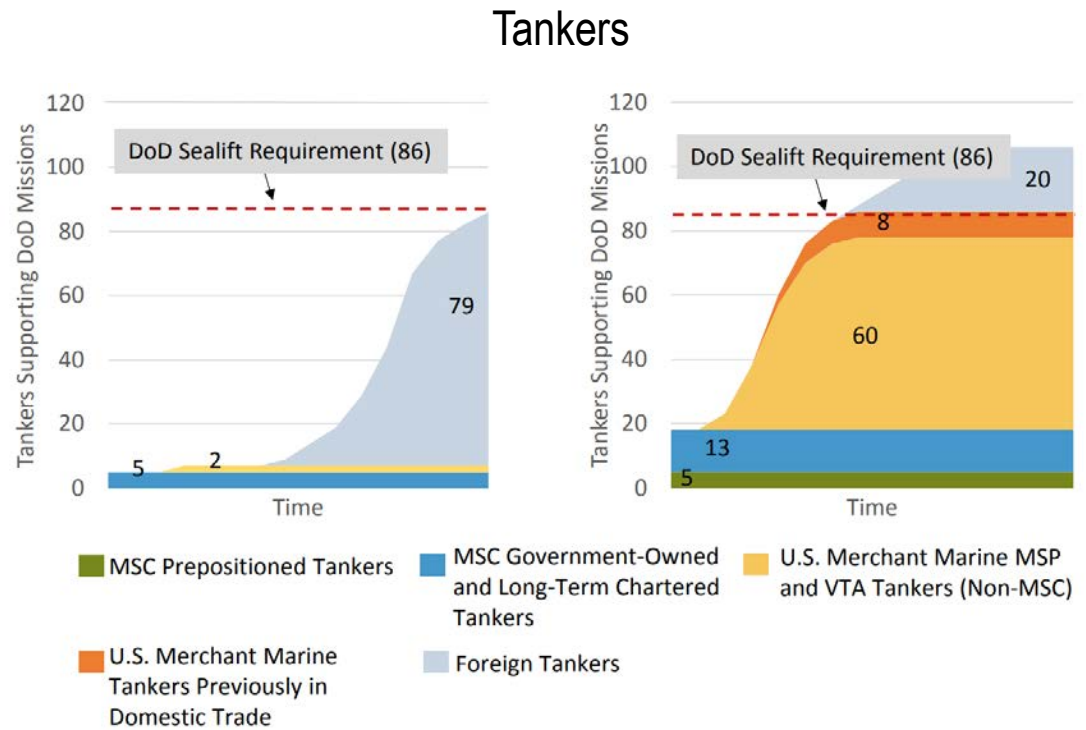
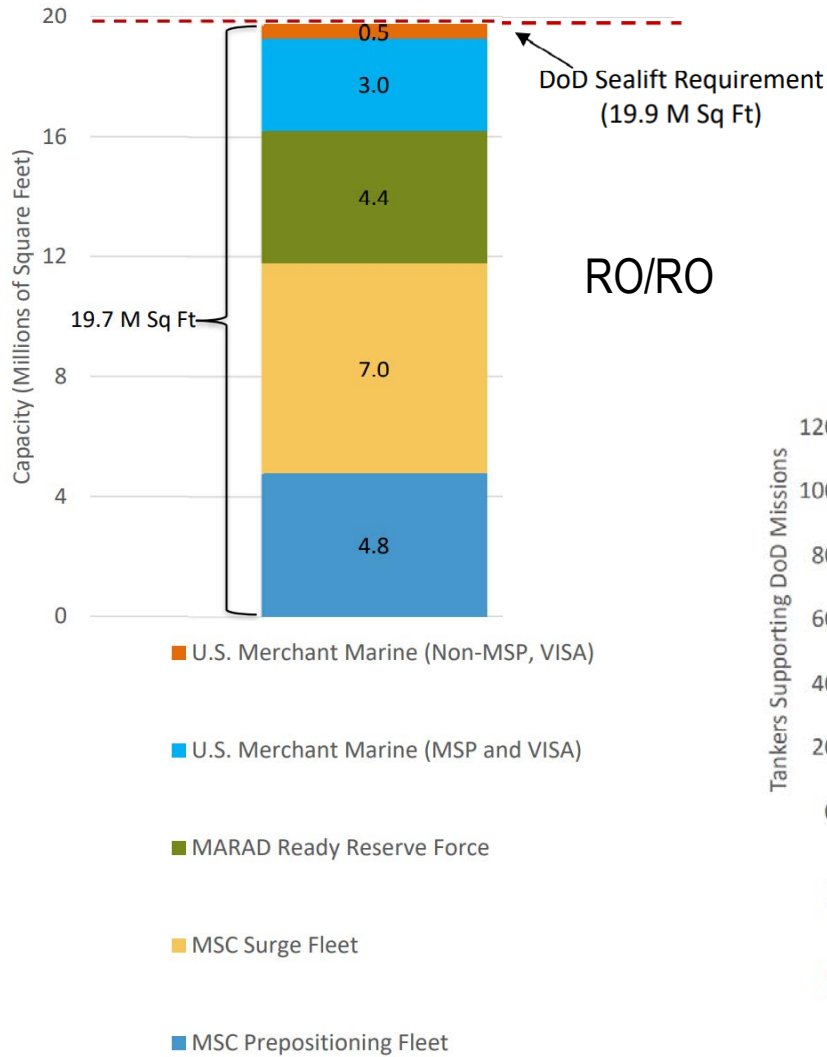
- **By end 2023, MSC will transfer all Surge Fleet assets to MARAD/RRF**
- **Sealift deficit by end of 2023**
 - All 90's sealift conversions and former MPF ships will be retired (8 ships – 2.2M sqft)
 - If all ships >50 years old retired (13 ships – 2.0M sqft)
 - Total 4.2M sqft
- **Buying used ships**
 - 2022 bought 2 30-year old used ships (~300k sqft)
 - Used ships provide between 130k and 170k militarily useful UCSA
 - Would required between 25 and 31 more used ships to make up losses

