

MTS

Proceedings of the National Conference on the
Marine Transportation System:

Waterways, Ports and their Intermodal Connections

Airlie Center, Warrenton, Virginia
November 17-19, 1998

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SECRETARY'S COMMENTS: MARINE TRANSPORTATION SYSTEM

The Secretary of Transportation

Washington, DC

"President Clinton is committed to 'common sense government' that serves our nation's interests," and I share his commitment. In this department, I call common sense government ONE DOT. The Marine Transportation System: Waterways, Ports, and their Intermodal Connections initiative embraces both ONE DOT and common sense government.

As we convene our first National Conference on the Marine Transportation System with federal partners and private sector organizations, including port, maritime, environment, recreation and fishing representatives, let it be the first step in working collaboratively with a "common sense" government approach toward a new effort to ensure that U.S. waterways, ports and their intermodal connections meet user needs, public expectations and the nation's needs for efficient, safe and environmentally sound transportation.

This nation was built on its waterways and ports. And, because many of us share responsibility for America's Marine Transportation System, we must make certain it is ready to compete, and win, in the global economy of the 21st century. I commit to do whatever it takes to make our nation's maritime industry ready for the next century. Our waterways, ports and their intermodal connections must meet the needs of a wide range of users.

By listening to you and learning, we can work together to improve the system and prepare for the tremendous growth in commerce expected in the years ahead. Transportation is the tie that binds. At DOT we are committed to upgrading our national transportation system through the work of the first National Conference on the Marine Transportation System. We have made great progress -- but the best is yet to come!

Rodney E. Slater

EXECUTIVE SUMMARY

Background

Secretary of Transportation Rodney E. Slater has made revitalization of the nation's Marine Transportation System (MTS) a matter of high priority. Recognizing the challenges of increasing use of our waterways, growing world population and demand for goods, and the increasing globalization of the world economy facing the marine portion of the nation's transportation system, Secretary Slater began the MTS initiative. The goal of this initiative is to ensure that our Nation's waterways, ports and their intermodal connections will meet the needs of the 21st century by providing a safe and environmentally sound world-class system that improves the Nation's global competitiveness and security through improving coordination and cooperation among all stakeholders.

The U.S. Department of Transportation (DOT), in conjunction with other federal agencies, held seven Regional Listening Sessions in the spring of 1998 to learn from users, stakeholders, and the public what they perceived to be the current state and future needs of the MTS. These listening sessions provided the input for the National Conference on the Marine Transportation System.

The Conference

The National Conference on the Marine Transportation System was hosted by Secretary Slater on November 17 - 19, 1998 at the Airlie Center in Warrenton, Virginia. After a series of keynote and background resource speakers, the conference participants worked alternately in issue breakout groups and plenary sessions. In the plenary sessions, the conference participants addressed two overarching issues: a shared national vision for the MTS and public and private coordination of MTS activities. There were five breakout groups that used various facilitated approaches to identify the issues, create goals and develop recommendations to achieve these goals in the areas of safety, competitiveness, infrastructure, environment and security. On the final day of the conference, a stakeholder spokesman from each issue group presented the recommended actions and goals to a leadership report-out panel.

Recommendations

The National Conference on the Marine Transportation System addressed the issues of a shared national MTS vision and public and private coordination, as well as developing recommendations for specific goals in the areas of safety, competitiveness, infrastructure, environment and security.

Vision

The conference participants created the following vision statement:

The U.S. Marine Transportation System will be the world's most technologically advanced, safe, secure, efficient, effective, accessible, globally competitive, dynamic and environmentally responsible system for moving goods and people.

The complete vision document includes a comprehensive description of the desired MTS in 2020 expressed in terms of desired capabilities.

This vision will be guided by the following principles:

- ◆ Shared responsibility and accountability.
- ◆ Federal leadership.
- ◆ A balance between diverse interests.
- ◆ System integration.
- ◆ Technology deployment.
- ◆ People are critical to success.

Coordination and Leadership

Coordination, leadership, and cooperation are essential to the success of the MTS. With effective MTS coordination, the nation's mobility, safety, economic health, natural environment and security can all be enhanced. Raising the visibility of the MTS will encourage cooperation and information sharing among regional, federal and local agencies, as well as private sector owners and operators. This kind of coordinated approach can more effectively address the needs of the MTS than piecemeal efforts by individual groups. Two key recommendations were:

- ◆ Establish a National Council on Marine Transportation with responsibilities to support and coordinate development of a national MTS strategy and policy.
- ◆ Create local/regional committees to build grass roots support of the MTS and to address MTS issues and recommend improvements.

Safety

The MTS is a complex, dynamic system with a variety of users. The safety and education of all system users is of critical importance in reducing damage to vessels, property, and the environment, and to preventing injuries and saving lives.

As the number of both commercial and recreational system users continues to grow, and both categories of watercraft increase in size and speed, technology and training must be utilized to increase the safety of our MTS. Recommended goals include:

- ◆ Widespread use of Safety Management Systems in design and operations.
- ◆ Accurate, reliable and real-time information management systems that are tailored to user needs.
- ◆ Improved management and coordination to promote safe movements and facility siting.
- ◆ Improved management of operations and communications in congested areas.
- ◆ Prevention of maritime accidents associated with human factors.

Competitiveness

The U.S. Marine Transportation System is our main gateway to the rest of the global marketplace. The following actions are necessary:

- ◆ Provide MTS funding to maintain and improve U.S. competitiveness.
- ◆ Focus public awareness on the economic importance of the MTS and the need for MTS investments.
- ◆ Foster and fund resources and institutions for MTS research, recruitment and education.
- ◆ Form public/private cooperatives in areas such as planning information and research.

Infrastructure

The physical and information-handling infrastructure, that supports our MTS, must be maintained and upgraded to respond to changes in vessel design, technology, and trade patterns. Key infrastructure concerns include:

- ◆ Channel dimensions suitable for modern vessels.
- ◆ Lock and dam adequacy and maintenance.
- ◆ Port productivity, intermodal connections and land side access (rail & highway).
- ◆ Better use of the existing MTS capacity through improved vessel traffic control.

Security

The MTS serves a crucial role in the security and defense of the United States. It is important to assure the availability and security of the MTS infrastructure to support mobilization requirements. This effort can be assisted by ensuring that the general public, the private sector, and the state and local governments understand the importance of the MTS to our national security interests.

To improve the physical security, the MTS must focus on preventing and detecting smuggling, theft, illegal immigration and other criminal activities. In addition, the

vulnerability to terrorism must be evaluated, contingency plans must be prepared and the capability to respond must be developed.

Environment

The waterways and adjacent shorelines that comprise the MTS are a national environmental treasure, which are a natural habitat for numerous species of both plants and animals.

It is critical that any improvements envisioned for the MTS consider the impact the improvements will have on competitiveness, safety, security, and other MTS aspects, and seek a balance with their impact on this valuable ecosystem.

Conclusion

The leadership report-out panel, lead by Secretary Slater, included Deputy Secretary of Commerce, Robert L. Mallett; Under Secretary of Agriculture, Michael V. Dunn; Assistant Secretary of the Army for Civil Works, Dr. Joseph W. Westphal; and Deputy Assistant Administrator of the Environmental Protection Agency, Ms. Dana Minerva.

In remarking on the report-out presentations, the resounding consensus of the leadership panel was that the conference was definitely a step in the right direction and in addressing the right issues.

Secretary Slater's remarks included the statement, " ... because of what you have done here at this conference, we are several giant steps ... closer to make sure that the Marine Transportation System is ready as an integral part of our nation's transportation system. We now have the beginning of a powerful vision ... I think that it is a vision that will command the respect and the attention ... of those who serve in the Executive Branch ... [and] the Congress.

INTRODUCTION AND BACKGROUND

History of the Marine Transportation System Initiative

Secretary Rodney E. Slater has made revitalization of the nation's Marine Transportation System (MTS) a matter of high priority. Recognizing the challenges faced by the marine portion of the nation's transportation system -- an aging infrastructure consisting of inadequate channels and congested intermodal connections -- Secretary Slater set out to find ways to support a safe and environmentally sound world-class waterways system that improves our global competitiveness and national security by improving coordination and cooperation among all stakeholders. By improving coordination and cooperation among all stakeholders in a transportation system characterized by many diverse users, we will be better able to address the marine transportation needs of our nation.

Regional Listening Sessions

The first of these cooperative efforts occurred when the U.S. Department of Transportation (DOT), in conjunction with other federal agencies, held seven Regional Listening Sessions in port cities across the nation to gather information from users, stakeholders, and the public on what they perceived to be the current state and future needs of the MTS. Cooperating federal entities include the Federal Highway Administration, Federal Railroad Administration, Research and Special Programs Administration, Saint Lawrence Seaway Development Corporation, DOT's Office of Intermodalism, U.S. Army Corps of Engineers, National Oceanic and Atmospheric Administration, Minerals Management Service, National Imagery and Mapping Agency, and the Environmental Protection Agency. These agencies, along with the Coast Guard and the Maritime Administration, comprise the MTS National Steering Committee, which provided guidance to an interagency MTS Working Group responsible for developing the seven two-day Regional Listening Sessions.

The first day of each Regional Listening Session was an open forum to hear the views and opinions of the public regarding the current state and future needs of our Marine Transportation System. The format of the second day was a structured focus group featuring a representative cross section from the region's ports, terminals, stevedores, pilots, vessel operators, railroads, truckers, environmental community, and others who were invited to provide their expertise on the current state and future needs of the MTS. A summary of each session of the seven two-day Regional Listening Sessions was placed in the electronic docket for public review and comment. Regional Listening Sessions were held in the following locations:

New Orleans, LA	March 31-April 1, 1998
Oakland, CA	April 14-15, 1998
New York, NY	April 21-22, 1998
Cleveland, OH	April 29-30, 1998
St. Louis, MO	May 5-6, 1998
Charleston, SC	May 13-14, 1998
Portland, OR	May 19-20, 1998

The seven Regional Listening Sessions identified the critical issues affecting the Marine Transportation System in the next millenium. Approximately 2,000 individual comments, covering a wide range of local and national issues were received. It was a challenge to preserve the meaning and character of the original comments and consolidate them into agenda items for the first National Conference on the Marine Transportation System.

The Department of Transportation's strategic goals were used as a guide for organizing the comments from the Regional Listening Sessions. The strategic goals of DOT are:

- ◆ to promote the public health and safety by working toward the elimination of transportation-related deaths, injuries, and property damage;
- ◆ to shape America's future by ensuring a transportation system that is accessible, integrated, efficient, and offers flexibility of choices;
- ◆ to advance America's economic growth and competitiveness domestically and internationally through efficient and flexible transportation;
- ◆ to protect and enhance communities and the natural environment affected by transportation; and,
- ◆ to advance the nation's vital security interests by ensuring that the transportation system is secure and available for defense mobility and that our borders are safe from illegal intrusions.

It was important that the issues represented both national concerns for transportation as a whole, as well as those concerns that were specific to the Marine Transportation System. The issues that were developed for discussion at the National Conference were Safety, Competitiveness, Infrastructure, Environment and Security, the need for a national MTS vision, and a framework for coordination among the numerous public and private sector stakeholders at the local and national levels. These seven issues were the foundation upon which the National Conference agenda was based.

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Overview of the National Conference

One hundred forty-four (144) senior leaders from a cross section of the nation's ports, terminals, stevedores, pilots, vessel operators, railroads, truckers, environmental community, and others were invited to participate in two and one-half days of concentrated plenary and breakout sessions. Participants were charged with

deliberating the issues and producing recommendations in the form of goals and action items for issue resolution.

In Secretary Slater's opening address, he stated " ... this Conference ... is about the future. It is about our becoming more visionary and vigilant t is an example of common sense government ... where we gather with you, the stakeholders, and we spend a lot more time listening than talking." "You have an ambitious agenda ahead of you. ... The vision statement that comes out of this conference will enable us to move forward with confidence ... as we put the maritime transportation sector at the center, rather than ... pressed to the sidelines."

Addresses from other distinguished leaders included Admiral James M. Loy, Commandant, U.S. Coast Guard, Mr. Clyde J. Hart, Jr., Maritime Administrator, and Mr. Richard du Moulin, Chairman of The International Association of Independent Tanker Owners (INTERTANKO) and President of Marine Transport Lines. These speakers eloquently stressed the importance of the conference and set the stage for its work.

Prior to the plenary session work, participants watched a multi-media presentation that illustrated current intermodal issues and trends, that set the stage for subsequent discussions on the Draft MTS Vision for 2020 presented by General Russell L. Fuhrman, Director of Civil Works, U.S. Army Corps of Engineers.

The perception by stakeholders and users that the nation is lacking an MTS vision was the foundation for engaging Conference participants in small group work sessions affording them time to come to consensus on what an MTS vision statement should include. The collective results of the work sessions were blended into the draft vision statement that would be reported out on the last day of the Conference.

Later in the afternoon, the conferees separated into five breakout work groups to deal with the issues of Competitiveness, Environment, Infrastructure, Safety and Security. Panels in each of the work groups discussed issues, problems and trends from the panelists' perspectives that stimulated thought-provoking discussions on how best to resolve some of the issues.

The second day of the Conference was spent completing issue group work on recommended goals and implementing actions; working collectively in plenary on a local and national coordination structure for the MTS; and receiving feedback in plenary on the issue groups' recommendations in readiness for presentations to Conference participants and a senior federal leadership panel convened to hear the outcome of the Conference on the final day. The senior leadership report-out panel, led by DOT Secretary Slater, included Deputy Secretary of Commerce, Robert L. Mallet; Under Secretary of Agriculture Michael V. Dunn; Assistant Secretary of the Army, Dr. Joseph W. Westphal; and, Deputy Assistant Administrator of the Environmental Protection Agency, Ms. Dana Minerva. The resounding consensus of

the leadership panel was that the conference was definitely a step in the right direction and in addressing the right issues.

Secretary Slater's remarks included the statement, " ... because of what you have done here at this conference, we are several giant steps ... closer to make sure that the Marine Transportation System is ready as an integral part of our nation's transportation system. We now have the beginning of a powerful vision. ... I think that it is a vision that will command the respect and the attention ... of those who serve in the Executive Branch ... also the Congress.

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KEYNOTE ADDRESSES

Secretary Rodney E. Slater, Department of Transportation

I am delighted to add my welcome to this National Conference on the U.S. Marine Transportation System -- the first to look at our waterways, ports and their intermodal connectors as an integrated system.

As the world's only naval superpower, and the leading maritime trading nation, our Marine Transportation System is pivotal to our role as a global power and to our destiny as a nation.

With the designation of 1998 as the Year of the Ocean, President Clinton has focused special attention on marine transportation issues this year, committing the nation to creating sustainable ports for the 21st Century. As he has said, we must help our ports and harbors remain competitive in the new century "by deepening them for the newest and largest ships, and by providing state-of-the-art navigation tools for preventing marine accidents."

Yet, the President has also made it clear that the future of our ports and waterways cannot be dictated from Washington. Government is the steward of the nation's transportation system, not its master. That's why I invited you here, as industry and government leaders involved in the maritime industry, to join with us to begin the work of creating a vision that will guide the MTS into the 21st Century.

The specific issues to be discussed are safety, security, environment, infrastructure, and competitiveness. We do not expect to resolve these issues this week, but rather to begin a dialogue for follow-on actions that will continue after the meeting.

MTS has always been important

This is the first conference to treat the MTS as a total system, but we are certainly not the first Americans to realize marine transportation's importance for mobility and economic growth.

Throughout his adult life, George Washington was a strong advocate of a canal linking the eastern seaboard to the Ohio River. During his Presidency, he also supported construction of a canal connecting Lake Champlain to the Hudson River. President Thomas Jefferson sent Lewis and Clark westward in 1803 to find a "Northwest Passage" linking the great Mississippi system with river systems further West. Both presidents understood the connection between waterways and economic growth.

Long before the railroads, long before the highways -- and certainly long before air travel -- navigable rivers and canals were America's first "interstate" transportation system.

Now, as we approach the third millennium, the relatively modest environmental footprint of maritime transportation, combined with potential energy savings, makes transport by water, once again, an attractive component of the nation's total transportation system.

We are here today to see how these important advantages can be effectively reflected in our nation's maritime transportation strategy over the next 20 years. We need to get the word out that, in terms of energy costs per ton, water transport is half again as efficient as rail, 10 times more efficient than highways and 100 times more efficient than air.

FRAMEWORK FOR MTS VISION

The goal of this conference is to formulate a vision for marine transportation's future. Let me frame this conversation by summarizing the President's larger vision for *America's* future and our vision at DOT for *transportation's* future.

President's Vision

Over the last six years, President Clinton and Vice President Gore have led America in preparing for the 21st Century. First, they put America's financial house in order. Under the President's leadership, we now have the balanced budget, the strongest economy in a generation, 17 million new jobs and the lowest unemployment in 30 years. Of particular relevance to this conference, 700,000 of those new jobs came from the transportation sector.

Second, the President has focused on long-term growth. That is why he places so much emphasis on improving our educational system. To build America's 21st Century economy, we need an educated workforce with 21st Century skills.

The President has also focused on expanding trade and, in recent months, laying the foundation for a new global financial system designed to deal with the financial issues of the Age of the Internet.

Transportation's Vision

Transportation is the tie that binds. At DOT we are committed to supporting the President's vision by upgrading our national transportation system.

Even in an information economy, economic growth will require a transportation system able to move people and things as well as electrons. The Internet is changing the way the world buys and sells its collective production of goods, but the

benefits of the Internet will only come to full fruition if the physical transportation network can keep pace.

In order to keep pace, the Department of Transportation seeks the construction of systems that are international in reach, intermodal in form, intelligent in character and inclusive in nature.

International in Reach

Preserving and expanding our present prosperity will almost certainly require a transportation system that is international in reach. Thirty percent of America's economic gains over the past six years came from increased exports. And, by 2020, we expect U.S. trade to increase by 100-200 percent. Then, as now, 90 percent or more of that trade is likely to move by water for at least part of its journey.

Intermodal in Form

DOT's focus on systems that are intermodal in form was given a major boost with the President's signing of the \$217 billion Transportation Equity Act for the 21st Century (TEA-21) on June 9th. TEA-21 declares that intermodalism is a cornerstone of the nation's transportation infrastructure.

We still have some distance to go before true intermodalism really arrives. Unless we deal with the limitations of many of our outmoded marine terminals, rail yards and inefficient two-lane roads, intermodal connectors could become the "choke points" for freight transportation.

On the plus side, let me say that I was very impressed with American President Lines' state-of-the-art Terminal 5 expansion project in Seattle, which I visited in September. They seem to get everything right.

Intelligent in Character

Over the next two decades, communications and information technology, combined with Intelligent Transportation Technology, will continue to transform our national transportation system into what might more properly be called a '*national logistical system*' -- a system that integrates physical transportation infrastructure with advanced computer and communications technology.

These advances, which include high-tech sensors, as well as computers and communications equipment, are creating a transportation system that is intelligent in character. ITS systems have already enabled many businesses to integrate logistical functions along the entire supply chain. Companies are learning how to substitute the movement of information for the actual movement of physical goods.

In 1980, 10.8 percent of the U.S. Gross Domestic Product (GDP) was spent on inventory. By 1995, that figure had dropped by more than half, to just 4.3 percent.

This admirable productivity trend has stalled somewhat over the past two years, so there is still lots of room for improvement. But, what is most notable for us at this conference is that most of the gains -- and the increased profits -- have occurred in the non-maritime sectors of the transportation system. This is definitely an area of inquiry worth exploring.

While on the subject of technology, let me briefly mention a technology issue that needs your immediate attention. I am referring to "Y2K", or what some people call "The Year 2000 Time Bomb." Y2K poses a particular problem for the maritime industry because two-digit dates used on cargo documentation pass through so many hands. We are working hard on Y2K issues at DOT, and we expect to be in good shape by next Spring. If you have not already done so, I urge you also to get your house in order.

