



## Maritime Administration (MARAD) US Maritime Industry Overview

## MARAD Program Elements

Strategic  
Sealift

Work Force  
Education

Transportation  
Infrastructure and  
Waterways

Industrial  
Base Support

Federal

Commercial

Licensed

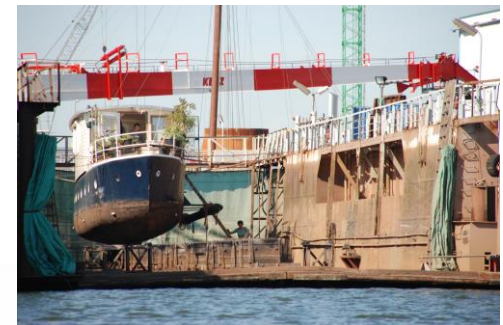
Unlicensed

Ports

Rivers/ Canals /  
Locks

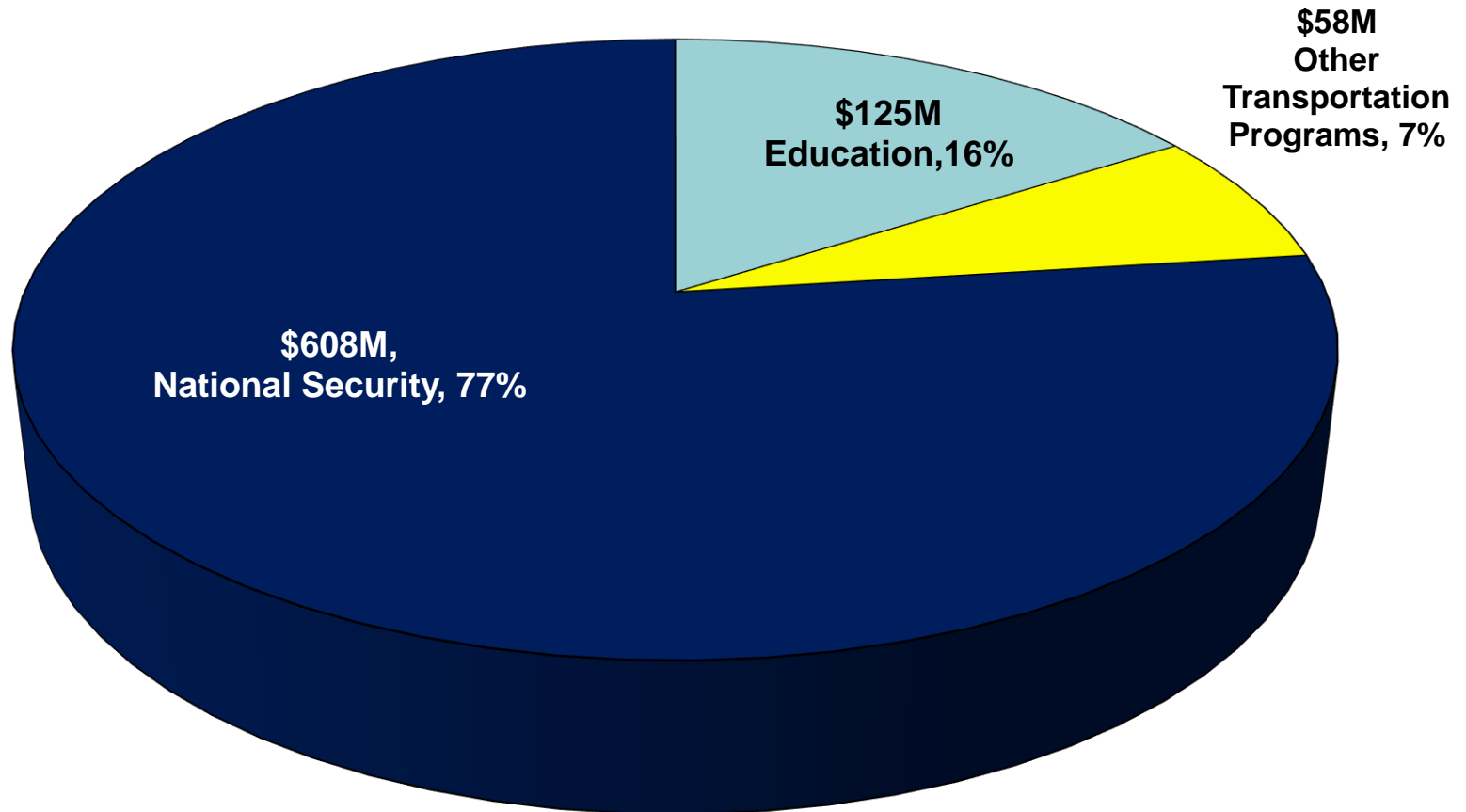
Ship  
Construction  
and Repair

