

# ***AIMPE***



Australian Institute of Marine and Power Engineers

&

Australian Maritime Officers Union

Submission to Strategic Fleet Taskforce,  
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Department of Infrastructure, Transport, Regional Development and  
Communications

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## Background

The Australian Institute of Marine and Power Engineers is the registered organisation which represents qualified Marine Engineers throughout Australia. AIMPE came together as a national body in 1881 after several years during which local organisations were formed in the various colonies of Australia and New Zealand. AIMPE members operate, maintain and repair marine vessels of all sorts including commercial cargo ships of all types and sizes as well as vessels dedicated to the offshore oil and gas sector, tugboats, dredges, ferries, defence support craft, research vessels and Border Force vessels.

The Australian Maritime Officers Union is the oldest union continuously registered under the Fair Work Act 2009 and represents the professional and workplace interests of Ship's Masters (Captains) and Deck (Navigating) Officers in the maritime 'blue water', offshore oil and gas, ferry, dredging and tourism sectors, Marine Pilots, Coastal Pilots, tug Masters, bunker (refuelling) tankers, Stevedoring Supervisors, Port Services officers, vessel traffic services (VTS)/harbour control officers and professional/ administration/ supervisory/technical staff of port corporations and maritime authorities

The unions appreciate the opportunity to make a submission to the Maritime Strategic Fleet Taskforce.

This submission addresses the initial phase of the Taskforce process:

“The Taskforce is expected to:

1. undertake an initial strategic assessment of:
  - a. Australia's current and future shipping freight needs
  - b. the types of disruption that may occur, including natural disasters, in coastal and international shipping and how they would affect Australian industry and society, and
  - c. which of the identified freight needs the Government should position itself to influence and the level of control the Government could have with a strategic fleet of vessels.”

## Context

The Terms of Reference states that there were 26,400 ship arrivals in Australian ports in 2021 by 6,170 unique foreign flagged ships.

The Australian Infrastructure and Transport Statistics Yearbook for 2021 reported that there were 30,622 ship visits in Australian ports in 2020-21 by 6,315 ships.

The two divergent statistics can both be correct because the first set, the ToR, relates only to international shipping while the second set of figures (BITRE Yearbook) includes international and domestic shipping.

AIMPE and AMOU submit that it is necessary to look at both international and domestic shipping and be aware of the distinctions when considering the options for the future Strategic Fleet. There are many examples of ships that do both international and coastal voyages. Many of the container ships which visit Australia seek and use Temporary Licences (TLs) to carry coastal cargoes too. Many of the tankers which visit Australia also seek and use TLs to carry coastal cargoes. Up until their withdrawal in 2019 the *Mariloula* and the *Lowlands Brilliance* carried dry bulk cargoes both on the coast and internationally – in a triangulated trading pattern.

The ToR also notes that the major Australian trading fleet [over 2,000 DWT] has decreased from 37 to 15. However, in the BITRE publication Australian Sea Freight 2018-19 the major trading fleet was stated as:

Coastal	Australian registered	17
	Overseas registered	21
International	Australian registered	4
	Overseas registered	53
<b>Total</b>		<b>95</b>

There are obviously different time periods between these divergent figures but the BITRE figures show that many Australian owned or controlled ships are not registered in Australia. These ships do not have Australian crews and requisitioning such overseas registered ships is extremely problematic from a legal perspective.

Before leaving the subject of statistics, the last time that the BITRE series Australian Sea Freight was published was in July 2021 for the two years 2017-18 and 2018-19. The Australian Sea Freight series has given more detail than is contained in the Transport Statistics Yearbook. It is recommended that BITRE be required to resume annual publication of the Australian Sea Freight series and resourced accordingly.

