

Maritime Committee Action Plan

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HRMC (Hampton Roads Maritime Collaborative for Growth & Innovation) Executive Committee Members – Dubby Wynne, David Architzel, Shawn Avery, John Broderick, Matt Needy, Jennifer Palestrant, Doug Smith, David White, Brad Williamson, Sean Burke, Jim Spore, Nancy Grden.

● Pandemic Impact

- Brief summary of how the pandemic initially impacted your industry/sector:
 - Decrease in international imports/exports
 - Newport News Shipbuilding (NNS) production slowed due to COVID adjustments with staffing, number of shifts, illness
 - NNS having to pause hiring and training due to avoid COVID spread
 - Breaks and gaps in supply chain and supply base
 - Offshore wind industry continued with its development
 - Major Regional infrastructure projects (highways, harbor dredging, etc) continued

The effects of COVID-19 were felt on the maritime industry before the virus was found to be in the United States. China – the leading trading partner with the U.S. – saw a drastic decrease of international trade, a trend which continued through their lockdowns. The economic downturn trend strangled the US economy as citizens were forced to remain in their homes and place a hold on normal everyday life. The Port of Virginia has seen over 100 blank sailings and trade from private terminals continues to suffer.

The decrease of import and exports resulted in companies experiencing an unanticipated revenue shortfall, forcing them to make the hard decision to cut time for employees or terminate them completely. Other staffing issues arose when attributing protocols of social distancing of staff and creating a clean work environment. In an effort to remain open, significant investments were made to alter work environments for social distancing and other expenses for cleaning/PPE procurement.

Large unforeseen expenses for COVID-19 protocols, along with an economic downturn, have created hiring freezes throughout the maritime industry. This has affected employees already in the hiring process, as well as future job applicants. It is also important to recognize the impact COVID-19 has had on the maritime industries that support large vessels, such as Pilots and tug work.

Fortunately, the majority of the maritime industry remained open in spite of supply chain gaps that have produced a massive decrease in bottom-line revenues. In addition, construction projects on large infrastructure have continued to move forward that benefit trade and freight logistics – large Hampton Roads highway/bridge construction, Norfolk Harbor Dredging Project, and development of the new Offshore Wind Industry.

Current State of the Industry

- Highlight major themes in your industry/sector within the Region:
 - Maritime, broadly defined, is and can be a major economic driver for the future of our Region
 - Majority of improvement projects are still in progress
 - COVID has impacted a small fraction of jobs

The maritime industry has suffered due to the economic downturn of COVID-19; however, the slowing markets have enabled community leaders to come together as a Region to help the industry recover and grow. To be successful, the maritime industry must be broadly defined as an intricate part of our regional identity and economy. Community realization of the industry is pivotal for the Region’s citizens to understand the economic link and the everyday presence in their lives. Furthermore, marketing the Region as the leading maritime community solidifies the broadness of the industry throughout the entire Region. Broadly identifying the industry will promote its presence throughout the Region and thrust it forward as the major economic driver of our region.

Currently, the majority of our major projects are still in progress to provide superior services; however, their construction is a marketable factor for the Region – transportation, dredging, and emerging industries, etc. The progress of these projects was not halted by the global pandemic and are moving forward on-time or an accelerated timeline.

The maritime industry has had large impacts to its volume of products on the water; however, fewer jobs have been severely impacted. The core base of the workforce remains working or ready to work for the recovery of the industry and its growth.

- Identify key challenges and opportunities facing your industry/sector across the region in order to strengthen regional recovery and resilience
 - Opportunity– Maritime identified, promoted, and strengthened as a major economic driver of our Region, given the unique array of assets and opportunities our Region has – man-made and natural – Port, natural harbor, geographic location, Navy, shipping/shipbuilding, new offshore wind industry, transatlantic broadband, ODU as a maritime academic institutions, innovation (cyber, advanced manufacturing, autonomous vehicles for land/sea/air), resilience and sea level rise addressed
 - Challenge: Promotion of maritime industry in K-12 as opportunity
 - Challenge: Maritime image as “old/stodgy” industry not synonymous with innovation

- Challenge: Region has historically avoided dependence on DoD and Navy/concerns about military downsizing and another BRAC round
 - Identify and discuss lessons learned that can drive recovery and resilience
 - Form a collaborative organization to lead focus and action on this area – HRMC (Hampton Roads Maritime Collaborative for Growth & Innovation) established – and to avoid duplication of effort, make “1+1=5”

The Region’s major challenge before and during the global pandemic’s economic downturn was the over reliance on Federal defense spending and private defense contracting. Although DOD spending has been a major factor of resilience of the economic stabilization of the state and Region, continued over reliance of the industry could stifle recovery and growth. The growth of the broad maritime industry will be a major factor in diversifying the Region’s economy.

