Overview of Ports & Waterways

Eric C. Shen, P.E., PTP, CPE
Director, Mid-Pacific Gateway Office

AAPA Terminal Management Training
October 4, 2018
Long Beach, California
MISSION:
Strengthen the U.S. maritime transportation system including infrastructure, industry and labor to meet the economic and security needs of the Nation.

STRATEGIC GOALS:

▪ CARGO: Develop domestic and international transportation opportunities to modernize and sustain a competitive commercial U.S.-flag fleet that ensures the Nation’s economic and national security

▪ READINESS: Ensure the availability of a capable U.S. Merchant Marine fleet with modern U.S.-flag vessels, skilled labor and global logistics support to drive the Nation’s economy and to meet national maritime transportation requirements in peacetime emergencies and armed conflicts

▪ INFRASTRUCTURE: Support the development of America’s ports, shipyards and related intermodal infrastructure as key integrated components of an efficient, resilient and sustainable national transportation system and freight network

▪ ADVOCACY: Advance awareness of the necessity and importance of a strong U.S. Maritime Transportation System
1. FAA: Federal Aviation Administration
2. FHWA: Federal Highway Administration
3. FMCSA: Federal Motor Carrier Safety Administration
4. FRA: Federal Railroad Administration
5. FTA: Federal Transit Administration
6. MARAD: Maritime Administration
7. NHTSA: Nat’l Highway Traffic Safety Administration
8. OIG: Office of Inspector General
9. PHMSA: Pipelines and Hazardous Materials Safety Administration
10. SLSDC: Saint Lawrence Seaway Development Corp.
OUR MISSION:

NAVIGATING TOWARDS THE FUTURE
### Differences between MARAD and Other Organizations

**U.S. Maritime Administration (MARAD)**
- Promotes the use of waterborne transportation, ships and shipping, shipbuilding, port operations, vessel operations, national security, environment, and safety
- Maintains a fleet of cargo ships in reserve to provide surge sealift during war and national emergencies
- Provides and supports maritime education and availability of trained mariners

**U.S. Army Corps of Engineers (USACE)**
- Maintains our Nation’s harbors and navigable waterways
- Delivers vital public and military engineering services
- Partners in peace and war to strengthen national security

**U.S. Transportation Command (USTRANSCOM)**
- A combatant command which provides support to the eight other U.S. combatant commands, the military services, defense agencies and other Government organizations
- Supports the transportation and enabling capability provider of choice

**U.S. Coast Guard (USCG)**
- A branch of the military responsible under DHS that regulates the waterways, from ensuring safe and lawful commerce to performing rescue missions in severe conditions
- License U.S. merchant mariners

**Federal Maritime Commission (FMC)**
- Regulates the U.S. international ocean transportation system for the benefit of U.S. exporters, importers, and the U.S. consumer, as an independent agency.
- Protects the public from financial harm, and contributes to the integrity and security of the U.S. supply chain and transportation system.
- Ensures competitive and efficient ocean transportation services for the shipping public.
MARAD Program Elements

Maritime Administrator

Strategic Sealift
Commercial & Federal, Education/Training
- Ship Operations
- Emergency Preparedness (US & NATO)
- Sealsift Support
- Ship Disposal
- Cargo Preference/ Domestic Trade
- Mariners and Training (State Maritime Academies) (SMAs)

United States Merchant Marine Academy (USMMA)
- 981 Midshipmen
- One of five military academies
- Obligates service (Armed services afloat)

 Ports & Waterways
- Infrastructure Planning & Development
- Marine Highways
- Deepwater Ports
- Port Conveyance
- Stakeholder Outreach
- Gateway Offices

Maritime Security, Safety, Environmental Innovation and Technical Assistance
- Environment
- Maritime Security
- Safety

Business & Finance Development
- Financial Approvals
- Marine Financing/ Insurance
- Shipyards/ Marine Engineering
MARAD Main Locations

