

Report to Membership
Jacksonville Marine Transportation Exchange
Of the
South Atlantic Marine Transportation System Organization
(SAMTSO)
Quarterly Meeting
Jacksonville, Florida
May 8-9, 2001

The newly formed JMTX was proud to be able to sponsor the quarterly meeting of SAMTSO here in Jacksonville May 8 and 9, 2001. It was held at the Radisson Riverwalk Hotel and Conference Center with attendance estimated at approximately 75 people.

The program began with welcome and opening remarks by John Hassell, Chairman of SAMTSO. Among other comments, Mr. Hassell suggested each state MTS organization needs to identify the governor's liaison to MTS and begin to develop a relationship.

He also reviewed the results of the MTS National Advisory Council (MTSNAC) meeting recently held in Charleston. This meeting was a result of the last SAMTSO meeting in Norfolk, Virginia whereby a review of comments given by Secretary of Transportation Mineta revealed his interest in examining the need for new maritime legislation similar to the former TEA-21 program for surface transportation. The feeling of MTSNAC was this offers a unique opportunity for the MTS to present Mr. Mineta with the need for this type legislation as it enables appropriations for infrastructure. It was agreed that MTSNAC would begin to prepare a white paper to provide input to the Secretary.

After lunch there was a report given by Captain Jim McDonald concerning Port Security Issues. This committee group presented its mission, guiding principles and action items:

1. Develop port specific assessment models for terrorist threats, security vulnerability (including rail, road and sea) matrix, and drug infiltration.
2. Develop a roles and responsibilities template which would list all agencies with telephone numbers and contacts for each port facility
3. Target and identify an industry sounding board who would review assessment models and security plans to ensure port users have input into MTS security programs
4. Develop an awareness and outreach plan for security.

The various committees went to their breakouts: Security, Dredging, and Awareness. After a brief wrap up, the attendees were invited to a networking cocktail reception hosted by JMTX sponsors.

Wednesday, May 9th began with an informative presentation by Capt. Michael Rosecrans, COTP Jacksonville concerning the new Coast Guard Atlantic Area Hurricane Vessel Sortie Policy. He stressed the importance of each port to establish a berth survey as part of a harbor's hurricane preparedness.

After a report from the Charleston Maritime Association, concerning post hurricane response and recovery planning, Mr. Hassell further discussed SEA 21 Infrastructure Development Funding.

Kelley Platz, with Port Master, gave an informative presentation about its computer program.

The various committees met and presented to the attendees their reports. In addition to the Security Committee, Dredging Committee reported that basically the South Atlantic ports are all in various time-lines for dredging but the common threat is the lack of adequate funding sources whether by state or federal. The Awareness Committee reported back its plan to bring greater public attention to MTS issues and after some discussion agree that the theme or motto should be: "MTS - America's Critical Link".

Mr. Hassell thanked everyone for their participation and leadership. He announced that the next SAMTSO meeting would be held in Savannah, Georgia September 13-14, 2001

Meeting Summary
South Atlantic Marine Transportation System Organization (SAMTSO)
Port of Hampton Roads, Norfolk, Virginia
6-7 December, 2000

1. The Steering Committee met prior to the conference to: (1) Review results of the Charleston Regional Meeting, (2) Develop a vision & mission statement, (3) Review action plans to address problems, and (4) Confirm members of the Executive Committee. (See attachment for highlights and results of the Steering Committee).

2. At the conference, hosted by the Hampton Roads Maritime Association, "establishing partnerships" was the key focus. Approximately 100 maritime industry leaders and government officials agreed that the nation's marine transportation system needs better funding.

"The maritime industry generated \$22 billion in fees and assessments in fiscal year 1998 - and yet it gets back comparatively little for capital improvements," said J. Robert Bray, Executive Director of the Virginia Port Authority.

Members of the newly named South Atlantic Marine Transportation System Organization (SAMTSO) met to tackle issues such as dredging, port congestion, MTS awareness, information management, navigation services, ballast water legislation, port security and lobbying strategies.