Inclusive in Nature

Most of DOT's emphasis on making sure that transportation systems are inclusive in nature has focused on access -- access to jobs, access for the elderly and disabled, access for the poor, access in rural areas. While these issues have only limited application in the maritime area, the underlying commitment to fairness and access must be part of our long-range vision for MTS.

Let me also add, parenthetically, that our process here this week, involving all of you here today, is also an expression of our commitment to be inclusive in our planning as well as our practices.

NEXT STEPS

You have an ambitious agenda ahead of you over the next two and a half days. I look forward to hearing your views on where we should go from here on Thursday.

The vision statement that comes out of this conference will enable us to move forward to create a Marine Transportation System for the 21st century -- one that continues to be safe, secure and environmentally sound. I also believe it will be one that helps ensure that the United States maintains a competitive position in the global economy.

I plan to share the recommendations of this conference with my fellow transportation ministers at the Western Hemisphere Ministerial Conference on transportation, scheduled for New Orleans this December.

I also plan to use it to plan the Department's legislative approach to the new Congress, and to help the Coast Guard crystallize its own strategic vision for 2020.

In other words, we plan to put your work product to work, right away.

Last spring I made a pledge to “do whatever it takes to make our nation’s maritime industry ready for the next century.” With your help, we are off to a good start.

Richard du Moulin, Chairman, INTERTANKO and President, Marine Transport Lines

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It is an honor to join Secretary Slater, Admiral Loy, Administrator Hart and all of you here this week. We all owe a great debt of gratitude to the people organizing this conference, bringing us together over here and giving us a chance to make a difference.

I am a ship owner, a U.S. ship owner, which sometimes I think is an endangered species. My company, Marine Transport Corp., is the oldest shipping company in America, founded in 1816 in Mystic, Connecticut.

I am also serving my third and last year as Chairman of INTERTANKO, which is the International Association of Independent Tanker Owners. It comprises 275 operating companies, over 2,000 tankers, 74 percent of the world fleet, plus about 300 associate members including some of the organizations in this room. We transport about two-thirds of the oil and chemicals coming to the United States. And, we have great interest in what happens in this country. Recently, we have worked very closely with the Coast Guard, IMO, and the European commission to increase safety and improve the image of our industry.

In my comments today, however, I will try not to talk about tankers only. I really will be trying to speak for all ship owners. As we were going along in this process, we found out that whether you're a container ship owner, dry bulk or tanker operator, you really have a lot in common. Most of the issues that we have to deal with are best dealt with by us working together. The reason I'm probably up here, though, is that three years ago, the tanker industry was just recovering from the trauma of the Exxon Valdez in 1989.

We were finally beginning to get our act together. However, we thought that the press, the public, and the regulators were really not paying enough attention to the system within which our ships operated. It's one thing to work at making your ship safer, but if the system isn't functioning as it should, there is not much you can do to really ensure safety. So we made a decision to commission a study of U.S. port and terminals for several reasons. Number one: the United States is the biggest trading country for our members and number two: this is where we face the greatest liability because of the punitive laws of the United States. The goals of this study were to provide a better analysis of risk areas and suggest how to improve them. We ended up focusing on VTS (Vessel Traffic Service Systems), pilotage, hydrography, aids to navigation, and terminals. Hopefully, we were going to generate a proactive approach and have other allies join us.

But, we weren't highly confident this would happen. In the back of our minds was kind of our reserve position that, if nobody came to the front and started work on improving the ports, the next time there was a major accident we could at least point

to the study and say "Well, we told you so." Fortunately, we didn't have to fall back on that because we got quite a good response.

We unveiled the study just before our Houston meeting two years ago and our guest speaker was Admiral Kramek, then-Commandant of the Coast Guard. And, to our shock and satisfaction, he publicly and emphatically endorsed the study. This had immediate effects. First of all, it put us in the center of what has become a great initiative with important organizations (many of you). It also gave INTERTANKO's membership the uplift to seriously tackle ISM (International Safety Management Code) certification. Very importantly, it publicized the concept of the "Chain of Responsibility" where safety depends on all "links" in the system.

These past two years there has been an astounding awakening and realization that the future of our economic security and the environmental well being in the country, this country, depends upon working together to improve the system. INTERTANKO didn't invent anything, but the Port and Terminal Safety Study hit the "best seller list" at just the right time and the right people read it. I would like to compliment the Coast Guard (Admiral North) and MARAD (John Graykowski) and their staffs for getting so many of the right people here.

Who you guys are, and why you're here, helps give a grasp as to what we are trying to accomplish here and what's at stake. As far as the Coast Guard, who's better able to understand issues of safety, navigation, and operating ships than the Coast Guard? And, they showed initial leadership which popped us up more into the public eye. MARAD obviously sees the benefit of how a systems approach to the maritime industry can help advance U.S. maritime industry in particular.

The Secretary has visualized marine transportation as a key part of our national infrastructure. Since marine is largely a hidden industry, he has shown political courage to take hold of this issue and make a big deal about it. It's a long complex campaign to accomplish what we want to, but it's worth it. It's an interesting irony that maritime is a hidden industry, yet a best seller for months was The Perfect Storm. The best top movie of all time was "Titanic." So somewhere out there, there is latent interest. (Laughter.) Maybe we need to bring a little romance into it.

But, there's a lot of shipping organizations other than INTERTANKO that have gotten very active in this. I know I'm going to miss lots of names, but BIMCO, Chamber Shipping, AWO, API, APA, AAPA. Everybody but the AA, Alcoholics Anonymous, which maybe we'll need. It is a great coalition with a very wide skill base and a lot of knowledge to apply.

There is a positive transition occurring among these groups who do not always work together. I will use as one example, INTERTANKO and the American Pilots Association. When we unveiled the study three years ago, APA President Jack Sparks was in attendance. Jack and I squared off verbally to debate who was at fault. Well a year later, we were testifying to Congress together to get more funding

for NOAA for better charts. So we have all gone through a transition as we get into this process.

Shipping companies of all types have gotten involved. This is particularly interesting because we started from the viewpoint of tankers, but we found out that the container ship industry, for one, got very interested in what we were doing, for different reasons, perhaps. While we as tanker owners got involved because of our concern for safety and liability, the container ship operators had an additional concern – port access. As we were unveiling our study, they were launching their mega-container ships, which couldn't get in to many U.S. ports with full cargoes due to draft and channel constraints. So, again, a lot of shipping interests find out that they have a common cause.

Finally, there's the large number of federal and state agencies represented here, and state and environmental regulators, and oil spill response people who have the tremendous expertise to actually implement the ideas we come up with. And, here's where I'd like to stress the importance of tying in with the local scene. An example is harbor safety committees, and how effective they've been. The Federal Government can't do it alone. It has to tie in with all levels down to the very local level.

A lot of my INTERTANKO friends, again from 44 other countries, keep asking me "Why doesn't the Federal Government just go do it?" These are educated people. They knew about our Civil War, but they thought the North won the war. But when you come here to Virginia – near the battlefields of Manassas or Bull Run, you appreciate that the North may have won the war, but that state rights and local government are still very important features in America, much stronger than most other countries. And, this is, again, a challenge that we have to deal with.

I would like to list what I think are some of the key areas for us to keep in mind. By playing the role of Moses, I'm not bringing you Seven Plagues but I'll list Six Commandments. I lost some on the way down the hill this morning.

The First Commandment is an easy one. "Thou shalt not have inferior ports." Our ports were great for our whaling and clipper ships 100, 150 years ago. But the ports have natural obstacles and also political obstacles in today's world.

Commandment Two. "Thou shalt not waste infrastructure." We have an excellent shore-based infrastructure in this country, the greatest highways and railroads in the world, for example. But, this is all wasted if the ports and waterways become bottlenecks.

Commandment Three, "Thou shalt not have unsafe ports." Inefficient ports are unsafe ports. Safe ports are efficient ports. When you think about it, the two go hand-in-hand. And, as I often say to my associates who go to Maritime Academies, a lousy port is a lousy port, a good port is a good port. But if you think about it, it's true. If you build a port to be efficient economically, it's safe. And if it's safe, it's better

for the environment. And here's where environmental groups and the commercial groups have a lot in common.

Commandment Four, "Thou shalt not levy unfair taxes." The entire nation benefits from having a maritime system that functions, including people whose jobs directly or indirectly tie into the maritime transportation. Devices such as a harbor service's fee, a user fee, to me are misguided. What they are doing is they're putting the burden on one party. It's kind of like shooting the messenger. The ship is just a part of a very big system to deliver the services to the American people.

A fundamental belief ship owners have and we keep focusing on this around the world, is that it's our responsibility to provide safe ships; it's the nations' responsibility to provide safe ports. Now I'll give you an example. Building a new tanker might cost say, \$70 million for a big tanker. Twenty percent of that is purely for safety and environmental features. That's three times the percentage that a shore side plant invests in safety. It's the ship owners' responsibility to provide the safe ship and to operate it safely. It's the nations' responsibility to provide the safe ports. It's for the nations' own good to have safe, efficient ports.

Commandment Five, "Thou shalt focus on the system." Today we're talking about "Chain of Responsibility" and intermodal logistics. This is the way of the future. It's all part of a system. And the great challenge we have here is to deal with our complex political and physical system in the United States and come up with solutions that work, and this leads to the final commandment.

Commandment Six. "The Federal Government shall provide leadership." The Coast Guard grasped the Port/Terminal Tankers Safety Study and carried it forward. Many of you have supported it since then, but to achieve long-term success, the Federal Government must maintain the leadership commitment so that all the other parts can work together.

1998 has been a great year for all of us dedicated to marine transportation. We had the "Year of the Ocean Conference" in Monterey, which brought a huge group of people together, who normally wouldn't meet. It was a really great get-together. We've had the listening sessions, and now we have the National Conference here. But don't let up your efforts! Don't let any of the other keynote speakers Secretary Slater, Admiral North, Administrator Hart - drop their efforts in the future! Support them and let's come up with concrete recommendations and action plans this week. Thank you, very much.

ADM James M. Loy, Commandant, U.S. Coast Guard

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Thank you very much. For all of you, let me just pass my thanks. I share the Secretary's gratitude for your participation in our couple of days of effort. I think it's very important to hear at least a snapshot associated with the five team areas that we have made an effort to put together.

There are a couple of people who really deserve some thanks for what we are about to undertake this week. Especially, the MTS Interagency Steering Committee and the Interagency Working Group, who have put in enormous numbers of hours, for their work in conducting the seven Regional Listening Sessions and the planning that went into this conference -- I'll thank them in advance. I would also like to thank the Marine Board and the Transportation Research Board because we checked with them to see if we are going in the right direction and their advice and counsel has been very, very helpful.

To all of you who participated in the Regional Listening Sessions, I thank you. A lot of what we're doing here these couple of days is keyed to the agenda that was set by those sessions. It was not set by us up front, but rather we hope we listened very carefully and generated the agenda for these couple of days based on what you told us were the concerns that we should have. And lastly, I would be remiss if I didn't thank MARAD and the many other federal agencies for partnering with us.

The drive, as it related to leadership, came directly from Secretary Slater as he kicked the initiative off eight months ago for this conference this morning. This, indeed, is a "ONE DOT-PLUS" initiative associated with all of the modes in the Department and, of course, many others as we stretch out into other elements of the federal establishment.

I think Secretary Slater has aptly defined the issue that requires, in his words, vision and vigilance. And he has laid out workable requirements for this MTS vision session that we have asked all of you to come and help us develop. Indeed, it should be international in reach and intermodal in form, intelligent in character and inclusive in nature. Now I am greatly encouraged that all of you, having heard the enormity of the challenge, and especially those of you who listened and spoke through the course of the Regional Listening Sessions, chose to come anyhow in the face of the enormity of this particular challenge and are still here in the room to give us some help. Citizens, I would suggest, of a weaker public spirit perhaps would have been a little bit too daunted by the task and chose to do other things.

During this conference, we will have breakout groups on five topics. And my charge this morning is to give you a couple of insights as to three of them, safety, security, and environmental protection, and Clyde Hart will address the other two, competitiveness and infrastructure.

Safety and environmental protection are rather inherently linked to each other. So I'll treat them momentarily together this morning, though I acknowledge of course, that each has its own distinct issues and challenges. As much of you are aware, laws, such as the Ports and Waterways Safety Act and OPA 90 gave the Coast Guard significant waterway safety and environmental protection responsibility and authority.

And it is interesting for me to note that each one of them and many other significant laws that have proven to be the cornerstones of our business, have followed major tragedies or followed major accidents. And these are certainly cornerstone items of the federal rules that we all now share. And I think we should all take great pride, and much of the pride in the contributions that we have all made, and I mean all of us in the room, since the enactment of any one of these pieces of legislation. But I would offer that legislation can only go so far in addressing the trends, challenges and the national needs that the Secretary mentioned in his opening remarks.

For example, they ask us to consider the environmental and safety implications of container ships carrying 15,000 20-foot-equivalent units along waterways and into ports already stretched to capacity with the present volume of traffic. Well I would offer that we now need to add to that picture high speed ferry vessels, passenger ships capable potentially of carrying 5,000 people. Consider the implications for vessel traffic management for buoyage and all of the other elements that are on the menu of our safety system.

Consider these in the context of a world economy that will undoubtedly demand quicker transit, quicker turnarounds, fewer delays for these larger, faster and more numerous commercial vessels. Consider the added safety implications of the continued expansion of our recreational boating safety population as millions of baby boomers retire to their sailboats in our coastal waterways. Offering that challenge that has constantly been part of all of us that go to sea as to whether the big boat, little boat rule is going to continue to play out on the nation's waterways.

Well we've been enormously successful. When I say we, I truly mean everyone here in reducing the number, the rate, the volume of oil spills since the passage of OPA 90 -- so you can watch behavior follow legislative reality all the way through our history. It's clear to me, though, that continued progress in safety and environmental protection simply won't happen in the next century unless we articulate a vision for our MTS and work very hard collaboratively to make certain that that vision becomes reality. Against the backdrop of a burgeoning, bustling congestion, we must also manage very real security issues into the next century.

The Office of Naval Intelligence published a booklet last year that sets forth a list of maritime challenges facing America in the future. Let me just give you this list: smuggling of drugs, aliens, technologies and untaxed cargoes, destabilizing arms trafficking, violations and circumvention of environmental protection laws, challenges to our critical infrastructure base, attempts to violate economic sanctions, piracy,

terrorism, uncontrolled mass migration, the depletion of fish and other resources in our exclusive economic zone.

Think about that list for a moment. All of these threats are very serious. And I would offer that all of them are actually growing as we speak. Separately, and collectively, they pose dangers to our borders, our economy, our environment and our safety. The Coast Guard devotes many of its resources to the business of engaging these threats before they reach our shore. However, many extend to the ports and waterways and manifest themselves in ways that affect our Marine Transportation System. For example, increased trade volume simultaneously increases opportunities for smuggling and cargo theft. And much of what we face on the nation's waterways and truly on the international waters of the world today are no longer nation-state-sponsored elements of terrorism or elements of piracy, but in fact, criminally-sponsored by international organizations.

How do we balance demands for more open international commerce with our need for protection against this array of security threats? That answer must be part of our vision as we construct it this week. The dependence of U.S. presence overseas increases -- I'm sorry, the reduction of U.S. presence overseas actually increases the dependence of the U.S. armed forces on the domestic MTS whenever it must move masses of military material. That makes the MTS infrastructure a more-likely target of those who would constrain U.S. forces and cripple our nation's economy but do not dare to attempt a direct military confrontation.

How do we support a national security transportation set of requirements in addition to the other demands we have noted? I would offer that, too, must be somehow constructed as part of our vision. Clearly our work is cut out for us. We know what we want from our MTS. We want ports and waterways that can manage high volumes and maximize throughput. We want to maximize shared access to support economic growth and recreational use. And we want all of this without compromising safety, security or our environment. How do we accomplish these goals? I think the answer is -- the short answer at least, is that we must find a way to do it together. In our discussions this week, it should never be far from our consciousness that we must surely get about the business of creating a mechanism for coordinating the responsibilities and actions of the multiple and separate MTS authorities and interests. The key is cooperation, collaboration and forming consensus.

If there was a single answer that came out of the listening sessions, it was, 'get your act together feds, there are too many voices speaking too many elements of policy in too many directions.' As we conducted our listening sessions earlier this year, that is the most consistent, the clearest and the most emphatic request from the users and customers as we hear them out. There are over 15 agencies, and many, many more state and local agencies, who regulate and manage some aspect of the Marine Transportation System.

The public reasonably expects, at a minimum, a clear delineation of who is responsible for what and whom it may petition to resolve conflicting agency requirements. This expectation is in keeping with the Secretary's requirement that this system be intelligent in character.

Ports such as Rotterdam, Singapore and Hong Kong are often held up as examples of efficiency and effectiveness. I plan to visit Rotterdam in a couple of weeks just to see which of their efficiencies in this area can be understood and potentially transplanted to America's ports and waterways. I invite you to tell me through the course of the next couple of days what I should be checking for, what I should be looking at when I get there. I spent a day in Tampa last week and I am convinced that the key to the successful growth of that port is a consensus decision-making apparatus called their harbor safety committee, that is keyed from a commitment by all the users there, the consensus, judgments and actions.

Also in keeping with the intelligence requirements is cooperation on the integration of information systems where shared access is appropriate and can serve common purposes for larger communities at less cost. I am confident that today's technology can help give us that capability to provide, if you will, one stop shopping. One place where we can all go to get the information MTS customers need, everything from real-time environmental data to port availability. And I'm also confident that today's technology can give users the capability of reporting all the information required by various government agencies to exactly one data collection form. And we need to discuss and figure out how to do this so it becomes simple for all of us.

One of the things we hope to accomplish here is to establish a way that we can work together in a more coordinated and efficient manner. As we seek to do so, we recognize the Federal Government certainly didn't invent public-private cooperation. Again, my visit to Tampa last week offered a demonstration of what can happen when stakeholders work together to move a port forward. Obviously if the Federal Government can deliver more efficient services, everyone will benefit.

However, many of the solutions, solutions for improved throughput, better systems management and one-stop information brokering will need to be developed at the port level as well. Right now I think it is time for us to think globally over the next couple of days so that others can act locally. Our challenge is to develop a national framework for local solutions. It is also imperative that we design collaborative decision-making structures at both the national or regional or local level.

Finally, a word on Secretary Slater's proper insistence that this MTS vision of ours be inclusive in nature. This conference is simply an additional step along the path that we started out on about 18 months ago. Everybody affected by the vision that we want to produce as a deliverable from this conference will have the opportunity to contribute to it. In conclusion, there is a requirement of this process.

I look forward to rolling up my sleeves, taking my tie off, and working with everyone here for the next couple of days on these vitally important national issues. We speak in the award-winning DOT strategic plan of our dream of having an efficient, effective national transportation system for the 21st Century. Those of us in this room must guarantee that the Maritime dimension of that National Transportation System never is allowed to become the weak link. Thanks very much.

Clyde J. Hart, Jr., Administrator, Maritime Administration

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First of all, there are a couple of people that we need to thank, I personally need to thank. One, of course, is John Graykowski for his leadership in this conference. But there are certain people here from MARAD who really need to be thanked. Ms. Maggie Blum who is the Associate Administrator for Ports and her staff, Bob Christensen, John Pisani, Pat Randall and Ann Sanborn. There are probably several others but those people really have spent long hours and long days putting this together and any success that we up here take credit for is due to the staff who really dug into the trenches and put this thing together.

As one of the newest of Secretary Slater's ONE DOT team, I am very excited to be here. I am very excited that all of you were able to come. We've got people here, vessel operators, pilots, shippers, terminal operators, people from the ports, people from the trucking industry, the railroads, from labor, from the dredging industry and it's very exciting to see all of you in one room.

We are here to have a full and honest discussion of all the issues from all points of view, hopefully, leading to a vision statement which we can all support. I believe that the Secretary had it right in that we need a comprehensive vision statement and a comprehensive picture of where we want the Maritime Transportation System to be going into the next millennium.