### ***Recommendation 1***

***It is recommended that the Bureau of Infrastructure and Transport Research Economics be once again required to publish the Australian Sea Freight statistics series on an annual basis to provide an up to date database for policy makers and that BITRE be adequately funded to meet this requirement.***

## **Initial Strategic Assessment**

### Current and future shipping freight needs

#### Dry bulk shipping (bulkies)

Dry bulk exports are the largest single type of cargo and dry bulk ships carry all of Australia's iron ore, coal, bauxite and alumina exports. For some of these vessels there is cargo flexibility e.g. the *Mariloula* and *Lowlands Brilliance* mentioned previously carried iron ore and coal on alternating voyages.

Most of Australia's grain exports are also carried in dry bulk ships (although some shipped in containerised parcels). Dry bulk shipping provides enormous macroeconomic benefit to Australia because it underpins almost all our physical exports.

Dry bulk ships also comprise a substantial component of the domestic/coastal shipping volumes – including bauxite, iron ore, cement, fertilizer, coal, gypsum, mineral sands, alumina and grain. These cargoes are vital for a range of critical, strategic industries.

#### Liquid bulk shipping (tankers)

Crude oil and refined petroleum products make up another very significant element of Australia's shipping freight needs. These are predominantly imports from the Asian region. There is also an important coastal distribution task carried out to deliver specific grades of fuels to particular ports around the coast. Another segment of Australia's shipping is the chemical trade which also uses specialised tankers. These cargoes are vital strategic cargoes essential to keeping the economy in its current form ticking over. Depending on future energy trends these types of ships could become more and more important in the transport of methanol and ammonia cargoes.

#### LNG/LPG tankers (gas buggies)

A separate variety of tanker ships are the gas tankers. Australia has four LNG tankers in the international trade servicing the North West Shelf (NWS) project delivering exports to Japan. The NWS joint venture has announced that it will withdrawing these 4 ships from operation in 2024. All other LNG exports are exclusively carried on foreign flag ships. Australian does not have any capacity to carry any coastal LNG cargoes, for instance, from northern or western Australian ports to southern or eastern ports where there are proposals for re-gasification terminals in at least three ports (Port Kembla, Geelong and Port Adelaide). There is also a coastal LPG distribution task which is currently carried out exclusively by foreign ships under Temporary Licence. Failure of the LPG distribution network could quite literally be a 'barbeque stopper' but there are also industries which do rely on LPG which could be adversely impacted by any interruption to this trade. There are some proposals for hydrogen to be transported by ship as a compressed gas.

#### Container ships (box boats)

The great majority of Australia's manufactured imports are carried on container ships. Most of these operate as part of scheduled liner trades where typically a consortium of shipping

companies operates a fleet of ships on a particular trading route (e.g. north Asia to Australia east coast). The number of ships in the consortium enables a frequent and regular service to a range of ports (e.g. most mainland capital city ports). These international trading ships often also transport containerised cargoes around the Australian coast under Temporary Licences. The quantity of these cargoes is probably not sufficient to justify a dedicated coastal service because the necessary frequency can only be supported as an add-on to the international trade. This is because of the sheer volume of manufactured imports especially from Asian suppliers.

The large capacity, international trading containerships are gearless – that is they do not have their own cranes. ‘Geared ships’ is a term that applies to ships which have their own cranes and can therefore load and discharge without shoreside cranes. Geared ships are more frequently found in trades focussed on supplying smaller ports which do not have dedicated container cranes.

#### Heavy Lift ships

Heavy lift ships are a particular type of geared ship which have larger cranes able to safely lift and carry out-sized cargoes which are generally required for major projects. The need for heavy lift ships is intermittent but may achieve greater deployment in connection with the transportation of wind farm infrastructure.

#### Car carriers / Ro-Ro ships

Australia relies almost totally on car carriers for the supply of motor vehicles to Australia. Again, these typically originate in the Asian region and trade to particular Australian ports with the necessary facilities (e.g. Brisbane, Port Kembla, Melbourne and Fremantle). The ‘pure car carrier’ is a specialised version of the more general roll-on/roll-off vessel (“ro-ro”) which is found in many parts of the maritime industry around the world. Ro-ro vessels dominate the Bass Strait trade in Australia but are not common in Australia’s international trades apart from the car carriers. Again, the international car carriers do also engage in some coastal movements under Temporary Licence – although to a lesser extent than the container ship referred to above.

