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

**HEARING ON “SHORTAGE OF U.S. MARINERS AND RECRUITMENT AND
RETENTION IN THE UNITED STATES COAST GUARD”**

May 11, 2023

Good morning, Chairman Webster, Ranking Member Carbajal, and Members of the Subcommittee. Thank you for your tremendous support for the Maritime Administration (MARAD) and thank you for the opportunity to testify today regarding the availability of U.S. mariners needed to meet our Nation’s sealift requirements.

MARINER READINESS

MARAD’s mission is to foster, promote, and develop the maritime industry of the United States to meet the nation’s economic and security needs. MARAD administers the Federal programs that support commercial sealift vessels, and we own and maintain the nearly 50 vessels comprising the Ready Reserve Force (RRF). We also have an extensive role supporting mariner education in the U.S.—and particularly the education and training of individuals working to earn unlimited tonnage licenses.

A study prepared by the Maritime Workforce Working Group and released by MARAD in 2017 found that the U.S. did not have enough mariners with unlimited tonnage credentials to sustain a full activation of the RRF and our commercially operated vessels to meet sealift needs. Specifically, the 2017 analysis determined that, at that time, concurrent operations of the commercially operated U.S.-flagged fleet and sustained military sealift operations would require 13,607 U.S. mariners with unlimited credentials. In 2017, the estimated pool of actively sailing mariners was comprised of 11,768 sealift qualified mariners—documenting a deficit of 1,839 mariners. This optimistic scenario assumed that all qualified mariners would be both available and willing to sail as needed.

During the six years since the 2017 study was released, globally standardized credentialing requirements have had an impact on the U.S. Merchant Marine. And of course, the maritime industry—like many other industries—has also been profoundly affected by the COVID-19 pandemic. Both of these developments have negatively impacted mariner retention.

Mariner credentials are issued by the U.S. Coast Guard (USCG), but USCG information technology systems are not currently structured to provide granular details regarding the pool of sealift qualified U.S. mariners. That said, ascertaining the true size of the U.S. mariner pool that could be activated in an emergency would require knowing not only the number of U.S. mariners with valid unlimited tonnage credentials but also the number from among that pool who would be available and willing to serve, particularly in a contested environment.

STATUS OF THE U.S.-FLAGGED FLEET

Requirements for sealift qualified mariners are a function of the size of the U.S.-flagged fleet, which also determines the number and type of job opportunities available to mariners.

Pursuant to 46 U.S.C. § 50101, the United States is to have a merchant marine that is “sufficient to carry the waterborne domestic commerce and a substantial part of the waterborne export and import foreign commerce of the United States and to provide shipping service essential for maintaining the flow of the waterborne domestic and foreign commerce at all times.”

The domestic commerce of the United States—that is, commerce between two points in the U.S.—is carried on U.S.-flagged, coastwise qualified vessels, typically known as “Jones Act qualified” vessels. Data from the U.S. Army Corps of Engineers for the 2021 calendar year show that there were nearly 45,000 vessels of all types in the Jones Act trade at that time. A study completed in 2019 by PriceWaterhouse Coopers for the Transportation Institute concluded that the Jones Act supported nearly 650,000 jobs and contributed more than \$72 billion to our nation’s Gross Domestic Product. U.S.-flag vessels provide well-paying, high-quality jobs for U.S. mariners.

Presently, MARAD estimates that we carry less than 2% of our import/export waterborne foreign commerce on U.S.-flagged vessels. The U.S.-flagged fleet moving import/export waterborne commerce in the foreign trade is comprised of just 85 vessels. Sixty of these vessels participate in the Maritime Security Program (MSP) and two participate in the Cable Security Fleet Program (CSP), which provide payments to vessel operators in return for vessel availability to meet government needs. Ten vessels will eventually be enrolled in the new Tanker Security Program (TSP) that MARAD is implementing pursuant to Congressional authorization and appropriations.

Full activation of the sealift fleet would involve our U.S.-flagged commercially operated fleet sailing internationally, larger oceangoing Jones Act vessels requiring mariners with unlimited tonnage credentials, vessels operated by the Military Sealift Command, and the nearly 50 vessels comprising MARAD’s RRF. All of these vessels draw crewmembers from the same constrained pool of sealift qualified mariners.

MARAD INITIATIVES TO SUPPORT MARINER EDUCATION & TRAINING

In September 2022, I convened a forum attended by more than 75 industry stakeholders to discuss mariner workforce challenges. Among many issues, we discussed the fact that providing

better work/life balance to today’s merchant mariners—comparable to the quality of work life in other sectors of the economy—is essential.

We also discussed how critical it is to growing our mariner workforce and to recruiting and retaining the next generation of mariners to ensure that all mariners are treated with respect and dignity and are guaranteed safe workplaces. Every mariner must have the opportunity to succeed and advance on the basis of their skills and professionalism, and we must ensure that our U.S. Merchant Marine reflects the values and diversity of the nation it serves. I thank this Committee and the entire Congress for supporting ongoing efforts to strengthen safety in the maritime industry.

