



U.S. Marine Transportation System National Advisory Council



December 1, 2015
Arlington, VA



**Maritime Administration
U.S. Department of Transportation**

**Federal Motor Carrier Safety Administration (FMCSA) National Training Center (NTC)
1310 N. Courthouse Road, Suite 600, Arlington, VA 22201-2508**

**ADMINISTRATIVE BRIEFING
AGENDA**

**DECEMBER 1, 2015
8:30 AM – 10:00 AM**

- 8:00 AM** **Coffee for Members and Registration**
- 8:30 AM** **Opening Remarks**
Paul “Chip” Jaenichen, Maritime Administrator
- 8:45 AM** **Presentation: National Maritime Strategy**
Paul “Chip” Jaenichen, Maritime Administrator
- 9:30 AM** **U.S. DOT Updates**
Beyond Traffic and National Freight Strategic Plan
John Drake, Deputy Assistant Secretary, Office of Policy
Port Congestion and Truck Parking
*Caitlin Rayman, Director, Office of Freight Management and Operations,
Federal Highway Administration*
- 9:50 AM** **Break until Public Meeting at 10 AM**



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PUBLIC MEETING

AGENDA

DECEMBER 1, 2015

10 AM – 4 PM

- 10:15 AM** **Welcome and Opening Statements**
- *Call to Order and Administrative Procedures, DFO*
 - *Gary Gallegos, Chair*
 - *Joseph “Mike” Mabry, Vice-Chair*
- 10:30 AM** **Discussion on National Maritime Strategy**
- 12:00 PM** **Lunch for MTSNAC Members**
- 1:30 PM** **Reports from MTSNAC Subcommittees**
- *Shipbuilding*
 - *Marine Highway*
 - *Ports*
- 3: 00 PM** **Public Comments**
- 3: 30 PM** **Closing Remarks and Adjournment**



MEMBERS ROSTER

ATTENDEES (Bold)

Name	Organization
Gary Gallegos, Chair	San Diego Association of Governments
Joseph “Mike” Mabry, Vice Chair	Lowes Companies
John Baker	President of the Great Lakes District Council, International Longshoreman’s Association
Mark Barker	Interlake Steamship Company
Richard Berkowitz	Pacific Coast Operations Transportation Institute
Molly Campbell (Designee: Beth Rooney)	Port Commerce Department, The Port Authority of New York & New Jersey
Vanta Coda	Port of Duluth, Duluth Seaway Port Authority
William Cook	Worldwide Logistics and Customs, Chrysler Group LLC
Thomas Crowley, Jr.	Crowley Maritime Corporation
Kristin Decas (Designee: John Demers)	Port of Huememe
Charles Fabrikant (Designee: Henry Nuzum)	SEACOR Holdings, Inc.
William Friedman	Cleveland-Cuyahoga County Port Authority
Fred Harris, Shipbuilding Subcommittee Chair (Designee: Tom Wetherald)	NASSCO, General Dynamics
Captain Lynn Korwatch	Marine Exchange of the San Francisco Bay Region
Mark Locker	Ohio Department of Transportation
Gary Love	FAPS, Inc
*James Lyons , Port Subcommittee Chair	Alabama State Port Authority
Christopher Lytle * (Designee: Matt Davis)	Port of Oakland
John Parrott , Marine Highway Subcommittee Chair	Totem Ocean Trailer Express, Inc.
John Reinhart	Virginia Port Authority
Gene Seroka	Port of Los Angeles
Karl Simon	Environmental Protection Agency
Betty Sutton	Saint Lawrence Seaway Development Corporation
Margaret Vaughan	US Exporters Competitive Maritime Council

* Participating by phone



U.S. Department
of Transportation
**Maritime
Administration**

Administrator

1200 New Jersey Avenue, SE
Washington, DC 20590

December 1, 2015

Dear U.S. Marine Transportation System National Advisory Council (MTSNAC):

I wanted to extend my sincere appreciation for your contributions and participation as a member of the MTSNAC. This year has been one of achievement as well as challenges. Many of these challenges are being addressed by the industry and by the work you have done through MTSNAC's Subcommittees to develop and provide relevant and actionable recommendations to the Maritime Administration (MARAD). Specifically, your work on the National Maritime Strategy was truly invaluable and directly led to the development and ultimate completion of the draft document.

I am confident that this partnership will continue as we work to implement the strategies outlined in our Nation's first National Maritime Strategy in 80 years. Today, I ask that you discuss and provide us your final recommendations that will help ensure the U.S. Marine Transportation System remains the most safe and efficient in the world; one that enables our Nation to compete and thrive in a global economy.

If you are interested in continuing to serve as a member of the MTSNAC, I request that you submit a letter of interest to me through our electronic email account at MTSNAC@dot.gov.

Again, thank you for your time and commitment to this Council and helping us achieve our mission at MARAD.

Sincerely,

A handwritten signature in black ink that reads "Paul N. Jaenichen". The signature is written in a cursive style with a long, sweeping underline.