We had the seven Regional Listening Sessions. We invited as many people as we could to come. We'll probably undoubtedly have more after this. This is an ongoing process. We hope to get from all of you some idea of where we need to go as a nation so that we can have a competitive, safe and environmentally secure Marine Transportation System.

I would like to speak about infrastructure and competitiveness. One of the things that you will see is an audiovisual presentation right after my comments. There are some factors that you should be aware of and need to keep in mind as you are watching that presentation.

The substantial growth in domestic and foreign shipping, that, as the Secretary said could double, even triple by 2020.

Trade patterns are shifting, as manufacturing seems to be moving South and West in the world. What does that mean to trade patterns for the United States, both the East Coast and the West Coast.

Recreational use of waterways is increasing. I visited both Oakland California and the Port of New York in the last month. And in both of those ports, there are now

significant environmental and recreational components. Use of the waterways is changing, and we need to be aware of that.

Innovative technology, some of which we can only anticipate: vessel design changes, increases in size and speed, of course, the new 6,600 TEU's, the fast ship concept of 40, 50-knot ships. Even the 6,000 TEU ships doing 23, 25 knots.

Deterioration of our infrastructure. Our infrastructure is old. It needs replacement, or we're just not going to have any trade.

Trade is the engine of our growth in America. And we must have trade. We need to increase trade. We can dredge every one of our harbors to 50, 60 feet, but if you don't have the roads, if we don't have the rail access on the other side, it's not going to do us any good. The goods will just stay at the port. We need to think about working on those intermodal connectors that are vitally important to the Marine Transportation System.

In conclusion, I look forward to a great couple of days. I will be here for the whole conference. I've bought all the notepaper I could find. I am looking forward to everybody giving it their best effort for the next two-and-a-half days, and let's make this the step so that in 10, 20 years we can look back on it and say, 'yeah, that was a pretty good conference and that it got us where we needed to go.' Thanks very much for coming and I look forward to meeting all of you. Thank you.

THE VISION FOR THE MTS

Gen. Russell L. Fuhrman, Director of Civil Works, U.S. Army Corps of Engineers

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Secretary Slater, Mr. Mallett, Mr. Dunn, Dr. Westphal. One of the primary objectives of this conference was to reach consensus on a vision for the Marine Transportation System. We began the conference with a draft vision that was crafted by a multi-agency team, based largely on input we received from the Regional Listening Sessions. And before I go any further, I'd just like to briefly introduce the team to you. It was a superb joint effort. First of all, representing MARAD, we had Bob Christensen and John Pisani; from the Coast Guard, Jeff High and Hunt Anderson; and from my staff, Colonel Joe Gilbreath.

Our hope for this conference was to tap the collective wisdom of the senior leadership of the MTS stakeholders and mature and refine this draft document into a shared, futuristic vision of a world-class Marine Transportation System. Thanks to the conference participants, who mentally engaged this task, debated the issues with their colleagues, and provided us meaningful feedback, we came a long way toward achieving this conference objective.

Yesterday, the conference attendees were provided a revised draft vision, based on the comments they provided from the various table breakout groups the previous day. They were provided an opportunity to submit comments on this revised draft. So far, we have received an additional 30 comments. We welcome these comments, and are encouraged by the interest and enthusiasm these senior leaders have shown in this important process.

While there may remain minor areas requiring further coordination, holistically, we believe we have consensus on the main issues that represent the desired future state of the Marine Transportation System.

Let me take a few minutes to outline the structure of the vision document, and highlight a few of the changes resulting from the excellent work this week. The vision document, which is seven pages long, is divided into these three main elements:

<p>Vision Format</p> <p><i>Vision Statement</i></p> <p><i>Principles</i></p> <p><i>Characteristics</i></p>
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I will discuss each in turn.

Vision Statement

The U.S. Marine Transportation System will be the world's most technologically advanced, safe, secure, efficient, effective, accessible, globally competitive, dynamic and environmentally responsible system for moving goods and people.

This is the revised vision statement, based on comments received. It is shorter and bolder than the previous edition. The best way I could describe this group as we started discussing this vision statement is right out of Star Trek, "To boldly go where no person has gone before." In particular, the participants indicated a strong desire for achieving excellence. Not satisfied with "technologically-advanced, safe, secure MTS", they seek the "world's most technologically-advanced, safe, secure MTS". We have clearly raised the bar, and challenged ourselves to excel.

This is the revised list of principles:

Principles

***System Integration
Federal Leadership
Shared Responsibilities & Accountability
Balanced Between Diverse Interests
Technology Deployment is Essential
People***

The actual text of the principles is shown in your vision document. These principles represent broad fundamentals that will be used to guide us. To ensure our collective intent is not lost as we move from the vision to the development of the more-detailed strategies and plans. A number of revisions to the principles were made this week. Of particular note is the second principle. There is a strong interest in this group for clear Federal leadership. Those of us on the fed side were concerned that some folks would want less Federal involvement rather than more. Not so with this group, as they clearly want strong Federal leadership. Additionally, they want an additional principle added, highlighting the important role that people play in the MTS system; that's the last principle.

The remainder of the vision describes the characteristics of the desired MTS in terms of capabilities. Our challenge here was to focus on desired capabilities, rather than specific solutions. We did this so we don't limit ourselves to existing solutions, based on today's technologies. We understand that many of the challenges facing us on the eve of the next millennium will be solved with technologies yet to be developed, perhaps yet to be imagined.

By the same token, focusing on desired capabilities does not prevent us from using today's technology for immediate needs. But, most importantly, it does not limit our vision. As in any group of a lot of Type A's out there on the user side, we had a lot of folks that said, this fuzz is great, but let's roll up our sleeves and solve some of today's problems. And clearly, I think we can use this document to do both.

These descriptions are grouped into these four broad categories:

<p style="text-align: center;">Characteristics <i>System Components</i> <i>System Functions</i> <i>Supporting Systems</i> <i>General Attributes</i></p>
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By describing desired capabilities from these different perspectives, we are able to get a fuller picture of the desired end state.

These are the three main components of the MTS, and the vision describes each:

<p style="text-align: center;">Components <i>Ports</i> <i>Waterways</i> <i>Intermodal Connections</i></p>
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These are the three functions the Marine Transportation System serves:

<p style="text-align: center;">Major Functions <i>Domestic Transportation</i> <i>Gateways to World Markets</i> <i>Recreational & Commercial Activities</i></p>

There are two supporting systems:

<p style="text-align: center;">Support System Intelligent Transportation System Management System</p>
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Neither of these exist today as systems. But we believe their all-encompassing nature, and their importance, as demonstrated by the volume of comments we

received during the listening sessions, warrant their inclusion in the vision as supporting systems.

ITS is about the transformation from the Industrial Age to the Information Age. Capabilities discuss the collecting, processing, storing, moving, dissemination of information to stakeholders and users. I believe ITS offers the greatest potential for helping us to achieve a truly seamless transportation system. The Management System describes the capabilities for coordination between stakeholders, public and private, that is necessary in order to plan, develop and operate the larger system, which is collectively-owned by a large and diverse group of stakeholders. These two systems are critical for the success of MTS.

The final portion of the vision is a description of general attributes that apply to all components and supporting systems of the MTS. These are expressed in these three broad categories:

<p style="text-align: center;">General Attributes <i>Safety</i> <i>Security</i> <i>Environmental Quality</i></p>
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During this conference, each of these areas were specifically reviewed in breakout sessions resulting in refinements in each area.

In summary, senior leaders in government and industry have taken a hard look this week at this draft vision. I believe this revised vision, based on the collective input, represents the 90 percent solution. Make no doubt about it, there are still areas which require further coordination. We need to pursue resolution in these areas. However, we should not lose sight of what a vision is, and its intended purpose. As I mentioned on Tuesday, this document needs to be viewed as an impressionistic painting that projects a desired image. It is not a set of blueprints, precise, accurate and complete.

While refinements on the margins will continue, this document represents the broad consensus of where we want to go, and provides us a point of departure from which we can begin developing strategies and action plans. I believe it is a credit to all of the conference participants who, at significant cost to their personal time, your personal time, came together this week to build a consensus.

I would personally like to thank all of you for your efforts. I look forward to working together with you and the rest of our Federal partners in striving to make this vision a reality. In closing I would like to thank the two folks on my right here, who have really done a super job, at the execution level, with bringing us all together; John Graykowski of MARAD and Admiral Bob North of the Coast Guard.
Mr. Secretary, that concludes my remarks.

MTS Vision 2020 Document

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This document provides a general vision statement, guiding principles, and characteristics for the nation's Marine Transportation System (MTS) in the year 2020. This vision represents stakeholder consensus on the desired future state of the MTS and provides the foundation for strategy development. This document will be updated continually to retain its future focus and provide direction for long-range functions like master planning, research and development, legislation, and programming.

I. General Vision Statement

The U. S. Marine Transportation System will be the world's most technologically advanced, safe, secure, efficient, effective, accessible, globally competitive, dynamic, and environmentally responsible system for moving goods and people.

II. Guiding Principles of MTS 2020

The following broad, fundamental principles will guide stakeholders in developing strategies and action plans to achieve MTS 2020:

- ◆ Integration of the MTS with domestic and international transportation systems will provide for national security, ensure economic well-being, and enhance quality of life.
- ◆ Clearly defined, coordinated and consistent Federal leadership is needed to achieve the vision for the MTS.
- ◆ Public-private sector partnerships will meet MTS challenges through shared responsibility, accountability and agreement on funding.
- ◆ MTS decisions will be based on full consideration of and balance among diverse interests.
- ◆ Aggressive, cost-effective technology development and deployment is essential to maintaining long-term competitiveness.
- ◆ People -- workforce, passengers and other stakeholders -- are critical to the successful operation of the MTS, and human factors are integral to its development.

III. Characteristics of MTS 2020

The following sections address the principal components, primary functions, support systems, and general system-wide attributes of MTS 2020.

A. Principal Components

The MTS is comprised of waterways, ports, and their intermodal connections. Although there are many other major elements or subcomponents of the system (e.g., domestic and international fleets, shipyards, freight transportation corridors, recreational boating, etc.), for the sake of brevity, this document deals only with the principal components. Although each is described separately, all are integral components of the MTS that require coordination for the system to operate efficiently and effectively.

Waterways include the navigable waters of the United States and associated infrastructure (e.g., locks, aids to navigation) that are used by vessel traffic. Channel depth and width will be maintained consistent with demand while achieving cost efficiency and promoting improved environmental quality. Locks, aids to navigation, and other infrastructure will be maintained for efficient and safe operations.

Ports are those marine transportation facilities where vessels dock or anchor for loading or unloading cargo and passengers. Ports will be located and sized to ensure convenient and ready access with characteristics that reflect the markets they serve. Port facilities, such as anchorages and piers, will be sized for the range of vessels and traffic expected to be using the system in 2020.

Intermodal connections are linkages required at the land-water boundary to allow the transfer of cargo and passengers between transportation modes. Intermodal connections include pipelines, road and rail access routes, state-of-the-art intermodal cargo handling equipment, and communication technology. The connections must maximize throughput and minimize transloading times and costs. Shore side infrastructure planning, investments, and waterfront development will ensure that access to ports and waterways are sufficient to sustain the current and projected traffic and operations of the ports.

B. Primary Functions

The Marine Transportation System in 2020 will serve three primary functions: domestic transportation of goods and passengers, gateways to world markets, and recreational and other commercial activities.

Domestic transportation of goods and passengers. The MTS is an integral component of the entire domestic and international transportation system by providing shippers and travelers with a waterborne means of transportation that is modern, fuel efficient, cost-effective, dependable, safe, and environmentally sound. Market demands will size the capacity of the system, which in turn will foster the economic development of supported regions, particularly that dependent on cost-effective transportation. The domestic waterborne transportation system will be characterized by full integration with international ports and with other transportation

modes, and by the use of technology and standards that improve effectiveness and productivity. Surface and vessel transportation, ports, waterways, and intermodal connection capacities will be balanced for optimal efficiency. The use of an Intelligent Transportation System (ITS) will optimize traffic management, allowing for the full use of system capacity while minimizing congestion, delays, and costs. Finally, the MTS in 2020 will provide rapid, efficient transportation of military cargo and supplies in support of national defense.

Gateways to world markets. As gateways to world markets, the MTS in 2020 will operate with modern infrastructure provided by dependable funding sources, utilizing optimal technology. In terms of speed, safety, security, capacity, efficiency, and environmental enhancement, the system will be world class. The system's component capacities will be coordinated through a robust ITS such that the inland transportation capacity matches gateway throughput. Gateway capacity will account for growth, competition, back-up capacity, and surge capability for the national defense. Consolidated and coordinated government (federal, state, local) requirements and regulations will streamline the administrative and funding procedures for infrastructure improvements and rapid freight throughput.

Recreational and other commercial activities. The MTS in 2020 also will support recreational and other commercial activities, such as fishing, power generation, and waterfront development that contribute to the nation's quality of life. With the increasing volume of both recreational and commercial traffic, additional vessel traffic routing measures will be needed, as will other accommodations to ensure proper integration of recreational and commercial requirements. The vision is an automated, non-intrusive more capable traffic management system that separates or controls vessel traffic. Waterfront development planning will consider the needs of all system users and other land use (e.g. residential, commercial, industrial, parklands and environmental sanctuaries).

C. Support Systems

Intelligent Transportation System. ITS is a collection of electronic communication and information systems and networks that provides the means for collecting, storing, retrieving, analyzing, and disseminating up-to-date information required by all MTS stakeholders and users. Where appropriate, MTS ITS will be integrated with the ITS of other transportation modes. Integration will ensure the smooth and efficient movement of freight and passengers within and between modes and maximize utilization of the system. ITS will ensure dependable and uninterrupted service to support the following:

- ◆ Efficient and safe vessel operations by providing, where deemed necessary by the local port community, dependable communications and real-time, all-weather, dependable information on vessel location, keel clearances, water and channel conditions, other vessel traffic, delays, and hazards.

- ◆ Electronic and satellite navigation will allow for the removal of physical aids to navigation where doing so would not compromise safety for commercial or recreational waterway users.
- ◆ Efficient administration by providing a single freight/shipper database. Cargo and vessel data entered once will be interoperable, and will meet all federal, state, and local information requirements. Consolidation will allow carriers, shippers, and federal, state, and local agencies to coordinate regulatory actions, eliminate redundancies, and increase administrative efficiencies. In conjunction with the ITS of other transportation modes, the MTS ITS will provide total in-transit visibility of cargo and passengers.
- ◆ Informed decision making by all stakeholders and system users concerning mode, route, and schedule choices; maintenance, repair, construction, and operating schedules; and research and development, infrastructure investment, and user fee policies.

Management system. The management system will be a confederation of systems and processes to facilitate collective direction and management of the MTS which is loosely owned by a diverse stakeholder group. This management system will serve users, operators, managers, and regulators by allowing for the coordination of planning, research and development, budgetary programming, operations, and maintenance across all timeframes—current, near term, and long range. Furthermore, the management system will:

- ◆ Ensure that governing laws and regulations are periodically reviewed for their economic impact on trade and various sectors of the US economy.
- ◆ Include several tiers (e.g., local, regional/state, and national). Participation at each tier will be open to both private and public stakeholders and allow comprehensive consideration of all interests. An established structure will facilitate communications between tiers as well, allowing issues to be raised at the appropriate level for quick resolution through dialog and negotiations among all stakeholders.
- ◆ Reduce regulatory burdens by facilitating coordination and streamlining of laws and regulations, policy, R&D and human resource planning functions, and dialog among all stakeholders.
- ◆ Be agile enough for timely decision making on short-term national emergency issues while maintaining long-range objectives.
- ◆ Be forward looking to allow for timely decisions on policy, investment, and research and development to provide for a world-class, technically advanced MTS.

- ◆ Provide the mechanism for systematic planning with other transportation modes for national defense requirements, emergency operations, and legislative action.
- ◆ Provide for a capable and educated workforce.

D. General System-Wide Attributes

Safety. Safe operations result in increased efficiency of the Marine Transportation System protecting life, property, and the environment. Safety will continue to be a high priority of all stakeholders and system users. The MTS in 2020 will include the following safety attributes:

- ◆ Compliance with standards for personnel qualifications and for the design, construction, operation, and maintenance of vessels, infrastructure and equipment.
- ◆ Safety standards that are routinely evaluated and updated to insure that they remain relevant to the changing equipment and operations of a continually evolving system.
- ◆ Appropriate skills, training, and experience for all people working and recreating in the MTS.
- ◆ Well-developed and exercised safety and contingency plans to prevent and respond to incidents.
- ◆ Creative use of technology and information that contributes to safe operations in all geographic, geospatial, and environmental conditions.
- ◆ Collection, analysis, and distribution of information about marine casualties, near-miss incidents, and other lessons learned.
- ◆ The U.S. will continue to reflect a leadership role in raising international standards.
- ◆ Forums to provide greater access to marine safety expertise and resources.
- ◆ Investments in safety that match or exceed the anticipated increased risks resulting from emerging technology and changes in operations.

Security. The MTS in 2020 must support (1) national security efforts to ensure quick, secure, and efficient support of all types of military operations, (2) law enforcement efforts to detect and prevent movement of contraband, theft, illegal immigration, and other criminal or terrorist activities and (3) quick and efficient response to disasters.

The following security attributes apply:

- ◆ Critical infrastructure is designed and operated to detect, prevent and/or mitigate system disruptions due to natural and man made disasters.
- ◆ System approach for rapid restoration of Marine Transportation System services disrupted by natural or manmade disasters.
- ◆ Assured/uninterrupted capability to deploy forces and material in support of national security operations.
- ◆ Real-time intelligent systems for tracking of maritime cargo and personnel transportation operations, which support detection and deterrence of smuggling, cargo theft, tariff evasion, terrorism, and other potential acts of violence. These systems must support command and control during military operations.
- ◆ Mechanisms will be in place to foster cooperation among law enforcement and other appropriate authorities to maximize timely sharing of intelligence information via electronic exchange on potential smuggling and terrorist activities.
- ◆ Security measures are integral to the design and operations so as to protect the public and minimize impact to user. Security requirements are balanced based upon the threat and the requirements of cost effective operations.
- ◆ Highlight the national security imperative for commercial port improvements and maintenance that improve the capability to deploy and sustain military forces.
- ◆ Assure adequate U.S. flag shipping and crews available for material movement in all threat conditions.
- ◆ A federal lead agency with statutory authority to be responsible and accountable for coordination of law enforcement, MTS infrastructure security, and response.

Environment. All maritime interests, as users and stewards of the nation's waterways, will implement sustainable practices that protect, enhance, and aid in the restoration of marine resources while meeting the nation's transportation needs. Environmental protection will be consistently incorporated into all aspects of maritime activities and decision making.

To achieve this vision efforts should be taken to ensure that the MTS is:

- ◆ Guided by policies that ensure environmental concerns are fully integrated throughout the planning process to support development without forsaking environmental goals.

- ◆ Designed and operated to preserve and enhance the natural resources of the nation while ensuring large volumes and varieties of cargo and passengers can be efficiently transported over the waterways without degrading the environment.
- ◆ Guided by environmental policies that avoid costly inefficiencies because of fragmented approaches, inconsistent standards, and redundant regulations.
- ◆ Staffed with a workforce trained to understand and deal with environmental concerns and hazards.
- ◆ Supported by pollution response that is rapid, effective, and supported by optimal technology for monitoring and responding to environmental incidents.
- ◆ Overseen by uniform compliance/enforcement of all air and water standards at local, state, and federal levels.
- ◆ Managed by a comprehensive process including planning and permitting for dredging and disposal of dredged material that protects the environment while allowing for efficient, effective, and timely channel development and maintenance.
- ◆ Fully supported through the development of partnerships with all stakeholders including public education and outreach programs.

