

STATEMENT SUBMITTED ON BEHALF OF

AMERICAN MARITIME OFFICERS
INTERNATIONAL ORGANIZATION OF MASTERS, MATES &
PILOTS
MARINE ENGINEERS' BENEFICIAL ASSOCIATION
MARINE FIREMEN'S UNION
MARITIME TRADES DEPARTMENT, AFL-CIO
SAILORS' UNION OF THE PACIFIC
SEAFARERS INTERNATIONAL UNION
TRANSPORTATION TRADES DEPARTMENT, AFL-CIO

TO THE

SUBCOMMITTEE ON COAST GUARD AND MARITIME
TRANSPORTATION

OF THE

COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE

ON

“Assessing the Shortage of United States Mariners and
Recruitment and Retention in the United States Coast Guard”

May 11, 2023

Chairman Webster, Ranking Member Carbajal and Members of the Subcommittee:

We submit this statement on behalf of the American Maritime Officers, International Organization of Masters, Mates & Pilots, Marine Engineers' Beneficial Association, Marine Firemen's Union, Maritime Trades Department, AFL-CIO, Seafarers International Union, Sailors' Union of the Pacific, and Transportation Trades Department, AFL-CIO in conjunction with the Subcommittee's hearing on "*Assessing the Shortage of United States Mariners.*" We ask that our statement be included in the hearing record. Together, our maritime labor unions represent the vast majority of United States Coast Guard (USCG) licensed and unlicensed American maritime personnel who work aboard commercial vessels of all types and who are among the most highly trained and qualified mariners in the worldwide maritime industry.

Our unions and the licensed and unlicensed American merchant mariners we represent have never turned away from the challenges that must be faced to preserve the democratic way of life at home and overseas. As they did at the founding of our nation, during World War II and in every conflict before and since, the men and women of the United States-flag merchant marine stand ready to sail into harm's way whenever and wherever needed by our country to enhance America's military and economic interests and to support and supply our armed forces deployed overseas.

It is critically important that our government and the American people understand that without the U.S.-flag vessels and U.S. citizen licensed and unlicensed merchant mariners ready and available to provide the commercial sealift readiness capability needed by the Department of Defense, our nation would be forced to entrust the support, supply, and security of American forces deployed overseas to foreign flag vessels and foreign crews who may not support U.S. defense operations and objectives. It goes without saying that doing so would jeopardize the lives of American servicewomen and men who will no longer be guaranteed the supplies and equipment they need to do their job in support of our country.

As stated by Maritime Administrator Admiral Ann Phillips in 2022: "*As a retired U.S. Navy Rear Admiral with more than 30 years of service, I know the critical importance of our merchant marine to our national defense as well as to our economy. Particularly in a contested environment, it is American mariners who will answer the call—as they always have—to move the supplies we need to defeat any adversary.*"

Similarly, then-United States Transportation Command (USTRANSCOM) Commander General Stephen Lyons stated in November 2020, "*With 85 percent of our forces based in the continental United States, nearly 90 percent of our military equipment is expected to deploy via sealift in a major conflict. In order to deploy those forces, we require safe, reliable and ready U.S.-flagged vessels [and], mariners to crew those ships. . .*"

It is therefore imperative that the downward trend in the number of vessels operating under the U.S.-flag must be stopped and reversed, and the American maritime manpower shortage must be

addressed and resolved. Simply put, the current manpower shortage is a national security threat, and it is clear that the Department of Defense cannot do its job if private industry is unable to provide the civilian American merchant mariners DOD needs. This requires strong, positive action by the Congress and the Administration to support and fund existing programs that support the operation of U.S.-flag vessels, including the Maritime Security Program, the Tanker Security Program, and the Jones Act; to eliminate statutory and regulatory impediments to the growth of the maritime manpower pool; and to propose and implement innovative and effective programs and policies that will increase the number of commercially viable U.S.-flag vessels, increase the number of American maritime jobs, and increase the amount of America's foreign trade carried aboard U.S.-flag ships. Simply put, more cargo means more U.S.-flag ships, and more U.S.-flag ships means more American mariners!

Consequently, we recommend the following so that we can begin to achieve these objectives:

First, we encourage Congress and the Administration to develop a realistic maritime strategy that includes at its core a national cargo policy that increases the percentage of America's foreign trade carried aboard U.S.-flag commercial vessels and ensures that American mariners have jobs during peacetime. The treatment of U.S.-flag vessel operations and American mariners under the tax code should encourage rather than discourage the utilization of U.S.-flag vessels and American mariners, and bilateral and multilateral trade agreements should reflect the strategic importance to our nation of a stronger, more active U.S.-flag fleet in the carriage of America's exports and imports. Today, with the ongoing efforts by the Chinese Communist Party to secure domination over the world's oceans and international trade as well as the proliferation of state-owned and controlled and foreign flag of convenience vessel operations, including partial ownership in many security sensitive foreign ports, we have seen the U.S.-flag share of America's foreign trade fall to less than 2 percent. This situation threatens our security and threatens our economy, as China will only further increase its control over what cargoes move and at what cost unless we bolster our own U.S.-flag fleet and regain control over the carriage of our foreign trade.

Secondly, it is equally important that Congress continue to provide the Maritime Administration with the authority it needs to fully enforce and implement the nation's U.S.-flag cargo preference shipping requirements. All too often, Federal agencies and departments unilaterally and at times with no explanation take advantage of so-called "notwithstanding" clauses in the law or otherwise simply ignore the spirit and the letter of the law in order to waive the U.S.-flag shipping requirements and ship greater and greater shares of taxpayer financed government cargoes on foreign flag, foreign crewed vessels.

