

**WRITTEN TESTIMONY OF
DAVE MORGAN
PRESIDENT AND CEO
COOPER/PORTS AMERICA**

**BEFORE THE
COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE
SUBCOMMITTEE ON COAST GUARD AND MARITIME TRANSPORTATION
AND THE
COMMITTEE ON HOMELAND SECURITY
SUBCOMMITTEE ON TRANSPORTATION AND MARITIME SECURITY
U.S. HOUSE OF REPRESENTATIVES**

**JOINT FIELD HEARING ON
“Port Safety, Security, and Infrastructure Investment”**

APRIL 5, 2024

Good morning, Chairman Webster, Chairman Gimenez, Ranking Member Carbajal, Ranking Member Thanedar, and members of the Coast Guard and Maritime Transportation and Transportation and Maritime Security Subcommittees. My name is Dave Morgan, and I am President and CEO of Cooper/Ports America.

It is an honor to appear before you today. I applaud both of your committees’ interest in port safety, security, and infrastructure investment and desire to better understand how the marine cargo handling industry works with the U.S. Maritime Administration (MARAD) and U.S. Department of Homeland Security (DHS) to support and secure our maritime supply chain. We are at a critical juncture for port safety and security and given the recent tragic incident in Baltimore this hearing could not be more timely.

Cooper/Ports America, LLC (C/PA) is a joint venture operation that is the combined businesses of Ports America and The Cooper Group and integrated Shippers Stevedoring, Chapparral Stevedoring, and Integrated Marine Services (IMS). C/PA is the premier provider of full-service stevedoring, terminal operations, container stuffing and stripping, container yard depots, container and chassis maintenance and repair, and truck brokerage and logistics in the Texas markets. The Cooper Group and Ports America merged their breakbulk operations in the Houston and surrounding ports on October 1, 2016. C/PA currently operates at Houston City Docks, Barbours Cut, Bayport, Beaumont, Point Comfort, Corpus Christi, Freeport, Galveston and Brownsville. C/PA has a long-term contract with USTRANSCOM and handles 25,000 pieces of US Army assets via truck, rail, and vessels annually. C/PA has approximately 28% & 25% of the total market share of the BCT-BPT total TEU’s respectively and 82% of the total tonnage in 2023 that moved across the City Dock Terminal. C/PA employs over 3,300 company and International Longshoremen’s Association Union Labor & operates at an average of 1.65M labor hours annually.

I also appear before you today as President of the Board of Directors of the National Maritime Safety Association (NMSA). NMSA is the forum for maritime industry leaders and Labor to gather and discuss proactive and preventive safety measures with the goal of protecting the health and safety of our dedicated waterfront workers at U.S. marine terminals. C/PA is a longtime member of NMSA, and we take great pride in not only C/PA's commitment to safety, but our industry's overall commitment to protecting the men and women that work at ports and terminals around the country day and night so they can return home safely to their loved ones when their shift is over.

While intricately connected, consistent with the theme of the hearing title, I have divided my written testimony into three parts: the first part addressing "port safety," second focusing on "security," and third addressing "infrastructure investments."

Port Safety

At C/PA, safety drives everything we do, and is led by the participation of **all** personnel. A safe workplace will result from positive attitudes, behaviors, and beliefs of our C/PA team. We strive to create a healthy and injury-free environment for all our employees and visitors to our facilities and operations. We measure our business success by safety excellence and will never waiver in this commitment.

Similarly, the focus and purpose of NMSA is marine cargo handling safety which has been our mission since NMSA was formally established in 1972 through the Occupational Safety & Health Act of 1970. Prior to its formation, NMSA's predecessor was the Management Advisory Cargo Handling Safety Committee (MAXIE) that was launched in 1956.

NMSA is a diverse association focused on safety, and one of the main objectives of NMSA is to maintain a network of professionals capable of addressing the evolving safety issues of the cargo handling industry. NMSA members are all dedicated volunteers, and this collective of progressive expertise serves as a primary resource to the industry to keep workers healthy and injury free.

NMSA also has a Technical Committee (TC) that holds regular meetings at ports across North America and invites guests from port employers, Local, State and Federal Agencies, and local union representatives to join our discussions to promote maritime safety. During these open meetings, ports are toured; safety management is discussed; accidents and injuries are examined for increased hazard recognition and new prevention methods; new safety training products are prepared; and experts are invited to present technical aspects of equipment – including technical engineering details. Importantly, professional networks are expanded through this collegial information sharing environment and continually drive a proactive approach for addressing safety on the worksite.

Some of NMSA's current areas of focus are:

- The safety of alternate fuel sources for cargo handling equipment
- Anti-collision technologies to detect people working around machines

- Fulfilling OSHA’s new requirements for e-filing of injury and illness data
- Improving pre-shift safety talks
- Ensuring safety on elevated working surfaces when working on gondola rail cars
- Recognizing and addressing drug & alcohol matters
- Heat illness prevention best practices
- Training workers on Powered Industrial Trucks (PIT)
- Mooring line snapback injury prevention
- Lockout tagout program best practices
- Split rim wheel safety best practices

Security

Cooper/Ports America and other stevedore companies and marine terminal operators (MTOs) are central pillars of the global intermodal marine transportation system. We have extensive systems, practices, and processes in place to address the full and evolving spectrum of threats—from those of a physical nature to those in the cyber realm. C/PA and other MTOs have a system of layered physical and cybersecurity countermeasures in accordance with the Marine Transportation Security Act (MTSA), the Department of Homeland Security, the Department of Justice and the Cybersecurity and Infrastructure Security Agency at the federal level and with support from appropriate state and local law enforcement agencies.