#### Livestock vessels (sheep ships)

Australia does still have a livestock trade primarily involving the export of live cattle and sheep although there have been disruptions to this trade in recent years which have been biosecurity related. In addition, there was the temporary ban on animal welfare grounds. There is ordinarily no coastal livestock trade on ships. The alternative export method is of chilled or frozen meat via refrigerated containers although this is not the preference of some regional markets. Major markets for Australia’s livestock exports are Indonesia, Philippines and the Middle East. These markets would be disrupted and Australian suppliers adversely impacted if this class of ship was not available to service the trade.

Most of the above types of vessels can be seen in the attached list of the 60 commercial vessels participating in the Maritime Security Program (MSP) in the USA (Attachment 1). The dominant vessel type is the container ship followed by the ro-ro ships. There are also heavy lift ships and there are tankers. There are no bulkies and no livestock ships.

The MSP is heavily oriented to supplementing the US Navy supply capacity as a function of the role of the USA as a global superpower with a long track record of forward projection. Australia does not have such an extensive forward projection history. Indeed, when Australia assisted in the East Timor conflict of the late 1990s support for the Australian Defence Force was facilitated by foreign shipping chartered for the purpose.

The complete absence of bulk ships in the USA's MSP list is notable. This is probably attributable to three factors: the USA is not a large exporter of minerals/ores; the USA has an enormous domestic fleet of tugs and barges which carry huge volumes of domestic bulk cargoes on the vast network of navigable rivers and canals; and because a substantial quantity of US grain exports are covered by separate legislation called the Cargo Preference Act and its supporting rationale - "It's the policy of the United States to use its abundant agricultural productivity to promote the foreign policy of the United States..." (see Attachment 2). [Agricultural Cargo | MARAD \(dot.gov\)](#)

The small number of tankers on the MSP in comparison to container ships is also probably attributable to the very high degree of fuel independence enjoyed by the USA as a result particularly of its extensive onshore and offshore petroleum industries and massive refining capacity. However it is also noted that the US is proactive in supporting the training of US seafarers or "mariners" and the Maritime Administration provides support to the major maritime training institutions around the USA (see Attachment 3) - [Utilization of U.S. Vessels and Mariners Initiative | MARAD \(dot.gov\)](#)

### Future workforce needs

AMOU and AIMPE represent the Masters, Deck Officers and Engineer Officers working on maritime vessels in Australia. Training of Maritime Officers is not a quick process. It takes up to 3 years to obtain the Watchkeeping Certificate of Competency required to be a junior Officer (e.g. Third Engineer or Third Mate). It takes up to 10 years to obtain the Class 1 Certificate of Competency to be a senior Officer (e.g. Master or Chief Engineer). For this reason AIMPE and AMOU have included this assessment of workforce as a critical early component of any Strategic Fleet policy.

At the moment there is a very tight labour market in the Australian maritime industry. This is particularly so for Maritime Officers. In order to ensure the availability of additional Officers for the Strategic Fleet, AIMPE and AMOU believe that a concerted training effort needs to start in the first semester 2023. Even with such an early start the first junior officers would not become available until 2024 or 2025.

The size of training effort that AMOU and AIMPE would like to suggest is a national intake of 60 Deck Officer Cadets and 60 Engineer Officer Cadets or Trainees. There are three maritime training institutions which deliver the required (STCW level) Maritime Officer training – the Australian Maritime College (UTas) in Launceston, Hunter TAFE Newcastle and South Metropolitan TAFE Fremantle. Each of these colleges should be able to manage an intake of 20 Deck Officer Cadets and 20 Engineer Officer Cadets or Trainees in the first semester 2023.