"There are a lot of issues that we need to address: There are 119 user fees and taxes on the maritime industry and there are regulations from a number of federal agencies," said J.J. Keever, Executive Vice President of the Hampton Roads Maritime Association. "We would like to consolidate requirements and streamline funding processes."

Seaborne commerce generated \$14 billion in customs receipts -- 70 percent of U.S. Customs' total. Customs' income from seaborne imports was 28 times the nation's annual maintenance dredging costs, which are paid through the Harbor Maintenance Tax on seaborne imports. The maintenance tax goes straight into a maintenance dredging fund, which has about \$2 billion in reserve.

Some leaders of the new organization would like to see the dredging tax on imports eliminated. Instead, they would like the nation's general fund--into which the industry pays billions--to pick up the tab for dredging and to be made available for other critical capital improvements; much like the general fund which is available for highway and other land mode improvements. Appropriate approaches to MTS funding and investment will require full private sector, interagency and political support.

The MTS initiative is a collaborative public/private effort led by the Coast Guard and the U.S. Maritime Administration (MARAD) to mobilize port communities to assess the industry's long-term needs and to promote the industry's role in the national economy.

"The marine transportation system is facing tremendous growth and congestion," said Nuns Jain, South Atlantic Region Director for MARAD. "We need some real strategic investments in our system if we want to maintain our competitiveness."

One of the guest speakers, Charles Kurz II, an Executive with Keystone Shipping Company and a member of the MTS Advisory Council said "we have to start telling the story to the public."

Ports need money to expand, dredge channels and invest in critical technologies. In Hampton Roads, the second-largest port on the East Coast, officials are working on several projects to sustain growth and meet the port's projected needs.

There's a plan to further deepen the channels and a vision to develop a fourth marine terminal at Craney Island, where the Army Corps of Engineers has been disposing dredged materials for decades.

Such port-related projects are expensive and with so many competing needs at the state and federal level, the industry is growing increasingly convinced that it needs to make a better case for itself.

The South Atlantic Marine Transportation System Organization (SAMTSO) brought together approximately 100 port officials and business interests from Florida to New York to discuss ways to improve the dredging permitting process, ways to fund the needed port projects and to make the public aware of the innumerable benefits of the marine transportation system. The Hampton Roads Maritime Association also invited representatives from northern ports to the conference so that they, too, could weigh in on issues and see how the South Atlantic's regional committees have been organized.

"You are ahead of everybody else in the nation in moving ahead with this initiative," Mr. Jain said to the group, "but you have a lot of work ahead of you." In fact the initiative is still very much in the idea stage.

"This regional organization is even more important because it's from you, who are gathered here today--where the water hits the shore--that the important specific issues and solutions will form", said Raymond Barberesi, Director of Ports and Domestic Shipping, MARAD. "It is now our responsibility to take that understanding to the leaders of our business and political communities--to make them aware of one important fact--MTS is America's key to harnessing the tide of maritime trade instead of being swept away by it--it is the key to future economic growth. It affects every state, county, city and every citizen in this country--and the world, but they don't know it."

Summary: The Marine Transportation System (MTS) includes a waterborne highway of bays, harbors, rivers, navigable waterways and 361 seaports. The MTS is vital to the maritime industry, which includes vessel operators and port terminal operators, and a host of related industries and jobs such as trucking, longshoremen, stevedores, surveyors, freight forwarders, importers and exporters.

Used by commercial shipping, the MTS is also vital to American business and American consumers: More than 95 percent of all overseas trade that moves into or out of the United States moves by ships.

Ports have been, and will continue to be, a strong partner in the MTS system. U.S. port development and maintenance is a shared responsibility of Federal, state, and local governments, with extensive private sector participation. Under this relationship, rooted in the U.S Constitution, the Federal government maintains harbor access channels, while individual ports, at levels of \$1.5 billion annually, construct and maintain the landside terminal facilities, dredge their own berths, and contribute to channel improvement cost-sharing programs.