SUMMARY OF MTS PROGRAM ISSUES AND GOALS

Introduction to Issues

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The Department of Transportation's (DOT) strategic goals were used as a guide for organizing the comments from the seven Regional Listening Sessions. The strategic goals of DOT are:

- ◆ to promote the public health and safety by working toward the elimination of transportation-related deaths, injuries, and property damage;
- ◆ to shape America's future by ensuring a transportation system that is accessible, integrated, efficient, and offers flexibility of choices;
- ◆ to advance America's economic growth and competitiveness domestically and internationally through efficient and flexible transportation;
- ◆ to protect and enhance communities and the natural environment affected by transportation; and,
- ◆ to advance the nation's vital security interests by ensuring that the transportation system is secure and available for defense mobility and that our borders are safe from illegal intrusions.

It was important that the issues represented both the national concerns for transportation as a whole as well as those concerns which were specific to the Marine Transportation System. The issues discussed at the National Conference were: Safety, Competitiveness, Infrastructure, Environment and Security, and the recurring issues of the need for a national MTS vision and framework for coordination at the local and national levels. The outcome of the discussions follows.

Safety

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Background

Twenty-three of the conference participants attended the Safety Issue Session. Prior to the conference, each received a read-ahead paper describing the safety issues within the Marine Transportation System (MTS) that were expressed by Regional Listening Session attendees. The paper noted that safety risks within the system are substantial because of the equipment, operational, environmental, and cargo characteristics and that current safety management procedures may not be able to meet future demands primarily because of the expected rapid growth in world population and trade. The issues from the Regional Listening Sessions were

summarized into three broad categories: vessel movements, use conflict, and infrastructure and were roughly defined as follows:

Vessel Movements - the growing number of faster and larger commercial vessels and recreational craft navigating through restricted channels will increase the risk of groundings and collisions, with resulting deaths, injuries, environmental and property damage, and economic loss. Contributing factors included poor coordination and traffic management, lack of real-time tide and current information, poor communications, inadequate training and education and lack of situational awareness.

Use Conflict - characterized by competition between different users with competing demands for limited MTS space and resources. Land side use conflict is a function of moving more cargo and passengers through urban areas and the intense demand and competition for land side access to the system by stakeholders and other interests such as the demand for residential and non-MTS commercial development. Waterborne use conflict will be based on the size, number, and speed of commercial vessels, number of recreational craft using the waterways, expansion of ferry and passenger vessel service.

Infrastructure - Current channels, anchorages, terminals, and intermodal connections cannot safely accommodate the vessels and cargo throughput of 2020. Damage to vessels, structures, and equipment potentially could result in fatalities and injuries, pollution, and economic loss. Existing piers, terminals, yard facilities, locks, anchorages, and other facilities were built for smaller vessels and many are inadequate for the larger vessels.

Alternatives for resolution from the Regional Listening Session were also presented in the paper. Based on this background, safety session participants were asked to answer the following questions:

- ◆ What is the desired safety end state of the MTS in 2020?
- ◆ What are the critical safety concerns that must be addressed to meet the desired safety end state?
- ◆ What actions should be taken to address these concerns?
- ◆ What is the timeframe for these actions?
- ◆ Who should shepherd these actions, and what are the responsibilities of the public and private sectors for these actions?

Outcomes

After reviewing the information, the session participants began by reviewing the modified draft MTS 2020 vision document. The safety aspects of the vision are contained in section III.D, General System-Wide Attributes: Safety. The group reached consensus on the general safety attributes that the system should include.

Safe operations result in increased efficiency of the Marine Transportation System protecting life, property, and the environment. Safety will continue to be a high priority of all stakeholders and system users. The MTS in 2020 will include the following safety attributes:

- ◆ Compliance with standards for personnel qualifications and for the design, construction, operation, and maintenance of vessels, infrastructure and equipment.
- ◆ Safety standards that are routinely evaluated and updated to insure that they remain relevant to the changing equipment and operations of a continually evolving system.
- ◆ Appropriate skills, training, and experience for all people working and recreating in the MTS.
- ◆ Well-developed and exercised safety and contingency plans to prevent and respond to incidents.
- ◆ Creative use of technology and information that contributes to safe operations in all geographic, geospatial, and environmental conditions.
- ◆ Collection, analysis, and distribution of information about marine casualties, near-miss incidents, and other lessons learned.
- ◆ The U.S. will continue to reflect a leadership role in raising international standards.
- ◆ Forums to provide greater access to marine safety expertise and resources.
- ◆ Investments in safety that match or exceed the anticipated increased risks resulting from emerging technology and changes in operations.

The group also identified four areas of concern that they decided to focus on during the working session. They expanded and revised the information presented in the read-ahead paper to focus on infrastructure which was then subdivided into information and physical components and on vessel operations which was also split into two subcategories of human factors and design. The participants worked in small groups to address these issues and develop goals and recommended actions

for each of these areas. They then reconvened, made presentations on their efforts to the other sub-groups and received feedback. The sub-groups considered the feedback they received from the entire working session, made modifications as needed and reported the final product back to the group for presentation to the conference plenary session. The safety issue session also agreed that safety is the hallmark of the MTS. The presentation was delivered by Mr. Charles Kurz, II, President of Keystone Shipping Company.

The goals and action highlights of the four sub-groups were (complete sets of the recommended actions follow this section of the proceedings):

Infrastructure - Information: Provide the mariner with accurate and reliable real-time information capable of being integrated to meet mariner needs to safely navigate in the nation's ports and waterways. This includes the development of real-time environmental observation and predictions systems with local stakeholder participation.

Infrastructure – Physical: This sub-group had several specific goals that focused on coordination among different agencies (federal, state, and local) to improve safety and efficiency and the improved management of operations and communications in congested areas.

Vessel Operations – Human Factors: Prevent maritime accidents associated with human factors. Highlights include rigorous enforcement of international conventions, mandatory training for recreational boating, improved communications capabilities, and development of an incident reporting system and the legal framework to support such a system.

Vessel Operations - Design: Construct, operate, and maintain the safest vessels. This would be accomplished by use of comprehensive Safety Management Systems and the promotion of human factors engineering.

The working session members also spent time discussing what they perceived to be a crucial issue facing not only safety, but all of the working sessions — that public awareness and knowledge of the MTS is the key to success for any endeavor to improve the system to meet the challenges ahead. To this end, the group presented an additional item in the final report out to the conference plenary calling for the Secretary of Transportation to accept the challenge of leading the MTS and setting the example for others to follow. They encouraged the development of a partnership to make the MTS as safe as possible and for this partnership, of government and private sector representatives to carry the message of the importance and safety of the system forward.

Safety

<p>ISSUE—a description of the issue area of discussion starting with the issue title.</p>	<p>ISSUE: ESTABLISH MARINE SAFETY INFORMATION INFRASTRUCTURE</p>
<p>GOAL—provide a brief description of the specific outcome for the year 2020 which describes a certain action (e.g., increase, maintain, reduce, etc.) within a broad area covered by the issue.</p>	<p>GOAL 1: PROVIDE THE MARINER WITH AN INTEGRATE -ABLE ARRAY OF ACCURATE & RELIABLE REAL -TIME INFORMATION NECESSARY TO SAFELY NAVIGATE IN THE NATION ’S PORTS & WATERWAYS</p>

	RECOMMENDED ACTIONS	Recommended Lead	Time Frame
A	Support the development & deployment of real-time environmental observation and prediction systems in those estuaries where local stakeholders deem this technology appropriate.	NOAA/USACE /USCG/ Stakeholders	S
B	Support the development and deployment of an internationally compatible AIS technology on all vessels – including recreational craft.	USCG/FCC	Commercial – M Recreational -L
C	Build, maintain, and deliver accurate vector nautical chart data sets for the Nation’s waterways.	NOAA/USCG/ USACE/NIMA	S
D	Design & develop a system of sensor technologies to create a system of virtual aids to navigation.	USCG	L
E	Enhance situational awareness through deployment of 3D synthetic visioning enabled by DGPS, remote sensing, satellite imaging and other emerging technologies.	NIMA	L
F	Make available all other real-time information on vessel, schedules, characteristics, cargo, location, etc. to enable safe and efficient operations, planning and incident response.	Marine Exchanges in partnership with federal, state, & local authorities	M
G	Convey to the public through public/private partnerships the value of the marine safety information infrastructure and its impact on the quality of life.	Various	M

Safety

<p>ISSUE—a description of the issue area of discussion starting with the issue title.</p>	<p>ISSUE: PHYSICAL INFRASTRUCTURE</p>
<p>GOAL—provide a brief description of the specific outcome for the year 2020 which describes a certain action (e.g., increase, maintain, reduce, etc.) within a broad area covered by the issue.</p>	<p>GOAL 2: SAFETY REMAINS A KEY FACTOR IN CHANNEL PROJECT DESIGN</p>

	RECOMMENDED ACTIONS	Recommended Lead	Time Frame
A	Include safety as a benefit in cost-benefit analysis when designing channels.	USACE	M
B	Ensure up-to-date guidelines for “safe” channel widths relative to anticipated ship size and maneuverability reflecting changes in size of vessels.	USACE	S
C	Improve communication among local users and stakeholders when improving/expanding facilities.	Ports with USACE through permit process	S
D	Funding for preventive maintenance.	Congress	M

Safety

ISSUE —a description of the issue area of discussion starting with the issue title.	ISSUE: PHYSICAL INFRASTRUCTURE
GOAL —provide a brief description of the specific outcome for the year 2020 which describes a certain action (e.g., increase, maintain, reduce, etc.) within a broad area covered by the issue.	GOAL 3: IMPROVE LOCAL PLANNING AND COORDINATION OF MARITIME (PORT/RIVER) USER FACILITIES TO PROMOTE SAFE AND EFFICIENT USE OF THE MTS

	RECOMMENDED ACTIONS	Recommended Lead	Time Frame
A	Identify current practices for locating maritime facilities – What are licensing / permit requirements? How are impacts of new facilities calculated?	Local govt., Industry reps. and Ports	S
B	Establish regional / local decision making structure for determining location of facilities – promote / require better communication among stakeholders and government.	Private users, Ports, Regional & local government	M
C	Educate commercial, recreational, and public maritime stakeholders and local government about this issue and goal.	Ports DOT- USCG Local govt.	S
D	Facilitate communication among private stakeholders/regional/local government to allow better communication and more rational decision making.	DOT	S

Safety

ISSUE —a description of the issue area of discussion starting with the issue title.	ISSUE: PHYSICAL INFRASTRUCTURE
GOAL —provide a brief description of the specific outcome for the year 2020 which describes a certain action (e.g., increase, maintain, reduce, etc.) within a broad area covered by the issue.	GOAL 4: IMPROVED MANAGEMENT OF OPERATIONS AND COMMUNICATIONS IN CONGESTED AREAS

	RECOMMENDED ACTIONS	Recommended Lead	Time Frame
A	Systematically review waterways in light of future demands and risk projections to determine adequacy of communications and safety fairways and/or recommended courses.	USCG	S
B	Consider/Propose new or revised fairways and/or recommended courses in areas determined to be inadequate.	USCG	S
C	Continue to upgrade shipboard capability to automatically up-date charts through electronic downlinks to real-time nautical data. In this effort, specifically include up-to-date recommended courses based on location of ocean structures.	NIMA/NOAA	M

Safety

<p>ISSUE—a description of the issue area of discussion starting with the issue title.</p>	<p>ISSUE: PHYSICAL INFRASTRUCTURE (CONTINUITY IN LEADERSHIP AND REGULATION / MANAGEMENT)</p>
<p>GOAL—provide a brief description of the specific outcome for the year 2020 which describes a certain action (e.g., increase, maintain, reduce, etc.) within a broad area covered by the issue.</p>	<p>GOAL 5: THE COAST GUARD PROVIDES NECESSARY LEVELS OF CONSISTENCY AND LOCAL KNOWLEDGE IN MTS MANAGEMENT, SAFETY, AND THE ENFORCEMENT OF REGULATIONS.</p>

	RECOMMENDED ACTIONS	Recommended Lead	Time Frame
A	<p>Address continuity in Roles and Mission Study. Analyze the missions of the USCG within the MTS to provide necessary levels of consistency and local knowledge. For example, consider models from other agencies (such as USACE), consider civilian/military mix, assignment policies and career tracks.</p> <p>Personnel policies are causing inefficiencies in the system, costing significant sums of money for USCG and industry because of the constant transfers and training requirements. This current practice impacts safety performance and the credibility of the USCG in the field.</p>	USCG	S – Address M – Realign
B	Authorize / appropriate missions of USCG within the MTS.	Congress	M
C	Long term assignment of field marine inspectors and other HQ staff to provide consistency in enforcement of marine safety regulations within categories of marine operations (e.g., vessel types and regions).	USCG	S
D	Use this model as a first step towards more rationality and streamlined coordination in and between federal agencies.		L

Safety

<p>ISSUE—a description of the issue area of discussion starting with the issue title.</p>	<p>ISSUE: PHYSICAL INFRASTRUCTURE</p>
<p>GOAL—provide a brief description of the specific outcome for the year 2020 which describes a certain action (e.g., increase, maintain, reduce, etc.) within a broad area covered by the issue.</p>	<p>GOAL 6: COLLECTION AND DISSEMINATION OF REAL-TIME ENVIRONMENTAL INFORMATION (SUCH AS WEATHER, TIDES, AND CURRENTS) APPROPRIATE TO EACH PORT WILL BE IN PLACE.</p>

	RECOMMENDED ACTIONS	Recommended Lead	Time Frame
A	Install equipment to collect real-time weather, tide, and other data as needed and appropriate to each port.	NOAA	M
B	Ensure that marine weather data continues to be provided to meet safety needs.	NOAA	ON-GOING
C	Transfer NOAA “PORTS” system with personnel and funding to a Department of Transportation agency.	Congress	L
D	Encourage the use of real-time information for creative non-shipping uses (such as environmental management) to build public support for safety infrastructure needs.	Ports	M
E	Fund real-time information systems as a national, rather than local, investment.	Congress	S

Safety

<p>ISSUE—a description of the issue area of discussion starting with the issue title.</p>	<p>ISSUE: VESSEL OPERATIONS: HUMAN FACTORS THAT CONTRIBUTE TO MARINE SYSTEM ACCIDENTS</p>
<p>GOAL—provide a brief description of the specific outcome for the year 2020 which describes a certain action (e.g., increase, maintain, reduce, etc.) within a broad area covered by the issue.</p>	<p>GOAL 7: PREVENT MARITIME ACCIDENTS ASSOCIATED WITH HUMAN FACTORS</p>

		Recommended Lead	Time Frame
A	Promote and enforce operational standards, training, and certification resulting in demonstration of competency and proficiency aboard all vessels in the maritime transportation system.	Industry/USCG/ MARAD	M/L
B	Encourage rigorous, effective implementation and enforcement of STCW, ISM where applicable.	USCG/Industry/ MARAD	S-ISM M- STCW
C	Establish effective, mandatory education and/or training programs at the state level to promote and encourage safe recreational boater operations. The Federal Government should provide adequate physical resources, incentives and appropriations to the states to effect and implement mandatory education and enforcement.	USCG/States DOT	M
D	Promote utilization of all available technology; enhance training of personnel in areas of vessel management and operations, e.g., computer simulation, bridge resource and bridge team management, training, and ship model simulation.	Industry/ USCG/DOT/ MARAD	S/M/L
E	Promote and enforce effective technical and oral communications between ship's crew, pilots, attendant vessel and other critical personnel.	Industry/USCG	S/M/L

Safety

ISSUE —a description of the issue area of discussion starting with the issue title.	ISSUE: VESSEL OPERATIONS: HUMAN FACTORS THAT CONTRIBUTE TO MARINE SYSTEM ACCIDENTS
GOAL —provide a brief description of the specific outcome for the year 2020 which describes a certain action (e.g., increase, maintain, reduce, etc.) within a broad area covered by the issue.	GOAL 7: PREVENT MARITIME ACCIDENTS ASSOCIATED WITH HUMAN FACTORS **CONTINUED**

F	Establish a reliable incident reporting system including near miss information and a supporting legal structure.	USCG/ MARAD	S
G	Promote respect for the role of the mariner in order to enhance self-respect, performance and public image of the industry (PTP).	USCG/DOT Industry	S

Safety

ISSUE —a description of the issue area of discussion starting with the issue title.	ISSUE: VESSEL OPERATIONS: DESIGN FOR SAFETY
GOAL —provide a brief description of the specific outcome for the year 2020 which describes a certain action (e.g., increase, maintain, reduce, etc.) within a broad area covered by the issue.	GOAL 8: CONSTRUCTING, OPERATING, AND MAINTAINING THE SAFEST VESSELS

		Recommended Lead	Time Frame
A	Develop and promote safety management system for the MTS that includes <ul style="list-style-type: none"> • Management commitment and organization • safety information • safe work practices • audit of management system • training • hazard analyses • management of change • operation procedures • investigation of incidents • emergency response • quality assurance • pre-start-up test 	Exec Council and segments of industry	M
B	Promote Human Factors engineering in vessel construction and operations.	Exec council and segments of industry	M
C	Inform the public about proactive steps the MTS is taking in safety management.	SECDOT and all of us	S

Competitiveness

Background

==Conference participants who elected to participate on the Competitiveness Issue Team received a read-ahead paper, which summarized competitiveness issues raised by the participants at the Regional Listening Sessions. Attendees at the Regional Listening Sessions expressed the need for a “seamless” transportation system. When attendees at the Regional Listening Sessions described the attributes of a seamless “world-class” transportation system, they spoke of ease in complying with local entrance and clearance processes; of safe navigation systems; of adequate facilities to accommodate docking and the discharge of cargo; and of quick turnaround of their vessels. In addition, diverse and incompatible technologies and information management systems among MTS stakeholders and users, coupled with high cost of developing and employing new technology and information systems, present major obstacles to a seamless transportation system. The anticipated changes in technology, increases in cargo volume and throughput and the computer technology necessary for the safe, efficient and faster movement of cargo will require skilled MTS professionals capable of employing new technology.

Based upon the concerns of the Regional Listening Sessions and the National Conference participants, the Competitiveness Issue Team explored three major issues:

- ◆ There is no national strategy to ensure U.S. competitiveness.
- ◆ Marine Transportation System (MTS) resources for research are insufficient and implementation of new technology is uncoordinated.
- ◆ There is a critical shortage of trained MTS labor to meet tomorrow's sophisticated demands.

Outcomes

National Maritime Strategy

The Competitiveness Issue Team cited a lack of MTS leadership and a strategic plan as major contributing factors, which negatively impacts MTS competitiveness. The type of leadership envisioned is cooperative and coordinates planning between the public/private sectors. The goal of the Competitiveness Issue Team was to develop a National Maritime Strategy that funds the MTS as an inclusive system to maintain and improve U.S. competitiveness. The Competitiveness Issue Team made a number of recommendations to reach this goal. These recommendations are summarized as follows.

- ◆ Designate a cabinet-level advocate for the MTS.

- ◆ Create a National MTS Council to coordinate public/private strategies.
- ◆ Fund the MTS Federal responsibilities as a function of improving U.S. competitiveness.
- ◆ Direct agencies to assess impacts of procedures/policies on U.S. Competitiveness.
- ◆ Secure better government/industry planning and consensus for the prioritizing of projects.
- ◆ Quantify the impact of, and seek public input on, proposed maritime taxes and fees.
- ◆ Require the integration of intermodal freight needs into the Municipal Planning Organizations (MPOs) and state plans and programs.
- ◆ Expand the existing Interagency Committee on Waterways Management.
- ◆ Review Federal laws and regulations to identify gaps and eliminate conflicts.
- ◆ Focus public awareness on the need for MTS investment.
- ◆ Assure availability of analytical planning tools and data.

Research and Technology

To strengthen resources and institutions for Marine Transportation Research, the Competitiveness Issue Team made a number of recommendations. Diverse and incompatible technologies and information management systems among MTS stakeholders and users, coupled with the high cost of developing and employing new technology and information systems, presents major obstacles to a seamless transportation system. The challenge is to identify the best practices currently employed in technology, information systems and management planning and develop programs to build in these best practices. The Competitiveness Issue Team's recommendations to improve the competitiveness of the United States through research and technology are summarized below.

- ◆ Provide for intermodal freight research in DOT budget including MTS.
- ◆ Coordinate and focus MTS research and technology efforts by industry, government and academia.
- ◆ Define and assess best world practices in maritime technology and applications including benchmarking for port efficiency and productivity.