Since the enactment of the MTSA in 2002 and its implementation by the United States Coast Guard, MTOs are required to have an approved Facility Security Plan (FSP) and a designated Facility Security Officer (FSO). C/PA’s FSOs work closely with the U.S. Coast Guard within the MTSA framework to address the ever-evolving nature of threats we face at our facilities. In addition, C/PA is currently reviewing the Coast Guard’s recently published Notice of Proposed Rulemaking on Cybersecurity in the Marine Transportation System. C/PA and its team of security terminal operators will work with other MTO’s to ensure that any ultimate regulations governing port and MTO cybersecurity measures will be consistent with industry threats and operational realities, and to identify and develop opportunities for federal support. We look forward to continue working with the U.S. Coast Guard on this endeavor. Of note, C/PA falls under the Port Authority’s FSP in all ports in Texas.

Regarding cyber threats, C/PA partners with government entities like the National Institute of Standards and Technology (NIST) to replicate frameworks created by the U.S. Department of Commerce to protect critical infrastructure. In addition to government partnerships and programs, terminal operators have a high isolation level on crane control and auxiliary function systems, and monitoring access is strategically implemented to detect and capture threats. C/PA, like other MTO’s, proactively engage with control system and auxiliary system providers regarding their latest offerings and demand the highest level of security.

NMSA also is focused on security threats to marine terminal operations that could jeopardize the safety of our waterfront workers, and our association has been closely tracking such threats for

some time. Through our Technical Committee, NMSA proactively engages experts from within and outside the industry to assess and understand potential risks, gather data, investigate and conduct fact-finding reports, review and evaluate best practices, and disseminate and encourage adoption of solutions to improve safety for waterfront workers.

Protecting cargo handling equipment from cyber intrusions, damage, or sabotage—particularly systems where our workers are at risk of injury or potentially life threatening injury—is a significant concern for NMSA and C/PA, and we are work vigilantly to safeguard all of our systems and workers. This is why in February of 2023, NMSA’s Technical Committee received a presentation from officials with the U.S. Coast Guard Sector’s Jacksonville Cyber Division on cyber threats at U.S. ports and marine terminals. We plan to continue this discourse both internally and publicly to ensure comprehensive and protective measures are in place and that our workforce remains safe and secure in their operations.

Infrastructure Investments

Forecasts projecting continued growth in international trade and E-commerce are expected to drive a significant increase in the volumes of goods transported across the globe over the next few decades. The greatest volume of this cargo will be transported via shipping containers handled by our workforce. Congress and the Biden Administration’s recent investments in port infrastructure through federal grant programs such as the Port Infrastructure Development Program (PIDP) and the new EPA Clean Ports program are very helpful and we thank you. Unfortunately, even if robustly funded for the next decade, these programs alone will not be sufficient to address the anticipated increase in cargo volumes.

Other approaches to infrastructure development and transportation network expansion will be required to meet global demand in the maritime cargo and intermodal freight transportation systems. One such innovative approach would be the enactment of legislation to expand the Maritime Administration’s (MARAD) Capital Construction Fund (CCF) program to allow MTOs to use a portion of their own revenues, on a tax-deferred basis, to purchase new and replace aging cargo handling equipment with new, zero-emission equipment that has built-in state-of-the-art safety features manufactured here in the U.S. as proposed in H.R. 4993. It has the added benefit of not requiring appropriated funding and is distinctly beneficial to U.S. taxpayers.

H.R. 4993 is a bipartisan bill introduced by Congressmen Mike Ezell (R-MS) and Troy Carter (D-LA) and has 17 cosponsors so far. Chairman Webster, we are grateful that you are one of them. I respectfully urge all of you take a look at this bill and consider cosponsoring this important legislation.

Another approach that should be considered is to increase cargo volumes at U.S. ports that currently have excess capacity for additional volume or have room to expand their terminal operations with additional investments. For instance, the U.S. Army Corps of Engineers should be authorized and adequately funded to carry out additional projects to deepen and expand navigation channels and approaches to several ports—particularly in the Gulf of Mexico. Such investments will not only expand our port capacity to move higher freight volumes, they will also strengthen the resiliency of the entire U.S. Maritime Transportation System (MTS); a need

made abundantly clear by the recent collapse of the Francis Scott Key Bridge and closure of the vessel traffic to the Port of Baltimore.

In closing, I encourage both of your committees and your key staff to engage with NMSA and its Technical Committee to share information and any concerns about the marine transportation system. I would also like to extend an invitation to committee members and your staff to come visit our terminal in Houston and meet the hardworking people that keep cargo moving and play an integral role in our supply chain. Our industry experts stand ready to answer any questions you may have, serve as a resource on any safety related matters, and assist you in any way we can.

Thank you for providing me the opportunity to be with you at today's field hearing and to share my perspectives on the critical safety and security issues that affect our industry. Again, I appreciate the attention of your two committees on ensuring the safety and security of U.S. ports, marine terminal operators and all the workers we employ, and our maritime supply chain. I welcome any of your questions.