

Maritime Administration Information Resources: Introduction to Its Economic, Maritime, and National Security Information Resources – Transcript of audio

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Good afternoon, everyone. Welcome to the FDLP Academy. My name is Joe Paskoski. We have a trick webinar for you today. It is the Maritime administration information resources: introduction to its economic, maritime, and national security information resources. Presenting today will be Bert Chapman. He is a longtime repository coordinator and has done many webinars for the FDLP Academy. He is a Political Science Librarian at Purdue University Libraries. With that, I will have the virtual microphone over to Bert, who will take it from here.

Good afternoon, or good morning, everyone. Over the last couple of years, to the historic and ongoing economic developments -- their increasingly aware of problems with the supply chains in delivering with the economic goods and services. A lot of this occurs through maritime including river and ocean delivery by ships. I want to introduce us to resources produced by the Maritime Administration. It is one of the multiple agencies within the Transportation Department. A lot of people may not realize how widespread reports, river, and ocean transportation are in the U.S. I like to give an example for my home state of Indiana. This is Burns Harbor, Indiana. It is the Indiana state government agency. They administer Indiana's three data port sites. Misses up and on Lake Michigan. Part of it is located in the Indiana dunes national Park just southeast of Chicago. This is just a picture of some of the tanker activity that occurs there. These are some of the ships, the Maritime administration has. I want to give you some background on the laws administration governing us. The laws governing MARAD, it varies. It is a 49 USC 109. And then the regulation is 44 CFR 200-399. MARAD does waterborne transportation to seamless integration into other transportation sectors. It also maintains a fleet of cargo reserve ships to enhance search capability in war or national emergency. Also, maintains U.S. merchant Marine help. The next couple of charts are from the Bureau of transportation statistics in the Transportation Department. To give you an idea of the importance of the Maritime transportation. In 2018 -- there are over 1 billion tons transported -- 1.6 million tons were transported by maritime transportation. It represented nearly 71% of the entire U.S. total. There also breakdowns by other transportation entities. The value of this was about 1.762. That represent nearly 42% of international trades and goods by maritime transport. There are a lot of developments that have gone on in the establishment of what now is the U.S. Maritime administration and the governmental maritime structure. In 1916 the shipping board was established by public law. It was the first entity responsible for promoting U.S. merchant Marine and regulating maritime ships. A key factor was in 1920 merchant Marine act called the Jones act. This requires that vessels transporting cargo from one U.S. to another U.S. point the U.S. built and owned and crewed by U.S. citizens. Over a century after this enactment, this legislation remains controversial due to high domestic shipping costs and restricting ship availability for domestic use. Depending on who you listen to or read, there'll be different reasons -- whether the Jones Act should be retained or repealed. In 1936 the merchant Marine act was established -- it regulated ocean commerce, freight and terminal facilities, and administrated construction operational for private and commercial ships. In 1942, just after World War II began, Executive Order 9504 by Franklin Roosevelt established the wartime shipping administration. The Maritime commission was designing and conducting ships while wartime shipping administration managed industrial shipbuilding and ship operations. In 1950, the Truman administration issued a reorders and plan 21 which is the appendix of title five U.S. code. The saw Congress eliminate the Maritime commission and divided its function between the Maritime administration and the federal maritime board within the Commerce Department. Four years later the car Rick cargo preference act