The suggested intakes of 60 Deck and 60 Engineer students is based on a calculation of the minimum number of Maritime Officers required for a strategic fleet of 12 commercial cargo ships as follows:

Masters	24	Chief Engineers	24
Chief Officer	24	First Engineer	24
Second Mate	24	Second Engineer	24
Third Mate	24	Third Engineer	24
Total	96		96

So approximately 200 Officers would be required to operate 12 ships. With any training intake there will be a degree of attrition. The particular nature of the sea-going career is such that the attrition rate is higher than many other land-based occupations. An intake of 120 students might eventually see 100 qualified Maritime Officers continue in seagoing employment and possible progress through the ranks over time. Note: the above projections do not include any Electro Technical Officers (ETOs) who may be necessary depending on the technology of the vessels.

The AMOU maintains a database of around 25 union members seeking to upgrade their certification level and, in some instances, merely requiring sea-time to achieve this. Maritime employers have been delaying engagement of these potential trainees pending agreement to an industry arrangement. Utilising this resource could be implemented in a very short space of time if the will existed.

There are many issues that would need to be worked out in a short space of time to enable this proposal to be implemented including:

- Funding/financial support
- Recruitment; and
- Placement on board ships [for sea-time requirements].

Ball-park costings per trainee range between \$200,000 and \$300,000 depending on the pathway and any pre-existing skill levels. These figures include course costs, travel and accommodation expenses, wages both at college and at sea and examination fees.

If all 120 candidates were fully funded that would be up to \$36,000,000 over a three-year period.

### ***Recommendation 2***

***It is recommended that the Department of Infrastructure and Transport seek urgent funding to establish a sponsored Maritime Officer Training program to kick start the process of renewal of the Australian maritime workforce and that a maritime roundtable be convened with all industry stakeholders to progress this as a matter of urgency.***

### Types of possible disruption

International shipping has been seen to be susceptible to significant disruption over recent times. The causes have included:

- direct pandemic restrictions (countries refused to allow ships to berth if there was any covid infection on board);
- indirect pandemic consequences (cargoes not available from suppliers because of reduced production);
- consequential queuing of vessels at various locations;
- international conflict (Russian invasion of Ukraine has disrupted grain shipments and destabilised energy shipments including oil and gas); and
- international sanctions (response to Russian invasion).
- Earthquakes and tsunamis have impacted the Asian region and, in some instances, damaged port infrastructure which has disrupted some trades and required aid response from developed countries like Australia; and
- Cyclones and typhoons have also disrupted many South Pacific and Asian countries including causing damage to port infrastructure and supporting road/rail connections.
- Piracy & armed robbery at sea was a significant disruptive factor in the Indian Ocean off Somalia and off the Indonesian coast on the Straits of Malacca. However, the number of attacks has declined considerably in recent years.

Domestic freight within Australia has been disrupted in recent times by various weather-related factors:

- Floods cutting road and rail links;
- Cyclones disrupting road and rail links;
- Bushfires preventing access to regional locations; and



- Floods limiting production in mines;

### Level of control/influence of Strategic Fleet

It is a value judgement as to which of the various cargoes carried by different types of ships from different locations and to different destinations are the most important in a strategic sense.

### **Tankers**

The oil price spike which hit the world after the Russian invasion of Ukraine showed how sensitive the Australian community is to fuel supply disruptions. A very large proportion of Australia's domestic freight transport (surface and aviation) relies on regular fuel supplies. Additional liquid fuel storage has been funded by the Federal Government but Australia's storage capacity is still far below the IEA recommended 90 days storage. Australia also has secured access to a certain amount of US strategic fuel reserves (crude oil) but lack the sovereign capacity to transport those reserves to Australia. A relatively small number of ships could have a large influence in this segment.

