

**Purpose:** Provide remarks at the National Cargo Bureau annual Board of Directors luncheon. You will be introduced by Mrs. Deirdre Littlefield, NCB Chairman (Starr Marine).

**Media:** Closed to media.

**Strategic Objective:** Advance strategic intent emphasizing invaluable working relationship between the Coast Guard and NCB.

**Duration:** 20-25 minutes.

## **OPENING**

**Thank you Deirdre. Ian [President], Deirdre, it's really my pleasure to be here today.**

**It's always great to join the National Cargo Bureau and celebrate yet another year of teamwork and partnership.**

## **HURRICANES**

**The past month of historic hurricanes have placed a spotlight on the importance of the Maritime Transportation System.**

**Priority #1 – save lives.**

**Priority #2 – restore the ports and get critical life sustaining supplies to those people desperately in need.**

**We all know we have a just-in-time economy, but it's a fact that's sometime lost of the average public – until disaster strikes.**

**When disaster strikes, restoring the flow of cargo and minimizing the disruption is crucial.**

**This past month, our Recovery Units (MTRSU) were able to effectively inform decision makers only because of the inputs from stakeholders and pre-planning that happened months, if not years, *in advance* of these storms.**

**There is nothing *ad hoc* about getting the ports open – the most critical first. It takes in depth coordination with all stakeholders, and importantly, with the people in this room.**

**So, thank you for your continued efforts and coordination on that front.**

## **STEADY STATE**

**Together, we don't only prepare so that we are able to swiftly restore commercial capacity following a disruption... together we ensure the safe and secure movement of cargo through our waterways 24x7x365.**

**Steady state, it's a massive undertaking. Our Nation's geographic blessing includes 25,000 miles of waterways that connect approximately 1,000 harbor channels, over 300 ports, and 3,700 terminals.**

**It handles nearly 70,000 port calls per year, and accounts for \$4.6 trillion in economic activity.**

**To manage this monster, we truly need you by our side. You are a critical force multiplier for the Coast Guard.**

**And, in 2016 alone, NCB personnel inspected over 30,481 containers carrying dangerous goods – up from last year’s 26,378 – noting approximately 9% with deficiencies. In the same year, Coast Guard personnel inspected 23,809 containers with 8% deficiencies.**

**In accordance with the IMO Code for Recognized Organizations, we signed a formal Memorandum of Agreement that re-affirmed our mutual commitment to the safety of our waterways – a commitment, 65 years strong.**

### **MTS: COMPLEXITIES**

**Because of all that you do, the Coast Guard is able to strategically focus our activities where needed elsewhere. But with shifting markets and complexity only rising, even with incredible partners like you, the Coast Guard is limited by capacity. That is why you’ve heard me tell Congress that the Coast Guard needs to grow our workforce – both active duty and reserve - and we need to maintain our invaluable civil servants.**

**To truly remain the world’s best Coast Guard, we also need to be sure these individuals are trained and highly competent in their craft to meet the complex demands of the 21<sup>st</sup>**

**Century. To that end, I could not be more grateful for the increased cross-training opportunities and the NCB surveyors offering training to Coast Guard Container Inspectors and other Prevention personnel on topics such as Containers and Explosives, Bulk and Cargo Securing, and Grain Loading.**

**As we strive to grow our Service and equip our men and women with the tools they need, I come back to partnerships like ours... our relationship has truly proven critical to keeping us one step ahead of the next shift.**

### **THE WEAKEST LINK**

**[Multi-Modal] And I'm ever mindful of the multi-modal aspect of this system – a system that is only as strong as our weakest link.**

- **I was troubled by Brett Murphy's report on labor violations and even extortion of our port truckers in USA Today this summer (June 16, 2017).**

**[Infrastructure] And our just in time economy is built on 1920's technology.**

- **More than half our locks are over 50 years old. Barges are stopped for hours each day with unscheduled delays.**
- **The average age of the 84,000 dams in the country is 52 years old.**

**To serve a growing economy and compete internationally, our Nation needs to keep up. The infrastructure of our ports and waterways must be maintained and modernized.**

- **And in the Coast Guard, we are carefully examining where to invest in long-term infrastructure, especially in the wake of these hurricanes.**

**When you think about it, investing in infrastructure needs should be a national security priority. Our economic prosperity requires a foundation of security... and securing our ports and waterways is fundamental to securing our future...**

- **In that vein, we really need to move out on recapitalizing our inland fleet – just as critical as our hard infrastructure to facilitate movement on the shifting rivers and some of which are over 70 year old!**

**[Cyber] Along the same lines, we have a long way to go toward cyber safety and security because on the horizon are only more and more attacks.**

- **That is why I sent to speak to Maersk officials in LA/LB in the wake of their event to learn about their impressive response. I question if the federal government stands ready to be as nimble, not if, but when we are attacked.**

## **CLOSING**

**Let me leave it there... there is a lot of work to be done but we have great partners in each other to do it with! So I'll**

**close by saying once again how grateful I am to have such a great partner in the NCB.**

**Thank you, all. *And Semper Paratus!***