

David Matsuda

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Promoting the U.S. Maritime Transportation System



The U.S. Maritime Administration (MARAD) has a varied and vital mission—advancing the economic competitiveness of the United States while supporting a viable, safe, and secure U.S. merchant marine initiative for commerce, emergency response, and national security. “Unlike many of our Department of Transportation agency partners, we don’t regulate. We’re a promotional agency, maintaining a strong advocacy role for

the maritime industry. We want to promote it. We want to promote jobs, U.S. businesses, and economic opportunities for both workers and businesses in this key industry,” explains David Matsuda, MARAD administrator. It may be an industry that some either ignore or take for granted, but it is vital to the country’s economic and national security, contributing billion of dollars a year to the national economy while moving hundreds of billions in goods. It is also an industry that has evolved into a highly integrated transportation network that leverages a vast system of U.S. waterways and ports consisting of more than 1,000 harbor channels; over 20,000 miles of inland, inter-coastal, and coastal waterways; some 300 ports, and over 3000 terminals. “As a promotional agency one of our biggest challenges is getting people to understand how important maritime transportation is today. It literally keeps our country’s economy flowing,” says Matsuda. The agency he leads works closely with shipping, shipbuilding, port operations, vessel operations, and the various stakeholders that compose the maritime industry. He does this with an appropriated budget of \$300 to \$400 million and a staff of about 830. No small feat, given the critical importance of this mode of transportation to the country.

Matsuda points out that waterborne transportation and the use of America’s waterways provide a cost-effective alternative to other modes, alleviating congestion, reducing the cost of consumer goods, and most of all contributing to improving the quality of life. “The Obama administration,” explains Matsuda, “is really looking at things from a twofold perspective: one is the livability of a community as supported by its transportation system, and the other focus is on how we make the entire system more sustainable.” The America’s Marine Highway program plays a significant role in making this vision a reality. In April 2011, MARAD released its report to Congress on America’s Marine Highway with Transportation Secretary LaHood acknowledging that it will serve as a roadmap to the future in creating and further strengthening the nation’s marine highways. As part of this effort, MARAD designated 18 Marine Highway Corridors that will support economic growth and create jobs in communities across the country. It also awarded approximately \$215.3 million from the Transportation Investment Generating Economic Recovery (TIGER) programs to expand marine highway projects along with other related initiatives.

MARAD also has a strong environmental stewardship focus, working with the maritime transportation industry to increase emphasis on sustainability and mitigate environmental issues. It has several programs in this area. One such is the ship disposal function of MARAD. Matsuda explains that his agency has the responsibility to dispose of ships that are no longer considered useful for defense or aid missions. “These ships can become more of a liability, environmental liability or otherwise. We are pursuing alternative disposal methods and looking for new, innovative ways to recycle them,” explains Matsuda. With the cost of scrap metal on the rise, many of these ships are being sold on the open market, and bring funds to the federal government. “The great part about

A close-up, profile view of a man with short, graying hair, wearing a dark suit jacket, a white shirt, and a blue patterned tie. He is smiling and appears to be speaking. A gold circular pin is visible on his lapel. The background is a blurred outdoor setting with a reddish-brown wall on the left and a bright, overcast sky on the right.

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that,” acknowledges Matsuda, “is we have authority to actually use those funds. I’m sending some of that money to state maritime academies helping them offset the high fuel costs they have from operating their ships. We want to be able to help wherever we can.”

MARAD also has programs that work toward reducing port and vessel air pollution. Matsuda admits that the maritime industry needs to do some catch-up in this area. “The challenge here is that when you buy a ship you’re buying an asset that’s going to last 20, 30 or more years. You can’t just keep upgrading it every few years, like a car or a truck. Therefore, it is critical we have a solid standard in this area, so that companies can base their operations on it and plan for its future financing.” Another significant environmental challenge involves the treatment of ballast water and the problem of invasive aquatic species. When ships traveling through different aquatic ecosystems take on ballast water, they also take on many unwanted travelers: non-indigenous species. Matsuda describes the impact these species may wreak on an alien ecosystem when they are unleashed. One example of this is the zebra mussels takeover in the Great Lakes. “There are new standards requiring better treatment of that ballast water to ensure no living organisms remain that could do damage.” Along with stronger standards, MARAD performs testing that seeks to move treatment technologies from the laboratory to shipboard application as rapidly as possible. “We’re running three different laboratories, one on the East Coast, one on the West Coast, and one on the Great Lakes, where we can test these technologies to see if they actually work. This testing can also help the regulators as they determine the appropriate standard and understand what is technically feasible right now.”

One of the most critical roles MARAD plays is in U.S. national security and emergency response preparedness. For defense and emergency response preparedness, MARAD maintains a commercially viable and militarily useful U.S. flagged commercial fleet. “The Maritime Security Program,” says Matsuda, “is one of the key ways in which we can ensure that sealift capability is there when the nation needs it. This program effectively accomplishes that, paying private operators a small retainer fee to ensure that they will operate under the U.S. flag when called upon. It’s much cheaper than growing the Navy or even a government merchant service.

It’s one of the original public-private partnerships.” It’s such a valuable program that Matsuda is working with partners in industry, the military, and in Congress to identify the best way to extend the program for another decade or so. “It’s about making people aware of the value of the merchant mariners. For instance, on September 11, 2001, they helped evaluate a half million people in the largest sealift operation ever. They helped get people to safety as the World Trade Centers were falling ... our merchant mariners performed admirably on that day,” notes Matsuda.

The success of many of these initiatives involves cultivating the next generation of merchant mariners. Matsuda takes seriously his agency’s mandate in this area. He points out that his boss Secretary LaHood has made it a department priority for the United States Merchant Marine Academy (USMMA) in Kings Point, New York, to be a jewel among the federal service academies. “Its key role and mission,” Matsuda explains, “is to graduate future maritime leaders. Its focus is working to develop not just mariner skills, not just engineering skills, but also leadership skills.” As a result, MARAD is investing in the academy through capital improvements, IT upgrades, academic program enhancements, and eliminating midshipman fees. “It really needs the kind of attention and support that our other national academies receive,” declares Matsuda. The future of this country’s maritime industry may depend on such a commitment. “I’ve found the people in the maritime industry are so mission-focused and dedicated that we don’t often have a problem finding good people. The challenge is keeping them and growing the next generation of merchant mariners,” admits Matsuda. ■

To learn more about U.S. Maritime Administration, go to www.marad.dot.gov



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