### ***Recommendation 3***

***It is recommended that at least four liquid tanker ships should be included in the structure of the Strategic Fleet and these should be the first ships contracted under the Strategic Fleet program. One of these ships should be a crude oil tanker and one should be a chemical tanker.***

At COP27, in November 2022, a document titled "Mapping a Maritime Just Transition for Seafarers" was tabled. [Mapping a Maritime Just Transition for Seafarers - Maritime Just Transition Task Force \(2022\) | ITF Global](#) Underpinning that document was an analysis of various possible scenarios about the fuels of the future for the maritime industry and the training and re-training that would be needed for seafarers to handle the changing fuel types required for a net-zero future. Different types of gases including hydrogen are canvassed in this analysis. Australia already has vessels powered by Compressed Natural Gas (CNG) and Liquid Natural Gas (LNG). There is also a significant LPG trade on the Australian coast and around the South Pacific islands. As a longer term issue, the Australian maritime industry will need to be part of the Just Transition for Seafarers.

### ***Recommendation 4***

***It is recommended that at least one gas tanker ship should be included in the structure of the Strategic Fleet. This may be one of the later ships in the roll-out of the Strategic fleet however many of the future scenarios for world shipping revolve around low or zero emission gas both as a cargo and as a fuel for international trading ships of the future.***

## **Bulk Carriers**

Steel mills and aluminium smelters/refineries are continuous process facilities and rely on regular supplies of ores in order to keep operating. Closure of these facilities would have enormous adverse effects on regional economies. A small number of large ships can impact on this trade.

### ***Recommendation 5***

***It is recommended that at least three dry bulk ships should be included in the structure of the Strategic Fleet and there should be consultation with the relevant industries especially the mining industry about the particular configuration.***

## **Container Ships**

Manufactured/consumer goods (electronics, white goods, clothing and footwear) primarily arrive in Australia on container ships. There is some storage in Australian warehouses but shortages could emerge quickly if there was significant disruption. If the disruption was caused by conflict in the Asian region, then Australian flag shipping would probably not have a dominant influence. Depending on the scope of the conflict, it could be difficult to source alternative supplies in such circumstances no matter what flag of shipping was being used.

### ***Recommendation 6***

***It is recommended that at least three container ships should be included in the structure of the Strategic Fleet. In practical terms these ships would have to be part of the consortia which provide international/domestic services on a load-sharing arrangement (which Australia exempts from usual competition laws).***

## **Coastal Ro-Ro Ships**

Food and consumables are supplied to remote Australian communities including many island communities by small vessels of various types including ro-ro and landing barge vessels. These are vital to those communities even if they are of relatively small macro-economic impact. These types of vessels could be particularly useful for domestic disaster relief as well as for supplying Australian defence forces or for international humanitarian disaster relief operations.

### ***Recommendation 7***

***It is recommended that consideration should be given to partnering with State and/or Territory Governments to include coastal ro-ro ships which could keep supply lines open in the case of interruption to land transport links for whatever reason.***

## **Low-Emission Fuels**

In the wake of COP27 consideration needs to be given to the question of decarbonisation of the maritime fleet servicing Australia. For long-haul ocean-going trade routes there are very few commercial ships operating anywhere around the world that are genuinely zero-

emission. However, there are many ideas that are being explored which may reach practical application over coming years. In the meantime, low emissions options should be a requirement for selection in the Strategic Fleet. This should not only include low emission fuels while underway at sea but also the capacity to plug into renewable/zero emission electricity while in port.

#### **Recommendation 8**

***It is recommended that the selection criteria for Strategic Fleet vessels should include factors relevant for the achievement of short-term emissions reductions and longer-term decarbonisation targets.***

#### **Offshore Wind Construction Vessels**

The Australian Government has announced 6 proposed offshore renewable energy zones and consultation has closed over the first location (waters off Gippsland, Victoria). In each of these zones there may eventually be a number of offshore wind farms and associated infrastructure. Australia will need specialist vessels to undertake this nation-building construction process. Currently there are no offshore wind farms in Australia and there are no specialist offshore wind construction vessels in Australia (although some Australian operators have already been involved in providing marine support for such specialist vessels).