Paul N. Jaenichen



November 19, 2015

Marine Transportation System National Advisory Council
c/o Ms. Tretha Chromey
Acting Designated Federal Officer
U. S. Maritime Administration
1200 New Jersey Avenue, SE, W21-306
Washington, DC 20590
MTSNAC@dot.gov

Re: National maritime strategy and ship recycling

Dear Marine Transportation System National Advisory Council Members,

I am writing to you on behalf of the Port of Brownsville, Texas. On December 1, 2015 you will be meeting to discuss recommendations on the Maritime Administration's new maritime strategy. Please ask the agency to include support for the domestic ship recycling industry in the plan.

The maritime industrial base is more than just ship building and ship operations; it also includes ship recycling. When a ship is no longer capable of transporting cargo, ship owners dismantle them and the majority of U.S. work occurs in the Port of Brownsville. Over 400 individuals are currently employed as cutters, remediation laborers, and security. In addition, U.S. ship recyclers hire hundreds more to help them with marine surveying, towing, and hazardous materials.

The ship recycling industry is extremely important to the Port of Brownsville. We're not a wealthy port. We are located in the poorest county in the United States and the unemployment rate in the area is 10.7%, higher than the national average. Losing 400 jobs is not an option for us.

And yet, that could happen. In February 2013, ship recycling facilities employed almost 1100 individuals. The metal market then declined significantly and only 400 individuals remain. Copper dropped by 38%, armor plate by 49%, and heavy melt by 57%. Ship recycling companies can not continue to absorb these losses and they were forced to let people go.

One way the government can provide assistance to the ship recycling industry is to reference it in MARAD's new maritime strategy. Inclusion demonstrates the government's commitment to protecting a vital part of the industry. Four hundred plus jobs are on the line and as the Director of the Port of Brownsville, I implore you to help me keep these men and women employed.

Please let me know if you have any questions regarding my request.

Sincerely Yours,

A handwritten signature in blue ink, appearing to read "Eduardo A. Campirano". The signature is fluid and cursive, with a large, sweeping flourish at the end.

Eduardo A. Campirano
Port Director and CEO



November 25, 2015

Marine Transportation System National Advisory Council
c/o Ms. Tretha Chromey
Acting Designated Federal Officer
U. S. Maritime Administration
1200 New Jersey Avenue, SE, W21-306
Washington, DC 20590
MTSNAC@dot.gov

Re: National maritime strategy and ship recycling

Dear Marine Transportation System National Advisory Council Members,

I am writing today to seek your support in including ship recycling in the Maritime Administration's new maritime strategy. This document will be the U.S. government's blueprint for revitalizing the U.S. maritime industry and U.S. ship recyclers, including European Metal Recycling, which owns Southern Recycling, LLC, and its Brownsville facility which includes the CONFIDENTIAL facility, International Shipbreaking, Ltd., wants to be part of the plan. In addition to the Brownsville facility, Southern Recycling has three marine ferrous production facilities in Louisiana that are recognized by the Maritime Administration and Defense Logistics Agency/US Navy to safely and compliantly recycle non-combatant and combatant government vessels.

EMR's Brownsville facility employs over two hundred workers which take apart obsolete commercial and government vessels including the US Navy aircraft carriers, Constellation and Ranger which are being dismantled under a restricted CONFIDENTIAL facility clearance. EMR has invested over \$25 million to ensure that the Brownsville facility had the infrastructure and equipment required to safely and efficiently dismantle the two carriers.

Unfortunately, because of the drastic decline in the metal markets this year, domestic ship recycling is under immense pressure. One Brownsville company declared bankruptcy earlier this year and others are letting workers go. At the height of the metal market at February 2013 there were over 1100 individuals employed at Brownsville ship recycling facilities. A little over 400 remain.

Brownsville companies have been recycling US Navy and MARAD vessels since the mid-1990's. If this investment, jobs, and expertise go away, the Department of Defense, the Maritime Administration and other federal and commercial owners will not have capacity to recycle their ships in the United States and that's not something we want. EMR, Southern Recycling, and our confidential facility, International Shipbreaking, Ltd. want to continue recycling vessels and to employ U.S. workers to complete this job.

International Shipbreaking Limited, LLC
18601 RL Ostos Rd.
Brownsville, Tx. 78521
Main: 956.831.2299
Fax: 956.831.0216

Please support adding the U.S. ship recycling industry to Maritime Administration's new maritime strategy.

Thank you for your help.

Sincerely



Robert Berry
European Metal Recycling - Brownsville



U.S. Department
of Transportation
**Maritime
Administration**

Administrator

1200 New Jersey Avenue, SE
Washington, DC 20590

December 1, 2015

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Again, thank you for your time and commitment to this Council and helping us achieve our mission at MARAD.

