

The MTS - Coming Together Today for Tomorrow

Submitted By

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Introduction

Given the profile of those attending this conference, I would not be surprised that the vast majority of you know what the MTS, Marine Transportation System, is. But how many of you are aware of the MTS Initiative, or at least wondered who started it, and whether it truly offers the promise and vision its supporters say it does? Or, did you quickly conclude that it was just another government initiative, a lot of talk, too many meetings by too many committees, with little difference being made in the real day-to-day world. Worse yet, do you view the MTS initiative as one step forward, two steps back? Will it defeat expectations and make more difficult the necessary steps to modernize and improve the Nation's complex and interdependent marine transportation system, in order to meet the future demands of trade, cargo, and passenger movement?

In the time we have together this morning, I will cover three main information areas.

- 1.) What is the MTS and why is it important;
- 2.) What is the MTS initiative and why it is important; and
- 3.) Where do WE go from here.

What is the MTS?

The Marine Transportation System (MTS) was established well before this continent was visited by

European explorers. Transportation on the rivers and coastal waterways served native residents for commerce, hunting, fishing, defense, and migration.

Today's MTS has become many orders of magnitude larger, and is extremely complex. Generally speaking, the MTS is the primary intermodal connector between ocean borne transportation systems and the highway, rail, air, space, and pipeline transportation systems. The MTS contains a vast array of waterways, ports, as well as the network of railroads, roadways, and pipelines that connect the waterborne portions of the system to the rest of the Nation. It also includes the vessels and vehicles that move the goods and people within the system.

Specifically, the MTS consists of: 45,000 miles of interstate highways, the 25,000 miles of inland, intracoastal, and coastal waters and channels; the 192 commercially active lock sites, and the 326 coastal, Great Lakes, and shallow-draft ports. It is also the 1,914 cargo terminals located in coastal ports containing 3,158 berths, the 1,800 river terminals located throughout 21 states, and the inland rail, roadway, and 460,000 miles of pipeline connections that permit cargo and passengers to reach the marine facilities. Moreover, it is the 30,000 vessels, fishing and recreational boats, container ships, tankers, dry cargo barges and tank barges, tugs and towing vessels, and hundreds of ferries, cruise ships and other passenger vessels, that transport goods and people between US ports. In addition, it is the inland freight rail system -- nearly 1.3 million freight cars, 20,000 locomotives, 152,000 miles of railroad, and 200,000 employees. (*An Assessment of the U.S. Marine Transportation System*, September, 1999)

MTS serves an extensive range of users including consumers, manufacturers, retailers, petroleum companies, utilities, mining operations, ship operators, trucking firms, railroads, terminal operators, shipyards, pilots, tugboat operators, governmental agencies, telecommunications, financial, and insurance services. In some way the MTS serves everyone attending this conference.

Why is the MTS Important?

The Marine Transportation System has an economic, national security, and environmental value to the nation. Economically, the MTS provides American businesses with competitive access to suppliers and markets in an increasingly global economy. The MTS transports people to work; provides them with recreation and vacation opportunities; puts food on their tables; and delivers many of the items used in the daily lives of U.S. citizens. It is also a key element of State and local government economic development.

MTS activities cover a broad spectrum and generate significant economic growth and job creation. The coastal and inland ports users generated more than 13 million jobs and contributed more than \$743 billion to the Nation's Gross Domestic Product in 1999. In addition, more than \$200 billion in federal, state, and local tax revenue was generated by this activity. (*Economic Growth and the U.S. Marine Transportation System*. Marine Transportation System National Advisory Council. April, 2001)

A fairly well known fact about the MTS is that more than 95 percent of all overseas products and materials, by volume, enter or leave the country through the MTS' ports and harbors. Over 2.3 billion tons of waterborne cargo moved through the MTS in 1999. Of this total, 1.2 billion tons was foreign trade valued at \$630.8 billion. Domestic cargo accounted for 1.06 billion tons of the total 2.3 billion tons that moved through the MTS in 1999.

A total of 4,200 U.S. Flag vessels carried more than 200 million passengers in 2000. The ferry system handled more than 113 million passengers and 32 million vehicles. The passenger transit ferry systems are essential sectors of the local economies or regions in which they operate. The number of passengers embarking on cruises from U.S. Ports has been increasing steadily over the last decade, reaching approximately 4.8 million in 1998. Cruise business has grown at an average rate of 5.5 percent per year.

The inland and coastal waterways of the MTS also provide a valuable resource for recreational activities. 72 million people are estimated to have participated in some aspect of recreational boating in 2000. In 1999 there were 16.9 million boats in use, and of those, 12.7 million were registered for use on public waterways.

