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| **Purpose:** You have been asked to provide remarks at the CSG / USA Industry Dialogue Meeting. Frederik, Crown Prince of Denmark (heir apparent to the throne and an avid sailor with extensive military background including naval elite special forces (frogmen)) will provide a 5 minute opening. Your remarks will follow the CSG co-chairs Mr. Jaenichen and Mr. Nordseth, the Crown Prince, the Minister of Business and Growth (Mr. Troels Lund Poulsen), and Congressman Garamendi.  **Audience**: The CSG consists of maritime administrations in 18 countries which adhere to the “liberal principles of open and unrestrictive access to international shipping markets and free and fair competition on a commercial basis.” The countries represented are Belgium, Canada, Denmark, Finland, France, Germany, Greece, Italy, Japan, the Republic of Korea, Norway, Poland, Portugal, Singapore, Spain, Sweden, The Netherlands and the United Kingdom. Also in the audience will be representatives from various US agencies including CG and EPA.  **Key Messages:** Resiliency   * MTS * Arctic / Climate / Infrastructure Planning: Highlighting Greenland visit noting Denmark nexus. * Cyber: Working with the maritime industry to enhance cyber governance and create standards that will secure MTS networks globally. * Mention of the important issues being covered today (emissions/ballast).   **Duration:**  10 minutes. |

**OPENING**

**Wow! It’s not every day I follow such an esteemed group of individuals. We are truly honored that His Royal Highness, Prince Frederik, Crown Prince of Denmark is in attendance!**

**In my mind, this shows just how important meetings like this are. I’d like to echo the comments before me. The value of open dialogue and proactively engaging on the tough issues simply cannot be overstated. Because while some may say our countries are separated by vast oceans, I say we are connected by them.**

**MTS**

**Just as it is for you, our Maritime Transportation System is truly the lifeblood of our Nation’s economy.**

* **The U.S. MTS consists of more than 25,000 miles of waterways that connect 1,000 harbor channels, 300 ports, and 3,700 terminals.**
* **More than 68,000 vessel calls facilitate the movement of maritime cargo that accounted for $4.6 trillion of our nation’s economic activity in 2015.**
* **More than 73 million Americans are involved in recreational boating, maritime trade, and marine fisheries.**
* **Our MTS directly supports 95% of our Nation’s exports, 13 million jobs, and 32% of the U.S. GDP.**

**And our Coast Guard is constantly striving to meet the needs of our ever more complex global MTS.**

**And it’s no easy feat… Today, more freight is moving greater distances as part of far-flung supply chains among distant trading partners. Today we are dealing with bigger ships; moving more frequently; to, from, and through brand new locations…**

**Container ships are now approaching 20,000 TEUs, ports are nearly fully automated, more ships are LNG powered, and every aspect of maritime operations rely on SCADA systems.**

**And those trends are not slowing down any time soon.**

**Just look at the expansion of the Panama Canal. Last month, Hampton Roads, Virginia (a port just down the road a ways) welcomed the biggest container ship it has ever seen after she transited through the Panama Canal.**

**There is no ignoring these changes. It’s our collective responsibility to manage these increased and complex demands to ensure that safe, secure, and environmentally sound practices are the standard. And, importantly, ensuring that those standards are met. In the end, it’s about having a resilient global MTS so that our freight and people can move efficiently to, from, and through our ports.**

**INFRASTRUCTURE / CLIMATE IMPACTS / ARCTIC**

**Part of that means taking a hard look at what our needs of tomorrow will be - including our infrastructure needs – so we invest in the right things and find efficiencies in systems that we already have.**

**Last month I visited Greenland and personally observed the receding Jakobshavn Glacier. I saw and heard, first hand, the impacts of sea-level rise.**

**I’ll tell you, seeing that glacier left an impression on me.**

**Before going to Greenland, it wasn’t lost on me that the Arctic is currently changing at unprecedented rates. On September 10th, Arctic sea ice extent was marked as the lowest extent of the year; tied with 2007 as the second lowest extent on record.**

**And of course, with less ice coverage comes a corresponding increase in human activity.**

**The cruise ship Crystal Serenity carrying 1700 people, just made her voyage from Alaska to New York through the Northwest Passage. Just think about that. A cruise ship with 1700 people onboard just ventured to an area where less than 5% of the region is charted to modern day standards.**