- ◆ Reduce barriers to integration of the MTS technology into the total transportation system.

Labor

The ability to compete in the Twenty-first century depends on the availability of skilled labor capable of employing new technology. Well-trained, multi-skilled employees will be required to operate land and waterside equipment and electronic information systems. These skilled professionals are critical not only to competitiveness but also for maintaining a safe work environment, protection of the environment and national security. To meet the labor needs of the future for military, long shore, shipyard, inland and seafaring, the Competitiveness Issue Team made the following summarized recommendations:

- ◆ Create public/private partnerships and programs to recruit, retain and educate MTS professionals.
- ◆ Create public/private partnerships and programs to address quality of life issues unique to maritime/MTS careers and market and emphasize maritime heritage and value of MTS careers.
- ◆ Create a DOT, DOD, industry associate and private sector partnership to address existing and future personnel shortages due to licensing standards and other factors.

Competitiveness

<p>ISSUE—a description of the issue area of discussion starting with the issue title.</p>	<p>ISSUE: THERE IS NO NATIONAL STRATEGY ON THE MTS THAT ENSURES US COMPETITIVENESS</p>
<p>GOAL—provide a brief description of the specific outcome for the year 2020 which describes a certain action (e.g., increase, maintain, reduce, etc.) within a broad area covered by the issue.</p>	<p>GOAL 1: BUILD A NATIONAL MARITIME STRATEGY THAT INCLUDES FUNDING MTS AS AN INCLUSIVE SYSTEM IN A MANNER THAT WILL MAINTAIN AND IMPROVE US COMPETITIVENESS</p>

	RECOMMENDED ACTIONS	Recommended Lead	Time Frame
A	Designate cabinet-level advocate for success of the MTS and create a broad based National Marine Transportation System Council, chaired by the cabinet level designee to integrate and coordinate public and private sector strategy, policy, and goals for the MTS.	President	S
B	Secure better government/industry planning and consensus on project priority.	National Council	S
C	Identify and establish financing mechanisms for public/private partnerships for MTS projects.	National Council	
D	Conduct a competitiveness impact analysis of all taxes and fees related to the MTS and secure appropriate public input before imposition	National Council	
E	Establish a focused government/industry mechanism to gain greater public awareness of need for investment in MTS.	National Council	

Competitiveness

<p>GOAL—provide a brief description of the specific outcome for the year 2020 which describes a certain action (e.g., increase, maintain, reduce, etc.) within a broad area covered by the issue.</p>	<p>GOAL 1: BUILD A NATIONAL MARITIME STRATEGY THAT INCLUDES FUNDING MTS AS A COMPLETE SYSTEM IN A MANNER THAT WILL MAINTAIN AND IMPROVE US COMPETITIVENESS</p> <p>**CONTINUED**</p>
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F	Advocate elimination of foreign trade barriers.	National Council	
G	Expand the existing Interagency Committee on Waterways Management (including all federal agencies with responsibilities in the MTS) to ensure US competitiveness through improved federal coordination and dialogue.	Cabinet Designee	
H	Assess impacts of procedures and policies on US competitiveness and multi-modal environmental impacts.	Interagency	
I	Conduct a comprehensive review of federal laws and regulations to identify gaps and eliminate conflicting mandates on the MTS.	National Council	
J	Provide Federal funding for MTS in manner that will maintain and improve US competitiveness in the international and domestic trade.	Cabinet Designee	S
K	Require the integration of intermodal freight transportation needs be incorporated into MPO and state DOT plans and programs.	FHWA Congress	
L	Assure availability of analytical planning tools including data and benchmarking of best transportation policies and practices.	National Council	

Competitiveness

ISSUE —a description of the issue area of discussion starting with the issue title.	ISSUE: THE ROLE OF FEDERAL GOVERNMENT IN MTS RESEARCH IS IMBALANCED
GOAL —provide a brief description of the specific outcome for the year 2020 which describes a certain action (e.g., increase, maintain, reduce, etc.) within a broad area covered by the issue.	GOAL 2: STRENGTHEN THE FEDERAL GOVERNMENT RESOURCES AND INSTITUTIONS AVAILABLE FOR MTS RESEARCH

	RECOMMENDED ACTIONS	Recommended Lead	Time Frame
A	Define and assess best world practices in maritime technology and applications including benchmarking for port efficiency and productivity.	MARAD	M
B	Establish an administrative procedure (e.g. take-down) from the annual DOT budget for freight and international trade, research and technology inclusive of the MTS initiative.	USDOT	S
C	Support national and regional MTS strategic plan developed jointly by public and private stakeholders.	USDOT	M
D	Maintain and disseminate planning and operational data.	USDOT Customs COE	M
E	Develop international standards through consensus process (e.g. labeling, tracking weight limitations).		L
F	Support environmental assessment of transportation alternatives.	USDOT COE	M
G	Restore appropriations for maritime enhancement institutes.	Congress USDOT	S

Competitiveness

ISSUE —a description of the issue area of discussion starting with the issue title.	ISSUE: ROLE OF MTS IN TOTAL TRANSPORTATION SYSTEM IS UNCLEAR
GOAL —provide a brief description of the specific outcome for the year 2020 which describes a certain action (e.g., increase, maintain, reduce, etc.) within a broad area covered by the issue.	GOAL 3: CONDUCT RESEARCH TO FIND WAYS TO INTEGRATE MTS INTO OTHER TRANSPORTATION ENTERPRISES

	RECOMMENDED ACTIONS	Recommended Lead	Time Frame¹
A	Reduce Barriers to incorporating MTS technological innovations into total transportation enterprise	MARAD	S
B	Leverage Intelligent Transportation System (ITS) technology lessons learned and apply where appropriate to MTS to link legacy systems	USDOT	S
C	Promote and educate state and metropolitan executive leadership in the integrated role of MTS in the intermodal transportation system.	USDOT	M
D			
E			
F			
G			

¹ The time frame is defined as the time to complete the action from today: (S) short-term is less than 2 years, (M) mid-term is 2-5 years, and (L) long-term is 5+ years.

Competitiveness

ISSUE —a description of the issue area of discussion starting with the issue title.	ISSUE: MARITIME R&T IS FRAGMENTED
GOAL —provide a brief description of the specific outcome for the year 2020 which describes a certain action (e.g., increase, maintain, reduce, etc.) within a broad area covered by the issue.	GOAL 4: COMBINE AND FOCUS MTS R&T EFFORTS BY PRIVATE INDUSTRY, LOCAL, STATE, FEDERAL GOVERNMENT AND ACADEMIA.

	RECOMMENDED ACTIONS	Recommended Lead	Time Frame¹
A	Encourage interagency R&T cooperation to provide leadership to MTS research	USDOT	M
B	Promote and expand cooperative R&T programs between government and industry.	MARAD	Cont.
C	Jointly define and periodically update R&T national agenda.	USDOT	M
D	Conduct technological assessment and promote and monitor MTS application.	National Council	M
E			
F			
G			

¹ The time frame is defined as the time to complete the action from today: (S) short-term is less than 2 years, (M) mid-term is 2-5 years, and (L) long-term is 5+ years.

Competitiveness

<p>ISSUE—a description of the issue area of discussion starting with the issue title.</p>	<p>ISSUE: THERE IS A CRITICAL SHORTAGE OF TRAINED MTS LABOR WORLD WIDE IN BOTH THE PUBLIC AND PRIVATE SECTOR.</p>
<p>GOAL—provide a brief description of the specific outcome for the year 2020 which describes a certain action (e.g., increase, maintain, reduce, etc.) within a broad area covered by the issue.</p>	<p>GOAL 5: RECRUIT, RETAIN AND EDUCATE MTS PROFESSIONALS (MILITARY, LONGSHORE, SHIPYARD, INLAND AND SEAFARING).</p>

	RECOMMEND ACTIONS	Recommended Lead	Time Frame¹
A	Create public and private partnerships and programs to recruit, retain and educate MTS professionals (military, longshore, shipyard, inland and seafarer).		
B	Create public and private partnerships and programs to address quality of life issues unique to maritime/MTS careers.		
C	Create coordinated public and private marketing campaign to emphasize maritime heritage and value of MTS careers.		
D	Create DOT, DOD, industry associations and private sector partnership to address existing and future personnel shortages e.g. brought about by IMO and international standards.		
E	Retain and expand the use of USMMA as a training school for intermodal transportation		
E	Create a program to ensure a pool of qualified personnel is available to meet national security requirements.		

¹ The time frame is defined as the time to complete the action from today: (S) short-term is less than 2 years, (M) mid-term is 2-5 years, and (L) long-term is 5+ years.

Infrastructure

Background

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Forty (40) conference participants attended the Infrastructure Issue Session. Prior to the conference, each had received a read-ahead paper describing the three infrastructure issues within the Marine Transportation System (MTS) that were expressed by Regional Listening Session attendees. The fourth issue discussed was one that the group believed needed to be added - the need to develop flexible strategies to keep pace with changing system needs. The framing issues for the topics in the read-ahead materials were as follows:

Capacity -- The demand for commercial use of our waterway system continues to grow. Increased trade drives not only increased capacity requirements at our deep-water ports, but also our Great Lakes terminals and our inland water system. In addition to the increased freight growth, the public has become increasingly enamored with marine recreational activities and development. Our waterway system will need to address increased need for both cargo and recreational use.

Funding -- As the requirements for new and improved facilities continue to grow, sources of funding for these facilities become difficult to obtain. Traditional funding options are many times inadequate or unavailable for all projects along the water system. New funding sources and mechanisms need to be explored and designed which blend both public and private resources to support infrastructure improvements for cargo, passenger, industrial and recreational use.

Regulatory Framework -- As our nation has matured both physically through the acquisition of new territory, and legislatively through the formation of new states, organizations and regulatory commissions, the waterway system has fallen under the jurisdiction of many levels of our governmental structure. Local, regional, state and federal guidelines and regulations on use and expansion affect various portions of our system. As we continue to compete within the global framework of transportation, trade, and national quality of life for the citizenry, these many overlapping regulatory boundaries may pose unique challenges toward further improvements in the system.

For all of the issues discussed, the participants were asked to focus discussions, suggestions, and recommendations on the following questions:

- ◆ A systems approach to transportation will require innovative thinking and new partnerships. Which stakeholders and new arrangements will maximize limited resources within a constrained system?

- ◆ How can solutions, initiatives, and recommendations be identified and implemented? Can the present fragmented approach address MTS infrastructure requirements?
- ◆ Who will be responsible for funding?
- ◆ What are the regulatory barriers to the development of an intermodal infrastructure? How can some of these barriers be alleviated or removed?

The following is a summary of the infrastructure group's recommendations:

Capacity. The group determined that it is essential that the capacity of the Maritime Transportation System be increased to accommodate an anticipated doubling of world trade by 2020. The recommendations that the group developed to facilitate this increase fit into two broad categories: improve access and improve throughput.

Access improvements focused on dredging (both maintenance and capital), modernization of locks and dams, rail and highway access, and improved navigational accuracy that could be gained from updating hydrographic charting techniques. The group agreed that the first steps for all four of these initiatives should be taken within the next two years. With the increase in average vessel size, the group believed that ignoring these issues could make the U.S. system inaccessible to vessels that can utilize economies of scale and increase the overall cost of transportation.

Throughput improvements focused on ways that the cargo can be moved more quickly between nodes within the system. Three suggestions to increase throughput were improving vessel traffic control, implementing new technologies, and coordinating planning with all modes of transportation. Examples of vessel traffic control improvements include communications improvements, ITS, and DGPS; examples of technology improvements include gates, equipment, and on-dock rail. Although the group believed that better coordination should begin immediately, it accepted that full implementation of traffic control and technology solutions will take 2.5 to 5 years.

Funding the MTS. The group affirmed the importance of providing adequate, equitable and reliable funding for all components of the MTS and acknowledged that in many parts of the system, funding uncertainty is a major obstacle to progress. It was believed that one impediment to adequate funding is a general lack of awareness of the role and impact of the MTS on our nation. It was therefore recommended that the Secretary of Transportation take immediate steps to raise the visibility of MTS funding as a critical issue. It was also recommended that USDOT establish a forum of government and private industry that would be responsible for developing recommendations for funding and research worldwide "best practices" alternate funding mechanisms.

Regulatory Framework. The current regulatory framework was viewed as being a hindrance to a cohesive MTS. The Infrastructure group believed it is important to have a regulatory system that is effective, efficient, fair, uniform and customer friendly. Six recommendations, with varying timeframes attached, were made to improve the regulatory framework:

- ◆ Identify overlapping regulatory agencies and responsibilities at the senior level. The Secretary of Transportation should take the lead in this activity and it should be accomplished within the next two years.
- ◆ Within the next two years, the Secretary of Transportation and a National Council should bring all stakeholders together in a collaborative forum for policy-making and review. This review should be National in scope and include Federal, state and local governments, as well as industry, labor, and environmental stakeholders.
- ◆ Once established, this National forum should conduct coordinated review of the regulatory system process at the National, State, and local levels. Conflicting, redundant or overlapping regulations should be identified and a coordinated system of regulations developed.
- ◆ This National forum should also design interactive databases with standardized fields common to all modes of transportation. These databases will facilitate import-export cargo tracking and information exchange between modes and will also reduce paperwork, data entry and compliance burdens. The timeframes for this action is 2.5 to 5 years.
- ◆ The Secretary of Transportation should review training procedures for agencies involved in regulatory compliance with a goal of consistency and uniformity across federal agencies. Work with customers to identify problems and streamline processes.
- ◆ Design performance standards as basis of system productivity. (Do not penalize entities that are meeting the performance standards) The National forum should formulate the process for performance standards and each agency should develop the substance of its standards within the framework set out.

Strategy Development. The Infrastructure Issue Session participants believed that it is important to formulate scenarios for 2020 so that strategies can be developed and actions taken that will keep pace with future changes. The group recommended that the Maritime Administrator and the Coast Guard Commandant consult with both government and the private sector to develop a comprehensive view of the future to the year 2020. This initiative should be started immediately, will be recurring or ongoing, and should include the following characteristics:

- ◆ Provide alternatives based on different scenarios.

- ◆ Focus on carrier issues for all modes of transportation,
- ◆ Provide for shipper issues.
- ◆ Reflect the effects of technology and externalities.
- ◆ Establish a mechanism to crosscheck the 2020 vision with current and future initiatives (e.g. - legislation, proposed regulations, and rule making).
- ◆ Build initiatives as change evolves.

Infrastructure

ISSUE —a description of the issue area of discussion starting with the issue title.	ISSUE: CAPACITY
GOAL —provide a brief description of the specific outcome for the year 2020 which describes a certain action (e.g., increase, maintain, reduce, etc.) within a broad area covered by the issue.	GOAL 1: INCREASE U.S. COASTAL AND INLAND PORT AND WATERWAY (LOCKS AND DAMS) THROUGHPUT CAPACITY TO MEET PROJECTED GROWTH OF WORLD TRADE BY 2020 (AT LEAST 200%).

	RECOMMENDED ACTIONS	Recommended Lead	Time Frame
A	Provide adequate maintenance and new capital <u>dredging</u> for ports and rivers.	USDOT, USACE	Short, Medium, Long
B	Provide adequate lock and dam modernization.	USDOT, USACE	Short, Medium, Long
C	Provide adequate development and maintenance of landside access (rail and highway).	USDOT	Short
D	Improve vessel traffic control (e.g. – communications, ITS, DGPS, etc.) to make better use of the existing capacity.	USCG	Medium
E	Use technology (e.g. – gates, equipment, on-dock rail, space, etc.) to improve productivity throughput of the MTS.	AAR, ATA, AAPA, MARAD, Industry	Medium

Infrastructure

<p>ISSUE—a description of the issue area of discussion starting with the issue title.</p>	<p>ISSUE: CAPACITY</p>
<p>GOAL—provide a brief description of the specific outcome for the year 2020 which describes a certain action (e.g., increase, maintain, reduce, etc.) within a broad area covered by the issue.</p>	<p>GOAL 1: INCREASE U.S. COASTAL AND INLAND PORT AND WATERWAY (LOCKS AND DAMS) THROUGHPUT CAPACITY TO MEET PROJECTED GROWTH OF WORLD TRADE BY 2020 (AT LEAST 200%).</p> <p>**CONTINUED**</p>

G	Update hydrographic charting techniques to provide better navigational accuracy.	NOAA, NIMA	Short
H	Coordinate planning with all modes of transportation and with labor.	Ports, Terminals	Short, Ongoing

Infrastructure

ISSUE —a description of the issue area of discussion starting with the issue title.	ISSUE: FUNDING OF THE MTS
GOAL —provide a brief description of the specific outcome for the year 2020 which describes a certain action (e.g., increase, maintain, reduce, etc.) within a broad area covered by the issue.	GOAL 2: PROVIDE ADEQUATE, EQUITABLE, AND RELIABLE FUNDING FOR ALL COMPONENTS OF THE MTS.

	RECOMMENDED ACTIONS	Recommended Lead	Time Frame
A	Raise visibility of MTS funding as a critical issue. Also raise public visibility in general to the role and impact that the MTS has on our nation.	Secretary USDOT	Ongoing
B	Establish a forum of government and private industry specifically to develop recommendations for funding.	USDOT	Short Term
C	Pull together research on alternative funding mechanisms – “best practices” worldwide.	USDOT	Short Term

Infrastructure

ISSUE —a description of the issue area of discussion starting with the issue title.	ISSUE: REGULATORY FRAMEWORK
GOAL —provide a brief description of the specific outcome for the year 2020 which describes a certain action (e.g., increase, maintain, reduce, etc.) within a broad area covered by the issue.	GOAL 3: MTS 2020 – DESIGN A REGULATORY SYSTEM THAT IS EFFECTIVE, EFFICIENT, FAIR, UNIFORM AND CUSTOMER FRIENDLY. ACHIEVE THIS THROUGH UNIFORM PROCEDURES (WELL-TRAINED INSPECTORS), COLLABORATIVE DECISION-MAKING, INTERACTIVE DATABASE WITH STANDARDIZED FIELDS AND PERFORMANCE STANDARDS.

	RECOMMENDED ACTIONS	Recommended Lead	Time Frame
A	Identify overlapping regulatory agencies and responsibilities at the senior level.	Secretary DOT	Short
B	Bring all stakeholders together in a collaborative forum for policy-making and review (National in scope that includes Federal, state and local governments, industry, labor, environment, stakeholders).	Secretary DOT/National Council	Short
C	Conduct coordinated review of regulatory system process at the National state, local and levels (find and fix).	National forum takes lead	As needed
D	Design interactive database with standardized fields common to all modes of transportation.	National forum	Medium to Long
E	Review training procedures with goal of consistency and uniformity across federal agencies. Work with customers to identify problems and streamline processes.	Sec. DOT	Short to Medium
F	Design performance standards as basis of system productivity. (Do not penalize entities, which are meeting the performance standards).	Process: National forum Substance: Each Agency	Short to Medium

Infrastructure

ISSUE —a description of the issue area of discussion starting with the issue title.	ISSUE: STRATEGY DEVELOPMENT: A) LACK OF SCENARIOS FOR 2020 B) NEED FOR RAPID CHANGES) NEED TO PLAN FOR FUTURE, NOT JUST TODAY’S ENVIRONMENT.
GOAL —provide a brief description of the specific outcome for the year 2020 which describes a certain action (e.g., increase, maintain, reduce, etc.) within a broad area covered by the issue.	GOAL 4: FORMULATE SCENARIOS FOR 2020 SO THAT STRATEGIES CAN BE DEVELOPED AND ACTIONS TAKEN THAT WILL KEEP PACE WITH FUTURE CHANGES

	RECOMMENDED ACTIONS	Recommended Lead	Time Frame
A	Develop comprehensive view of the future with government and private sector. Provide alternatives based on different scenarios of the future.	MARAD Administrator, Coast Guard Commandant	Short, Recurring
B	Focus on carrier (all modes) issues, shipper issues, technology, and externalities.	MARAD Administrator, Coast Guard Commandant	Short, Recurring
C	Establish mechanism to crosscheck the 2020 vision with current and future initiatives (e.g. - legislation, proposed regulations, rule making).	MARAD Administrator, Coast Guard Commandant	Ongoing
D	Build initiatives as change evolves.	MARAD Administrator, Coast Guard Commandant	Short, Recurring

Environment

Background

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Twenty-four conference participants attended the Environmental Issue Session. Prior to the conference, they received a read-ahead paper describing the environmental issues within the Marine Transportation System (MTS) that were expressed by Regional Listening Session attendees. The paper noted that marine commerce impacts the marine environment and coastal ecosystems. These ecosystems often support other important economic activities such as fishing and tourism and other recreational and aesthetic uses. The environmental issues from the Regional Listening Sessions were summarized into three broad categories: Ship Operations and Vessel Movements, Managing Dredge Materials, and Port Development and Terminal Operations which were roughly defined as follows:

Ship Operations and Vessel Movements. Bigger ships, increased congestion, and projected increases in maritime trade are increasing risks of accidents resulting in environmental harm. In addition, day-to-day ship operations and disposal of vessel wastes continue to be a source of marine pollution. Introductions of invasive species from vessels, especially through ballast water exchange, are threatening coastal ecosystems in many ports and harbors. Anti-fouling paints containing TBT's have been determined to harm marine species.

