

**MARINE TRANSPORTATION SYSTEM NATIONAL ADVISORY COUNCIL  
MEETING MINUTES  
SHERATON ST. LOUIS CITY CENTER HOTEL  
ST. LOUIS, MO  
JUNE 3-4, 2008**

**Members Present:**

|   |                     |
|---|---------------------|
| Agriculture Transportation Coalition                                    | Peter Friedmann     |
| Alliance of Automobile Manufacturers                                    | Vicki Streukens     |
| American Association of Port Authorities                                | Jean Godwin         |
| American Association of State Highway and Transportation Officials      | Larry Karnes        |
| Association of American Railroads                                       | John Gray           |
| Bay Planning Coalition  | Ellen Johnck        |
| California Marine and Intermodal Transportation System Advisory Council | Norman Fassler-Katz |
| Center for Liquefied Natural Gas  | Tony Galt           |
| Chamber of Marine Commerce  | Gregg Ward          |
| Florida Ports Council   | Val Schwec          |
| Great Lakes Maritime Research Institute                                 | Richard Stewart     |
| Intermodal Transportation Institute                                     | Theodore Prince     |
| International Longshore and Warehouse Union                             | Peter Peyton        |
| International Longshoreman's Association                                | John Baker          |
| National Association of Manufacturers                                   | James Adams         |
| National Association of Waterfront Employers                            | Paul Bea            |
| National Industrial Transportation League                               | Michael Berzon      |
| National Waterways Conference   | Amy Larson          |
| Pacific Maritime Association  | Robert Dodge        |
| Passenger Vessel Association  | James DeSimone      |
| Permanent International Association of Navigation Congresses (PIANC)    | Thomas Wakeman      |
| Rahall Transportation Institute   | Dana Robertson      |
| Retail Industry Leaders Association                                     | Rick Gabrielson     |
| Sailors' Union of the Pacific   | Berit Eriksson      |
| Shipbuilders Council of America   | Matthew Paxton      |
| South Atlantic Marine Transportation System Organization                | David White         |
| U.S. Chamber of Commerce  | Sam Crane           |
| United States Maritime Alliance, Ltd.                                   | Carol Lambos        |
| World Shipping Council  | Anne Kappel         |

**Tuesday, June 3**

The meeting was called to order at 8:30 a.m. by the Chair, **Sam Crane**. After self-introductions, the minutes from the January 2008 meeting were approved. The Chair noted that the four Council teams have made significant progress toward their work products and that the meeting would have a full agenda.

**Rob Whitney**, Senior Advisor to the Maritime Administrator, welcomed the group on behalf of **Administrator Sean T. Connaughton**, who was unable to attend. He provided an update on changes within the Maritime Administration (MARAD), including the recent departure of **Bruce Carlton**, former Assistant Administrator, who will be the new President of the National Industrial Transportation League (NITL), as well as the anticipated departure of **Julie Nelson**, Deputy Maritime Administrator. He further noted that interviews are being conducted to fill the position of **Maggie Blum**, former Associate Administrator of Intermodal System Development. MARAD is also expanding its Gateway presence, and plans to have 10 Gateway offices fully staffed by the end of the year is moving forward to implement the provisions of last year's Energy bill, which includes a Marine Highway program. MARAD has also been involved with reaching agreements with LNG operators, including Shell, to add U.S. mariners to their U.S. and international LNG fleets.

It was further reported that **Administrator Connaughton**, as the Chair of the Federal interagency Committee on the Marine Transportation System's (CMTS) Coordinating Board during 2008, has been involved with initiatives including: a conference on Arctic transportation which MARAD, will be hosting in Washington on June 5<sup>th</sup> (this Friday); the development of a Federal Budget catalogue; and an infrastructure investment policy. As part of MARAD's recent realignment, a number of environmental initiatives are underway, including ballast water testing, invasive species and air emissions at gateway ports. A National Center for Maritime Environmental Excellence is also being planned for the U.S. Merchant Marine Academy at Kings Point or one of the State maritime academies. Finally, the MARAD is launching its National Port Strategy.

### **Education Team Report**

The minutes of the April 16, 2008 and May 22, 2008 conference call meetings were approved by the Council. **Carol Lambos**, Co-Chair of the Education Team, reviewed the Team's Action Plan. Then, Co-Chair, Peter Peyton, provided an introduction to the Team's new project. This project will have two facets: the first will be to provide data and information for the MTSNAC website; and the second will be to create an educational presentation on the economic significance of the MTS throughout the United States. To accomplish this the team is developing a baseline study which will incorporate port and regional statistics, including tonnages handled, jobs created and GDP connected to the MTS for each region of the country. The team is currently drafting a questionnaire to compile this information and regional assignments have been made.

