

**STATEMENT OF  
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**BEFORE THE  
COMMITTEE ON ARMED SERVICES  
SUBCOMMITTEE ON SEAPOWER AND PROJECTION FORCES  
AND SUBCOMMITTEE ON READINESS  
U.S. HOUSE OF REPRESENTATIVES**

**HEARING ON SEALIFT AND MOBILITY REQUIREMENTS IN SUPPORT OF THE  
NATIONAL DEFENSE STRATEGY**

**March 11, 2020**

Good afternoon, Chairman Courtney, Chairman Garamendi, Ranking Members Wittman and Lamborn, and members of the Subcommittees. Thank you for the opportunity to discuss the Maritime Administration's (MARAD) role in supporting the Department of Defense's (DOD) strategic sealift capabilities.

America's strategic sealift includes both Government-owned ships and assured access to a fleet of privately-owned, commercially operated, U.S.-flag vessels and intermodal systems, and the civilian U.S.-citizen Merchant Mariners who crew them. Together, these vessels, mariners, and networks share the mission of transporting equipment and supplies to deploy and sustain U.S. forces anytime and anywhere in support of national policy. While U.S. strategic sealift continues to be an efficient and effective force for moving cargoes worldwide during peacetime, concerns remain about the ability of our Nation to adequately project and sustain power globally while operating in a contested environment against a major adversary.

The U.S. Government-owned Ready Reserve Force (RRF) and Military Sealift Command (MSC) surge sealift fleets are aging and in need of recapitalization. The U.S. shipbuilding industry has largely lost the capacity to build, repair, and replace the large, commercial-type ships needed for sealift at a pace adequate to meet U.S. wartime needs. As of February 15, 2020, there were 86 large, privately-owned self-propelled U.S.-flag vessels operating exclusively in the U.S. international trades. The Department of Transportation recently released a report to Congress outlining goals and objectives to support military sealift, U.S.-flag vessels operating in domestic and international trade, the U.S. maritime workforce, port infrastructure, and U.S. shipbuilding capacity. In addition, MARAD is working in partnership with USTRANSCOM, the Navy, and MSC to begin recapitalizing the RRF. MARAD alone cannot solve the maritime challenges facing the Nation, but we will continue to be a strong advocate to help inform the public and promote strengthening our maritime capabilities.

## ***Ready Reserve Force***

The RRF is a fleet of Government-owned vessels used to transport DOD cargo during major contingencies. The 46 RRF vessels, along with 15 MSC vessels, provide sealift surge capability to deliver the initial movement of DOD equipment and supplies where needed during major contingencies. These vessels are then joined by commercial U.S.-flag vessels, which provide the bulk of follow-up sustainment sealift to support ongoing U.S. operations.

Vessels in the RRF have an average age of more than 45 years, and the fleet has struggled to maintain an adequate readiness level. To address these readiness challenges, MARAD is working closely with the Navy to implement its surge sealift recapitalization strategy. This strategy includes a combination of targeted service life extensions, acquiring and converting used vessels, and eventually building new vessels in U.S. shipyards.

These efforts require key industrial capabilities. A sustainable ship construction industrial base and sufficient marine repair facilities are necessary ingredients if we are to preserve our surge sealift capacity. However, even as China, a formidable potential threat, has become the world's leading shipbuilder, our domestic capacity to build and repair large commercial ships has dwindled. For example, Avondale Shipyard, which only a few years back was actively producing naval and commercial ships and employing thousands of Louisianans, is now being operated as a shipping terminal. Of the seven large shipyards involved in the last major effort to convert or construct large, commercial-type ships for sealift several decades ago, three are now closed, one no longer does large commercial work, and two do conversion work. Only one shipyard, General Dynamics NASSCO, retains its expertise to build large commercial type ships.

As authorized in the Fiscal Year (FY) 2018 National Defense Authorization Act (NDAA), MARAD is taking steps toward the acquisition and modification of second-hand ships from the open market for service in the RRF. MARAD released a Request for Proposal for Vessel Acquisition Manager (VAM) services on February 24, 2020. The selected VAM will identify, modernize, and after purchase, may operate these vessels. MARAD intends to select a VAM experienced in recapitalizing commercial fleets. The VAM will identify suitable Ro/Ro vessels that can be modified to meet DOD's needs for the organic sealift fleet. MARAD will continue to work closely with Navy, DOD, and USTRANSCOM to identify and procure vessels to meet sealift needs.