**Total Number of Positions**
- DOT Funded: 507
- Ready Reserve Force Funded: 313
- Total: 820

**Notes:**
1. Joint Chiefs of Staff DoD LNO, Pentagon
2. U.S. TRANSCOM LNO, Scott AFB, Illinois

**Key**
- Gateway Office
- Fleet Office
- US Merchant Marine Academy
- Maritime Administration HQ

**Pacific Northwest Gateway Office**
Seattle, WA (includes Alaska)

**Mid-Pacific Gateway Office**
Los Angeles, CA (incl. Hawaii & Guam)

**Division of Pacific Operations**
Oakland, CA
Suisun Bay National Defense Reserve Fleet - Benicia, CA
RRF Funded: 75

**Great Lakes Gateway Office**
Chicago, IL

**Inland Waterways Gateway Office**
St Louis, MO

**Western Gulf Gateway Office**
Houston, TX

**Beaumont National Defense Reserve Fleet**
Beaumont, TX
RRF Funded: 59

**North Atlantic Gateway Office**
New York, NY

**Mid-Atlantic Gateway Office**
Washington, DC

**US Merchant Marine Academy**
Kings Point, NY
Midshipmen: 981 (non-employees)
DOT Funded: 288

**Division of Atlantic Operations**
Norfolk, VA
James River National Defense Reserve Fleet - Fort Eustis, VA
RRF Funded: 81

**South Atlantic Gateway Office**
Miami, FL

**Beaumont National Defense Reserve Fleet - Beaumont, TX**
RRF Funded: 59

**Great Lakes Gateway Office**
Chicago, IL

**Inland Waterways Gateway Office**
Paducah, KY

**Eastern Gulf/Lower Miss Gateway Office**
New Orleans, LA
RRF Funded: 20

**Division of Gulf Operations**
New Orleans, LA

**Notes:**
1. Joint Chiefs of Staff DoD LNO, Pentagon
2. U.S. TRANSCOM LNO, Scott AFB, Illinois

**Inland Waterways Gateway Office**
Paducah, KY

**Key**
- Gateway Office
- Fleet Office
- US Merchant Marine Academy
- Maritime Administration HQ

**Alaska**

**Hawaii**
• **StrongPorts** Team works to educate ports about grant and financing opportunities within the Federal Gov’t.

• **Infrastructure Development** Team serves as technical advisors to many of the programs, and administers grants for TIGER, FASTLANE and INFRA discretionary programs.

• **Deepwater Ports Licensing** Team leads a comprehensive Federal/State agency application review and decision process for the development of offshore import and export oil and natural gas facilities.

• **Port Conveyance** Team works to transfer surplus Federal property to States for development and enhancement of U.S. ports.

• **Marine Highway** Team works with manufacturers, vessel operators, and other public and private stakeholders to build economically competitive alternative supply chains that utilize our waterways.

• Manage the USDOT’s maritime-focused FACA committee - the Maritime Transportation System National Advisory Committee (MTSNAC).
- Provide Port and Intermodal Planning Assistance
- Access Funding and Financing Options for Port Modernization and Expansion
- Educate re: P3 Opportunities
- Expand domestic movement of freight by waterborne transportation
- Administer Grants and Loans for Projects
  - These services are offered to Port Authorities, State Departments of Transportation, Metropolitan Planning Organizations, and Regional and Local communities.
  - Also offered to privately owned port terminal operators, vessel operators, export industry groups, manufacturers, and other stakeholders.

*Authorized by 46 U.S.C. 50302 Port Infrastructure Development*
- More than 300 U.S. ports serve as Gateways to world markets for U.S. products and as intermodal hubs for exports and domestic distribution

- Currently managing over $1.5B in Federal, State, and local investment in port infrastructure through the ARRA, TIGER and FASTLANE Grant programs

- AAPA\(^1\) has identified over $29B in necessary port infrastructure investments

- Maritime initiatives have received approximately 12% of past DOT discretionary grant programs listed above.