Commercial fishers landed 4.7 million tons of fish at U.S. Ports in 1999, supporting a vibrant fish processing and distribution industry in coastal areas of the U.S.. The U.S. Commercial fishing fleet consists of 26,000 commercial fishing vessels, and nearly 50,000 smaller fishing boats. (Ibid)

Shipping on inland waterways are generally viewed as the most economically viable and environmentally friendly mode of transportation for moving a large variety of products such as raw materials, grain, petroleum, industrial chemicals, fertilizer, and paper products. There are also claims that the coastal and inland waterways system reduces highway congestion and therefore improves air quality.

The activities of the MTS have a direct impact on air quality, land uses, and water quality. The health and vitality of the coastal environment has direct bearing on the competitiveness, mobility, and safety of ports and waterways. There is a fundamental interdependency between the MTS and the environment. Shipping on inland waterways are generally viewed as the most economically viable and environmentally friendly mode of transportation for moving a large variety of products such as raw materials, grain, petroleum, industrial chemicals, fertilizer, and paper products. There are also claims that the coastal and inland waterways system reduces highway congestion and therefore improves air quality

Another important environmental aspect of the MTS's information infrastructure involves the National Oceanic and Atmospheric Administration's (NOAA) navigational information systems and real-time/forecast model systems. These systems are being designed to help prevent maritime accidents which can lead to hazardous material spills and thus threaten the ecosystems of our coastal and estuarine waters. When oil spills do occur these oceanographic forecast model systems can be used to help predict the trajectory of the spills more accurately, thus allowing more efficient clean up.

With respect to national security and the country's defense, the MTS is vital. The MTS to a large extent is the logistical backbone for the rapid development of American forces and material from the fort to the port to the front lines. For example, ninety percent of the equipment and supplies for Operation Desert Shield/Storm moved through U.S. Strategic ports. The Department of Defense has set a goal of 30 days to deploy troops and equipment from U.S. ports to a hot spot: Desert Storm took over 180 days for deployment.

What is the Status of the MTS and What Does it Need?

The Nation's MTS is at a crossroads. It is in telling need of modernized infrastructure and information systems to adapt to expected future demands. Currently the Nation's ports are operating at or near capacity and need to expand their basic infrastructure to meet current and projected trade growth. Ocean-borne commerce in and around the U.S. is expected to double - perhaps triple - over the next 15 years, which will put far more stress on the already burdened U.S. port and waterway infrastructure.

According to the 1998 MTS Report to Congress, the MTS must adapt to larger and faster vessels. It must modernize its locks and dams to regulate water flow and facilitate commerce. It must improve marine terminal capacity and efficiency and provide greater access to rail, road, and pipeline. It must include advanced computer, communications, and navigation technology to increase productivity, safety, and security. It should also improve its resource management capabilities to minimize conflicts among land uses. To accomplish this, there is a need for comprehensive coordination, leadership, and cooperation among Federal, regional, State, and local agencies, as well as private sector owners and operators.

Despite the MTS has a dominant impact on the Nation's economy, as it carries the great majority of the manufactured goods, agricultural products, and natural resources that are exported and imported by Americans, Federal funding for badly needed improvements to the MTS falls well short of that expended for highways, transit, and air. This situation has been partly due to the lack of direct experience of the American people and the MTS. People use the highways, ride transits and fly on airplanes, but except for the passenger on a vacation cruise or the commuter on a ferry, the average American does not "see" the MTS. Even if the average American knew that almost every product he or she used (or helped to produce) depended on transport via the MTS, the large scope and breadth of the MTS makes it very difficult to comprehend. The situation is made even more difficult by the large number of Federal agencies that have some responsibility for the MTS. At least 17 different Federal agencies deal with some part of the MTS on a regular basis. The private sector has also been fragmented by domestic competition rather than coming together as maritime colleagues to pursue mutually beneficial endeavors.

While trade volumes are growing, competitive forces within the maritime are greater than ever. More trade means more goods will be transported in and out of ports via our Nation's highways and rail systems. The need to improve waterway infrastructure and management efficiencies is critical.

What is the MTS Initiative?

In the mid 1990's there were various reports calling for improvements in the Nation's MTS to increase navigational safety. These reports included the National Research Council's "Charting a Course into the Digital Era", and the National Marine Council's 1994 report, "Minding the Helm", "Marine Navigation and Piloting". Calls for more effective waterway management and the need for a more centralized, network for our Nation's waterways were made. In September of 1996, INTERTANKO, an international trade association representing private tanker owners, issued a study focusing on what should be done to improve the safety and environmental protection in U.S. Ports. The study offered many recommendations in support for an overarching concern that there be better coordination of the Nation's various waterway management systems.