#### **Recommendation 9**

***It is recommended that consideration be given to broadening the Strategic Fleet definition to include specialist offshore windfarm installation and construction vessels to ensure that Australia has its own domestic capacity to build the renewable energy facilities which will be critical to a net zero Australia of the future. It is noted that regional partners in the South Pacific may also benefit from a regional capability in offshore renewable energy construction.***

## Attachment 1

**Maritime Security Program Fleet (MSP)  
August 1, 2022**

<b>MSP Contract No.</b>	<b>Vessel Name</b>	<b>Agreement Holder</b>	<b>Ship Type</b>
MA/MSP-48	ENDURANCE	Fidelio Limited Partnership	RO/RO
MA/MSP-49	PRESIDENT CLEVELAND	APL Marine Services, Ltd.	Containership
MA/MSP-50	PRESIDENT KENNEDY	APL Marine Services, Ltd.	Containership
MA/MSP-51	PRESIDENT FD ROOSEVELT	APL Marine Services, Ltd.	Containership
MA/MSP-52	PRESIDENT TRUMAN	APL Marine Services, Ltd.	Containership
MA/MSP-53	APL GULF EXPRESS	APL Marine Services, Ltd.	Geared Containership
MA/MSP-54	CMA CGM HERODOTE	APL Maritime, Ltd.	Geared Containership
MA/MSP-55	PRESIDENT EISENHOWER	APL Marine Services, Ltd.	Containership
MA/MSP-56	PRESIDENT WILSON	APL Marine Services, Ltd.	Containership
MA/MSP-57	CMA CGM DAKAR	APL Marine Services, Ltd.	Geared Containership
MA/MSP-58	GREEN COVE	Waterman Transport, Inc.	RO/RO
MA/MSP-59	GREEN BAY	Waterman Transport, Inc.	RO/RO
MA/MSP-60	GREEN LAKE	Waterman Transport, Inc.	RO/RO
MA/MSP-61	GREEN RIDGE	Waterman Transport, Inc.	RO/RO
MA/MSP-62	ALLIANCE NORFOLK	Farrell Lines Incorporated	RO/RO
MA/MSP-63	ALLIANCE ST. LOUIS	Farrell Lines Incorporated	RO/RO
MA/MSP-64	MAERSK OHIO	Farrell Lines Incorporated	Containership
MA/MSP-65	MAERSK MONTANA	Farrell Lines Incorporated	Containership
MA/MSP-66	MAERSK IOWA	Farrell Lines Incorporated	Containership
MA/MSP-67	OCEAN FREEDOM	Fidelio Limited Partnership	Heavy Lift
MA/MSP-68	ARC DEFENDER	Fidelio Limited Partnership	RO/RO
MA/MSP-69	ARC COMMITMENT	Fidelio Limited Partnership	RO/RO
MA/MSP-70	ARC INTEGRITY	Fidelio Limited Partnership	RO/RO
MA/MSP-71	ARC RESOLVE	Fidelio Limited Partnership	RO/RO
MA/MSP-72	PATRIOT	Fidelio Limited Partnership	RO/RO
MA/MSP-73	LIBERTY PRIDE	Liberty Global Logistics LLC	RO/RO
MA/MSP-74	COLORADO EXPRESS	Hapag-Lloyd USA, LLC	Containership
MA/MSP-75	POTOMAC EXPRESS	Hapag-Lloyd USA, LLC	Containership
MA/MSP-76	HUDSON EXPRESS	Hapag-Lloyd USA, LLC	Containership
MA/MSP-77	DELAWARE EXPRESS	Hapag-Lloyd USA, LLC	Containership
MA/MSP-78	MISSOURI EXPRESS	Hapag-Lloyd USA, LLC	Containership
MA/MSP-79	MAERSK SENTOSA	Maersk Line, Limited	Containership
MA/MSP-80	MAERSK CHICAGO	Maersk Line, Limited	Containership
MA/MSP-81	MAERSK PITTSBURGH	Maersk Line, Limited	Containership
MA/MSP-82	MAERSK SARATOGA	Maersk Line, Limited	Geared Containership
MA/MSP-83	MAERSK DURBAN	Maersk Line, Limited	Geared Containership
MA/MSP-84	MAERSK HARTFORD	Maersk Line, Limited	Containership
MA/MSP-85	MAERSK DETROIT	Maersk Line, Limited	Containership
MA/MSP-86	MAERSK YORKTOWN	Maersk Line, Limited	Geared Containership
MA/MSP-87	MAERSK COLUMBUS	Maersk Line, Limited	Containership
MA/MSP-88	MAERSK SELETAR	Maersk Line, Limited	Containership
MA/MSP-89	ALLIANCE FAIRFAX	Maersk Line, Limited	RO/RO
MA/MSP-90	MAERSK KENSINGTON	Maersk Line, Limited	Containership
MA/MSP-91	MAERSK DENVER	Maersk Line, Limited	Containership
MA/MSP-92	MAERSK KINLOSS	Maersk Line, Limited	Containership
MA/MSP-93	SAFMARINE NGAMI	Maersk Line, Limited	Containership
MA/MSP-94	MAERSK KANSAS	Maersk Line, Limited	Containership
MA/MSP-95	MAERSK TENNESSEE	Maersk Line, Limited	Containership
MA/MSP-96	LIBERTY PROMISE	Liberty Global Logistics LLC	RO/RO
MA/MSP-97	MAERSK ATLANTA	Maersk Line, Limited	Containership
MA/MSP-98	ARC INDEPENDENCE	American International Shipping, LLC	RO/RO
MA/MSP-99	OVERSEAS SANTORINI	Santorini Tanker LLC	Tanker
MA/MSP-101	OVERSEAS MYKONOS	Mykonos Tanker LLC	Tanker
MA/MSP-102	OCEAN GRAND	Patriot Shipping LLC	Heavy Lift
MA/MSP-103	OCEAN GLORY	Patriot Shipping LLC	Heavy Lift
MA/MSP-104	OCEAN GLADIATOR	Waterman Steamship Corporation	Heavy Lift
MA/MSP-105	OCEAN GIANT	Waterman Steamship Corporation	Heavy Lift
MA/MSP-108	SLNC YORK	Argent Marine Operations, Inc.	Heavy Lift
MA/MSP-109	LIBERTY	Fidelio Limited Partnership	RO/RO
MA/MSP-110	LIBERTY PASSION	Liberty Global Logistics LLC	RO/RO