\(^1\)American Association of Port Authorities
Port Conveyance Program

- Transfers surplus Federal real property to states and local governments at no cost for the development and enhancement of port facilities and intermodal terminals.

- The program is designed to create jobs and revitalize communities impacted by military base closures or other Federal actions, support the provision of port capacity and U.S. port infrastructure, improve goods movement, and meet future national defense needs.

- Since its inception in 1994, MARAD’s Port Conveyance Program has transferred over 2,830 acres of former Federal property to facilitate the expansion of the nation’s Marine Transportation System.

- Uses of transferred properties include development of intermodal transfer and warehousing stations to expedite intermodal cargo transfers at U.S. ports, enhancement of commercial boating and recreational facilities, and expansion of administrative office space.
1: America’s Central Port
   700 Acres: Granite City, IL

2: City of Dillingham
   2.38 Acres: Dillingham, AK

3: City and Borough of Juneau
   1.91 Acres: Juneau, AK

4: Port of Benton
   71.15 Acres: Richland, WA

5: Port of Hueneme
   33 Acres: Hueneme, CA

6: Port of Long Beach
   407.35 Acres: Long Beach, CA

7: Port of Los Angeles
   48.32 Acres: Los Angeles, CA

8: Port of New Orleans
   12.87 Acres: Jefferson Parish, LA

9: Port of Pasco
   2.16 Acres: Pasco, WA

10: Orange Co. Navigation & Port District
    13.73 Acres: Orange, TX

11: Rhode Island Commerce Corporation
    96 Acres: Davisville, RI

12: Port of Stockton
    1,433 Acres: Stockton, CA

13: Port of Tacoma
    9.03 Acres: Tacoma, WA
A: Savanna Army Depot
Savanna, IL (Approx. 125.00 acres)
Landholder: Department of the Army
Interest: Upper Mississippi River
International Port District
Use: Barge Fleeting & Recreation
Availability: 2018

B: Memphis Large Cavitation Facility
Memphis, TN (42.96 acres)
Landholder: General Services Admin.
Interest: Port of Memphis
Use: Transportation Facility/TBD
Availability: 2018

C: Sharpe Army Depot
Lathrop, CA (555.10 acres)
Landholder: General Services Admin.
Interest: Alameda County
Use: Transportation Logistics/Warehousing
Availability: 2019
America’s Marine Highway Program

- Works with manufacturers, vessel operators, ports, and public and private stakeholders to **build economically competitive alternative supply chains that utilize our waterways.**

- Incorporates routes into the National Freight Strategic Plan and National Multimodal Freight Network for an integrated transportation system.

- **Administers grants to address capital risks and other obstacles to service development.**
  - FY ’10 - $7M grant approp, 6 grants awarded
  - FY ’16 - $5M grant approp, 6 grants awarded
  - FY ‘17 - $5M grant approp, 6 grants awarded
  - FY ‘18 - $7M NOFO currently published
  - FY ‘19 - TBD

* Includes 25,000 miles of waterways, rivers, coastlines and the Great Lakes
Creating Designated Marine Highway Projects

Critical Elements

- Proposed Project is a service that is located on a designated Marine Highway Route
- A public/private partnership between ports, vessel operators (service provider), labor, and most importantly, shippers
- A solid business case including analysis of competing modes
- An efficient operational plan
- Adequate capital for start up and initial operations
- A coordinated promotion effort by key stakeholders
- Submitted to Secretary USDOT for Approval of Project Designation
Deepwater Port Licensing Program

- Designed to streamline review and construction of liquid natural gas (LNG) and oil deep-water ports
- Promotes maritime commercial mobility needs, national security and environmental protection
- The Louisiana Offshore Oil Port (LOOP), a licensed deepwater port, is transitioning to add bi-directional import and export capability
- In 2017, MARAD approved the Delfin LNG proposal for construction and operation of an LNG export facility offshore Louisiana. License issuance expected in 2018
There are currently three existing deepwater port terminals: the Louisiana Offshore Oil Port (1); Neptune (2); and Northeast Gateway (3).
Transportation Investment Generating Economic Recovery (TIGER) Discretionary