In May of 1997 Lillian Barrone, then New York - New Jersey port director, gave a presentation before the Federal Waterways Research and Development Coordination Conference. In her remarks, Ms. Barrone spoke of the Nation's waterways as a foundation element of the social, economic, and political life of the nation. She called for a restructuring of the roles and responsibilities which have traditionally governed the development and management of waterway infrastructure. She also called for federal agencies to pursue aggressively productive relationships and partnerships with the maritime community, to develop and implement a national "Ports/Waterways/Landside Vision" that incorporates the perspectives of public managers or port and the maritime and landside transportation communities, in order to improve the Nation's competitiveness in global markets for the 21st century.

Hearing these calls for action were representatives of the Department of Transportation, specifically, Admiral Kramek, then Commandant of the U.S. Coast Guard. It was not long thereafter that plans were approved by then Transportation Secretary Rodney Slater for the Department of Transportation to host a series of seven regional listening sessions at port cities across the country. Results of the listening sessions raised attention to:

- o an aging MTS infrastructure consisting of inadequate channels and congested intermodal connections;
- o the need to find ways to support a safe and environmentally sound world-class waterways system;
- o the need to improve the Nation's global competitiveness and national security through coordination and cooperation among all MTS stakeholders; and,
- o that the nation is clearly lacking an MTS vision.

Generally, the listening sessions confirmed that the MTS was viewed as an collection of smaller independent systems spread throughout the country. Bottom line, the MTS lacked national focus and that a national effort to examine our marine system was greatly needed.

In response, Secretary Slater hosted a national conference on the Marine Transportation System in Warrenton, Virginia, November 17-19, 1998. The purpose of the national conference was to develop a shared vision for the MTS and to discuss ways to improve the public and private coordination of MTS activities. Nearly 150 leaders from a cross section of the Nation's ports, terminals, pilots, vessel operators, railroads, state governments, and environmental community representatives attended the conference. MTS issues of safety, competitiveness, infrastructure, security, and the environment were discussed, leading to the development of a national MTS vision statement.

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

An essential component of achieving a vision and preferred future of the MTS, was to assess the current state and to determine what needed to be done to achieve the vision. In response, federal transportation officials worked with Congress to include provisions within the U.S. Coast Guard 1998 authorization legislation to require, when enacted, an assessment of the adequacy of the Nation's marine transportation system. In addition, the report was to determine whether the MTS was capable of accommodating the projected increases in foreign and domestic traffic over the next 20 years. The legislation was enacted into law, and a Task Force of federal agencies led by Secretary of Transportation through the Coast Guard and Maritime Administration, was appointed to draft the assessment of the U.S. marine transportation system. For nearly a year, staff working groups consisting primarily of federal government agency representatives met to prepare the Report to Congress. The report was completed and submitted to Congress in September, 1999. The report included 150 recommended actions in seven strategic areas. It also contained reviews of current trends and pressures on the MTS. In addition, the report identified gaps and issues affecting the MTS. These issues included: coordination, safety, competitiveness, national security, infrastructure, and conservation and the environment.

As recommended in the report to Congress, and in response to a call for greater coordination between federal MTS agencies, and to improved communication between MTS stakeholders and federal MTS agencies, a federal Interagency Committee for Martine Transportation System (ICMTS) was formed. To officially establish the Interagency Committee, a formal Memorandum of Understanding was drawn up and agreed to by the 18 participating federal MTS agencies. The MTS MOU committed these agencies to coordinate the implementation of recommendations in the MTS Report to Congress, and to facilitate communication between federal agencies to develop strategies to minimize or eliminate duplicated efforts.

The Interagency Committee for the MTS has met five times since it was formed in April, 2000 and will meet again in late June 2001 in Washington. The Committee has established seven subcommittees and two working groups to identify and carry out the work of the ICMTS. Also in accordance with the Report, a MTS National Advisory Council - a group of 30 senior level non-federal government MTS stakeholders -was formed to advise the U.S. Secretary of Transportation on matters relating to the Nation's waterways, ports, and their intermodal connections. The Council held its first meeting on May 24, 2000 and has met three times since then. The Council has formed six working teams to conduct its business, members were appointed as liaisons to the five ICMTS

subcommittees, and the priority area of action identified by the Council was increasing MTS awareness. Both the ICMTS and the Council are working to reach consensus on priorities, increase public awareness, and to establish a coordinated public-private action plan for the national marine waterway system.

Soon after the ICMTS and the Council were established, seven Regional Dialog Sessions (RDS) were held in major port areas around the country to report back to MTS stakeholders on the progress of the MTS initiative progress. The RDSs explored local and regional coordination and communication vehicles to enhance the MTS; provide updates; identify regional MTS issues; and determine next steps.