In recent months, I have had the opportunity to discuss many proposals developed by all corners of the maritime industry to help expand recruitment and to support the retention of mariners, and I appreciate industry’s many efforts in this regard. Fundamentally, addressing our nation’s mariner needs requires a whole-of-government effort paired with multi-faceted industry initiatives. As part of that collaboration, MARAD is implementing numerous programs and policies to strengthen the mariner workforce.

U.S. Merchant Marine Academy

MARAD operates the U.S. Merchant Marine Academy (USMMA), located at Kings Point, New York. The Academy graduates just over 200 students annually who have earned their Bachelor of Science degrees, USCG merchant mariner licenses with officer endorsements, and commissions in the U.S. Armed Forces reserves. The USMMA is the primary source of licensed mariners with service obligations.

Recognizing the urgent need to address the many long-standing and systemic challenges at the Academy, under the Biden-Harris Administration, MARAD and USMMA have been working to combat sexual assault and sexual harassment and to advance culture change to improve safety for USMMA Midshipmen and indeed for all mariners. In November 2021, MARAD/USMMA briefly paused USMMA’s Sea Year training so that the U.S. Department of Transportation (DOT), MARAD, and USMMA could strengthen policies and procedures to help prevent sexual assault and harassment, improve the support provided to survivors, and support a culture of accountability at sea. In December 2021, MARAD introduced the “Every Mariner Builds a Respectful Culture” (EMBARC) program, which enumerates sexual assault and sexual harassment prevention and response procedures that commercial carriers agree to before MARAD permits them to carry USMMA cadets on their ships.

To strengthen MARAD’s oversight of the EMBARC program, MARAD established and is staffing the MARAD Office of Cadet Training At-Sea Safety within the office of the Deputy Associate Administrator for Maritime Education and Training. The new Director of the office joined MARAD in August 2022, and three other staff have subsequently joined the office. This office manages EMBARC enrollments and compliance reviews. Training of the initial audit team has been completed and fourteen enrolled vessels have already been assessed by the team to ensure their compliance with the EMBARC standards.

At the USMMA, additional efforts are underway to combat sexual assault and sexual harassment and to improve safety both at sea and on the campus. For example, to strengthen the Sexual Assault Prevention and Response office, the Academy has added a new GS-15 Director position in the office. Using direct hire authority provided in the Fiscal Year (FY) 2022 National Defense Authorization Act (NDAA) (Pub. L. 117-81), USMMA has filled the position with a new employee who reported to the Academy in September 2022.

Thanks to the FY 2023 NDAA, commercially operated vessels must comply with standards set by MARAD regarding the prevention of, and response to, sexual assault and harassment before they can train USMMA cadets. Further, the FY 2023 NDAA gave MARAD the authority to withhold payments from companies participating in the MSP, CSP, and TSP if they are not enrolled in—and operating in compliance with—EMBARC. MARAD is working as quickly as possible to implement an EMBARC rule pursuant to the authority provided by the FY 2023 NDAA.

In addition, the FY 2023 NDAA requires that certain ocean-going vessels include sexual assault and sexual harassment response policies in their Safety Management Systems—which has been a central tenet of EMBARC. In short, the FY 2023 NDAA reinforces a long overdue change in shipboard culture that will promote fair and equitable treatment of all mariners and contribute to a safer working environment.

At the same time, we recognize that there is more we must do to eliminate sexual assault and sexual harassment at the USMMA, and in the merchant marine generally. Last year, the Department of Transportation proposed the creation of an Independent Review Commission on the Prevention of, and Response to, Sexual Assault, Sexual Harassment and Related Offenses, modeled on a recent DOD advisory body that made recommendations related to accountability, prevention, climate and culture, and victim care and support. While Congress did not take up that proposal, we intend to ask the USMMA Advisory Council required by the FY22 NDAA to make recommendations on sexual assault and sexual harassment prevention and response one of its core mandates.

MARAD has also been working to rehabilitate and replace existing infrastructure at USMMA's campus and to strengthen significantly USMMA's ability to plan and manage capital investments and major maintenance efforts. Consistent with recommendations from the National Academy of Public Administration (NAPA), MARAD created and staffed a new Senior Executive Service position to lead facilities investments at the Academy and is reorganizing the infrastructure and maintenance management organization at the Academy. MARAD and the DOT have also created new oversight bodies to ensure that investments of taxpayer funds are properly managed, and yield completed projects that address the Academy's most urgent needs. In late 2022, MARAD/USMMA released a Capital Improvement Program that prioritizes planned capital investments to address the immediate health and safety needs of the Academy's midshipmen and to support re-accreditation of the Academy.