Fuel &  
Equipment

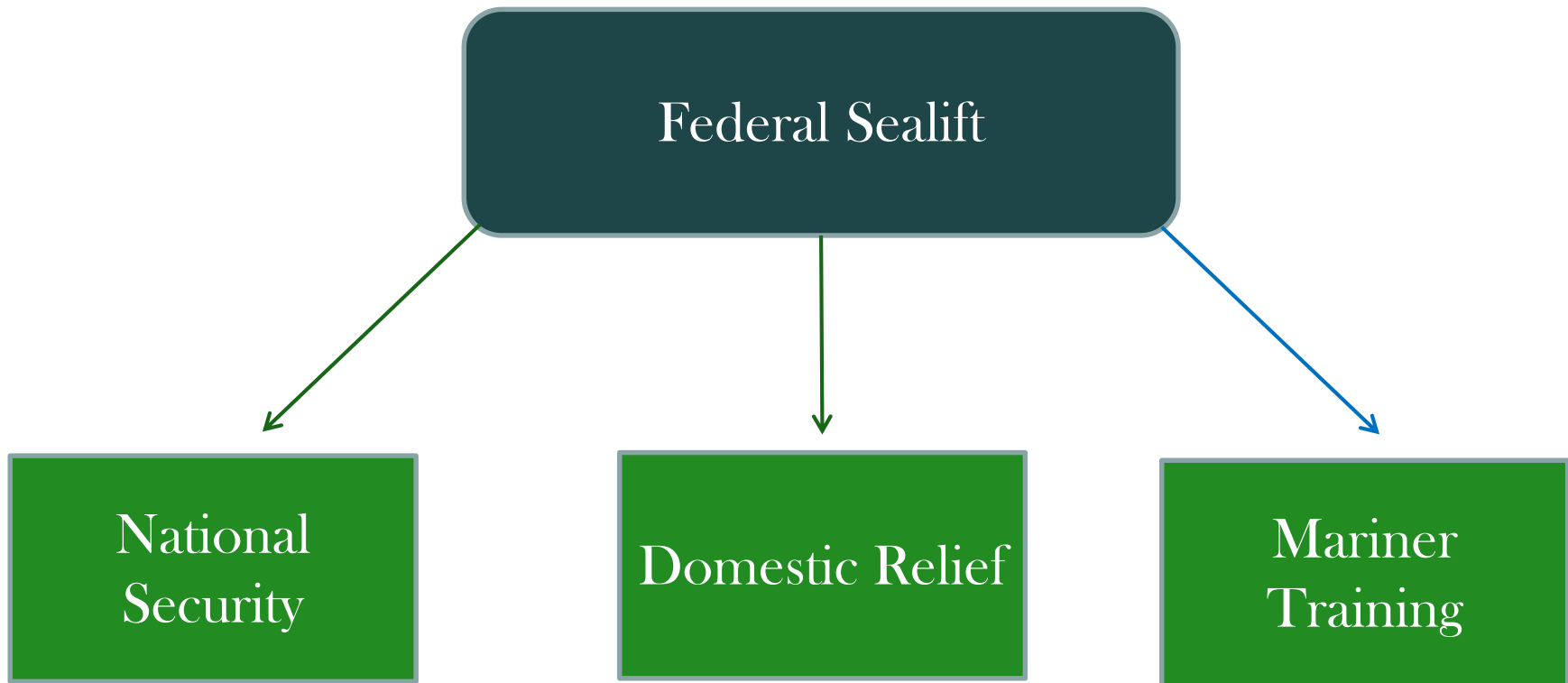


## Funding By Primary Mission Support (FY 2018)

■ Education   ■ Other Transportation Programs   ■ National Security



Note: For FY 2018, the Administration is operating under an annualized continuing resolution (CR), which continues pre-existing appropriations at slightly lower than the FY 2017 enacted level through February 8, 2018.