The meeting was adjourned with everyone looking forward to the next SAMTSO Meeting in Charleston, S.C. 31 Jan – 1 February, culminating in a presentation to the MTSNAC Committee on 2 February.

J.J. Keever

Encls: (1) Steering Committee Highlights.
(2) SAMTSO Committee Members

Meeting Summary
Steering Committee Highlights
SAMSTO
6 December, 2000

Executive Committee

Chairman – John Hassell, The Maritime Association, Port of Charleston

1st Vice Chairman – Charles E. Sutlive, Savannah Maritime Association

2nd Vice Chairman – J.J. Keever, Hampton Road Maritime Associates

Port Authority Representatives from North Carolina and Florida

- Name for organization – South Atlantic Marine Transportation System Organization (SAMTSO)

Mission Statement

To exercise leadership among the many stakeholders involved with SAMTSO in order to address the challenges and opportunities facing the region; to articulate the importance of the regional MTS to the economy of the nation and the South Atlantic; to foster a common vision for the future of the region's MTS; and to energize continued efforts to protect and advance the interests of the region's MTS.

Action Items for Committees

Awareness

- Between now and next meeting each Maritime Association and/or Port Authority should send a letter to members of Congress in their state asking for continuing support of MTS initiative.
- Recommend program to communicate to Congress and the new administration, the importance of the MTS initiative, and ask for continuing support.
- MTS is critical to our economy – National Security.
- MTS experiencing growth and congestion.
- Need strategic investments in the MTS.
- “We are all in this together...public/private”.

Coordination

- Uniform enforcement.
- Organize a regular Federal Interagency Coordination Committee. Compile a matrix of federal agencies that have responsibilities/duties over maritime commerce. Should include authority, U.S. Code, POC's, etc.

- Ascertain from Port Authorities, HSC's etc., what the overlapping issues are.
- What can federal agencies correct regionally and what needs to be sent up to the national level?
- What are the coordination issues today in the region, not identified in the report to Congress?
- Ask every federal agency involved and in the Report to Congress, to designate a representative for this committee. Vessel agents are best to identify overlaps in vessel regulatory activities.
- Identify regional representatives; invite them to the next meeting.
- Identify U.S.G.G. issues to resolve "consistency between ports" (D5 participation).
- Identify overlap between agencies (vessel operations). Set up a teleconference. Recommend vessel agent to chair.

Dredging – Process and Funding

- Review federal/state cost sharing formulas with regard to Harbor Dredging Project.
- Need nominations for candidates in leading the charge – need buy-in.
- Share with LDA Northern Ports
- Identify steps in permitting process; evaluate practical overlaps and determine means for steamlining process (for normal and fast track). Work with regional Dredging Team.
- Identify a steady source of funding (i.e. federal general funds, customs tariffs, etc.) or return to pre-Harbor Maintenance Fee practice of federal government paying for all dredging.
- Develop a regional argument to support the above to articulate why we need funding sources.

Information Management

- Create a SAMTSO web site
- Determine what should go into website. Minutes: Use them. Spread word and forward on to other members of the port industry.
- Utilize technology
- Review reports from Congress and regional meetings.

Port Security

- Review Graham Commission Report from regional perspective and provide assessment of consequences to the region.

Next Meeting:

Charleston - mid-day January 31, 2001, concludes mid-day February 1, 2001.

MTSNAC Presentation February 2, 2000 (Focus on National Theme).

Norfolk – Ballast Water Management Meeting – April 2001

SOUTH ATLANTIC

MARINE TRANSPORTATION SYSTEM ORGANIZATION (SAMTSO) COMMITTEES

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AAPA

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Bill Collins
Bill Daniels
Nuns Janis
Victoria Robas
Barbara Melvin
Capt. Allen Thompson,
Matt Walton

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