Support to State Maritime Academies

The six State Maritime Academies (SMAs) are located in California, Michigan, Maine, Massachusetts, New York, and Texas. MARAD administers extensive Federal programs that support the SMAs, including providing a MARAD-owned and maintained training vessel to each school, as well as limited direct funding and some additional financial assistance to partially offset the cost of fuel used by the training vessels.

Since FY 2018, Congress has appropriated a total of \$1.61 billion towards the re-capitalization of the MARAD training ship fleet. With this funding, MARAD is building five National Security Multi-mission Vessels (NSMV), which will provide state-of-the-art training platforms that ensure the U.S. continues to set the world standard in maritime training.

The ships—which the Secretary of Transportation has designated as the State class—are designed with dedicated training spaces, including classrooms, a training bridge, lab spaces, and an auditorium. Each NSMV has space to embark up to 600 cadets, maximizing the capability of the ship and its mission to provide students with a world-class education. Delivery of the first NSMV—the EMPIRE STATE—will occur this summer, and by 2026, one NSMV will be provided to each SMA except the Great Lakes Maritime Academy.

I thank the SMAs for their ongoing support of initiatives to strengthen safety at sea. I note that all SMAs have confirmed they will not place their students on any vessels operated by companies that are eligible to enroll in EMBARC unless the companies are enrolled. I also appreciate the SMAs' ongoing work to develop policies and procedures modeled on EMBARC to combat sexual assault and sexual harassment on small, regional commercial vessel operators on which they rely to train SMA students. Such vessel operators are not able to comply with all elements of EMBARC, which is designed to apply to operators of large, ocean-going vessels. Finally, I note that prior to the placement of an NSMV at an SMA, each SMA will be required to enter into a new Memorandum of Agreement with MARAD that enumerates the terms and conditions governing the operation of the MARAD-owned vessels, including a set of policies that adapt EMBARC for application on board training ships.

Centers of Excellence

The FY 2018 NDAA authorized the Secretary of Transportation to designate Centers of Excellence for Domestic Maritime Workforce Training and Education (CoE). Pursuant to this authority, MARAD developed, and the Secretary approved, a voluntary program, which includes an application process, to identify and recommend qualified and eligible entities for CoE designation. A CoE designation is the first step in strengthening a nationwide partnership of academic centers focused on advancing the goals and efforts of the maritime industry

Twenty-seven facilities were designated as CoEs in May 2021. Designees included accredited community colleges, technical colleges, a shipyard apprenticeship program, and maritime training centers under State supervision. The CoEs help provide outreach to diverse communities around the Nation and expand awareness of the maritime industry, including the U.S. Merchant Marine.

Growing the U.S.-Flagged Fleet

Under the Biden-Harris Administration, MARAD is administering statutorily authorized initiatives that are growing the U.S.-flagged fleet and creating new job opportunities for American mariners with unlimited tonnage credentials. In 2021, MARAD stood up the Cable Security Fleet Program, which brought two cable laying vessels under the U.S. flag. In December 2022, MARAD issued the updated Voluntary Tanker Agreement and an Interim Final Rule to create the new TSP. The application period closed on February 17, 2023, and we anticipate announcing the first 10 ships selected for enrollment in the near term. The TSP initiative will create new employment opportunities for approximately 500 U.S. mariners.

MARAD is also continuing our work to support effective implementation of cargo preference requirements. We are working with the Biden-Harris Administration's Made In America Office to help agencies understand and meet cargo preference requirements. In addition, consistent with my prior testimony before this Subcommittee, I have written to all federal departments and agencies explaining how MARAD can help them ensure they meet their obligations under cargo preference laws and regulations.

MARAD is working diligently on revisions to the cargo preference regulations as required by the FY 2023 NDAA. As part of that effort, and also consistent with my testimony before the Subcommittee last year, on March 1, MARAD published a Request for Information in the Federal Register asking members of the public to provide information on their experiences with cargo preference. We will use the input we receive to inform our work on the rule revisions as well as our continued interagency dialogue.

One of the current challenges with meeting cargo preference requirements is ensuring we have both enough vessels and the wide mix of vessel types to carry the many types of cargoes that the government impels. To help attract additional vessels to our flag, in 2022, the Biden-Harris Administration proposed that the prior Congress eliminate the 3-year period that vessels entering the U.S. flag must currently wait before they are eligible to carry civilian agency preference cargoes. Although implementation of this proposal would have no cost to the government, it was not adopted.

CONCLUSION

Ensuring that we have a robust pool of mariners with unlimited tonnage credentials to provide the sealift capacity to meet the military's needs and to support our economic success is a critical priority for MARAD—particularly given the evolving threats in what the National Security Strategy has identified as a “decisive decade.” Thank you for the opportunity to discuss this issue today and I look forward to answering your questions.

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