Generally, the RDSs were well attended, and helped spread the word about the MTS, particularly among regional maritime groups, but many still wondered what would come of all this.

What Has Been Accomplished?

So what has been accomplished under the MTS Initiative since it began three years ago? Has the Initiative fulfilled its goals and objectives? Is it, as some have said, “the most ambitious effort in years, if not ever, to raise the profile of U.S. ports in Congress.” (Peter M. Tirschwell, Journal of Commerce).

It is true that the maritime community, through the ICMTS and the MTS National Advisory Council, has become better organized to achieve what is needed for the future. It is also true that a “total system” concept is beginning to take hold within the maritime community. Moreover, it appears, based on recent remarks by the current Secretary of Transportation, Norman Mineta, that the new Administration embraces the need for an MTS Initiative, and has even raised the prospect of a marine legislative initiative to complement those achieved for the highways in TEA21 (Transportation Equity Act), and for the airways. The MTS could very well be the last piece of a multi-faceted transportation puzzle. However, in the three years since the beginning of the MTS Initiative, no Congressional MTS oversight hearings have been held, no MTS strategic action plan developed, the House Coast Guard and Marine Transportation Subcommittee is still viewed as a minor assignment by many Members, and no funding has been allocated by Congress for the MTS Initiative.

Nonetheless, I refuse to view the MTS Initiative as a glass that is half empty. I sense a coming together within the maritime community that apparently is unprecedented. For too long, the maritime

community has been hamstrung by fragmentation of interests, singular, uncoordinated missions, and competitiveness. This coming together through the ICMTS, the MTS National Advisory Council, its working groups and subcommittees, and the emerging regional and local MTS organizations, sets the stage, in my opinion, for greatness.

Why is the MTS Initiative important? Simply said, without the Initiative, the opportunity, if not the necessity, of achieving the MTS vision, will be lost.

Where do WE go From Here?

So what does the MTS Vision statement of having “the U.S. Marine Transportation System be the world’s most technologically advanced, safe, secure, efficient, effective, accessible, globally competitive, dynamic, and environmentally responsive system for moving goods and people” mean to you? Does it say too much? Does it say too little? Maybe what is of even more importance is for each of us within the maritime community to decide what the MTS visions can do for us, and to work towards that end. For NOAA, the benefits of the MTS are to improve relationships with federal maritime agencies, partners, and constituents to address mutual MTS concerns. The MTS initiative is also viewed as having the potential of a budgetary breakthrough to have Congress and the Administration fund NOAA marine navigation programs and services at levels enabling MTS stakeholder and user concerns to be resolved. For example,

- within five years implement and maintain NOAA’s complete suite of navigational charts in the internationally compliant vector, electronic chart format;
- to put on a five year shoreline mapping cycle, critical coastal and port areas that are subject to rapid change;
- eliminate the hydrographic survey backlog in ten year, instead of twenty;
- to provide data that will make nautical charts as accurate as possible throughout the entire U.S. Exclusive Economic Zone;
- to establish a Physical Oceanographic Real-Time System and provide the quality control necessary, to any port that is capable of supporting its operation and maintenance; and,
- to provide in all ports of the country high accuracy positioning through the application of GPS technology accurate under-keel and overhead clearance data.

I am sure each of you can bring to mind what would be important to you as part of a national MTS action plan, and what should be pursued to advance the efficiencies and benefits of the MTS. Never

before has the prospect for maritime trade been brighter. Never before has the failure of action had such risks - port gridlock, shortages of materials, recession, and worse. Never before has the need for an organized cooperative effort to develop a transportation system been so important and so vital.

In the absence of a national MTS strategic action plan, you have the opportunity to provide a sense of purpose, legitimacy, and direction of this national initiative. The MTS Initiative provides many forums and means to involve yourself in the Initiative. You can participate in regional and local MTS

organizations, you can communicate with your federal Interagency Committee on MTS representatives, you can contact your Member of Congress, and you can be a part of the many MTS National Advisory Council working groups. We need your expertise and experience. After all, the MTS is you. Without your involvement and those of your colleagues in the maritime community, the MTS Initiative will be just another government program designed in Washington, run by Washington. Your involvement will help ensure that the MTS will continue to develop and be responsive to the needs of the users. The maritime community must also work together to communicate the MTS message to our public and political leaders. The development and utilization of the MTS is a national priority. The MTS is a vast, complex system of untapped economic growth and promise. I urge you to join the effort to promote the MTS initiative, and to make by coming together today, what is possible tomorrow.