

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

**HEARING ON THE POSTURE AND READINESS OF THE MOBILITY ENTERPRISE**

**March 31, 2022**

Good afternoon, Chairman Garamendi, Chairman Courtney, