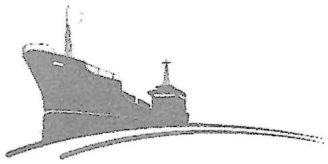


USA Maritime

C. JAMES PATTI
Chairman

October 13, 2021

VIA www.regulations.gov
Department of Defense
Attn: Brennan Grignon
Office of the Under Secretary of Defense for Acquisition and Sustainment
The Pentagon
Washington, DC 20301

Re: Request for Written Comments in Support of the Department of Defense's OneYear Response to Executive Order 14017, "America's Supply Chains"

USA Maritime, a coalition whose membership includes shipping companies operating U.S.-flag vessels in our nation's foreign trades, the maritime labor unions representing the licensed and unlicensed American mariners who crew these vessels, and their related maritime associations respectfully submits the following comments regarding the above-captioned Request published in the Federal Register September 28, 2021. USA Maritime directly or indirectly represents a considerable majority of the U.S.-flag oceangoing vessels enrolled in the Maritime Security Program and engaged in the carriage of Department of Defense and other U.S.-government generated cargoes. This work is a critical part of our national security supply chain and it is imperative that the Department of Defense considers the health and vitality of the U.S.-flag merchant marine as it considers the overall health of the national security supply chain.

Executive Order 14017 directs the Secretary of Defense to submit a report on key supply chains, including vulnerabilities and potential policies for action to strengthen the defense industrial base, including systemic enablers, including the workforce. USA Maritime writes to shed light on the critical need to protect, preserve, and grow our maritime workforce, specifically our mariners, for all Department of Defense cargo needs. This affects all four operational priorities since all defense cargo, including all prime and subprime contractor defense purchases, must sail on U.S.-flag vessels as required by law.

The major issue in our industry's supply chain is the growing shortfall in the number of qualified

U.S. citizen mariners to crew the government and privately-owned vessels used by the Department of Defense. In March 2015, General Paul Selva, then-Commander, United States Transportation Command, cautioned Congress that as a result of the "reduction in government impelled cargoes due to the drawdown in Afghanistan and reductions in food aid . . . the mariner base is at a point where future reductions in U.S.flag capacity puts our ability to fully activate, deploy and sustain forces at increased risk"—a concern echoed consistently every year by his successors at U.S. Transportation Command.

Additionally, Admiral Mark Buzby, then-Administrator of the United States Maritime Administration, warned, there is "an estimated shortfall of 1,800 qualified mariners in the event of a full, prolonged mobilization The Maritime Administration's Maritime Workforce Working Group Report from 2014, the most recent assessment completed by the Maritime Administration, documented "a deficit of mariners with unlimited credentials to meet the national security and force projection needs."

More recently, as stated by USTRANSCOM Commander General Stephen Lyons 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.. . .”

Without the capability provided by the U.S.-flag international fleet and its civilian American mariner workforce, the Department of Defense would be forced to either dedicate its resources to replicate, at significant cost to the American taxpayer, the commercial sealift readiness capability provided by our industry or to entrust the security of our Nation and the safety and supply of American troops to foreign flag of convenience vessels crewed by foreign nationals who may not support U.S. defense operations. To do so would be to 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.

This dangerous decline in the American maritime manpower pool must be reversed as we critically reexamine our national security supply chain. The Administration must focus on ways to stop the further loss of U.S.-flag vessels and the resultant outsourcing of American maritime jobs, and actively work to increase the number of vessels operating under the U.S.-flag in order to create and support more maritime job opportunities for Americans. It is imperative to ensure that our country has the U.S.-flag commercial sealift capability and trained American mariners needed to support the Department ofDefense throughout its supply chain.

To this end, the Administration should invest in the U.S.-flag merchant marine as a critical component of our nation's national security supply chain.

The full implementation of the cargo preference requirements to transport U.S. government cargoes helps guarantee that American maritime jobs will not be outsourced and lost to foreign maritime workers. The Administration should, for example, consider expanding cargo preference for non-defense U.S. government impelled cargoes. Additionally, the Department of Defense should regularly and actively ensure compliance with current US cargo preference laws by Department of Defense entities, including contracting officers, as well Department of Defense contractors and subcontractors.

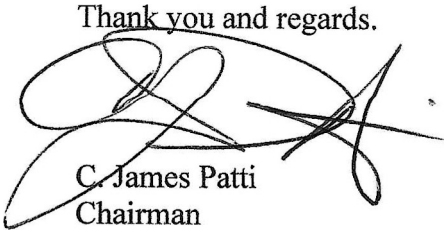
The full funding and implementation of the Maritime Security Program (MSP) should remain a key priority for the Department of Defense. Its fleet of 60 privately-owned militarily useful U.S.-flag commercial vessels and their U.S. citizen crews form the basis of America's commercial sealift readiness capability. In fact, smce 2009, privately-owned U.S.-flag commercial vessels and their civilian U.S. citizen crews transported more than 90 percent of the sustainment cargo needed to support U.S. military operations and rebuilding programs in Iraq and Afghanistan. Vessels enrolled in MSP — all of which are crewed by United States citizen civilian mariners — carried 99 percent of these cargoes. For our national security supply chain, it is critical that this program and programs modeled after it, like the Cable Security Program and the Tanker Security Program, continue to be prioritized, supported, and sufficiently resourced by the Department of Defense.

In addition, to further halt and reverse the downward trend in the number of vessels operating under the U.S.-flag and the outsourcing of American maritime jobs we urge the Administration to consider strong, positive and innovative actions to develop and implement meaningful 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. Such initiatives should include the utilization of Federal tax law to incentivize shippers to utilize U.S.-flag vessels for a greater portion of commercial cargoes; tax and economic policies that encourage rather than discourage investment in the U.S.-flag shipping industry; the negotiation of bilateral shipping and cargo sharing agreements with our trading partners; and policies that include a greater reliance on U.S.-flag vessels as a means to achieve energy efficiency and a cleaner environment. In so doing, we can better guarantee that the United States will have the U.S.-flag ships and American mariners it needs to provide the assured logistics the Department of Defense requires.

The U.S.-flag shipping companies and American maritime unions belonging to the USA Maritime Coalition are extremely proud of our relationship with and support of the Department of Defense. We are confident that by continuing to work together in support of the programs and policies important to the U.S.-flag maritime industry we can expand the critical American merchant mariner workforce and strengthen America's commercial sealift readiness capability.

We stand ready to provide whatever additional information you may require.

Thank you and regards.



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Chairman
USA Maritime

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