was enacted. That requires at least 50% gross tonnage of government generated cargo, including agricultural commodities be transported on privately owned U.S. vessels as much as possible. In 1961 a reorganization plan federal maritime board became the Federal Maritime commission. It still exist. In 1981, MARAD was transferred to the Transportation Department. It operates the U.S. merchant Marine Academy, which I covered in a early webinar. Maritime academies in California, Maine, Massachusetts and Texas. MARAD has currently 800 employees. In the fiscal year 2020 budget request is asking for \$906.7 million and I'll be finding breakdowns by operations training, Marine Highway grants, national security multimission vessel, port of the structure development program, small shipyard development as well. There will be a number of different congressional committees I get involved in conducting oversight of it. Both the House and Senate appropriations committees have subcommittees that deal with transportation, housing, and development. Both the House and Senate armed services committees have committees that deal with seapower. On the house side, there is a transportation and if a structure committee which has a Coast Guard and Maritime transportation subcommittee. The Senate committee has a subcommittee on service transformation, and maritime ports. MARAD also issues development grants in a variety of different areas to help ports and shipping facilities enhance our capabilities. For FY 2022, which we are currently in . A proximately 450 Phelan was appropriate by Congress to this program. The next couple of slides will show you an example of the grant funding recipients during fiscal year 2021. There is some big-name ports like, the Port of Long Beach -- it received over \$52.3 million for rev rate enhancements. Also some other things that are included in here. There also are armed many smaller ports around the countries that were awarded grants. An example of this is the Ohio River. Project in Indiana. It received \$1.6 million. This is for a private port. Tell city is on the Ohio River. It has a population of 7552. It is northeast of Evansville. On the MARAD website there is a list of flag carriers. It is five pages long. It shows all of the different companies that are located in the U.S. One thing to be aware of is -- there has been a lot of debate over the condition of the U.S. merchant Marine. It is much smaller in size compared to many other countries. I will get to that in just a little bit. This is a vessel inventory report that MARAD has prepared since 1990. You can see the U.S. vessel inventory. Here is an explanation -- and actually explained the types of ships that are covered. It mentions that they have to be -- the oceangoing separate and privately U.S. own vessels. Here is just some examples about some of the ships and they mention one's that are covered by the Jones act and not covered by the Jones act. This provides more detail on some of the ships. There also are pie charts that you can see as well. It breaks down the size of the fleet. There is some different abbreviations in here. Where it says Ro-Ro, that means roll on and roll off . As I was mentioning a minute or two of go, for tax and various other reasons, a lot of the merchant ships that come to the U.S. are not U.S. owned, but are registered -- there registered with Panama and Liberia at the most prominent. You can see from this chart, how many ships are registered in these various countries. You can see their size. You can see breakdowns of the type of ship. The U.S. ranks just 28 in this global ranking. We are behind Indonesia, Bermuda, the British Isles and various other countries. This is also a listing of the size of merchant fleets of the world. You will notice that with in this particular chart, it looks like China has the largest number of ships. This is talking about cargo preference under the 1954 cargo preference act. [Indiscernible - muffled] They will tell you when the ship was built and explained that the category is. [Indiscernible] it was a category B. This is a listing of waterborne foreign trade by customs ports between 2020 17. There are different ports listed here. A lot of these are going to be concentrated in oceanic areas. Beaumont, Texas is listed as number two on this list. I started working there and I'm not surprised by that. They have a decent size port there. This is a listing of the capacities of the container ships calling on various ports in 2016. You will notice the ports of Long Beach and Los Angeles are approximately equal in capacity. That TEEU which is mentioned is a 20 foot equivalent. It is a measurement unit used by ships. You will probably recognize some of these ports. These are some of the U.S. [Indiscernible] you will notice the large role that China plays. MARAD has put out a number of studies describing their activities. Here is a 2015 study called

economic importance of U.S. ship building and preparing industry. You will have an executive summary describing the industry. Unable describe the economic impact of the U.S. shipbuilding and repairing industry. In 2013, from this report, they will list direct impacts in terms of investment and employment impact, labor cost and how much it impacted the gross domestic product. Here are describing the repairing industry. Then they mentioned that it includes entities that are shipyards or fix facilities with drydock application equipment. It concludes ship instruction compare [Indiscernible] and various other factors. There is an additional code that is explicit as well. This is a listing of the states with active shipbuilders. Naturally, a lot of them are in oceanic regions. Some of them are inland like Missouri. Missouri is on the Mississippi River. There could be a lot of factors affecting the presence of ships. This is the total private sector -- as of 2013, these were the top 10 private sectors for employment states. Virginia comes in first. And then they list some of the other states, as well. It was the overall implement total for that year. These are capital expenditures by U.S. shipbuilders. New equipment was a big factor - - are leading factor. You structures and equipment comes in third. This type of production -- for example, in Lynn Frates [Indiscernible] were the largest in 2010. They had declined in 2014. It was by a significant percentage. It was by far the biggest types of ships that were being produced in the U.S.. Here is some things, with economic impact and how much the shipbuilding contributed in customs, taxes, and social insurance contributions on federal and state levels. Here is the direct impact of U.S. shipbuilding industry by states in 2013. Another report that came out two years ago is called opportunities and challenges to increasing the number of United States Coast Guard credential Mariners. One of the recommendations they make is to fully crew the U.S. government surge sealift fleet on a permanent basis. That would help reduce costs. They have other explanations as well for making this recommendation. In 2020, there was a report made to Congress called goals and objectives for a stronger maritime nation: a report to Congress. There is the table of contents with the executive summary and various goals and aspirations that they have. They mentioned how important this maritime infrastructure is. The U.S. has 25,000 miles of coastal, inland waters, and rivers serving 361 ports. It is \$5.4 trillion of economic activity. They have some different goals. Angle 3.6, they want to work with stakeholders to in prove and expand landside facilities in U.S. ports and intermodal connectors to ensure adequate accommodation of all sizes of drywall, tanker, and container ships. They want to work with [Indiscernible] and federal partners to improve the U.S. ports' capability to accommodate changes in waterway and vessel characteristics. It tends to get bigger and bigger. That requires bigger ports and poor capacity. We also have a maritime advisory system that communicates with stakeholders about maritime threats. This covers both nationally and internationally. This is an example of a couple of threats that were canceled last year. One is dealing with ransomware. Also threats to commercial vehicles. This is description of the radiant brief threat to commercial vessels. It was the Arabian Peninsula [Indiscernible]. These are some more recent cases that are still active with maritime advisories. With the outbreak of the Russia/Ukraine war, there was a report issued [Indiscernible] the recommended that U.S. commercial vessels should avoid approaching these destinations. From the worldwide threat to shipping reports from the office of Naval intelligence -- I did this webinar a while ago. This is just a listing of the threat that were published between May 26 and June 22nd of this year. They were in areas of Indonesia and other areas around the world. There are a lot of U.S. government agencies that either evaluate MARAD or cover maritime trade . These include, the Army Corps of is engineers Institute of water resources. They keep track of a lot of river traffic. The Congressional budget office is very important because they prepare cost estimates on legislation report by congressional committees and he reports on budgetary implications of federal programs. The library of Congress Congressional research service. They offer Government accountability office. [Indiscernible] there is the Department of Transportation Inspector General. They do reports [Indiscernible] they can also issue fraud committed in those programs by contractors. There is the transportation research Board. There there is the Bureau of transportation statistics with is the transportation branch of the