Port Development and Terminal Operations. Port operations and development can conflict with other land use and habitat conservation objectives in the nation's increasingly congested coastal zone. The two primary concerns are reducing pollution from port and terminal operations, such as air, run-off and non-point marine pollution, and land use issues, such as habitat reduction due to increased development of port-related facilities.

Dredging. Dredging ports and harbors presents several environmental concerns. Environmental concerns are most acute where sediments are contaminated with hazardous materials, raising concerns about reintroduction of pollutants into the water column and proper disposal of the contaminated dredged materials. Even when sediment contamination is not an issue, dredging can impact marine ecosystems. In recent years, the beneficial use of dredge material has been proposed as one way to mitigate such impacts.

Several examples of current practices aimed at addressing environmental issues also were presented in the Environment issue paper. Based on this background, environment session participants were asked to consider the following questions:

- ◆ What are the most critical environmental issues facing the Marine Transportation System and the protection of natural resources in the coastal zone?

- ◆ What are the proper roles and responsibilities of the interested parties in meeting these challenges? Can specific areas of expertise be identified in governmental and non-governmental sectors to assist all parties?
- ◆ What opportunities are there to cooperatively address these challenges? What mechanisms can be put in place to organize such efforts?
- ◆ What actions can be taken in the immediate future to reduce the stresses on coastal and river environments caused by the Marine Transportation System? What long-term actions might be taken?
- ◆ What processes might be implemented to balance the needs and interests of commercial traffic, recreational waterway users, and the need to adequately protect natural resources?

Outcomes

The environmental issue session participants reviewed the draft MTS 2020 vision document as it related to the environment. The group reached consensus on several attributes that the MTS must have if environmental concerns are to be adequately addressed. Those attributes include:

Environment. All maritime interests, as users and stewards of the nation's waterways, will implement sustainable practices that protect, enhance, and aid in the restoration of marine resources while meeting the nation's transportation needs. Environmental protection will be consistently incorporated into all aspects of maritime activities and decision making.

To achieve this vision efforts should be taken to ensure that the MTS is:

- ◆ Guided by policies that ensure environmental concerns are fully integrated throughout the planning process to support development without forsaking environmental goals.
- ◆ Designed and operated to preserve and enhance the natural resources of the nation while ensuring large volumes and varieties of cargo and passengers can be efficiently transported over the waterways without degrading the environment.
- ◆ Guided by environmental policies that avoid costly inefficiencies because of fragmented approaches, inconsistent standards, and redundant regulations.
- ◆ Staffed with a workforce trained to understand and deal with environmental concerns and hazards.
- ◆ Supported by pollution response that is rapid, effective, and supported by optimal technology for monitoring and responding to environmental incidents.

- ◆ Overseen by uniform compliance/enforcement of all air and water standards at local, state, and federal levels.
- ◆ Managed by a comprehensive process including planning and permitting for dredging and disposal of dredged material that protects the environment while allowing for efficient, effective, and timely channel development and maintenance.
- ◆ Fully supported through the development of partnerships with all stakeholders including public education and outreach programs.

The environmental issue group made several findings and developed a total of 12 goals along with several action items and recommendations to achieve the goals. The primary goals and action items on the three primary issue areas are as follows:

Ship Operations and Vessel Movements

- ◆ The impacts of marine discharges from ships must be reduced.
- ◆ The leading concern is reducing or eliminating the continued introduction of aquatic nuisance or invasive species.
- ◆ International agreements, such as the MARPOL annexes, and federal laws must be fully implemented. This includes supporting international efforts to phase out the use of vessel paints and coatings containing TBT's.
- ◆ There is also the need to develop and implement ship and shore-based technologies and infrastructure to reduce marine discharges affecting water and air quality.
- ◆ Standards and practices must be developed where needed.
- ◆ The risk of marine accidents must be reduced.
- ◆ This can be done, in part, through the implementation of new technologies that will provide more accurate navigation information to mariners. These technologies include full-bottom surveys, digital nautical charting, real-time oceanographic and meteorological data, automated information systems, and vessel traffic systems based on risk analysis.
- ◆ Much work has been done to improve safety and reduce risk of maritime accidents and spills, but there is a lack of science-based processes to adequately evaluate the various risks of vessel operations. Risk-based priorities, using sound data and stakeholder involvement, should be developed to ensure advanced technologies are employed effectively and efficiently.

Managing Dredge Materials

- ◆ Dredging, especially dredging in areas where sediments are contaminated, is an ongoing environmental concern.
- ◆ Dredging must be addressed as part of a long-term port management process that is consistent with ongoing efforts, such as the National Dredging Team.
- ◆ While there is a continuing need to dredge channels in support of maritime commerce, there also is a need to view dredge materials as a resource to be managed, not just waste to be disposed.
- ◆ All interests and groups should be involved in management planning. This will encourage consensus among all interests and reduce delays for specific projects.
- ◆ New technologies should be utilized to reduce the expense and environmental impacts associated with dredging. Accurate hydrographic surveying and real-time technologies could be used to more accurately quantify materials to be dredged.

Port Development and Terminal Operations

Projected increases in trade will result in the need for expanded shore-side port development. This will place increased pressure on our nation's already congested coastal zone.

- ◆ Watershed management and smart growth principles should be incorporated into port planning processes.
- ◆ Port planning also needs to be better integrated into the national transportation infrastructure.
- ◆ Early state, local, and stakeholder involvement is critical to the planning process.
- ◆ Federal planning requirements need to be better coordinated under the Clean Water Act, Coastal Zone Management Act, TEA-21, the Ports and Waterways Safety Act, and defense requirements.
- ◆ This requires an assessment of existing authorities and a review for overlaps and gaps.

Ports, individually and through the American Association of Port Authorities, have taken steps to improve environmental management of port facilities, but the competitive nature of ports makes it difficult to develop a uniform code of practice.

- ◆ Port interests need to continue take a more-active role in reducing pollution from terminal operations.

- ◆ The industry should consider implementing a self-certification program based on similar mechanisms developed by other industries.
- ◆ Standards and best practices need to be developed to establish maximum allowable air, water, vessel and point-source contamination from cargo transfer and storage operations.

Conclusion

Environmental protection issues should be consistently incorporated into marine transportation decision-making processes from the beginning. Stakeholders, including those who rely on healthy coastal ecosystems for other purposes, must be at the table from the beginning. Such an approach will improve coordination and promote consensus. Finally, the process must focus on long-term planning on a broad scale instead of a project-by-project approach. Coastal communities should incorporate regional, intermodal, watershed or ecosystem approaches into port and waterway development planning processes.

Environment

ISSUE —a description of the issue area of discussion starting with the issue title.	ISSUE: LACK OF SCIENTIFIC PROCESS TO EVALUATE RISKS ASSOCIATED WITH VESSEL OPERATIONS
GOAL —provide a brief description of the specific outcome for the year 2020 which describes a certain action (e.g., increase, maintain, reduce, etc.) within a broad area covered by the issue.	GOAL 1: DEVELOP A BASIS TO SET PRIORITIES, BASED ON RISKS, FOR DEALING WITH IMPACTS OF VESSEL OPERATIONS AND SHIP MOVEMENT, WHICH RECOGNIZES REGIONAL DIFFERENCES; AND WHICH WOULD BE REEVALUATED PERIODICALLY.

	RECOMMENDED ACTIONS	Recommended Lead	Time Frame
A	Establish process, analytic framework, collect data.	USCG	S
B	Effective involvement of stakeholders in process.	USCG	S
C	Inventory existing efforts.	USCG	S
D	Evaluate current level of activity and cost/potential for improvement, and “urgency”.	USCG	S

Environment

ISSUE —a description of the issue area of discussion starting with the issue title.	ISSUE: ACCIDENT/SPILL PREVENTION
GOAL —provide a brief description of the specific outcome for the year 2020 which describes a certain action (e.g., increase, maintain, reduce, etc.) within a broad area covered by the issue.	GOAL 2: ACCURATE NAVIGATION INFORMATION FOR THE MARINER

	RECOMMENDED ACTIONS	Recommended Lead	Time Frame
A	Accurate reliable chart data - better interagency cooperation - review options for public and private involvement.	NOAA / USCG	
B	Physical Oceanographic Real Time Systems (PORTS).	NOAA / USCG	
C	Vessel Traffic System/Waterways Management - risk based analysis by port to determine appropriate level (<i>Ports Waterways Safety Assessment</i>).	USCG	
D	Public Education (especially with the recreational boater and small vessel spills)– (Energy Policy); relative significance of spill sources; understanding risks of our chosen lifestyle.		
E	Adequate commitment of resources and the will to promote uniform application of safety standards.		
F	Cargo, etc. vessel operator and owner review liability regimes to promote optimal environmental considerations - (consideration of joint/several liability, capping, ...).		

Environment

ISSUE —a description of the issue area of discussion starting with the issue title.	ISSUE: PREVENTING/CONTROLLING DISCHARGES FROM VESSELS – BOTH RECREATIONAL AND COMMERCIAL
GOAL —provide a brief description of the specific outcome for the year 2020 which describes a certain action (e.g., increase, maintain, reduce, etc.) within a broad area covered by the issue.	GOAL 3: FULL IMPLEMENTATION OF MARPOL ANNEXES NOTE: WHERE THERE ARE MULTIPLE LEADS – THE LEADERSHIP COUNCIL SHOULD DESIGNATE THE LEAD

	RECOMMENDED ACTIONS	Recommended Lead	Time Frame
A	Adequate reception facilities for garbage, bilge, ballast, sewage.	USCG	
B	Enforcement of existing standards and identifying or establishing uniform technical standards.	USCG / EPA	
C	R&D to assist in identifying or establishing uniform technical standards where needed.	USCG / EPA / NAVY	
D	New technology on new ships and shoreside facilities.		

Environment

ISSUE —a description of the issue area of discussion starting with the issue title.	ISSUE: INVASIVE SPECIES
GOAL —provide a brief description of the specific outcome for the year 2020 which describes a certain action (e.g., increase, maintain, reduce, etc.) within a broad area covered by the issue.	GOAL 4: LIMIT NEW INTRODUCTIONS THROUGH MTS (FROM BALLAST WATER AND ANY OTHER SOURCE)

	RECOMMENDED ACTIONS	Recommended Lead	Time Frame
A	Ballast water exchange when safe and practical—interim solution for further reductions.	DOT / USCG	S
B	Develop and implement cost effective treatment systems.	DOT, DOD	M
C	Work with Naval Architects in design of new ships and international authorities.	USCG, DOT	S
D	Examine scientific issues for successful establishment to occur (but not at the expense of implementing actions A-C).	NOAA, USGS	S

Environment

ISSUE —a description of the issue area of discussion starting with the issue title.	ISSUE: HULL COATING
GOAL —provide a brief description of the specific outcome for the year 2020 which describes a certain action (e.g., increase, maintain, reduce, etc.) within a broad area covered by the issue.	GOAL 5: LOW COST NON-PERSISTENT ALTERNATIVES WHICH AVOID NONTARGET SPECIES EFFECTS

	RECOMMENDED ACTIONS	Recommended Lead	Time Frame
A	Develop new, and test existing, products.	MARAD, DOD (ONR)	M
B	Integration of Environmental fate in development of new products.	EPA, DOD (Chem Manufact. Companies)	M

Environment

ISSUE —a description of the issue area of discussion starting with the issue title.	ISSUE: ENVIRONMENTAL IMPACTS OF RECREATIONAL BOATING
GOAL —provide a brief description of the specific outcome for the year 2020 which describes a certain action (e.g., increase, maintain, reduce, etc.) within a broad area covered by the issue.	GOAL 6: ELIMINATE HARMFUL DISCHARGES (HUMAN WASTE, AIR, OIL, NOISE, OTHER DEBRIS)

	RECOMMENDED ACTIONS	Recommended Lead	Time Frame
A	Establish process to involve marine recreational interests.	Stakeholders	
B	Education program and outreach mandated to all operators of recreational boats about impacts.	USCG	M
C	<u>Air, Noise and Oil</u> : Improved technologies to reduce or eliminate harmful discharges – establish stringent emission standards.	EPA	2-5 M
D	Develop phase-out of harmful emissions (non-compliant vessels).	EPA	L
E	<u>Human Waste</u> : Establish and enforce additional zero-discharge areas where needed.	EPA, USCG, States	L
F	Review Marine Board findings.	Stakeholders	

Environment

ISSUE —a description of the issue area of discussion starting with the issue title.	ISSUE: RESTORATION FROM PAST POLLUTION
GOAL —provide a brief description of the specific outcome for the year 2020 which describes a certain action (e.g., increase, maintain, reduce, etc.) within a broad area covered by the issue.	GOAL 7: RECOGNITION OF ISSUE

	RECOMMENDED ACTIONS	Recommended Lead	Time Frame
A	Discussion and understanding of collective responsibility to address continuing negative impacts from historic sources of pollution.		

Environment

ISSUE —a description of the issue area of discussion starting with the issue title.	ISSUE: BUILDING AND MAINTAINING SAFE CHANNELS FOR APPROPRIATE MARITIME COMMERCE
GOAL —provide a brief description of the specific outcome for the year 2020 which describes a certain action (e.g., increase, maintain, reduce, etc.) within a broad area covered by the issue.	GOAL 8: ADDRESS “DREDGING” AS “SEDIMENT MANAGEMENT”, AND MOVE FROM PROJECT-TO-PROJECT PERMITTING TO LONG-TERM PLANNING THAT INCORPORATES ENVIRONMENTAL VISION. (NOTE: THIS IS SEEN AS A LARGE ISSUE THAT NEEDS A SWEEPING NAT’L POLICY CHANGE)

	RECOMMENDED ACTIONS	Recommended Lead	Time Frame
A	Look on dredging as a management process, as opposed to a strictly regulatory process. Build upon the work from the National Dredging Team. Need to view this as a “broader” issue, beyond the scope of its current and traditional approach, including holistic and watershed aspects.	Sect. of the Army	S
B	Bring all the interests and groups to the table early to develop long-term sediment management plans that treat dredge material as a resource. It is a collaborative process that takes time to build effective teams. (Often, time seems to be shortened when significantly motivated by an external event).	Sect. of the Army	S
C	Need to be outcome driven. Leaders, with a vision and a willingness to solve or resolve issues, make a difference.	Sect. of the Army	S
D	Encourage greater private sector participation by investigating removing the barriers that prevent their entry.		M

Environment

<p>ISSUE—a description of the issue area of discussion starting with the issue title.</p>	<p>ISSUE: SAFER MOVEMENTS WITHIN EXISTING CHANNELS (FROM THE DISCUSSION ON DREDGING)</p>
<p>GOAL—provide a brief description of the specific outcome for the year 2020 which describes a certain action (e.g., increase, maintain, reduce, etc.) within a broad area covered by the issue.</p>	<p>GOAL 9: EXPEDITING THE USE OF NEW TECHNIQUES TO MEET MTS NEEDS.</p>

	RECOMMENDED ACTIONS	Recommended Lead	Time Frame
A	Certain technologies, including precise depth and positioning technologies, can be used to reduce the need for dredging or reduce the quantities of sediment that need to be removed.	NOAA / AOCE / DOT	M
B	Better use of the array of technologies that enable greater opportunities for safer movement of vessels within existing channel conditions. (i.e.: vessel squat, vessel locations, etc).	NOAA / AOCE / DOT	S

Environment

<p>ISSUE—a description of the issue area of discussion starting with the issue title.</p>	<p>ISSUE: REINVENT OUR PROCESS FOR PLANNING MARINE INFRASTRUCTURE AS PART OF THE US TRANSPORTATION SYSTEM, USING A PROCESS BASED ON WATERSHED MANAGEMENT AND SMART GROWTH.</p>
<p>GOAL—provide a brief description of the specific outcome for the year 2020 which describes a certain action (e.g., increase, maintain, reduce, etc.) within a broad area covered by the issue.</p>	<p>GOAL 10: SMART GROWTH FOR PORTS - INTEGRATE EXISTING FEDERAL REQUIREMENTS FOR LOCAL AND REGIONAL PLANNING (I.E.: CZMA, T-21 PORTS AND WATERWAY SAFETY ACT, DEFENSE NEEDS).</p>

	RECOMMENDED ACTIONS	Recommended Lead	Time Frame
A	Establish a planning team to identify existing federal programs.	The MTS Council	
B	Review for overlaps and gaps.	The MTS Council	
C	Ensure stakeholder involvement.	The MTS Council	
D	Make all MTS planning consistent with environmental vision.	The MTS Council	

Environment

ISSUE —a description of the issue area of discussion starting with the issue title.	ISSUE: CARGO SOURCE CONTAMINATION DURING TRANSFER AND HANDLING
GOAL —provide a brief description of the specific outcome for the year 2020 which describes a certain action (e.g., increase, maintain, reduce, etc.) within a broad area covered by the issue.	GOAL 11: ELIMINATE THESE SOURCES (FROM THE MULTITUDE OF MODAL SOURCES)

	RECOMMENDED ACTIONS	Recommended Lead	Time Frame
A	Determine standards for maximum allowable air, water, vessel, and point source contamination.	USCG / DOT	
B	Establish best management guidelines for cargo handling - transfer and storage operations.		
C	Develop a vehicle for port terminal operators to verify compliance with guidelines.		

Environment

<p>ISSUE—a description of the issue area of discussion starting with the issue title.</p>	<p>ISSUE: COMPETITIVE NATURE OF PORTS MAKES IT DIFFICULT TO DEVELOP A CODE OF PRACTICE FOR ENVIRONMENTAL MANAGEMENT.</p>
<p>GOAL—provide a brief description of the specific outcome for the year 2020 which describes a certain action (e.g., increase, maintain, reduce, etc.) within a broad area covered by the issue.</p>	<p>GOAL 12: DEVELOP AND IMPLEMENT AN INDUSTRY SELF CERTIFICATION PROGRAM</p>

	RECOMMENDED ACTIONS	Recommended Lead	Time Frame
A	Benchmark on some of the other associations that have created an industry self policing mechanism.	MARAD / EPA / AAPA	

Security

Background

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Twelve of the conference participants attended the Security Issue Session. Prior to the conference, each received a read-ahead paper describing the security issues within the Marine Transportation System (MTS) that were expressed by Regional Listening Session attendees and related studies. The issues from the Regional Listening Sessions addressed security in the context of criminal activity, terrorism and military mobilization.

Crime: The post Cold War era has been marked by an explosive rise in international organized criminal activity. Drug and migrant traffickers, illicit arms merchants, money launderers, counterfeiters, and contraband smugglers of every ilk are exploiting newly opened borders, liberalized markets, and fragile government institutions to forge global networks to conduct their nefarious activities. The maritime sector is especially vulnerable since its scale, complexity, and pace of activity often overwhelm local, state, and federal enforcement capabilities. Additionally, criminals are not just attracted to the sea and ports as mediums for their smuggling operations—more and more they are after the cargoes as well.