Strategic Sealift Fleet Capacity Study

MPF, Surge Force, and RRF New Construction Profiles



Sealift Requirements



Vessel Construction Manager (VCM) Process

- **Government hires US commercial owner/operator to acquire new build ships**
- **MARAD used to acquire training ships (NSMV)**
- **MARAD (Herbert Engineering) completed indicative design**
- **TOTE Maritime hired**
 - Contracted with Philly Shipyard to build 5 ships
 - Commercial style, fixed price contract
 - Commercial specifications
 - Commercial standard equipment (mixed foreign (45%) and domestic (55%))
- **MARAD PM – Laila Linares**

National Security Multi-Mission Vessel (NSMV)

Maritime Administration



Training Ship

Length - 524.5 ft

Beam - 88.7 ft

Speed – 18 knots


Accom - 600 cadets, 100 officers, staff, crew (training); 1000 (disaster relief)

Single shaft
All electric drive
Small RO/RO deck
Helo deck



Ongoing Congressional Action

House Passed FY2023 NDAA Language



Maritime Administration

• SEC. 3523. RECAPITALIZATION OF NATIONAL DEFENSE RESERVE FLEET.

- (a) IN GENERAL.—The Secretary of Transportation, in consultation with the Chief of Naval Operations and the Commandant of the Coast Guard, shall direct the **Maritime Administrator** to carry out a program under which the Administrator— (1) shall **complete the design of a roll-on, roll-off cargo vessel** for the National Defense Reserve Fleet to allow for the construction of such vessel to begin in fiscal year 2024; and (2) subject to the availability of appropriations, **shall have an entity enter into a contract for the construction of not more than ten such vessels in accordance with this section.**
- STANDARDS AND CONSTRUCTION PRACTICES.— ...vessel constructed ... shall be constructed using **commercial design standards and commercial construction practices**
- (e) CONTRACTING. The Maritime Administrator shall provide for **an entity other than the Maritime Administration** to contract for the construction of the vessel described in subsection (a).