The maritime industry is uniquely blessed with one of the largest natural harbors on the East Coast with wide channels and short navigation to open waters. The strategic mid-Atlantic location allows the port to be influential in both northern and southern markets, while servicing Midwestern markets through an extensive rail network of short lines and both Class I railroads. Industries benefit by the Region’s investment in bridge tunnels, which leave no overdraft restrictions for the growth of offshore wind, larger vessels, and large breakbulk cargo.

The offshore wind industry is a major economic opportunity for the region to be able to be a hub for the complete manufacturing of turbines, and supply chain, in the Region. This emerging industry is positioning the Region to be the offshore wind industry hub for the east coast, harnessing all advantages that the Region has – no overhead draft restrictions, deep channels, a ready workforce, and a centralized location. The presence of PMT and the opportunities down the Elizabeth River for the production line are immense. A challenge for this emerging industry is for the Region to remain a solid front in recruitment focusing on the benefits to the Region and not toward each individual locality. It will also be important to leverage, not duplicate or compete, training and recruitment programs for the Navy, shipbuilding/ship repair, and offshore wind industry.

Major maritime industry challenges remain that are barriers to fully realizing the advantages of our harbor. Identification of the challenges to the industry is pivotal in overcoming them and providing solutions to rectify the situation. The major challenge which faces the Region is the promotion of the work being old and stodgy, which causes recruitment efforts to suffer in K-12, and especially college graduates.

Promotion of the maritime industry as a high-end technology industry is on the rise. This can be seen at The Port of Virginia implementing semi-automated technology at Virginia International Gateway and Norfolk International Terminals. The promotion of new technologies of offshore wind and navigation can be extremely enticing toward a Gen Z workforce as well. The advent of autonomous vehicles, cybersecurity, data analytics, and advanced manufacturing is critical to retaining and attracting the labor force.

The development of the trans-Atlantic cable can help link all technologies in the maritime community, directly impacting transportation, logistics, and modernization of data/analytics. Keeping to the broadly defining maritime industry, this opportunity is a challenge to promote for current and future workforces.

An increased effort within the classroom from K-12 and in the colleges of the technological maritime industry is key to promoting and growing the workforce and retaining college students who attend universities locally to stay.

Streamlining efforts to address industry problems directly and approach the maritime industry broadly without one-offs that produce think-tank silos and inhibit innovation are pivotal in the success of the maritime community. This will ultimately be key in the resilience of the Region's maritime economic influence and will also grow the defense industry, while not heavily relying on it. A collaborative organization will help streamline efforts and avoid duplicative efforts is an important leadership effort - the HRMC was formed and established with these efforts in mind.

● The Future

- What does resilience and recovery look like for your industry/sector?
 - Embracing the maritime industry as a leader for the Region's job creation, company formation and growth, and innovation
 - Imports are a waiting game which will improve as COVID recedes
 - Increase training and hiring in key areas unfilled, and for the future

 - Investing in future workforce development and training

The maritime industry in Hampton Roads has been the backbone of the Region for nearly 400 years. Our large and talented maritime workforce is the exact reason that industry chooses to make the 757 home – defense, container shipping, offshore wind, coal exports, etc. The resilience of the community continues as industry realized niche markets to support income and create working connections with other maritime communities. Noting the resilience of the maritime community, the recovery will endure as the economy of the world slowly opens – pending a second large wave.

The industry will rebound by focusing on training and hiring of employees for the future. Recognizing that the industry is the leader for the Region's job creation, creating a diverse maritime economy with an even more extensively trained workforce will help bring the industry to the economic level prior to COVID-19 and enable growth in the future.