Sincerely,

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Paul N. Jaenichen



PORT PERFORMANCE ACT: S.1298

(AS REPORTED BY THE SENATE COMMITTEE NOV 5, 2015)

PROPOSES TO AMEND TITLE 49, CHAPTER 63

Purpose:

- To identify freight bottlenecks
- To indicate performance and trends over time
- To inform investment decisions

Tracks:

- Top 25 ports by tonnage
- Top 25 ports by TEU
- Top 25 ports by dry bulk

Requires:

- Annual reporting by DOT/Bureau Transportation Statistics (BTS) containing monthly stats on:
 - Total capacity of inbound and outbound cargo including containers, break bulk, vehicles, dry and liquid bulk
 - Total volume of inbound and outbound cargo including containers, break bulk, vehicles, dry and liquid bulk
 - Average number of TEU lifts per hour/crane
 - Average vessel turn time, by vessel type
 - Average cargo or container dwell time
 - Port storage capacity and utilization
 - Average truck time at ports
 - Average rail time at ports, and
 - Any additional metrics as determined by BTS after receiving recommendations from the new working group
- BTS to obtain recommendations for:
 - Specs and data measurements for above
 - Additionally needed data elements for measuring port performance



- A process for timely and consistent collection of data, including identifying safeguards to protect proprietary information
- Ensure all stats compiled are made available to the public, with applicable security constraints and confidentiality interests
- Within 60 days commission a working group who has 1 year after date of enactment to submit recommendations to BTS:
 - Operating administrations of the DOT
 - US Coast Guard
 - Federal Maritime Commission
 - US Customs and Border Protection
 - *MTSNAC*
 - US Army Corps of Engineers
 - St. Lawrence Seaway Development Corporation
 - Advisory Committee on Supply Chain Competitiveness (Dept of Commerce FACA)
 - 1 rep from rail industry
 - 1 rep from trucking industry
 - 1 rep from port management industry
 - 1 rep from maritime shipping industry
 - 1 rep from maritime labor industry
 - National Freight Advisory Committee (DOT Office of the Secretary FACA)
 - Representatives from TRB

AND REQUIRES:

- Monthly Reports on performance at ports by the Secretaries of Transportation, Commerce and Labor to the Committee on Commerce, Science and Transportation of the Senate and the Committee on Transportation and Infrastructure of the House that includes port performance indicators at the affected port.
 - Shall include all affected ports and shall be submitted:
 - Not later than 1 year before a maritime labor agreement¹ expires

¹ Maritime labor agreement as defined in Title 46 USC Section 40102; ie: “maritime labor agreement” as applies to maritime or stevedoring industry employees including multi-employer bargaining groups



- Again 3 months before the expiration date
- Again 2 months before, and
 - Again 1 month before, and
 - Monthly until a new agreement is reached
- Reports shall include:
 - All above performance indicators
 - Number of vessels awaiting berthing
 - Type of vessels awaiting berthing time
 - Average wait time
 - Number of cancelled vessel calls
 - Estimate of the economic impact associated with any delays at the port and across the national economy
 - Estimate of the amount of time required to clear any congestion
 - Average number of positions ordered and filled, and
 - Any other factors that might have created delays including
 - Weather
 - Equipment maintenance or failures
 - Infrastructure development or repair



U.S. Marine Transportation System National Advisory Council

Below is list of top 25 U.S. ports by TEU and by Tons, as of 2013. List of dry bulk U.S. ports unable to be located as of Nov 27, 2015. This shows 41 U.S. ports will be subject to the above *unless* they do not receive Federal assistance or are subject to Federal Regulation.

Port Count	Port Name	State	Top TEU 2013	Top Tons 2013	Top dry bulk
1	Anchorage	AK	19		
2	Baltimore	MD	16	16	
3	Baton Rouge	LA		8	
4	Beaumont	TX		4	
5	Boston	MA	24		
6	Charleston	SC	9		
7	Corpus Christi	TX		7	
8	Duluth - Superior	MN/WI		17	
9	Gulfport	MS	22		
10	Honolulu	HI	11		
11	Houston	TX	8	2	
12	Huntington - Tristate	WVA		15	
13	Jacksonville	FL	12		
14	Lake Charles	LA		11	
15	Long Beach	CA	2	5	
16	Los Angeles	CA	1	9	
17	Miami	FL	14		
18	Mobile	AL	23	12	
19	New Orleans	LA	17	6	
20	New York/New Jersey	NY/NJ	3	3	
21	Newport News	VA		24	
22	Norfolk	VA	5	14	
23	Oakland	CA	6		
24	Pascagoula	MS		21	
25	Philadelphia	PA	18		
26	Pittsburgh	PA		20	
27	Plaquemines	LA		10	
28	Port Arthur	TX		18	
29	Port Everglades	FL	15		
30	Portland	OR	25		
31	San Juan	PR	13		
32	Savannah	GA	4	23	
33	Seattle	WA	10		
34	South Louisiana	LA		1	
35	St. Louis	MO/IL		19	
36	Tacoma	WA	7		
37	Tampa	FL		22	
38	Texas City	TX		13	
39	Valdez	AK		25	
40	Wilmington	NC	20		
41	Wilmington	DE	21		