Future Study Plans

- **RRF Recapitalization**
 - Initial Recommendations: Mar 2023
 - Final Recommendation: June 2023
- **US Flag/Offshore Wind**
 - Initial Recommendations: Mar 2023
 - Final Recommendation: June 2023
- **Decarbonization**
 - Initial Recommendations: July 2023
 - Final Recommendation: Oct 2023
- **Maritime Labor**
 - Initial Recommendations: Jan 2024
 - Final Recommendation: Apr 2024

Approach

Sealift Recapitalization Task



- **Discuss VAM process and acquisition of used ships with MARAD VAM Program Manager**
- **Discuss with SMEs**
 - How MARAD might execute the design and construction program that may be required by the 2023 NDAA.
 - How the maritime industry could be incentivized to better support military utility in commercial design to support non-combatant military requirements.
 - How existing or new commercially viable production lines to recapitalize to build required sealift vessels.

Draft Recommendations

Task 1, Recommendation 1



Background: Recapitalization of the RRF is essential to national security

- Ships scheduled for retirement in 2022-3, plus ships >50years old by 2023 comprise 4.2M sqft of UCSA
- Significant efforts to extend the life of 50 year old RRF assets will not be cost effective – particularly the FSS/steam ships
- Used ship market will provide only a limited number of hulls in the near to mid-term

Recommendation. The Secretary pursue a sealift ship design in 2023 and prepare to hire a VCM with the intent that multiple shipyards could be contracted to build these ships. At the same time the Secretary should continue to acquire used sealift ships for the Ready Reserve Force (RRF) as rapidly as Congress provides the authority and appropriations.

Draft Recommendations

Task 1, Recommendation 1



Action

- Continue buying used ships as rapidly as Congress provides authority and appropriations.
- From existing funding, in 2023, develop a well vetted Sealift RO/RO design from a third-party commercial design group using a process similar to the NSMV. The design should be:
 - Based on commercial design standards developed to the level generally referred to in the industry as a functional design
 - Ensure American Bureau of Shipping (ABS) approval in concept
 - Develop ABS and USCG Design Basis Agreement (an agreement by all parties establishing all applicable design rules sets and requirements)
 - The requirements for the design should be based on previous MARAD work and the requirements for the used vessels. Do not reopen the requirements churn
 - Develop ship requirements with minimum necessary military features

Draft Recommendations

Task 1, Recommendation 1



- MARAD needs to act as the Program Manager
 - o Need an enhanced MARAD program office, including a more robust staff than currently assigned to the NSMV program office
 - o Successful matrixed organization that did NSMV is not enough to handle an RRF recapitalization program
- Contract for a US Jones Act owner operator as VCM
- Use fixed price contracting – minimizes risk to government
- Develop a Communications Charter between all stakeholders
- Develop an Oversight and Risk Management Plan that will analyze program risk, including risk identification, likelihood and consequence, mitigation strategy and monitoring activities.
- Ensure maximum use of commercial OTS equipment, commercial ship specifications and construction processes
 - o Provide maximum supply chain flexibility within the law

Draft Recommendations

Task 1, Recommendation 1



- Ensure 100% Cargo Preference
- Ensure virtually complete firewall between MARAD and the shipyard
- **Pursue approach that could result in multiple shipyard participation Support this approach within DoT, the Administration, and Congress**