## Attachment 2

Extract from Maritime Administration website

# Agricultural Cargo

## What is Agricultural Cargo?

The Cargo Preference Act of 1954 [46 USC §55305](#) requires that at least 50 percent of the gross tonnage of all Government-generated cargo, including Agricultural commodities, be transported on privately owned, U.S.-flag commercial vessels to the extent such vessels are available at fair and reasonable rates. Agricultural cargo is addressed in the Cargo Preference Act, because a large volume of agricultural cargo is shipped as part of U.S. commitments to support international food supply efforts where ever possible. Per [7 USC §1691](#), "It's the policy of the United States to use its abundant agricultural productivity to promote the foreign policy of the United States..."

A wide range of government-funded programs support the U.S. agricultural mission designed to facilitate:

- government-to-government sales of U.S. agricultural commodities to developing countries to support agricultural, economic, or infrastructure development projects;
- donation of U.S. government commodities to meet emergency needs;
- donation or credit sale of U.S. commodities to developing countries and emerging democracies to support democracy and an expansion of private enterprise;
- donation of surplus commodities to overseas nations;
- donation of U.S. agricultural products, as well as financial and technical assistance, for school feeding and maternal and child nutrition projects in low-income, food-deficit countries.

## Compliance

MARAD's [Office of Cargo and Commercial Sealift](#) initiates and recommends regulations and procedures to help shippers managing agricultural cargo stay compliant with related [Cargo Preference laws](#).