MARAD Gateway offices will be utilized to assist in this effort. **Amy Larson**, Chair of the Waterways Team, added that her team is also working to streamline its earlier waterways presentation and will coordinate this effort with the Education Team. The Education Team decided to schedule an additional Team meeting after the full council session to further plans for this project.

### **Intermodal Team Report**

**Anne Kappel**, Chair of the Intermodal Team, briefed the group on the Team's work on revising the Council's Intermodal Report of 2005. Among the draft recommendations for the updated

report are: to support continued development of a marine highway system and to enable timely, consistent and accurate measurement of capacity and productivity.

A discussion ensued regarding data collection and ensuring that export moves are accurately depicted. **Sam Crane** noted that we need to show that freight movement is as important to residents of Iowa and Missouri as it is to residents of port cities. It was emphasized that this information is important for the next Congress and administration, especially when they begin work on new surface transportation legislation.

**Rick Gabrielson** asked if the report will include recommendations on funding and a discussion ensued regarding whether or not MTSNAC should identify funding vehicles. Since it was unlikely that the council could come to consensus on the issue, it was agreed that specific funding mechanism should not be discussed. ,

The role of public and private funding was discussed. **Jean Godwin** pointed out that investment in the MTS is a partnership. **Jim Adams** added that it is important to highlight private investment in the system. The U.S. Chamber of Commerce and the National Association of Manufactures are already addressing this issue. **John Gray** noted that the private sector would like the public sector to take responsibility for its own sector, adding that user fees do not work. They merely extract money from the private transaction. Only new taxes will get us new money sources. **Rick Gabrielson** replied that many MTS stakeholders would prefer a national fee vs. several regional fees. **Val Schwec** responded that there is a need to leverage government dollars and cited the State of Florida which is allocating funds for the purchase of marine properties. These public funds are to be matched by private investment funds. **Peter Friedmann** pointed out that **Rep. Ken Calvert** of California has proposed a national fee based on the fair market value of articles imported into the United States and articles exported from the United States in commerce and to use the amounts collected from the fee to make grants to carry out certain transportation projects in the transportation trade corridors for which the fee is collected, and for other purposes. Since it was unlikely that the council could come to consensus on the issue, it was agreed that specific funding mechanism should not be discussed.

**Berit Eriksson** requested that mariner workforce recruitment and retention be included in the report and **Ellen Johnck** reiterated the need to include an environmental component as well. The Council then authorized the Intermodal Team to incorporate the draft recommendations as presented and edited and prepare a draft final report for the September 2008 meeting.

The minutes of the April 10, 2008 and May 5, 2008 Intermodal Team meetings were approved by the Council. In addition, the minutes of the May 13, 2008 Waterways Team Conference Call meeting and the May 20, 2008 Shipyards Team Conference Call meeting were approved by the full Council.

### **City of St. Louis Welcome**

**Otis Williams**, the Deputy Executive Director and Director of Major Projects for the St. Louis Development Corporation, welcomed the group on behalf of the Mayor. He noted that the Port of St. Louis is the third largest port in the country's inland waterways system.

## **Luncheon Presentation**

**Jim Adams** and **Mark Carr** (AEP River Operations) briefed the Council on the recently released MARAD/National Waterways Foundation funded study *A Modal Comparison of Domestic Freight Transportation Effects on the General Public*.

**Matt Paxton** and **Herschel Vinyard** briefed the Council on the local and regional economic contributions of America's shipyards and their impact on the national economy. After these presentations, the Council toured Mel Price Lock and Dam and Lock 27 on the Mississippi River.

## **Wednesday, June 4**

The meeting was convened at 8:00 a.m. by **Sam Crane**, who announced the dates for the next meeting: September 17-18, 2008 in Washington, D.C. This meeting will be a heavy working session. It was suggested that time be also allotted for the teams to meet during the September meeting.

## **National Port Strategy Presentation**

**Rick Gabrielson** introduced **Roger Bohnert**, Acting Associate Administrator for Intermodal System Development to provide a presentation on the Maritime Administration's draft National Port Strategy. He explained that this presentation is approximately 70% completed. Additional modules will be added, including changing trends in exports, maintenance dredging, channel deepening projects, expedited environmental review process, port and terminal infrastructure development, increased cargo velocity, expanded use of public/private partnerships, as well as road and rail projects. After his presentation there began a general discussion of the draft report. It was announced that this draft document will be reworked and revised throughout the summer with input from major stakeholders, including major ocean carriers and MTSNAC, in preparation for the new surface authorization bill. **Anne Kappel** noted that the statistics in this draft seem to focus on container flows, but the top tonnages handled by U.S. ports are bulk and liquid and that the strategy should embrace both container cargo and bulk/breakbulk cargo, including autos. It was suggested that a section on Distribution Centers, security, private investment (not just public/private partnerships), and workforce issues be added and that the regulatory review process not be included under the category of obstacles. **Mr. Bohnert** thanked the Council members for their comments and input and asked for additional written comments from the group so that they can be incorporated into the next draft version.