Draft Recommendations

Task 1, Recommendation 1

Pros or Positive Attributes	Cons or Challenges
Projects are delivered on time and on budget. This has been proved through the NSMV program	Supply chain disruptions and inflation can disrupt a fixed price contract and should be anticipated in the contract
Program had flexibility to survive unprecedented economic situation caused by COVID-19	The ship design needs to be well vetted and settled prior to contract so the shipyard can conduct a detailed design and get immediately into construction. Normal government contracts don't work this way
Effective Management of risk at contract award. Good foundational design and the companies know what they were selling	The firewall between the shipyard and government provided by the VCM contract holder must be sacrosanct
These are fairly simple ships to begin with. Not appropriate for combatant ships.	A Communications Charter between all stakeholders is required
Builds and maintains shipyard industrial base and workforce	An Oversight and Risk Management Plan is required
Will open up govt shipbuilding to yards that currently don't/can't do it	An ABS and USCG Design Basis Agreement is required
With common design, ships could be built at multiple yards	Skilled labor at shipyards is an industry wide problem that can disrupt this style of contract
	Building new ships is more expensive than buying used

Draft Recommendations

Task 1, Recommendation 2

- **Recommendation.** In combination with a MARAD managed sealift shipbuilding program, the Secretary institute a grant program to shipbuilders involved in the program to improve efficiency and reduce the costs of the shipbuilding program.
- **Action.** Using a grant vehicle similar to the Small Shipyard Grant Program, institute a grant program specifically focused on the sealift shipbuilding program.
 - Tied to winning a shipbuilding contract for the sealift ships.
 - Separate from the negotiated fixed price for the shipbuilding contract.
 - During shipbuilding competition, shipyards could be required to propose potential projects where a grant, provided at the beginning of the project, would improve the efficiency and cost-effectiveness of the project.
 - The efficiencies achieved through the grant, could be used as part of the competition evaluation process used by the VCM to determine the winning bid.
 - Grants could be structured as matching grants where the shipyard would cover (on the order of) 50% of the cost of a given project.
 - Grants could be used for work force development, including a possible requirement for apprenticeship programs.
 - Grant values should be in excess of \$25M.

Draft Recommendations

Task 1, Recommendation 2



- **Outcome**

- MARAD is able to efficiently and cost effectively execute a strategic sealift new construction program.
- Slow erosion of the US shipbuilding industrial base is arrested.
- Investment that MARAD makes in the industrial base as a part of a strategic sealift newbuild program improves the efficiency and efficacy of the shipyards and their workforces that build ships for the Jones Act.
- A sealift construction program should reach a steady state of 1 or more ships a year forever

Draft Recommendations

Task 1, Recommendation 3



- **Recommendation:** MARAD create and publish an annual compendium of U.S. shipbuilding capabilities
- **Action:** The Maritime Administration (MARAD) previously drafted and released a comprehensive report on United States shipbuilding capabilities, this should be reviewed, restarted, or revised to ensure a compendium of capabilities and limitation in United States shipbuilding is annually reported on.
- **Outcome:** An accurate accounting of all United States shipbuilding and repair facilities, including the possible expansion to include a separate United States private shipyards report (as was previously done). Without understanding the current landscape, capital improvements may be misappropriated, or worse, unnecessary or duplicative. A comprehensive report, much like the 2004 and 2003 reports that MARAD discontinued, will serve a critical role in understanding deficiencies in our nation's readiness for shipbuilding and ship repair efforts.

Approach – Task 2

Maritime Labor



- **Berrit has the lead**
 - NMERMAPC (Lantz)
 - NMC – Capt Kirt Martin
 - Matt Mueller K-12 outreach (MARAD)
 - Todd Mitchel – Metal trades PACNORWEST
- **We need draft of Work Force Strategic Plan**
- **Potential recommendation subjects**
 - Need to understand the available workforce – better data
 - Breakout/Turbo Activation exercise data not useful
 - Need to understand Work Force Survey and why it has not been executed
 - Complete Mariner Survey
 - At sea positions
 - Need more Maritime officer positions
 - Need more non-licensed position
 - Linked to increases in US Flag

Approach – Task 2

Maritime Labor (cont)



• Potential recommendation subjects (cont)