Maritime sectors that have embraced technology, which has limited human interaction, has continued to prosper without a devastating profit loss. Technology in operations will create higher paying jobs that will bring a new workforce to the Region. Implementation of technology when carefully integrated within the working environment will enhance efficiencies, increase safety, and avoid the loss of jobs for the industry.

- What might a new normal (post-COVID) for your industry/sector look like?
 - Build upon the existing strengths of the industry to leverage future growth
 - Identify areas for innovation in maritime
 - Same as pre-COVID - majority of jobs in this sector don't require people to closely interact with one another
 - Possibility of distributed office spaces aligns with maritime needs

The current new-normal will be sustained with social distancing and alterations to shift work and operations. Maritime operations have the benefit of already being distant in nature, and office work can continue to be remote. Many industries have embraced technology and have been able to sustain success due to their investments. The maritime community can learn from other maritime partners as new innovative strategies are implemented.

As the backbone of the Region, the maritime community has the benefit of being well-known throughout the globe. Due to other investments made by the industry and the government, the harbor is highly competitive for any east coast market and will prove to be the largest benefit for the industry.

- List and briefly elaborate three to five overarching strategic goals to address the identified challenges and opportunities to your industry/sector
 - Identify, embrace, and grow maritime, broadly defined, as an economic engine for Hampton Roads and a key theme for this project
 - Incorporate maritime in the regional messaging and marketing campaigns and communication
 - Directly link our Region's innovation and entrepreneurship assets (757 Angels, 757 Accelerate, new Regional Navy Tech Bridge, ODU Institute for Innovation & Entrepreneurship, Arise, VISA, VMASC, etc) with innovation opportunities in maritime and a center of excellence
 - ODU to play a major leadership role in the Region's maritime economy through its current and expanded education, research, and innovation roles

Addressing the current maritime challenges brought about by COVID-19, the maritime community can embrace innovation and bring about growth. In order to direct regional attention, the maritime community must be recognized as the economic engine for Hampton Roads. The broad definition of the industry will help the Region recognize the expansive impacts of the maritime industry in their daily lives. Incorporation of the maritime industry must be embraced by the region to promote community self-recognition; furthermore, marketing for the region must include the maritime industry as a part of its identity and culture.

Equally important are the partnerships and solutions to address resilience and sea level rise, areas that could be potential barriers, but which can also be viewed as innovation opportunities for our Region and other coastal regions globally, through policy, technology, and best practices for coastal adaptation.

Ensuring a community realization of the maritime industry and an identifiable maritime marketing identity, the Region will be synonymous with the industry. This will ensure that the community will be a partner with industry and promote a workforce to our Region. Therefore, linking our Region's innovation and entrepreneurship assets will secure a workforce that also embraces innovative opportunities "(assets to note - 757 Angels, 757 Accelerate, new Mid-Atlantic Navy Tech Bridge, ODU Institute for Innovation & Entrepreneurship, ARiSE, RISE, VISA, VMASC, Open Seas Technology Innovation Hub, etc – not to mention new technology companies in our Region such as DroneUp, G2Ops, Ario, SVT Robotics, and many others)".

- What does the 757 Region need to meet those three to five goals?
 - The leadership of an umbrella organization focused broadly on maritime– HRMC can play that role
 - The strategy of a large university as a partner for training, research, and innovation – ODU has a goal to be a globally recognized institution for maritime
 - Combination of our Region's innovation and maritime assets to create new centers of excellence, commercialization of discovery, and partnerships across the globe

The Hampton Roads Maritime Collaborative for Growth & Innovation (HRMC) already is a group of influential industry and community leaders that possess an extensive knowledge of both the industry and the potential growth that can be harnessed within the region. The makeup of the Collaborative is not only maritime operators, but also includes industries that rely on the maritime community to support logistics of commerce. Using the vast network provided by this group, impacts in the community can be realized through their extensive networks within the legislative, industry, and community contacts. Furthermore, institutional influence from our educational organizations will play a large part for training, research, innovation, and even recruitment not only to the industry, but also the area – noting ODU's plan to become a globally recognized institution for the maritime industry.

The current investments in the Region – dredging and transportation – make the area ripe for being a global competitor to increase vessel calls and diversify cargo within the area, harnessing a larger market share for the east coast.