Terrorism: In addition to the surge in international crime, the passing of the Cold War has left in its wake a growing array of rogue states and terrorists. These states and trans-national adversaries appear intent on undermining the global forces of integration and the economic and political structures that advance America's interests and values. They likely will avoid directly challenging U.S. forces on the land, sea, or air. Instead, they will take their battles to the "street." The critical infrastructure, including the transportation and communications networks that underpin America's economic power, are likely targets. When its importance is combined with its inherent vulnerability, the nation's Marine Transportation System may deserve premiere billing as America's "Achilles' heel." Too, the burgeoning cruise and ferry ship industry presents a potent terrorist opportunity for those who are intent on advancing their cause through publicity or by extracting concessions from national governments by holding their citizens hostage.

Mobilization: Force projection and crisis response capabilities that underpin U.S. engagement increasingly depend upon commercial shipping to support its sealift requirements. This has been reinforced by the closure of many overseas bases over the past decade. Since the overwhelming majority of materials to sustain overseas operations need to move by sea, the logistical backbone for the rapid loading and transport of American forces and material relies ultimately upon the marine transportation infrastructure. Current sealift plans aim for commercial shippers to support 95 percent of the armed services logistics requirements in peacetime and 90 percent in time of war. At the same time, commercial shipping is increasingly (1) moving offshore to ports such as Vancouver, Halifax, and Freeport; and (2) relying

upon larger, deeper draft ships designed for specific cargo, and dependent upon technically sophisticated, highly specialized shoreside facilities for loading and offloading. There is substantial risk of divergence between DOD commercial sealift requirements and the marine industry capabilities. Finally, enemies incapable of winning direct military engagements will opt to try to thwart or at least disrupt the mobilization of our forces and their resupply by targeting the vulnerabilities at critical node points in our Marine Transportation System.

The participants in the security issue session were presented with two scenarios: one focused on the organized crime control challenge; the other dealt with a hypothetical terrorism threat designed to disrupt sealift operations. The objective of the scenarios was to provide a baseline for the subsequent discussions to develop: (1) the scope and significance of the maritime security challenge; (2) the barriers to successfully responding to that challenge, and (3) the best action plan for overcoming these barriers. Following the scenarios, the participants, through a facilitated discussion, crafted answers to the following questions in preparation for their report-out to all the conference participants:

- ◆ What are the most critical security threats connected with the Marine Transportation System?
- ◆ How can the dissemination of threat information, particularly to commercial users, be improved?
- ◆ What actions should be taken for reducing unauthorized access and improving the tracking and examination of goods and people within the marine industry? How can these actions be optimally aligned with the security measures for the air and surface transportation modes? What is an appropriate time scale for taking these actions?
- ◆ What actions should be taken to ensure that essential improvement to the commercial maritime infrastructure can also continue to meet U.S. national mobilization requirements?
- ◆ What incentives and pressures can be brought to bear for advancing improved port, vessel, and passenger security worldwide?
- ◆ What roles and responsibilities should be assigned to the private and public sectors to strengthen national and international resolve and capabilities for combating crime and terrorism in the maritime sector, and for addressing growing sea-based mobilization requirements?
- ◆ What is the most appropriate mechanism to ensure sustained private-public commitment and leadership on these security issues?

Outcomes

After conducting a security vulnerability assessment using the two scenario-based exercises, and further refining and developing the problems and challenges to MTS security, the session participants began reviewing and modifying the draft MTS vision document. The security aspects of the vision are contained in Section D —General System-Wide Attributes: Security. The Group reached consensus on the general security attributes that the system should include. They are:

The MTS in 2020 will support (1) national security efforts to ensure quick and efficient response to natural disasters and contingency operations, and (2) law enforcement efforts to prevent drug trafficking, cargo theft, auto theft, illegal immigration, and other criminal activities. The following security attributes apply:

- ◆ Critical infrastructure is designed and operated to prevent and/or mitigate system disruptions due to natural and man made disasters.
- ◆ System approach for rapid restoration of transportation system services disrupted by natural or manmade disasters.
- ◆ Assured/uninterrupted capability to deploy forces and material in support of national security operations.
- ◆ In transit visibility of maritime cargo and personnel transportation operations, which support detection and deterrence of smuggling, cargo theft, tariff evasion, and potential acts of violence.
- ◆ Mechanisms will be in place that allow for the timely sharing of intelligence information on potential smuggling and terrorist activities to law enforcement agencies and port authorities security forces.
- ◆ Security measures are integral to the design and operations so as to protect the public and minimize impact to user. Security requirements are balanced with requirements of cost effective operations.

In development of the goals and recommended actions, the group identified numerous areas of concern and themes that guided their work. They revised these and built upon the information presented in the read-ahead paper to focus their efforts. Some examples of these areas of concern include:

- ◆ Insufficient public awareness exists of the growing vulnerability of the MTS to, or the extent of the disruptive costs, as a result of, terrorist and asymmetric attack and exploitation by organized crime.
- ◆ Enhancing MTS security will require a systemic approach and integrated federal leadership.

- ◆ Any response to security threats will require robust engagement of the private sector.
- ◆ Minimum security standards and operating procedures are lacking both domestically and internationally for MTS.
- ◆ Deterring the targeting and exploitation of MTS will require closer monitoring of what moves through the system.

The participants worked in smaller groups to address the issues and develop goals with recommended actions, then regrouped to refine the products. They presented their work in plenary to all the conference participants and made modifications based on the feedback. The security issue team believed this was probably the least understood issue for the majority of conference participants but one of significant national importance. The presentation was delivered by Mr. William Lucas, Deputy to the Commander, U.S. Military Traffic Management Command.

Security

<p>ISSUE—a description of the issue area of discussion starting with the issue title.</p>	<p>ISSUE: THERE IS INSUFFICIENT NATIONAL SECURITY AWARENESS OF MTS AS A KEY ELEMENT OF U.S. CRITICAL INFRASTRUCTURE</p>
<p>GOAL—provide a brief description of the specific outcome for the year 2020 which describes a certain action (e.g., increase, maintain, reduce, etc.) within a broad area covered by the issue.</p>	<p>GOAL 1: THE GENERAL PUBLIC; PRIVATE SECTOR; AND LOCAL, STATE, AND NATIONAL GOVERNMENT ENTITIES UNDERSTAND AND VALUE THE IMPORTANCE OF THE MTS TO OUR NATIONAL SECURITY INTERESTS</p>

	RECOMMENDED ACTIONS	Recommended Lead	Time Frame
A	Establish a Presidential or Congressionally mandated Commission on ports and waterways security.	Public-Private Partnership	M
B	Stage terrorist attack exercises directed against the MTS operations and critical infrastructure.	Public-Private Partnership	M
C	Ensure that private and public educational efforts designed to highlight the value of MTS also include the message: “MTS is indispensable to our national security interests; i.e., economic, military mobilization, health and well-being.”	Public-Private Partnership	S

Security

<p>ISSUE—a description of the issue area of discussion starting with the issue title.</p>	<p>ISSUE: MARKET-DRIVEN FORCES COULD COMPROMISE THE INFRASTRUCTURE & OPERATIONS CAPABILITIES REQUIRED FOR QUICK, SECURE, & EFFICIENT MOBILIZATION FOR ALL TYPES OF MILITARY OPERATIONS</p>
<p>GOAL—provide a brief description of the specific outcome for the year 2020 which describes a certain action (e.g., increase, maintain, reduce, etc.) within a broad area covered by the issue.</p>	<p>GOAL 2: ASSURE THE AVAILABILITY AND SECURITY OF MTS CRITICAL INFRASTRUCTURE TO SUPPORT MOBILIZATION REQUIREMENTS</p>

	RECOMMENDED ACTIONS	Recommended Lead	Time Frame
A	Promote U.S. shippers and government agencies to use flag vessels.	Public: Federal Private: Various Shipper Organizations	M
B	Promote MTS security improvements that facilitate military deployment and mobilization.	Public: Federal	M
C	Develop real-time, dynamic modeling of MTS disruptions--cargo congestion, natural disaster or terrorist activity. Include in modeling alternative courses of action and cost impacts.	Public-Private Partnership	S
D	Conduct periodic reviews of infrastructure, including modal connections/capabilities, necessary to assure port access and ship operations.	Public-Private Partnership	S
E	Conduct baseline and periodic vulnerability assessments to determine state of readiness for military loadout facilities and their support MTS infrastructure.	DOT/DOD	S

Security

<p>ISSUE—a description of the issue area of discussion starting with the issue title.</p>	<p>ISSUE: THERE IS A LACK OF INTEGRATED FEDERAL LEADERSHIP OF MTS SECURITY ISSUES</p>
<p>GOAL—provide a brief description of the specific outcome for the year 2020 which describes a certain action (e.g., increase, maintain, reduce, etc.) within a broad area covered by the issue.</p>	<p>GOAL 3: DESIGNATE A FEDERAL LEAD AGENCY WITH STATUTORY AUTHORITY FOR COORDINATION OF LAW ENFORCEMENT, MTS INFRASTRUCTURE SECURITY, AND RESPONSE</p>

	RECOMMENDED ACTIONS	Recommended Lead	Time Frame
A	Designate a federal lead agency with statutory authority to be responsible and accountable for coordination of law enforcement, MTS infrastructure security, and response.	DOT	S

Security

<p>ISSUE—a description of the issue area of discussion starting with the issue title.</p>	<p>ISSUE: THERE ARE INSUFFICIENT RESOURCES DIRECTED TOWARD DETECTING, INTERCEPTING, AND RESPONDING TO CONSEQUENCES OF ACTS OF ORGANIZED CRIME AND TERRORISM</p>
<p>GOAL—provide a brief description of the specific outcome for the year 2020 which describes a certain action (e.g., increase, maintain, reduce, etc.) within a broad area covered by the issue.</p>	<p>GOAL 4: TO HAVE SUFFICIENT RESOURCES TO DETECT, PREVENT, AND RESPOND TO THE CONSEQUENCES OF MOVEMENTS OF CONTRABAND, THEFT, ILLEGAL MIGRANTS, AND OTHER CRIMINAL OR TERRORISTS ACTIVITIES THROUGHOUT THE MTS SYSTEM WHILE MAINTAINING UNINTERRUPTED COMMERCIAL OPERATIONS</p>

	RECOMMENDED ACTIONS	Recommended Lead	Time Frame
A	Develop and integrate real time intelligent system for tracking cargo, personnel, and vessel operations throughout MTS.	Public-Private partnership	M
B	Establish public/private partnerships to implement incentive-based mechanisms to address MTS security vulnerabilities.	Public-Private Partnership	M
C	Conduct baseline assessment of available public and private capabilities to support (1) the interception of MTS criminal and terrorist activities, and (2) to respond to the consequences of terrorists acts within MTS.	Public-Private Partnership	S
D	Designate a lead federal agency to coordinate at the local port and waterway level: (1) the interception of MTS criminal and terrorist activities and (2) the response to the consequences of terrorists acts within MTS.	Federal	S

Security

ISSUE —a description of the issue area of discussion starting with the issue title.	ISSUE: THERE ARE NO ESTABLISHED MINIMUM MTS SECURITY STANDARDS AND OPERATING GUIDELINES
GOAL —provide a brief description of the specific outcome for the year 2020 which describes a certain action (e.g., increase, maintain, reduce, etc.) within a broad area covered by the issue.	GOAL 5: DESIGNATE A FEDERAL LEAD AGENCY WITH STATUTORY AUTHORITY TO COORDINATE THE DEVELOPMENT OF MINIMUM MTS SECURITY STANDARDS AND OPERATING GUIDELINES

	RECOMMENDED ACTIONS	Recommended Lead	Time Frame
A	Develop a strategy and process for establishing operating guidelines and minimum security standards to govern day-to-day operations for onshore facilities, offshore facilities, and vessels. Participants must include federal, state, local, and private sector representatives.	Public-Private Partnership (DOT Lead)	S
B	Develop and implement minimum MTS security standards to include a mechanism for establishing and monitoring performance measures to gauge effectiveness and aid in refinement.	Public-Private Partnership	M
C	Promote adaptation and refinement of operating guidelines at the local port and waterway level.	Federal	M
D	Develop a strategy and process for advancing U.S. national MTS operating guidelines and minimum security standards on an international basis.	Public-Private Partnership	L

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Background

The Coordination Issue Session was conducted in plenary with all 144 conference attendees seated at tables of eight. Prior to the conference, each attendee had received a read-ahead paper describing the coordination issues with the Marine Transportation System (MTS) expressed by Regional Listening Session attendees. At the Regional Listening Sessions, attendees generally attributed the lack of coordination to the absence of a national MTS plan or vision; the fragmentation of government responsibilities; the failure to view the MTS as a system; the failure to share information; and, unclear responsibilities and overlapping jurisdictions among government agencies. The read-ahead paper discussed the concepts of horizontal coordination at the local, regional, and national levels and vertical integration from the local level through the international level.

Alternatives for resolution from the Regional Listening Sessions were also presented in the paper. The alternatives included creating local/regional committees and a National Council on Marine Transportation. A draft Executive Order creating the National Council was included as part of the paper. Based on this background, conference participants were asked to:

- ◆ Identify a process for improved federal coordination and dialogue at all levels.
- ◆ Identify a process for improved public-private sector communication.
- ◆ Provide guidance on creating local/regional committees and a national council and commit to follow-on actions to create forums.
- ◆ Agree on core responsibilities and membership for local/regional committees and a national council, allowing flexibility for local needs.
- ◆ Identify ways to clarify multiple agency responsibilities for system users.

Outcomes

After an overview of existing Harbor Safety Committees, and a panel presentation on the need, value and benefits to a port community of a local coordinating structures, the attendees discussed function, membership, success factors, mechanisms for communication with local/national structures, and steps to make it happen. Participants were given work sheets with potential roles and membership for local and national committees as a starting point for their discussion.

The participants agreed going into the discussion that there was a need for coordination of MTS issues at the local/regional levels, the national level, and between the local and national levels. In general, participants agreed on the following:

The MTS needs leadership from the Federal Government in order to energize the public and private sectors into taking much needed action. A National Council of senior public and private sector officials should be created and chaired by the Secretary of Transportation.

- ◆ Active stakeholder participation is needed at all levels.
- ◆ Successful local committees should remain as currently configured and used as models for other areas that want to establish coordinating bodies.
- ◆ Local coordinating structure should be tailored to the needs of the local/regional port, without government intervention, but with their help.
- ◆ National Council should not dictate to the local committees but should facilitate and coordinate when requested.
- ◆ National Council should identify and eliminate barriers between agencies.

Specific roles identified for the local coordinating structure include:

- ◆ Identify problems, opportunities, and recommend solutions.
- ◆ Promote public awareness of the Marine Transportation System.
- ◆ Resolve local Marine Transportation System issues in the port, consistent with federal and international regulations.
- ◆ Represent local area/port in creating coalitions. Reach out to regional and national coordinating structures.
- ◆ Raise visibility of port issues (Federal, state, industry).
- ◆ Establish a means to access and refer issues to the National Council.

Specific roles identified for the national coordinating structure include:

- ◆ Provide national leadership and commitment to achieve the Marine Transportation System vision.
- ◆ Promote public awareness/education of the Marine Transportation System.

- ◆ Review, coordinate, and streamline federal structure/regulations that impact the MTS.
- ◆ Develop budget proposals for projects to improve the MTS.
- ◆ Advise, support and coordinate the development of a national MTS strategy, policy and goals.
- ◆ Coordinate with the international marine transportation community.
- ◆ Coordinate and support the planning of a national infrastructure.
- ◆ Identify and eliminate barriers between agencies.

Key criteria identified for the success of a local coordinating structure were: leadership; trust; commitment; achievable goals; build on accomplishments; awareness (broad representation); communication; credibility; honesty; clear mission; generally common objectives; willingness to honor the process and the outcomes; no Federal Advisory Committee Act restrictions; involvement and support of local government officials; and use a systematic approach with built-in success.

Key criteria identified for the success of a national coordinating structure were: right players at the table (high level); tier structure (right subgroups to address issue at hand); national leadership; strong participation from all stakeholders and accountability; link national to local/regional industry; identify and eliminate barriers to agency cooperation; coordinate technology development and deployment; bring national attention/visibility to MTS; funding; bipartisan support; national level leadership and commitment; clearly defined responsibilities by Congressional mandate/Executive Order; and support of congress, administration, and stakeholders.

Participants also discussed the working relationship between the national and local level coordinating structures including the types of issues that would benefit from local input; the best mechanism for obtaining local input and communicating among the different levels. Open lines of communication between the public and private sector was viewed as the key element of how the different levels would work together. Outreach on a regular basis to obtain feedback from stakeholders on emerging issues should drive the work plan on the local and national coordinating bodies. Participants also recommended a wide array of groups, public and private, that should be represented on both the local and the national coordinating structures.

A recurring theme throughout the Coordination Issue Session was that now is the time to act as there has been enough talk. Mr. Kurt Nagle, President of the American Association of Port Authorities presented the Coordination Session report to the senior leadership panel.

SUMMARY OF LEADERSHIP PANEL COMMENTS

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The leadership report-out panel, representing the five Cabinet level organizations participating in the MTS National Conference, included DOT Secretary Slater, Deputy Secretary of Commerce, Robert L. Mallett; Under Secretary of Agriculture, Michael V. Dunn; Assistant Secretary of the Army, Dr. Joseph W. Westphal; and, Deputy Assistant Administrator of the Environmental Protection Agency, Dana Minerva.

The following is a summary of the comments of the Leadership Panel in response to the issue report out presentations.

Robert L. Mallett, Deputy Secretary, Department of Commerce

Thank you, Secretary Slater. And good morning to all of you. I am delighted to be here to listen to these very good reports, and to offer my support and the commitment of the Department of Commerce to work cooperatively with the groups represented here, the agencies represented here, to realize and actualize some of the very substantive recommendations that we've heard this morning.

I have a continued interest in navigation issues, and working with our National Ocean Service and others at the Department of Commerce in trying to make certain that we have a partnership with all elements of the marine transportation community.

Recently, I was in the Port of Oakland. I met with bar pilots. I met with a number of community groups. I met with people in the cities, I met the shippers, entrepreneurs who were trying to use some of our products that we created at the Department of Commerce, particularly our port data systems.

What we have heard today is all about how we can continue to remain the lead in international commerce on our waterways. Our international competitiveness is one of the highest priorities of the Commerce Department. The recommendations and information I've heard this morning will ensure that we maintain our lead.

A lot has been said this morning. A lot has been said over these past two or three days. It is going to be hard, make no mistake about it, to realize some of the things that you want us to do. But because it's going to be hard does not mean that we cannot make a very valiant effort at getting most of what you have recommended done.

I hope that in this process, as we attempt to actualize what you've recommended, that you remember that perfect is the enemy of the good, and that it is very important

that we get most of what you recommended done, even if we don't get it all done. Now, that is not to say that there is any particular recommendation that I heard that I necessarily disagree with. But, you know how these things work. Everybody wants 100 percent, instead of 99. Well, sometimes it's all right to have 99, and to take a few extra months to get your extra one percent.

I can tell you, that I and my department are decidedly enthusiastic about the work you have done here. You may rest assured that my door remains open. All of us at the National Oceanic and Atmospheric Administration, the National Ocean Service, all of us at the Department of Commerce want to remain a vital partner with you and with our sister agencies.

Thank you very much for your very good work.

Michael V. Dunn, Under Secretary, Department of Agriculture

Agriculture depends on transportation. Secretary Glickman has said over and over again, we can grow it, but if we can't get it there, we can't sell it. Much of the cost of our products is wrapped up in transportation costs. For many farmers and ranchers, the bottom line depends on transportation costs. Thus, transportation is extremely important to us at the USDA.

I want to commend Secretary Slater for having this conference on the Marine Transportation System, and bringing us together to talk about problems and solutions. This conference is a reminder of the importance of sharing real-time information to do our jobs.