## RRF/NDRF/Training Ships

- RRF consists of 46 RRF vessels cargo ships, some tankers, and military auxiliaries
  - On a 5 day readiness status
  - Pre-positioned around the United States
- NDRF consists of 32 ships no longer completely useful but kept in retention
  - Stored in VA, TX and CA
  - Slowly dismantling and selling for scrap
- 7 of retention NDRF vessels used for training as training ships for our academes in ME, MA, (2)NY, TX, MI, CA



## ■ National Security:

- Activate the necessary ships and crews to man them
- Deliver the troops and equipment needed in time of national crises.

## ■ Domestic Relief:

- Activate the necessary ships and crews to man them
- Respond to man-made and natural disasters relief efforts for the United States
  - First responders
  - Shelter
  - Delivery of supplies
  - Medical field units

## ■ Training Vessels:

- Provide training vessels to 7 maritime academies



# Ready Reserve Fleet Locations

5 and 10 Day Vessels: R - RO/RO (35) T - TACS (6)  
A - TAVB (2) OP - OPDS (1) S - SEABEE (2)  
Readiness: -5, -10 days from notice to activate

Tacoma, WA (2)  
R-5 - CAPE INTREPID  
R-5 - CAPE ISLAND

Suisun Bay (1)  
OP-10 - PETERSBURG

San Francisco, CA (5)  
R-5 - CAPE HORN (Pier 50)  
R-5 - CAPE HUDSON (Pier 50)  
R-5 - CAPE HENRY (Pier 96)  
R-5 - ALGOL (Pier 80)  
R-5 - CAPELLA (Pier 80)

Alameda, CA (5)  
R-5 - ADM CALLAGHAN (Pier 2 S)  
R-5 - CAPE ORLANDO (Pier 1 S)  
T-5 - GEM STATE (Pier 2 S)  
T-5 - GRAND CANYON ST (Pier 2 S)  
T-5 - KEYSTONE STATE (Pier 2 S)

Oakland, CA (1)  
S-5 Cape Mohican

Long Beach, CA (2)  
R-5 - CAPE INSCRIPTION  
R-5 - CAPE ISABEL

San Diego, CA (1)  
A-5 - CURTISS

Port of Beaumont (3)  
R-5 - CAPE TAYLOR  
R-5 - CAPE TEXAS  
R-5 - CAPE TRINITY

MARAD Layberth Facility (4)  
Berth 1: TBD & TBD  
Berth 2: TBD & TBD  
Berth 3  
R-5 REGULUS  
R-5 POLLUX  
Berth 4:  
R-5 - CAPE VICTORY  
R-5 - CAPE VINCENT

Beaumont Reserve Fleet, TX (0)

Marrero, LA (2)  
R-5 - BELLATRIX  
R-5 - ALTAIR

New Orleans, LA (2)  
R-5 - CAPE KENNEDY  
R-5 - CAPE KNOX

Philadelphia, PA (1)  
A-5 - WRIGHT

Baltimore, MD (4)  
R-5 - CAPE WRATH (Pier 6)  
R-5 - CAPE WASHINGTON (Pier 6)  
R-5 - ANTARES (Pier 8)  
R-5 - DENEbola (Pier 8)

Newport News, VA (3)  
T-5 - CORNHUSKER STATE (Pier 23)  
T-5 - FLICKERTAIL STATE (Pier 23)  
T-5 - GOPHER STATE (Pier 23)

Portsmouth, VA (3)  
R-5 - CAPE RACE  
R-5 - CAPE RAY  
R-5 - CAPE RISE

Norfolk, VA (1)  
S-5 - CAPE MAY

Charleston, SC (6)  
R-5 - CAPE DUCATO (Pier S)  
R-5 - CAPE EDMONT (Pier S)  
R-5 - CAPE DIAMOND (Pier T)  
R-5 - CAPE DOUGLAS (Pier T)  
R-5 - CAPE DECISION (Pier U)  
R-5 - CAPE DOMINGO (Pier U)