- Enhance shipbuilding-ship repair industrial base work force
- Enforce obligation/campaign to “return to sea”
- No grant program to support WF
- RRF rotation/QOL issues at sea/tax incentives
 - Internet access at sea (#1 QOL issue)
 - Shipboard culture (7% female)
- Public/private maritime awareness/marketing campaign
- Pay/benefits/incentive compensation/Fed financial assistance
- Centers of excellence
- Congress wanted focus on recruit training and retention
 - No funding to support this program
 - No funding to support certification programs
- Need to invest in Mariner workforce – this problem is not going to solve itself

Causes of Shortage

- **Shrinking of US Flag Fleet**
 - Commercial and govt vessels
- **STCW Implementation**
 - When STCW became fully implemented in 2017, it added sea service and assessment requirements to licensed and ratings that are difficult to meet due to lack of at sea/Full Operational Status (FOS) billets
- **Licensed Mariner Shortages**
 - Not going to sea upon graduation from academies
 - Impact of STCW on the “Hawsepiper” path
- **Ratings Mariner Shortages**
 - Lack of entry level Ordinary Seaman and Wiper billets on FOS vessels
 - Difficulty in acquiring STCW international AS-Deck and AS-Engine endorsements for Domestic AbleSeamen and QMEDs.

Solutions for Mariner Shortages

- **National Outreach and Recruitment Strategy**
 - MARAD work with state and local educational institutions, unions and non-profit maritime organizations
- **Increase US Flagged Fleet Billets**
 - RRF Recap, ensure entry level billets in design
 - NSMV, ensure entry level billets in contracts
 - MSP and TSP require entry level billets in contracts
- **STCW & Domestic Credentialling**
 - Streamline sea service and assessment requirements
 - Being addressed at NMERPAC
- **Licensed**
 - Require academy grad to go to sea
 - Loan forgiveness of school costs for licensing. Forgiveness after time in service. This would help with hawsepiping process.
- **Ratings**
 - Increase entry level billets to enable completing required sea service for upgrades

- **Work force development grants**

- Local and national (ex. Hornbeck WF dev grants)
- Unions can work with partner companies to get grants. Need partnerships – can't do it on your own. Both licensed and unlicensed.
- Schools (incl MN Maritime) are providing an unlicensed track.

- **We need to be smarter about the use of the NSMV in terms of training of unlicensed**

- Increase fuel funding and staffing for the training vessels. Schools struggle with ship staff. Fuel is reimbursed by MARAD. Staff falls to the schools.
 - Either reimburse crews, or provide MARAD funded billets for unlicensed.

Documents to Review

- **2018 – Maritime Workforce working group report to Congress**
- **Legislative proposals from Transportation Institute**
- **NMERPAC documents? Should be released in the next few weeks.**
 - Past recommendations on the web site
- **NMC (National Maritime Center).**
- **CMTS documents – Mariner workforce and interaction working group**
- **Operation Mariner: Summary of Recommendations (2020)**
- **Mariner opportunities and challenges report (MARAD report to Congress 2020)**

- **Capt Kirsten Martin (Capt Kirt). Former Commander of the NMC (April 11 meeting)**
- **From metal trades. Todd Mitchell (sits on WA state WF development board)**
- **CAPT Don Marcus (MM&P)**
- **Mayte Medina (USCG commercial standards)**

Task 2 Outline Approach

- **Mariner workforce and wider industry workforce development**
 - Recruiting, outreach
 - High school programs (teachers at sea)
 - Community/disadvantaged/Justice 40 community recruiting
 - Community colleges – technical training programs
 - Education and training
 - Streamlining of programs for operators
 - Adding STCW to inland credentials
 - Career path flow charts – how to get where you want to go in a maritime career
 - Cost of at sea training (part of forgiveness)
- **Credentiailling/maintenance of credentials**
 - Streamlining of credentials
 - Barriers to entry (NMC/EMBARC/cost of entry level, hawsepape (\$30k OoP), renewal of credentials)
 - Payback for hawsepape costs
 - Lack of billets to meet credentiailling requirements
 - Continuity of credentials for broken service
 - Military to maritime

Task 2 Outline Approach

- **Retention –**
 - QOL –
 - better internet/fitness equipment
 - Family issues
 - Wages – need a 20% premium over shore jobs
 - What are the wage differences today for at sea and shore starting jobs?
 - Mental health resources
 - Shorter rotations/paying for childcare
 - Taxes (<5 year)
 - More state students at sea/hawspipers – forgiveness tied to sailing (<5 years)
 - Pyramid structure on MARAD ships (<5 years)
 - (Female) return incentives
 - Interesting work?