While engaging in community/industry leaders and facilitating current resources for growth, the maritime industry will recover quickly. By harnessing new infrastructure and investments, the industry will be largely competitive, while harnessing new investments in centers of innovation and excellence to secure greater growth in the future.

● Metrics

- Identify potential metrics to measure both the impact of COVID-19 on your industry and/or recovery and resilience of your industry/sector moving forward towards a new normal
 - The supply and demand of international imports and how they rise and fall
 - Job creation – and salary base increase

- New companies formed and companies expanded
- Innovation investment dollars – public and private
- Number/type of training programs

The economic recovery process can be tracked as international trade begins to reach pre-COVID-19 levels, which is a representation of the world economy. Recognizing that the region is connected to the entire globe by trade on the water, it is important to consider world markets.

Continuing to track employment and growing industries will be helpful to realize a stable maritime economy in a post-COVID-19 world. Job growth should be focused holistically, and not just on the basis of normal levels due to per-COVID operations. Focusing on the expansion of the maritime community through new companies and emerging industries will help support a large and experienced workforce.

The maritime community must continue to invest in the industry and its people to support growth, new technologies, and training. A holistic and innovative approach is needed for the region’s 400 year old industry to continue to prosper.

● Imagery

- List a few types of images that the committee thinks best represent your industry/sector in the 757
 - Innovation for the future
 - Community
 - Water as an asset !
 - Connections of land/sea/air
 - Global opportunities

● Resources

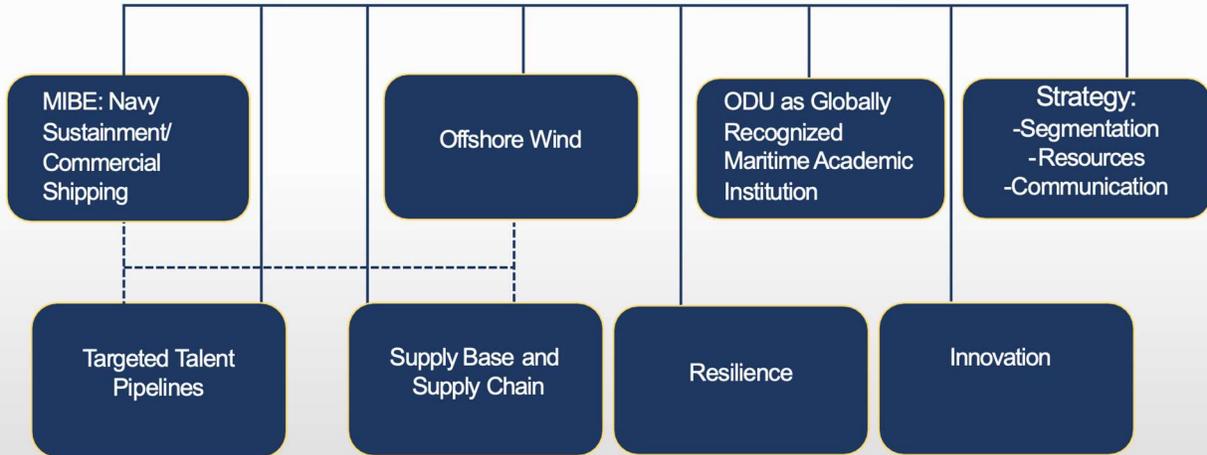
- List the best place for others to find important information about your industry/sector as the 757 Region continues to recover and move towards a more resilient economic future
 - Hampton Roads Maritime Collaborative for Growth & Innovation (HRMC)
 - Port of Virginia
 - Old Dominion University – Institute for Innovation & Entrepreneurship
 - Virginia Maritime Association (VMA)
 - Virginia Ship Repair Association (VSRA)
 - Commonwealth Offshore Wind Task Force
 - Virginia Economic Development Partnership (VEDP)

Hampton Roads Maritime Collaborative for Growth & Innovation

HRMC - 501(c)(3) to Serve as Coordinating and Facilitating Organization

Board of Directors: Maritime, Business and Economic Development Leaders

Eight Initial Priority Initiatives:



Mission:

“To provide thought leadership, alignment, and organizational structure that will identify, prioritize, and pursue impactful opportunities which meaningfully result in long-term economic development and innovation for the Hampton Roads maritime industrial base ecosystem.”