December 22, 2017

This chart is current. The date reflects the last change made in ships or location

# Commercial Sealift



International



Domestic

Maritime  
Security  
Program (MSP)

Cargo  
Preference

Jones Act





## MSP/Cargo Preference/ Jones Act

### ■ MSP:

- 60 military useful ships
- Actively sailing internationally
- All receive a government stipend
- Access to a worldwide network of intermodal transportation



### ■ Cargo preference

- 100% of Military cargo must be transported on US flagged ships
- 50% of US food aid must be transported on US flagged ships

### ■ Jones Act:

- 100% of domestic ( between US ports) must be transported on US flagged, US built, US owned, US crewed ships



## Intermodal and Waterways

Ports

Rivers / Canals  
/ Locks

Funding  
Programs



## Ports

### ■ Types:

- Container (Box)
- Bulk (Grain)
- Passenger (Ferries)
- Roll-on/Roll-off (Cars)
- Specialty (Heavy Lift)

### ■ Intermodal:

- Ship to rail
- Ship to truck (highway connection)
- Ship to storage (land & conveyance)
- Ship to ship

### ■ Waterways

- Marine Highway
- Rivers
- Canals
- Locks



### ■ Funding programs

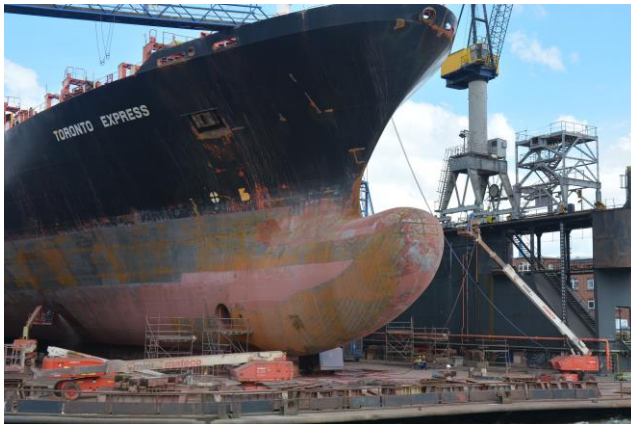
- **TIGER** Grants for rebuilding intermodal infrastructure (\$500 M per year)
- **INFRA** Grants for addressing decaying roads, bridges and multimodal maritime freight projects (\$1.5 B per year)
- **RRIF** loans and loan guarantees for RR/intermodal infrastructure upgrades (100% loan value)
- **TIFIA** credit and loan program for infrastructure upgrades (33% Loan value)