## ***U.S.-Flag Commercial Fleet***

The Government-owned strategic sealift fleet is augmented by U.S.-flag vessels that provide much of the sustainment sealift following surge operations. The MSP is the heart of sustainment sealift, maintaining a fleet of 60 commercially-viable, militarily-useful vessels, active in international trade, but available on-call to meet DOD contingency requirements. In return for a stipend, MSP operators provide DOD with assured access to not only ships, but also the multibillion-dollar global intermodal networks maintained by participating carriers. MSP operators also provide employment

on their vessels for 2,400 of the trained, skilled U.S. Merchant Mariners our country depends on to crew the RRF and MSC surge vessels if activated during a surge. Additionally, the MSP program supports more than 5,000 shore side maritime industry jobs each year.

I appreciate the work of the members of the Committee to reauthorize the MSP through FY 2035 in the recently enacted FY 2020 NDAA. The reauthorization of the Maritime Security Program (MSP) through FY 2035 ensures access to U.S.-flag commercial vessels to augment the U.S. Government fleet capability. The MSP fleet is at the highest capacity in the program's history. Recent MSP vessel replacements have added approximately 80,000 square feet of new roll-on/roll-off (RO/RO) capacity, and the President has requested full funding of the program for FY 2021.

This program will help keep vessels operating under the U.S.-flag. In addition, MARAD is committed to ensuring compliance with cargo preference requirements and that cargo preference requirements are met. We are expanding our outreach to Federal Government agencies and industry to cooperatively assist them in meeting these requirements and using U.S.-flag vessels to improve the Nation's overall sealift readiness of ships and mariners. These cargos help enable U.S.-flag vessel operators to remain operating under the U.S.-flag and employ U.S. citizen mariners.

MARAD is also committed to supporting our U.S.-flag fleet operating domestically. U.S. coastwise trade laws, commonly referred to as the Jones Act, contribute to sealift capability and capacity and help sustain the U.S.-flag domestic trading fleet. Jones Act requirements support U.S. shipyards and repair facilities, and sustain supply chains that produce and repair American-built ships (including Navy and Coast Guard vessels). In addition, Jones Act vessels employ U.S. citizen mariners able to crew our surge fleets and ensure that vessels navigating within and between U.S. coastal ports and inland waterways operate with U.S. documentation and a majority citizen-crew, rather than under a foreign flag with foreign crew. Several U.S. flag self-propelled ocean-going vessels are also operating in Jones Act trade.

### ***U.S. Mariner Workforce and Training***

Access to a pool of qualified mariners from a robust, commercial maritime fleet is essential to maintaining enough sealift readiness capacity for contingencies. Due to the number of ships in the U.S.-flag, oceangoing fleet, I am concerned about our ability to quickly assemble an adequate number of qualified mariners to operate large ships (unlimited horsepower and unlimited tonnage) needed for surge and sustainment sealift operations during an extended mobilization. MARAD is working to better track licensed mariners who may no longer be sailing, but could serve if needed, and to develop tools to understand and analyze changes in the numbers of fully qualified mariners trained to meet the Nation's commercial and sealift requirements.

MARAD continues to support mariner education and training through the U.S. Merchant Marine Academy (USMMA), and facilitates mariner education through the support we provide to the six state maritime academies, which produce highly skilled licensed officers for the U.S. Merchant

Marine. As this committee is aware, aging vessels at the state maritime academies are used to train cadets who will become the fully-qualified mariners needed to crew Government and U.S.-flag commercial ships. Congress has recognized the need to replace these ships and has appropriated funding for National Security Multi-Mission Vessels (NSMV), \$300 million in each of FYs 2018 through 2020. Additionally, the President's FY 2021 Budget requests an additional \$300 million to continue to address critical recapitalization of the training school ships. Since first receiving funding in March 2018, MARAD has implemented the approved acquisition strategy, selected a Vessel Construction Manager, and is preparing to finalize the selection of a shipyard to construct the new ships. The first NSMV is expected to be delivered to DOT/MARAD in FY 2023.

### ***Conclusion***

Thank you for the opportunity to address this Committee on the state of American sealift. MARAD stands ready to support DOD sealift requirements against any challenge. However, we continue to work to mitigate any readiness and capacity risks that could limit our ability to move and sustain the force at an optimal level in a crisis. This risk mitigation requires careful planning and action now. MARAD remains committed to working with our Navy and USTRANSCOM partners to provide the sealift capabilities needed to meet our national security requirements.

Thank you for your support of the U.S. Merchant Marine. I look forward to your questions.