Task 2 Outline Approach

- **Legislative support for:**

- Merchant marine added to military childcare program
- Funding for mil to mariner program
- K-12 educational outreach
- Military recruiters cover merchant marine
- Tracking of mariners by MARAD
- Direct and fund MARAD for outreach programs/marketing for the industry
- Selective service – active mariner exemptions for draft
- Increasing fuel funding for training ships
- Increasing SIP funds

- **Parking lot:**

- Immigration/special visas

Approach – Task 3

US Flag/Offshore Wind



- **Discuss with MARAD lead (offshore wind)**
- **Discuss with USCG lead (offshore wind, security zones, credentialling)**
- **Orsted (Jim D knows), Crowley (Evan Mathews), Blue Water Offshore**
- **Offshore wind labor relations?**
- **K&L Gates Wind/Jones Act report**
- **Discuss with following SMEs**
 - Art Divens & Jim Strock (wind SMEs)
 - Discuss with shipyards
- **Recommendation ideas**
 - Commercially viable/operated RRF vessels
 - TSP/CSP/
 - Active RRF
 - Survey vessels, support vessels, crew vessels, etc.
 - MARAD defense of the Jones Act equities
 - Crosswalk with ports on port utilization
 - Grant availability of port grants

Approach – Task 4

Decarbonization

- **Discuss with following SMEs**

- Jeff Lantz (USCG rep to IMO)
- John Nadeau (RADM Ret (USCG))
- Scott Clapham (President APT)
- EPA
- Marine Energy and Decarbonization Working Group
- Brian Jones
- World Shipping (John Butler/Bryan Wood-Thomas)
- Joint Committee (SHC) Envir/Safety (Tom Keenan)
- Engine Manufacturer reps
- Matson
- Shipbuilders
- Dan Yuska
- Chamber shipping (Kathy Metcalf)

- **Recommendation subjects**

- Focus on Jones Act impacts/DoT policy wrt decarb
- Grant money for ship decarb – needs to be public private partnership
- Government funding for RDT&E
- Crosswalk with ports/cold ironing/carbon capture

Approach – Task 4

Decarbonization (cont)

- **Notes from Dan Yuska**

- Issue very popular with the Administration
- All the money in the IRA (\$5B for ports, \$2.2B for EPA), none of it is for ships
 - There needs to be a public/private partnership on this and the govt needs to understand the needs of private industry
 - EPA has funds for rebuilds and repowers but not for newbuilds
- Maritime Environmental and Technical Assistance Program (META)
 - Reports available online
 - Supports domestic and intl maritime environmental regulations
 - Engaged with international organizations (IMO/ISO)
- MARAD/DOE/EPA Decarbonization and Maritime Energy Working Group.
 - Decarbonization strategy group
- Need government funding for RDT&E
 - Need to meet Buy American requirements
 - Need to spur American innovation and manufacturing as well as introduction

Schedule



- **2nd Tuesday of the month, 1400 EST**
- **Jan 10, 14 Feb**
- **14-15 March MTSNAC meeting**