## Industrial Base Support

Shipyards

Repair Facilities

Fuel  
&  
Equipment

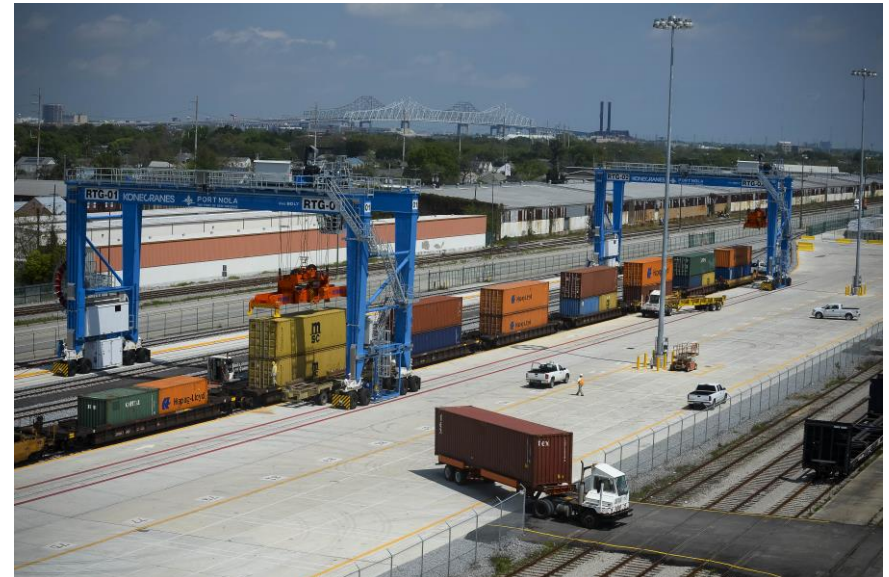




- Shipyards:
  - New construction
  - Repair
  - Small and Large
  - Small Shipyard Grants
- Repair Industry:
  - In Port Repair
  - Emergency Repair
- Fuel and Equipment
  - Land based re-fueling systems
  - Portable Re-Fueling ( Bunkering Barges)
  - Safety and Environmental
  - Specialty equipment ( Marine Environment)



- A complex worldwide network of Ships, Ports, Intermodal exchanges, and the Industrial Base that supports it.
  - Ships come in many types and sizes, have specific work force requirements to service various economic markets
  - Three-quarters of nation's goods by value exported by ocean transport
  - Intermodal exchanges require many different techniques and specialty equipment, along with specifically trained and qualified work force.
  - The industrial support base is an entire industry of specialty trained personnel and equipped facilities



- Economy
- National Security
- Good and Services
- Island Nation
- Jobs



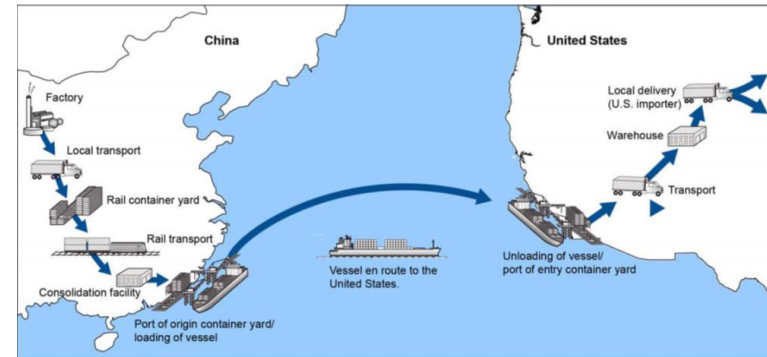
- The Jones Act Fleet with vessels of all types remains strong with over 41,000 vessels in 2016
- Our U.S. flag ocean going fleet remains at a historical low
- There are only 100 oceangoing commercial ships in Jones Act trade and 82 in international trade
- The Nation needs 45 more oceangoing ships to sustain the mariner base for national and economic security
- Transforming actions to help revive the U.S. flag oceangoing fleet
  - Identify niche markets for U.S. flag ships
  - Reduce U.S. flag operating costs
  - Long term funding for MSP
  - Reform tax laws for U.S. mariners
  - Shipper tax credits





Supply chain operation today provides insight into what the future holds

- Our supply chain will experience a significant increase in volume over the next 25 years
- Innovation and new applications of technology (autonomous vehicles, etc.)
- With proper planning, our waterways can help alleviate the pressure
- Addressing issues at the modal level will give way to total supply chain planning
  - Landside infrastructure
  - Conveyance infrastructure (trucks, rail cars, ships)
  - U.S. workers will be more critical than ever



Source: GAO, Map Resources (map).



- China: World's largest infrastructure plan under One Belt, One Road Initiative, estimated to encompass 1.7 trillion dollars in investments.
  - Increased their merchant fleet by over 400% over the past decade
- India's: Maritime Program is a port-led investment plan to help coastal and inland waterway ports double throughput by 2025.
  - Government expects to mobilize \$50-60B of infrastructure investment
  - \$100B of industrial investment over the next decade
- Korea: Investing \$5.6B in initial capital for local firms to acquire new ships
  - Additional \$5.5B set aside for future commercial support
  - \$9.8B to build 250 naval and military auxiliary vessels by 2020
- Germany: Plans to invest ~\$27B into maritime infrastructure.



- Working with the White House
  - Cargo preference
  - Bilateral agreements/negotiations
  - Multilateral agreements/negotiations
  - Export Tariffs
- Working with the Congress
  - Offshore Rule
  - Re-cap Fleet
- Working with industry
  - Walmart
  - Amazon
- RD&T
  - Accelerate the pace of technology
  - Remote and Autonomous ships



# QUESTIONS