[Agricultural Cargo | MARAD \(dot.gov\)](#)

**Attachment 3**

Extract from Maritime Administration website

## Utilization of U.S. Vessels and Mariners Initiative



### The Maritime Administration's First Priority

The Maritime Administration's first priority under the Deepwater Port Act is to ensure that natural gas and oil transported to and from the United States through deepwater ports is done safely and securely while balancing the nation's security requirements with our growing energy and economic needs.

### What purposes do deepwater ports serve?

Deepwater ports serve as the nation's offshore point of entry (for vessels transporting natural gas and oil for import to be delivered by pipeline for end use by consumers) and point of exit (for vessels exporting domestically sourced natural gas and oil to foreign markets abroad). At present, the continental United States has two liquefied natural gas (LNG) import deepwater ports and one operational deepwater port for oil imports and exports. A fourth deepwater port for export of LNG will be constructed in the future after it receives a deepwater port license. Increased global demand for natural gas and oil will clearly require increased utilization of skilled mariners, new vessels, and expanded terminal infrastructure.

It is estimated that thousands of new mariners are currently needed. This increased need for additional mariners in this specialized industry, coincides with the growth of the global energy fleet. Advances in tanker size, the increased number of energy carriers in the worldwide fleet and improvements in transfer technology have made mariner training and the continuous improvement of their skills a priority. Accordingly, there is strong

international competition among China, Japan, Korea and the United States for skilled mariners, as the global energy trade expands.

### **How is training U.S. Mariners beneficial?**

Ultimately, the employment of highly trained, skilled, and licensed U.S. mariners will help to alleviate the growing worldwide shortage of professional mariners confronting the international energy shipping industry. It will also serve to support the industry's excellent safety record by maintaining the number of qualified mariners in the officer pool. The Maritime Administration and deepwater port operators understand the importance of mariner training to the growth of the global energy trade.

U.S. mariners are highly skilled in the operation of steam plants used on the majority of oceanborne vessels and are experts in operating other marine main propulsion systems, such as diesel, diesel electric, and gas turbines. In addition, America's maritime officers unions continue to train their members to the highest industry standards in energy technologies.

### **What efforts has the Maritime Administration undertaken to provide additional training opportunities to U.S. Mariners?**

The Maritime Administration is required to consider national interests in the issuance of deepwater port licenses. We consider the employment of American citizens aboard vessels serving the nation's natural gas and oil receiving and exporting facilities to be in the best interest of the United States. Placing the transportation of LNG and oil under the control of U.S. mariners, who are subject to strenuous security checks, will add an additional layer of security to our nation's energy supply chain.

Under separate statutory authority under the Maritime Education and Training Act of 1980, as amended, the Maritime Administration educates and trains future merchant marine officers for various employment opportunities within the maritime industry. To this end, the Maritime Administration administers and operates the [U.S. Merchant Marine Academy at Kings Point, New York](#), and the agency provides financial support and training vessels to six State maritime academies in [California](#), [Maine](#),

[Massachusetts](#), [Michigan](#), [New York](#), and [Texas](#). All six State maritime academies and the U.S. Merchant Marine Academy, as well as other related training facilities, have indicated a strong interest in expanding their curricula to include course work focused on the unique demands of the LNG trade.

## **What are the results of the Maritime Administration's training initiatives?**

**We are already seeing results from our efforts. As a result of this program initiative, the Maritime Administration has entered into innovative public-private partnerships with several deepwater port license applicants. Under one such agreement, Excelerate Energy agreed to provide training and employment opportunities for U.S. citizen officers, cadets, and unlicensed mariners serving aboard their tanker fleet. Other deepwater port applicants, such as Neptune LNG, have also committed to similar manning agreements with the Maritime Administration to develop programs to train and employ U.S. mariners on LNG vessels.**

**The Maritime Administration will continue to encourage similar voluntary agreements with future deepwater port license applicants and other energy companies serving the nation's international maritime markets.**

**[Utilization of U.S. Vessels and Mariners Initiative | MARAD \(dot.gov\)](#)**