We greatly appreciate the steps this Subcommittee and Committee have taken as well as the recent efforts of Maritime Administrator Admiral Ann Phillips and her staff to achieve greater compliance by all Federal agencies with cargo preference. However, it is clear to us that further action is necessary, and we encourage Congress to restore the U.S.-flag requirements for food aid cargoes to 75 percent. In fact, since U.S.-flag cargo preference shipping requirements for food aid

cargoes were arbitrarily slashed from 75% to 50% in 2012, the U.S.-flag fleet has plummeted by 26% according to the Maritime Administration - more than triple the impact initially forecast – contributing to the current maritime manpower shortage which has been exacerbated by the direct and indirect impacts of the COVID 19 pandemic on our industry. Similarly, we recommend Congress increase the U.S.-flag requirements for all other government-generated civilian cargoes to 100 percent, the same percentage that covers the shipment of defense cargoes, with U.S.-flag carriage dependent, as it is today, on the availability of U.S.-flag vessels at fair and reasonable rates. Requiring 100 percent would greatly decrease the gamesmanship of U.S. government agencies intentionally violating cargo preference statutes, and will make Marad enforcement that much easier.

We also urge Congress to eliminate those provisions in the law that enable Federal agencies and departments to bypass the authority of the Maritime Administration to determine if and when cargo preference applies and whether U.S.-flag vessels are available at fair and reasonable rates to transport the cargo. Until and unless all such authority is vested exclusively in the Maritime Administration, U.S.-flag vessels will continue to lose cargo carrying opportunities and American mariners will continue to be denied employment opportunities.

Thirdly, one of the most positive steps taken by Congress over the past few years has been the authorization of a new Tanker Security Program modeled after the highly successful Maritime Security Program. In fact, this new program has the potential of adding, over the next year or so, upwards of twenty vessels to the U.S.-flag fleet, thereby helping to address the maritime manpower shortage as new job opportunities for American mariners are made available aboard these vessels. However, an element unique to the tanker industry, commonly referred to as the “Matrix Requirements”, mandates levels of officer experience for the U.S. flag tankers engaged in transporting fuels internationally. These compliance rules stipulate that certain mariners must have minimum (1) employment time with a particular operator, (2) time serving on a particular vessel class, and (3) time serving in rank. Failure to comply with the Matrix Requirements can lead to rejection of a vessel for service, severe limitations on the vessel’s ability to trade internationally, and consequential financial losses.

We are therefore urging Congress and the Administration to assist the industry in meeting these unique requirements by allowing a portion of previously appropriated unobligated funds for the Tanker Security Program to be used for mariner training. More specifically, we ask Congress to allow the Maritime Administration to provide up to \$2.5 million of funding to each of the initial 10 vessels (i.e., \$25 million) approved to enter the TSP in order to increase the number of mariners who possess the necessary tanker specific qualifications to meet the Matrix Requirements.

We also believe there are steps that Congress and the Administration can and should take to reduce and eliminate financial and other impediments to the recruitment and availability of mariners. For example:

- Congress should increase the appropriation for fuel funding for training vessels operated by State Maritime Academies in order to reduce the cost to students at the Academies for summer sea terms. This action can and should result in an increase in enrollment in training sea terms, thereby helping to grow the qualified maritime manpower pool. Currently, the cost to a student to sail on a training ship can exceed \$13,500 per year, with the majority of the sea terms cost attributable to fuel. Increasing Federal fuel funding would reduce the cost of training sea terms, thereby encouraging greater enrollment. Congress should also allow fuel subsidies to be used for State Maritime Academy owned and leased vessels that are used to provide cadets with the option of obtaining the Dedicated Duty Engineer and Mate of Towing (TOAR) license endorsements.
- We also believe Congress should increase the maximum Student Incentive Payment from \$32,000 to \$64,000 in order to increase interest and participation in the USN Strategic Sealift Midshipman Program among those attending a State Maritime Academy. This in turn will increase the number of State Maritime Academy graduates who have an obligation to sail on their license after graduation.
- We urge Congress to include U.S. merchant mariners sailing aboard U.S.-flag commercial vessels for at least 180 days per calendar year among those eligible for Public Service Loan forgiveness. Public Service Loan Forgiveness encourages individuals to enter and continue in full time public service employment by forgiving the remaining balance of their direct loans after satisfying public service and loan repayment requirements, forgiving the remaining balance of the loan after the individual has made 120 qualifying monthly payments. This program is currently available to U.S. military members and should be similarly available to those working as a merchant mariner as part of our nation's "fourth arm of defense."
- Finally, we strongly support provisions included by the Transportation and Infrastructure Committee in H.R. 2741, the bipartisan Coast Guard Authorization Act of 2023. Reducing the time requirement for Able Seaman and authorizing additional funding for the Coast Guard to modernize its credentialing system are just two of the provisions that can and should help alleviate impediments to the efficient and timely availability of American mariners.

In conclusion, it is important to emphasize that a strong, viable, privately-owned United States-flag maritime industry serves as a critical line of defense against the total domination of the world's oceans and the carriage of international trade by those nations that do not adhere to our commitment to fair trade and open seas. From the founding of our Nation to today, American merchant mariners have served with distinction and courage, never hesitating to sail into war zones to supply and support American troops deployed anywhere in the world, and too often sacrificing their own lives for our protection. We again submit that immediate and innovative action is

necessary to increase the amount of cargo carried by U.S.-flag vessels, to increase the size of the commercially viable, militarily useful U.S.-flag fleet, and to increase the maritime manpower pool ready and available to meet our nation's economic and national security requirements.

Thank you for the opportunity to submit this statement. We stand ready to provide whatever additional information you may require and to work with you and your colleagues to strengthen and grow our U.S.-flag merchant marine and to alleviate the maritime manpower shortage.