Department of transportation. Within the Commerce Department there is the maritime services trade data page. A couple more that I forgot to include, there is the federal maritime commission with regulates international ocean transportation. There is also a committee on the Marine transportation system. It is also a government agency. It is also important to remember that there are a number of nongovernmental organizations particular, professional associations that are affected by government regulatory and legal activity. They will try to influence legislation and regulations affecting maritime travel. These is the American Association of Port authorities, American waterways operators, chamber of shipping of America. Their website and what they do is here. The national Association of maritime organizations and the national Association of waterfront employers. There are number of benefits that we can derive from MARAD resources. Learning about this important sector of activity and it's local, state, national and global impacts. Gain increased knowledge of U.S. merchant Marine Academy and state merchant Marine professional educational institutions. Learning about how the Maritime administration is dealing or not dealing with supply-chain problems. Understanding if you are a U.S. representative or senator is a key player in maritime policymaking. Increasing your awareness of maritime facilities in our transportation, economic, and national security infrastructure. Gaining gator appreciation of how critically important maritime matters are even if you live a long way from maritime locals. Understanding the historical, contemporary, emerging laws, legislation, literature, regulations and controversies enforced by policymaking. There is a lot of literature on the history and contemporary development of U.S. maritime policymaking in that one. This is a study done in 1998 by the Indiana ports commission and the Indiana Port commission. There is really a target rich environment for literature on how important maritime shipping has been in U.S. history. I will look forward to your questions.

Thank you, Bert. Great presentation. Do we have any questions for Bert? I am not seeing anything right now. Please, put those in the chat if you have them. I had a couple of questions. The percentage you mentioned for maritime was so much bigger than trucks. I am guessing, we get so much stuff from what we see. It comes into the U.S. but I would be curious -- I don't know, how compares with in the United States. Always thought trucks were the biggest transporter --

Within the U.S., you have many navigable rivers. It is the Mississippi, the Missouri. I think cost plays a role. Also, size. You can put a lot more material on ships when you can on a truck.

I was going to ask that question too. I have seen some stories on containers. I guess containers revolutionize shipping. [Indiscernible] they came in in 1956. They came in way back when -- most things are incredible.

Scale is very important in the role played by maritime shipment. While there is some stuff that you can carry by airplanes, there is limits on how much you can carry by airplane.

Please, put questions -- in this I am is reading it, I don't see any questions in the chat. Kelly, can you put the satisfaction survey and links to the file repository in the chat. I would appreciate that. Please fill out the satisfaction survey. There it is right there. There is links to many webinars -- we have done many. They are all good. Excellent. Check those out. Please, send some questions in. I had a couple more of things here that I was thinking about. I did a quick search on large ports. I thought Long Beach was the largest in the country. It may be about the same as Los Angeles. I thought they were one big thing.

They are two separate entities. They have been in the news a lot recently because of backups and deliveries from Asia. It has been labor shortages do the pandemic. There are other factors as well.

I forget the numbers now. I am amazed at how quickly they can load and unload ships. It is staggering. It is faster than you would think given how big everything is.

[Indiscernible] automation. There is not a need for as many [Indiscernible] as it was in the past. Those are the unionized shipyard workers. That is a whole other subject that you can do some serious studying on.

I thought maybe airports were the largest on the world. I did a quick search and I saw China and some others. We are down to the mid-20s or something.