## **Public Comment Period**

There were no comments.

## **Regional MTSNAC Update – Great Lakes**

**Dr. Richard Stewart** and **Carol Wolosz** of the Great Lakes Maritime Research Institute briefed the Council on recent and ongoing activities in the Great Lakes region. The first one is a web

development project to develop and manage a data repository and information clearinghouse for the maritime industry in the Great Lakes and to deliver this information in a web-based format. The other is a proposal to establish true marine intermodal service throughout the Great Lakes. **Dr. Stewart** also pointed out that there is very little maritime representation on the University Transportation Centers (UTCs) in the Great Lakes region. This is of concern since these UTCs receive Federal funding for a wide variety of projects. **Dr. Stewart** asked the Council's assistance in recruiting maritime representatives for these UTCs. **Sam Crane** added that we too often ignore a major player – Canada - which is aggressively pursuing a national freight policy. **Rob Whitney** replied that both the Canadian and European freight policies were consulted when framing the National Port Strategy document.

### **Regional MTSNAC Update – South Atlantic**

**David White** reviewed the major issues that the South Atlantic Marine Transportation System Organization (SAMTSO) is currently addressing, including port and channel deepening projects, projected cargo shifts due to the planned expansion of the Panama Canal, the recent surge in U.S. exports, and port driver workforce development. A major barrier to expanding the port driver workforce is the lack of insurability for new drivers, including those who are exiting the military with substantial driving experience. The Virginia Maritime Association (VMA) is working with the military to recruit exiting military drivers for the local and regional driver pool, but in order to move this initiative along, **Mr. White** requested that the Department of Transportation (DOT) perform a study on the driver insurability issue; partner with the Department of Education to establish a national transportation trades initiative; and establish a dialogue with the Defense Department to transition exiting military personnel into the commercial driver pool.

**Dr. Stewart** noted that the U.S. Coast Guard and U.S. Navy have worked on this issue for transitioning merchant mariners. Perhaps this could serve as a model for the VMA's initiative.

### **Regional MTSNAC Update – California**

**Norman Fassler-Katz** then updated the Council on recent developments in California and ongoing initiatives of the California Marine and Intermodal Transportation Advisory Council (CALMITSAC). CALMITSAC prepared and submitted a report to the California legislature in 2007. This report contained several recommendations on the region's economic growth, environment, project and funding priorities, trucking and terminal productivity, legislation, security and education. CALMITSAC will be producing a 2009 edition of its report to the California state legislature.

### **CMTS Update**

**Richard Lolich**, Executive Director of the Council, briefed the group on the activities of the CMTS. Two major projects that the CMTS is pursuing are the development of an interactive website that contains a comprehensive inventory of MTS Data and information, and the release of a National MTS Strategy.

The interactive data website is currently being tested on the Maritime Administration website. It has a Google-like feature that provides the user with links to over 120 websites with Federal MTS data and information. The website is scheduled to be officially launched by the end of June.

**Mr. Rajiv Khandpur** of the U.S. Coast Guard then updated the Council on the status of the MTS National Strategy document which has been developed by the members of the CMTS, with input from major MTS stakeholders. The strategy has been signed by all of the 18 CMTS departments/agencies. The document is expected to be formally approved at the next full CMTS meeting, scheduled for July 10<sup>th</sup> in Washington, after which the CMTS will begin implementation of the Strategy's recommendations. It was asked whether the document contained a section on energy and **Mr. Khandpur** replied that the Department of Energy has been an active participant in the document's development so that energy issues and/or concerns have been addressed. It was also requested that an update on the strategy be provided at the September MTSNAC meeting.

### **Meeting Summary and Action Items**

The following action items were agreed to:

- 1) The Intermodal and Education Teams will provide drafts of their products prior to the September meeting;
- 2) The Waterways Team will update its slide presentation;
- 3) The Waterways and Shipyard Teams will provide material for both the Intermodal and Education Team reports; and
- 4) Comments to the draft National Port Strategy are to be submitted to the Maritime Administration.

The meeting was then adjourned at 12:10 p.m.