**And tourists aren’t the only additions to the Arctic. Shipping is on the rise… energy exploration… scientific research…**

**There are disputed territorial claims. Of course, Denmark and Canada are monitoring Russia’s recent continental shelf claim given its overlap with their own…**

**I am sure this is an area of great interest for the entire CSG.**

**But the sea level rise has even farther reaching implications… that’s what visiting Jakobshavn Glacier impressed upon me more than anything.**

**Here’s the thing, if we don’t factor in the rising sea levels in our infrastructure decisions, we’re making a mistake.**

**In the Coast Guard, we are carefully examining where to invest in long-term infrastructure and I urge you to do the same.**

**CYBER**

**In today’s world, you just can’t mention infrastructure without addressing cyber.**

**Our world relies upon information technology. These technologies have enabled our countries to operate with impressive efficiency and convenience. But, they also expose us to risk.**

**In 2012, over 120 ships experienced malicious jamming of GPS signals and a number of major Asian Coast Guard vessels were impacted by the event.**

**Mobile Off-Shore Drilling Units have driven off-station due to disruption to their Dynamic Positioning Systems.**

**In Europe, I read that organized crime exploited a container terminal’s system to facilitate drug smuggling.**

**The good news is that I’m seeing industry really take this issue head on. For example, the Port of Long Beach, along with a number of energy terminals I’ve visited over the past months, have demonstrated they know full well their automation and advancements are only as good as they are secure… and they are investing accordingly!**

**Also, as we look to modernize our MTS and add smart technologies, we have no intention to wholesale eliminate physical aids. Two weeks ago I attended the Tri-Centennial of the Boston Light in Massachusetts. A lighthouse that has been around longer than our Nation! And I can envision she will stand proud, guiding mariners, for another 300 years.**

**The key to tackling our cyber concerns, just like so much of what we are talking about today, comes down to sharing information and best practices.**

**This stuff we’re talking about - it floats *all* boats!**

**In the U.S., we are working with industry to solidify an information sharing process. The International Association of Classification Societies has made cyber risk management a cornerstone of its agenda. And you know that the Interim Guidelines approved by IMO last May are all about this concept of sharing best practices as we work to tackle this issue together.**

**IMO / SPECIFIC AGENDA ITEMS:**

**Speaking of IMO, today’s agenda covers important items regarding international standards such as those for emissions and ballast water management.**

**I am pleased to see the progress made by IMO in its efforts to provide appropriate standards for air emissions from ships engaged in international trade. I continue to have faith that candid and inclusive negotiations at IMO are the most effective way to find the right solution to this pressing challenge.**

**I also know ballast water management is of great interest to all of us, and I am pleased to see that it is first up on the agenda for today. I can’t speak highly enough about Jeff Lantz and his cohorts’ efforts to tackle these tough issues jointly, with the folks in this room and at the IMO.**

**The Coast Guard is glad to hear the news about the Ballast Water Convention being ratified. This is a very important step forward in controlling invasive species spread by ballast water and meeting the challenge of reducing the environmental footprint of international shipping. We believe that compliance with our national laws regarding ballast water type approvals is necessary to ensure the discharge standards are met and to keep our waters free from invasive species. For this reason, Admiral Paul Thomas, and Jeff Lantz, with their team, will continue to work with the IMO to harmonize the international testing procedures within the BWM Convention with U.S. type-approval processes.**

**I'm also pleased to see the Amendments to SOLAS Regulation VI-2 relating to the communication of the verified gross mass of containers has been implemented throughout the international community without incident. I believe this example shows the power of the IMO to address member and non-member concerns in the shared effort to keep our waterways safe, above all.**

**CONCLUSION:**

**But, I want to leave those many important topics for the experts here to talk about in depth.**

**Thank you to CSG for coming together with us and organizing this opportunity for open dialogue between our nations.**

**Together, we increase our collective readiness and resiliency.**

**I hope you enjoy your visit to our Nation’s Capitol! …I’m not sure which of you brought this great weather with you, but thank you for that, as well!**