Testimony

of

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Senior Vice President & General Manager, Crowley Shipping Regarding "Port Safety, Security, and Infrastructure Investment"

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Transportation and Maritime Security Subcommittee of the Committee on Homeland Security

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Chairman Webster, Chairman Gimenez, Ranking Members Carbajal and Thanedar, Members of the Committees, I am honored to appear here today to discuss critical issues concerning port safety, security, and infrastructure investment.

I am James Fowler, Senior Vice President and General Manager of Shipping at Crowley. We are a U.S.-owned and -operated maritime, energy and logistics solutions company serving commercial and government sectors with over 170 vessels, mostly in the Jones Act fleet, and approximately 7,000 employees around the world – employing more U.S. mariners than any other company. The Crowley enterprise has invested more than \$3.2 billion in maritime transport, which is the backbone of global trade and the global economy. As a ship owner-operator and transportation services provider with more than 130 years of innovation and a commitment to sustainability, Crowley serves customers in 36 nations and island territories. We sincerely appreciate the Committees continued work toward making America's ports the most efficient, safe, and secure in the world.

Port Safety

While Crowley is not primarily a port operator, we do have extensive operations in ports along the U.S. East and Gulf Coasts including in Gulfport, MS; Mobile, AL; Port Everglades and Jacksonville, FL; Wilmington, NC; and Eddystone, PA. These facilities support our US customers as well as customers in Mexico, the Caribbean, and Central American. We also have significant operations in San Juan, Puerto Rico and in the U.S. Virgin Islands.

At Crowley we have a company-wide safety culture that is imbedded in everything we do. Every employee has the authority and obligation to stop work if they believe it is not safe. Each Crowley meeting or shift change begins with a *Safety Moment*—a brief pause to share a safety tip or idea about how to improve our safety performance. This practice is part of our commitment to continual improvement when it comes to safety and helps us develop new ideas for safety procedures and reinforces the role that safety plays in our performance as a company.

While the investigation of the terrible collapse of the Francis Scott Key Bridge in Baltimore continues, it reminds us all that safety is of critical importance to the maritime industry and all transportation modes. We also see that our Nation's intricate supply chain is vulnerable to disruption and industry must continue to work collaboratively with federal officials to address these issues.

Port Security

Post 9/11 we as an industry have made significant changes to operations and procedures to increase security at all our ports. As a port stakeholder we take our obligations in this area seriously and we work closely with a number of federal agencies including CBP, the US Coast Guard and CISA. While the focus over the past 20 years has been on physical security threats, we are becoming increasingly aware and prepared for cyber threats. Crowley works closely with both the CISA Maritime Modal Sector Coordinating Council and the Customs Trade Partnership Against Terrorism (CTPAT) program to discuss and work to address industry cyber and supply chain concerns.

We are also mindful of concerns raised over the last year involving cranes manufactured by ZPMC. While Crowley does not own any ZPMC cranes we know they are used extensively at US ports, including some in which we operate. The recent Executive Order on this and other cybersecurity matters brings further attention to the critical role ports and the maritime sector have in our economy, and Crowley looks forward to working with our government partners on proposals to strengthen the security and resiliency of our marine transportation system.

Port Infrastructure

An important part of maintaining resiliency in our supply chains is ensuring that our Nation's port infrastructure receives the investment necessary to accommodate the movement of trade both now and in the future. For Crowley looking toward the future we are investing in port electrification efforts in coordination with local, state, and federal partners, particularly MARAD. Port Infrastructure Development Grants (PIDP) have been critical to expanding electrification efforts in ports like Jacksonville, where we are in the early stages of a project to build out electrical connections for hundreds of refrigerated containers. These improvements will decrease our diesel fuel usage and costs, reduce air and noise pollution, and increase equipment up-time and efficiency.

We have also worked with our public sector partners to utilize PIDP grant funding for desperately needed upgrades to the Crown Bay Terminal on St. Thomas in the U.S. Virgin Islands and to begin construction of New England's flagship offshore wind terminal in Salem, Massachusetts. We believe PIDP grants should continue to be available and expanded to ensure we do not lose momentum in addressing needed port improvements across the US.

Closing

In conclusion, while progress has been made in addressing various challenges facing the maritime industry, continued vigilance and investment are essential to ensure the safety, security,

and resilience of our ports and supply chains. I commend the committees for their dedication to these critical issues and stand ready to collaborate in advancing solutions that strengthen our nation's marine transportation system's infrastructure and competitiveness. Thank you for the opportunity to testify today and I look forward to your questions.