Throughout government, at the direction of the President, we are readying for Year 2000 (Y2K). Secretary Slater heads up a President's Council working group on transportation, with USDA participation. I co-chair the Food Supply Working Group for Secretary Glickman. Transportation is a vital part of food delivery. We are only as strong as our weakest link in Y2K. We must be prepared. If we are not totally ready, we need contingency. I cannot think of a better group than this to exchange information on Y2K.

I'd like to commend General Fuhrman for his excellent presentation on the vision statement. I know how hard it is to craft a vision statement. Everyone has a nuance to include. I suggest adding "effective and efficient." While we certainly seek a maritime transportation system that is efficient, we must also ensure that it is effective. Many times in government we are extremely efficient issuing rules and spending money, but not as effective achieving end results. What the Government Performance and Results Act is all about is helping us prepare to be efficient and effective.

I was delighted that the first item on the reporters' feedback list was safety, because the human resource is probably the most precious resource we have. Human safety is extremely important. On behalf of USDA, I thank all the men and women in government for the fantastic job they are doing in transportation. I don't think we recognize people enough in government, so I want to do it here.

Getting the government and private sectors to work together to develop and maintain the transportation infrastructure just makes sense. No single segment or entity can do it alone. It can only be done through partnership.

We are in a major catharsis in agriculture. The 1996 Farm Bill says farmers have freedom to farm. This means we are going to be producing more and generating products in different areas from where we have in the past. Changes in biotechnology will have a tremendous impact on what is grown, where it is processed, and how the final product will be shipped domestically or overseas. It is extremely important we have and share the best information possible about our needs in agriculture, and develop a system to meet those needs. That is why Secretary Glickman asked us to put together a long-term agricultural strategy. In the spirit of partnership, we hosted with Secretary Slater the first summit on agricultural transportation needs in Kansas City last summer. The participants said this has been a long time coming. We really needed to talk about where we are going in transportation and in agriculture.

The U.S. agricultural sector is the largest user of freight transportation services in this country. In fact, by summing the movements of raw agricultural commodities, processed products, and agricultural inputs, agriculture accounts for nearly one-third of all freight transportation services provided in this country.

Competitiveness is another critical issue. We rely on transportation to be competitive. Our corn sets the world price. It is not because we can produce that corn cheaper than anyone else. It is because we have an efficient, effective transportation system that can get us into the world market. Corn that is exported from the Gulf of Mexico is produced in the Midwest, trucked or railed to a river elevator, and barged to the Gulf, loaded on ocean-going vessels and delivered to the world market. The U.S. produces about 42 percent of the world's corn and supplies 61 percent of the world's corn exports.

Now, we cannot rest on our laurels. I just returned from Brazil, where they showed me that in the past decade, they have doubled production and want to sell it globally. Two things are holding them back. One is their monetary system and credit policy, but the second is transportation. They cannot efficiently move it out of their country. But they are investing heavily. Argentina is also spending hundreds of millions of dollars dredging their facilities to become a world-class exporter, and building up their rail network. We need to hold our competitive advantage - which the presenters identified as a key issue. Clearly, U.S. agriculture depends on an efficient and effective Marine Transportation System to be competitive.

The cooperative approach we are using on environmental risk-based analysis across government could serve as a model for the systems approach discussed here. At USDA, we have assembled a group to work on risk-based analysis, which routinely talks with the White House and EPA about our joint environmental responsibilities.

Security is extremely important. My animal and plant health inspectors at ports do not wear guns, but rely on the folks who do. The type of smuggling occurring is unbelievable. We received a call from Customs indicating they thought they had a big dope bust. They knew that a particular trailer coming from Mexico into the U.S. had a false bottom, and they thought we were going to find a lot of cocaine and marijuana. So they grabbed the drivers when they arrived in California. What they found was 6,000 pounds of avocados. So they called us at USDA because this was considered contraband. Those avocados were carrying pests that could harm U.S. agriculture. The need for coordination is very apparent. Because smuggling is done for big bucks and greed, they do not care about human well-being. So it is extremely important that we have professionals to ensure safety for all our employees. I commend you for your action plan in that area.

The coordination you discussed is really the bottom line. We are very fortunate that Secretary Glickman and Secretary Slater have signed a memorandum of understanding (MOU) on how we will coordinate our efforts. We in their sub-cabinets are now working on similar MOU's. But it cannot just be government-to-government efforts. It has to be Federal, State and local government with the private sector. The presenters' action plans give us a good blueprint of where to go from here.

Again, Secretary Slater, I commend you and your staff for putting together this conference. It has been an excellent forum. I think we will follow through, but the private sector needs to hold our feet to the fire to see that we follow through.

Joseph W. Westphal, Assistant Secretary of the Army for Civil Works

Thank you. And thank you, Mr. Secretary, for actually initiating this and moving us forward on thinking about a transportation system. It's badly needed. I agree with my two colleagues who have pointed out that the real task is yet to come. That is to put a lot of what's been talked about in the vision and in the other components into a strategic plan.

The various points that have been made here about competitiveness, partnerships and coordination, environmental protection, economic strength and vitality in a competitive system, are all absolute cornerstones of this Administration's policy. They are things that have been drummed into us who serve this President and Vice President continually as the things that we have to do to sustain this Administration's policies throughout. What you have reported out today is a challenge to do in fact what the President and Vice President really want us to accomplish.

I would like to support everything that's been said before me, not to repeat it. I will emphasize another point that I think is absolutely critical. In my particular area of jurisdiction, one of the problems that we suffer is that we depend a great deal on the private sector and on local folks, local and state governments, to share with us in the cost of maintaining and building and supporting our infrastructure. And that cost is getting harder to meet and it's getting larger to meet. As our infrastructure ages the demand for maintaining it, improving it, and doing it without risk to the environment is getting to be a tougher task. We need federal resources to do that.

We as a federal government have to stand by our partners, and work with our partners in a faithful manner to ensure development, to achieve competitiveness, to achieve environmental protection, to achieve the coordinated efforts that we need. This requires us to be equal partners and to bring resources to the table. That's what I think we need to do in developing a strategic plan.

We need to keep in mind that the resources are tight. We have as a system, as a government, as a nation, a huge amount of competition among a variety of highly-critical and important missions, whether it's education, our national defense, our transportation system. We need the resources. And we need to continue to fight for those resources to achieve this balance.

From a national defense standpoint this is absolutely critical for the nation's security, and I'd like to just reemphasize that, and cite one brief example. In Desert Storm, for example, MTMC operated out of 33 of our ports, and loaded more than 946,000 pieces of equipment, equating 6.5 million measurement tons into 564 ships which were bound for Saudi Arabia during Desert Shield/Desert Storm. That's just one example. I could cite you figures about Bosnia and other deployments. We need our transportation system to be vital, and to be absolutely competitive, not just in the world economic market, but also when it comes to our national security.

I stand ready to work with you, Mr. Secretary, and my colleagues around the table and other federal agencies, to interact as strongly and as forcefully as we can in the White House and in Congress to fortify this system. We will work in a cooperative way to achieve the goals that all of you have reported out, and that are required by our President and the Vice President. Thank you.

Dana Minerva, Deputy Assistant Administrator, Environmental Protection Agency

It certainly has been a view of the Administration that the environment and the economy are linked, and I would say that a healthy Marine Transportation System is linked with a healthy environment. And I certainly appreciate the inclusion of the environment in the vision statement. Speaking of words, I was happy to see "environment" as one of the words. And I think that we need to approach the

environment and the Marine Transportation System as a system, and recognize the link between them.

I appreciated the emphasis on inclusiveness. I think a lot of disputes about Marine Transportation System and the environment can be avoided if we have early communication and early listening sessions, and early involvement by all the interested parties.

I also very much appreciated, in the environmental section, the emphasis on watersheds and ecosystems. In the end, Marine Transportation System is part of the larger ecosystem. It doesn't exist in the landscape alone. Ports are neighbors to larger neighborhoods, and I think that it's important to remember that link to larger watersheds, to larger ecosystems. I was very pleased to see that.

And, Mr. Secretary, I really appreciate the opportunity to have the Environmental Protection Agency linked into this conference and the opportunity to continue to work with you. And I hope we have some time for some questions here. I was particularly interested in the idea of an industry self-certification program.

We know in the Environmental Protection Agency that regulations alone won't protect the environment, and that voluntary efforts by industry are very important. So I was extremely intrigued by the industry self-certification issue, and I'd like, if we have an opportunity, to hear more about that. Thank you, Mr. Secretary.

Rodney E. Slater, Secretary, Department of Transportation

That's a very good question about funding the MTS. I would suggest that the sum of my remarks speak to that question. Your question goes to whether anything good is going to come from this conference. That's the heart of your question. Let me offer a few comments, and we'll see if that's the case.

People on the move need safe, reliable transportation to keep them going. All too often, marine transportation is provided by an industry that, frankly, does not get the kind of attention it needs and deserves. In that regard, I want to answer the question about resources in this way. If our vision is powerful enough, we can get what we need. Kurt spoke to this in talking about the need for coordination; he basically said that one reason we haven't had the coordination in the past is because we haven't had the vision.

We haven't had the give and take necessary involving those concerned about the environment and those concerned about infrastructure. We haven't focused as much as we should have on the importance of this industry as it relates to our national security, our economy, and how that certain investments can actually enhance the environment.

If the vision is bold enough, we can get there. And I want to suggest that everything that follows speaks to that point that I made to you in response to your question. We can get there. We can get there because this conference has been an immense success. And I want to congratulate all of you for making it so.

Again, I want to mention Admiral North, and also our Deputy Administrator for MARAD, John Graykowski, because they have chaired this effort for you today. Clearly, I have more to say about Admiral Loy and Mr. Hart later, because MARAD and the Coast Guard have worked hard with all of you to give us the ability to say that all our time here has been time well-spent. This is a wonderful work in progress. And I can tell you that we have a President who understands the importance of your work. The President said early on that if America is to move forward into the 21st century, our transportation system must be ready for the future as well.

Now, Dana talked about how good the environment is for us to bring about the birth of the public/private partnership. And she said that from the vantage point of working in EPA, which is always concerned about how you strengthen this industry, or any transportation industry to be exact, and do no harm. And, hopefully, enhance the environment. You also had Michael speaking from the vantage point of USDA, Joe speaking from the vantage point of the Corps of Engineers, and Bob Mallett speaking from the vantage point of Commerce, echoing all of the wonderful points that have been made by our distinguished presenters.

But each of them also said, as I say once again, that you have a good administration with which to work. This is an Administration that believes that we can have a good environment and a strong economy. If you look back over the last six years, you will see that manifesting itself at every turn.

Because of what you have done here at this conference, we are several giant steps, and I underscore that, closer to making sure that the Marine Transportation System is ready as an integral part of our nation's national transportation system. We now have the beginning of a powerful vision. Those who have no vision perish. But that is not going to be the case with this industry. I think that it is a vision that will command the respect and the attention, not only of those who serve in the Executive Branch, at the highest levels, but also the Congress.

The entire U.S. transportation system is undergoing a transformation. Not a transition, but a transformation. We all are asking these questions, is bigger better? Can we use technology to give us some of the added capacity we need and preserve the green spaces? That "bigger" sometimes consumes? How do we deal with matters pertaining to sprawl?

Our Marine Transportation System is a part of that transformation. The most exciting thing about the discussion that has occurred just here before us today, has been a sense of renewal, and a sense of a greater presence of synergy, and a greater excitement and electricity in the room because of the uniqueness of this gathering.

You should see yourselves as we see you. This is a great collection of leaders who can help to get us to where we need to be.

Now, we are rapidly becoming a system that integrates the physical transportation infrastructure with advanced information and communications technology. This is as it should be as we move from an industrial-based society to an information/technology-based society. But does that mean that the agricultural society that gave us the foundation for the industrial-based society has no role to play? No. And Michael has made that point clearly in his contributions today. We are still a nation that helps to feed the world. That is because of our strong agricultural base. We have to have a transportation system that can respond to our agricultural needs, our industrial needs, and also the needs of a technology-based, information-based society.

At this first ever national conference on the U.S. Marine Transportation System, and I'm honored to be a part of it, you have produced some important insights about who we are and where we should be today. And you have communicated that very, very well through your spokespersons here. I hope you noticed, we were all taking a lot of notes. And as we responded, you could tell we were listening.

Not only do you have people here that are strong intellectually, but who know how important this work is as relates to our competitiveness.

This effort is also something that speaks to the very essence and being of America, because we are a maritime nation, we are an island nation.

As I've listened to the reports this morning, I could clearly hear outlined in those reports an emerging consensus on many issues. I will touch on those as I come to a close.

Your call for leadership came through loud and clear. And I can tell you that I personally want to assure you that I will do my part working with all of you in carrying out the leadership role. Your concerns that many key players in our economic and political system do not understand nor appreciate the role of the MTS in assuring our nation's future prosperity also came through loud and clear.

We have to tell your story, and we have to tell it without apology, and without shrinking to the task and in the task at hand. We will, from this moment forward, take up that cause, as we educate the American people as to the importance of the work that you do. That will begin with telling all of the good work that has occurred here in this session, which builds on the listening sessions that we had all across the country.

We will take the work product, and we will publish it in the Federal Register. We will use it to elicit and solicit comments from the public at-large. Then we will take that, and with you, fashion a legislative agenda, fashion a message, fashion the kind of

policy that will help us build from strength to strength as we go into a new century and a new millennium.

I particularly appreciate that your working sessions focused on safety, environmental and security concerns as well as technology and economic concerns. I feel confident in saying that we have forged the beginnings of a new partnership. A partnership, again, reflected by the great diversity in this room, and by the powerful intellectual muscle here represented. But it is a new kind of partnership, for it includes both government and the private sector, and that's what you have demonstrated through your discourse, in a positive way over the past day or so.

We are ready, I believe, to take some important steps. First, let me say what the Congress has already directed us to do. Congress has directed me, and I get this direction through the Coast Guard and through MARAD, so I want everybody to know there are others on the hot seat with me, especially Clyde Hart, our Administrator, and his team at MARAD, and also Admiral Loy and his great team there at the Coast Guard. But working collectively, these two individuals and their teams will help me to carry out our responsibility in establishing a task force to assess the adequacy of the nation's Marine Transportation System. And all of you, through the reports and through your participation in the listening sessions, will be a part of this effort with us. We have listened, we have learned, and now, with your help, we can effectively respond to the challenge put to us by the Congress.

Now, in this effort we're also charged with assuring that we are operating in a safe and efficient and secure and environmentally-sound manner. And there again, we will take the benefit of the specific comments here made to help us in that regard. We want you to know that we're going to move quickly in establishing the task force. I believe that the task force, at least in the beginning, can become the national coordinating structure that we talked about here today. I believe that this task force can become the national coordinating structure that you described in your briefings here this morning. The initial agenda of the task force will come from the key issues that have been brought forward over the past few days.

Some of the initial ideas that the task force will take into account deal with education, educating the public and also marketing the good things that have been done here. We in the Department focus on a phrase that was used by Alex Haley, which is actually on his gravestone: "Find the good and praise it."

You need ambassadors. You need people that see the good work that you do, and who then go forth and praise it. I will be one of those individuals. All of the individuals here gathered will be those voices for you. And clearly, you represent a strong and powerful chorus of voices yourselves.

The task force can also help give focus to that voice. Through outreach efforts dealing with the local entities that we've discussed here, so that it's not a top-down kind of effort. Ultimately, it's all about building from the bottom up. If I can provide

some leadership and help in that regard, that is good. The task force can help the legislative initiative, and the various funding matters that will have to be addressed as we go forward.

Lastly, let me acknowledge, once again, your contribution to this effort. As you hear me talking about the work of the task force, know that we're going to take your work product and carry it forward. By participating in this conference and in our earlier Regional Listening Sessions, the work that you have done helps the task force. There again, I want to thank you. I cannot say that enough.

As I said on Tuesday, I will share the results of this conference with my fellow Transportation Ministers from throughout the hemisphere when we gather in mid-December in New Orleans. I think that that will help us carry forth the good work that you have started.

Part of our challenge to be addressed here involves actions that are being taken by others, whether it's building larger ships or matters of that type. I think our interface with our partners will be helpful in that regard. We also plan to use your work as a guide to our legislative approach to the new Congress, and I can assure you that a number of other departments and agencies will do the same. And we're going to do that in a coordinated fashion.

On Tuesday, I stated that we're off to a good start, but today I can tell you that we're off to a great start. You know, this is an effort that has begun. We've only just begun. But I can assure you that the best, with this kind of start, is yet to come. Thank you for all of your participation, and I thank you for your insight and intellect that you have contributed to this significant and great undertaking.

NEXT STEPS

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It is anticipated that there will be a massive growth in Marine Transportation System (MTS) use in the next 20 years. To ensure the nation's future prosperity, there has been a call for leadership from the Federal Government from the users of the MTS. What is envisioned is a participatory process that engages and involves those who have an interest in using, developing and safeguarding our MTS with the Federal Government facilitating, guiding and supporting this process.

To date, seven public Regional Listening Sessions and a National Conference on the Marine Transportation System have been held. The availability of the Proceedings of the National Conference on the MTS will be published in the Federal Register to elicit and solicit comments from the public at-large. In response to a congressional mandate (P.L. 105-383, 3/13/98, 112 Stat. 3411), Secretary Slater is creating a National Task Force to assess the adequacy of the nation's MTS. The input from the Regional Listening Sessions and the National Conference will be an important part of the assessment.

The National Task Force, chaired by Secretary Slater, will examine critical issues and develop strategies, recommendations, and a plan of action for the MTS. The National Task Force will report its findings to Congress by 1 July 1999.

A short-term task force is not sufficient to provide the long term leadership and guidance necessary to prepare for the future. A National MTS Council is envisioned and legislation may be necessary to create it. This National MTS Council will be comprised of high level members of the public and private sectors who will advise the Federal Government and help shape MTS policies.

Congressional Mandate for MTS Task Force

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Text of Public Law 105-383, 11/13/98, 112 Stat. 3411

RESOLUTION

SECTION 1. SHORT TITLE

This Act may be cited as the "Coast Guard Authorization Act of 1998."

SEC. 308. NATIONAL MARINE TRANSPORTATION SYSTEM.

IN GENERAL. – The Secretary of Transportation, through the Coast Guard and the Maritime Administration, shall, in consultation with the National Ocean Service of the National Oceanic and Atmospheric Administration, the Corps of Engineers, and other interested Federal agencies and departments, establish a task force to assess the adequacy of the nation's Marine Transportation System (including ports, waterways, harbor approach channels, and their intermodal connections) to operate in a safe, efficient, secure, and environmentally sound manner.

(b) TASK FORCE. –

(1) The task force shall be chaired by the Secretary of Transportation or his designee and may be comprised of the representatives of interested Federal agencies and departments and such other non-federal entities as the Secretary deems appropriate.

(2) The provisions of the Federal Advisory Committee Act shall not apply to the task force.

(c) ASSESSMENT. –

(1) In carrying out the assessment under this section, the task force shall examine critical issues and develop strategies, recommendations, and a plan for action.

Pursuant to such examination and development, the task force shall –

(A) take into account the capability of the Marine Transportation System, the adequacy of depth of approach channels and harbors, and the cost to the Federal Government to accommodate projected increases in foreign and domestic traffic over the next 20 years;

(B) consult with senior public and private sector officials, including the users of that system, such as ports, commercial carriers, shippers, labor, recreational boaters, fishermen, and environmental organizations;

(C) sponsor public and private sector activities to further refine and implement (under existing authority) the strategies, recommendations, and plan for action;

(D) evaluate the capability to dispose of dredged materials that will be produced to accommodate projected increases referred to in subparagraph (A); and

(E) evaluate the future of the navigational aid system including the use of virtual aids to navigation on electronic charts.

(2) The Secretary shall report to Congress on the results of the assessment no later than July 1, 1999. The report shall reflect the views of both the public and private sectors. The Task Force shall cease to exist upon submission of the report in this paragraph.