Because of the rise of China. And also the influence of other big Asian countries like South Korea, Japan, Indonesia. There are ports in Australia, India -- the different oil ports -- various ports in Europe, like the Netherlands. Probably also various places in South America.

I think we have a question here. Bruce asked a question. Do MARAD on domestic showboating also address military vessel production or is it military shipbuilding tallied by another agency, presumably in DOD?

I think both would be involved. The Navy's chief of Naval operations prepares reports on shipbuilding. There would be stuff on MARAD's website as well . You can also find things from the Bureau of transportation statistics.

I notice you have Virginia in number one and shipbuilding. And the Navy carriers and such --

They do some rings too. I thought maybe that was pushing those numbers up there. The container ships seem to be getting -- like cruise ships -- bigger, and bigger and bigger. I don't know some of them can go through the Panama Canal, they are so big.

In the last few years, they have had to enlarge the Panama Canal. Weather can affect shipbuilding. A few months ago, there was that merchant ship that got stuck in the Suez Canal. That played havoc for a few days with maritime shipping.

Who makes the big ships, like the commercial ships?

There are many different shipyards around the world. Getting contracts for governments -- at least in the U.S. -- there are places like, iron works in Maine. In the U.S. there is a few big public and private shipyards that bid on contracts for different vessels -- for the military are maybe civilian purposes.

Mostly I hear about military shipbuilding. I don't hear too much in the news about commercial building. [Indiscernible - low volume]

I don't think any of the commercial ships are. Obviously, U.S. aircraft and submarines are nuclear powered. There is specific training that is required for ships [Indiscernible]. Several months ago, the U.S. and Australia agreed to help Australia build nuclear submarines.

Someone got aggravated by some kind -- I think it was France. I cannot remember the details.

Australia had a contract for conventional submarines that France was going to build. In a couple of years, the Australians decided to pull out of that. The French was really infuriated by that.

Here is Bruce commenting, no private nuclear vessels since NS savanna in the early 1960s.

Nuclear submarines are very expensive.

Nuclear, in general, is coming back. [Indiscernible] anybody else have any questions? This is a very interesting presentation. Please, fill out that satisfaction survey. While we are waiting, I will give a few comments, while we are waiting for KOMO Question. I would like to thank Bert for another terrific webinar. I am sure he will do more in the future. We really appreciate it. I would like to thank my colleague, Kelly Seifert, for great work with tech support and keeping things running smoothly. This is the last webinar for July, I think. The next one is Monday, August first, 2022. It is [Indiscernible - muffled]. You can also go to our FDLP.gov and go to our calendar page. You will see the webinars and other events listed. You can volunteer Sue Brett at the FDLP Academy webinar. Bert has done it many webinars. We really appreciate that, like I said. I am sure there are people in the audience that could present a great webinar on any government information, topic, or it could be FDLP specific. It could be something that you manage in your library. It could be focused that way. We welcome webinar presenters. We are always trying to recruit for webinars. Let us see if we have some comments here. Any more questions?

There is another question from Breland -- I don't know why pronounce that right. What is the greatest challenge and in maritime industry? That is the challenges of being able to deliver a product in a timely manner. Actually doing with national security shells from China and to a lesser extent from Russia. One of the big challenges that will be facing the U.S. and Britain is -- when they will be able to deliver nuclear submarines in Australia. There some accounts that will not be later Intel the 2030s. I think the agreements and whether Australia decides to go with the British or the U.S. submarines. That will be an interesting thing to watch.

I wonder how long it takes to build a regular container to ship.

I am not sure. It is probably very --

It is so big and complex. I cannot imagine being a project manager of that. It is mind-boggling to me.

The role of automation and artificial intelligence in designing these vessels -- what impact it has on the human workforce.

I would be curious about pollution too. I suppose they have gotten better over the years.

It can still happen. You know, environmental accidents. Weather can play a factor.

What I read about recently is that [Indiscernible] was publicized. A bunch of these container ships, they lose containers. They fall off into the ocean. It happens, supposedly.

You would ought to have to bring in insurance as a risk factor for companies that are engaged in this kind of trade.

I imagine all the captains are probably graduates of one of these maritime academies in the U.S.. With automation, I think the crews are getting smaller and smaller. I heard something in the past that they were much smaller than I would have imagined. I would have imagined hundreds and hundreds of people on the ship. That is not the case. Any other comments or questions for Bert? A great presentation. Interesting stuff . Any last questions before I close things up? Does not look like we have any more questions. Like I said, great webinar, Bert. [Indiscernible] thank you. Thank you, Kelly. Thank you, audience. Please come back to the FDLP Academy for more webinars. Come back on August 1st, that should be a great webinar. Have a great rest of the day. Thank you.

You too.

[Event Concluded]