- Grants: Rounds I – VIII
  - MARAD administers port and marine highway related TIGER grant awards (construction and planning)
  - To date, 46 grants totaling $566M awarded for $1.5B in construction projects
  - Projects add capacity, modernize infrastructure, stimulate port project planning and improve freight efficiencies

Fostering Advancements in Shipping and Transportation for the Long-term Achievement of National Efficiencies (FASTLANE) (2016/2017)

- MARAD administers port related FASTLANE grant awards (construction)
- To date, 5 grants totaling $130M awarded
- Grants are used to assist ports with adding capacity, modernizing infrastructure, developing and improving freight efficiencies

New for 2017/2018

- MARAD will administer port related
  - INFRA grant awards
  - TIGER grants awarded
  - TIFIA loans awarded
  - RRIF loans awarded
  - Certain NHF Program grant awarded
  - Certain CMAQ grant awarded
- Grants and loans will be used to assist ports with adding capacity, modernizing infrastructure, developing and improving freight efficiencies
Key Committees and Advisory Boards

- **Marine Transportation System National Advisory Council (MTSNAC)**
  - The Maritime Transportation System National Advisory Committee (MTSNAC) is a chartered, non-federal body that advises the U.S. Secretary of Transportation through the Maritime Administrator, on matters relating to the U.S. maritime transportation and its seamless integration with other segments of the transportation system, including the viability of the U.S. Merchant Marine.
  - The MTSNAC is comprised of 42 leaders from commercial transportation firms, port and water stakeholders, labor, and Federal, state and local public entities. The Committee does not exercise program management responsibilities and makes no decisions directly affecting the programs on which it provides advice. Decisions directly affecting implementation of maritime policy will remain with the Maritime Administrator and the Department of Transportation.

- **U.S. Committee on the Marine Transportation System (CMTS)**
  - Federal interagency maritime policy coordinating committee authorized in 2012 to assess the MTS; integrate MTS into other modes and environment; and to coordinate policy.
  - SECDOT chairs the CMTS. MARAD is a member of the sub-cabinet Coordinating Board (CB) along with over 25 Federal agencies and organizations. MARAD chairs the CB through July 2018.
  - The CMTS Executive Secretariat is hosted at the Maritime Administration.
Technical Assistance Provided

- MARAD’s StrongPorts team provides port-related technical assistance to, and coordinates with, other federal agencies, including:
  - State Department: operational review of port terminal agreements overseas
  - Treasury: CFIUS enquiries and Customs and Border Protection issues at ports
  - US Army Corps of Engineers: discuss regional projects of mutual interest; for example, when a port receives assistance to expand berth capacity, we ensure the USACE is working with them on dredging needs.
  - USTRANSCOM: provide an analysis of intermodal connector construction plans that may impact planned ops at Strategic Ports
  - EPA: re: port related issues seeking to reduce environmental impacts of operations
  - NAVY Office of Intelligence & CIA: re: international port related issues
The Maritime Administration has partnered with its Cargo Handling Cooperative Program for a pilot program to assess the cybersecurity capabilities of several selected small ports.

The goal is to prepare finding based on an assessment structure which covers functional domains that comply with emerging federal government guidance on incorporating cybersecurity into port security programs.

The assessment for each port will be accomplished through an on-site workshop.

Each port will receive a detailed evaluation after completion of the workshop along with a post-workshop teleconference to discuss the findings.
Questions? Contact:

Eric C. Shen, P.E., PTP
Director, Mid-Pacific Gateway
eric.shen@dot.gov
(202) 308-8968 (Mobile)

StrongPorts link:
http://www.marad.dot.gov/ports/strongports/

Through Planning & Engagement – Finance – Project Support