Backup

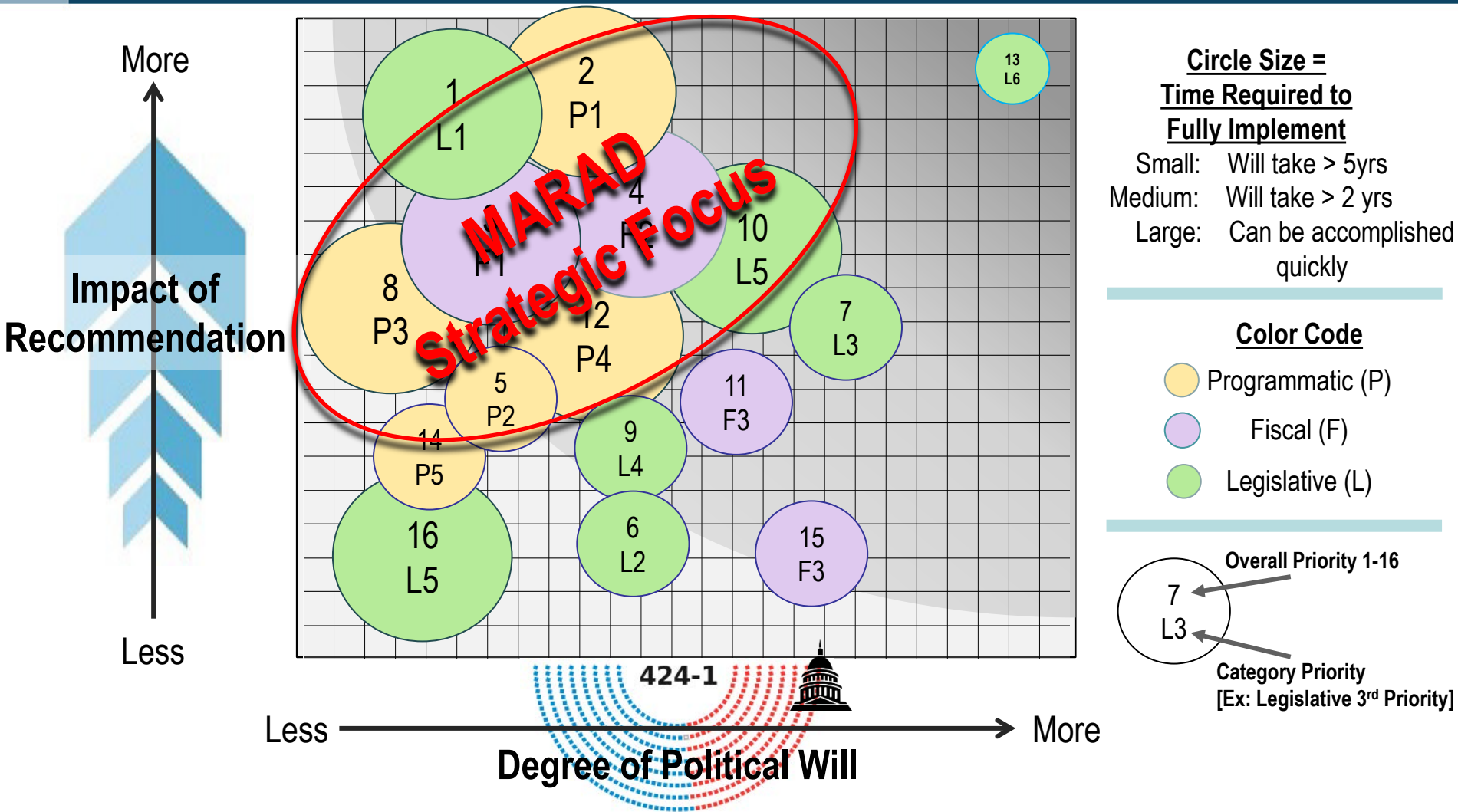


Meeting Agenda

- **29-30 Nov 2022 Meeting Agenda**

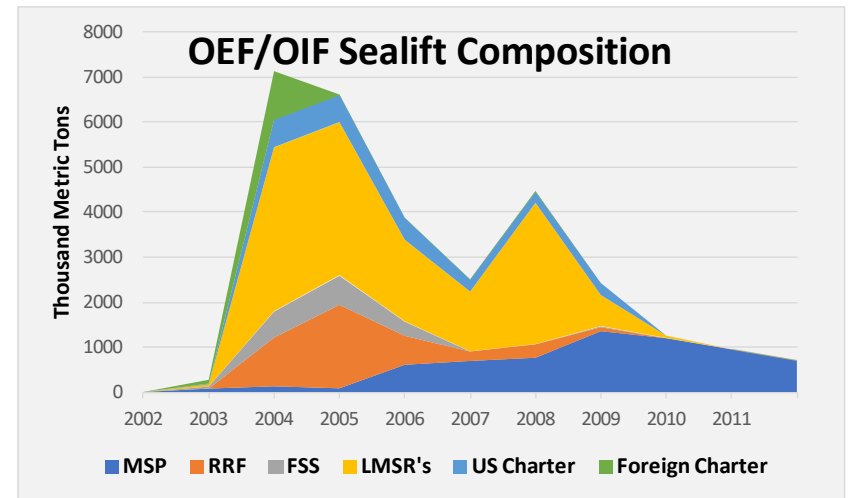
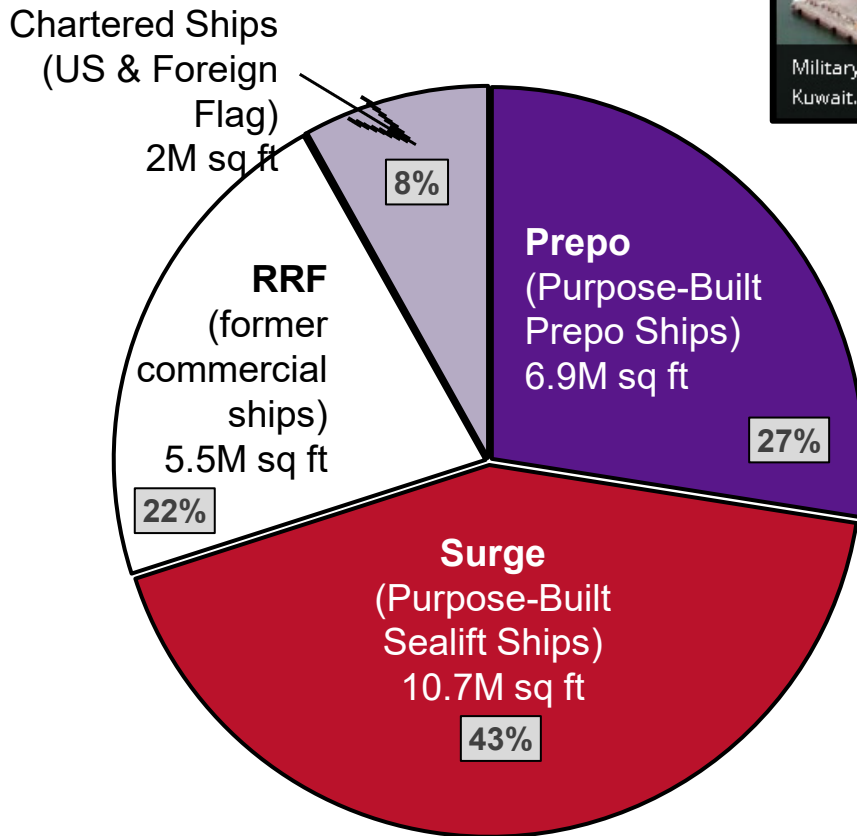
- Review Strategic Sealift Background information
- Discuss order of work items
- Discuss approach to work items
 - Sealift Recap
 - Offshore Wind
 - Decarbonization
 - Maritime Labor
- Outline of report and recommendations for sealift recap from work to date
- Timelines of meetings

Subcommittee Recommendation Integrated Landscape



Operation Iraqi Freedom

2004 OIF Strategic Sealift Cargo
 Over 25M sqft of cargo delivered in theatre,
 70% with Purpose-Built Ships



Both surges were larger than ODS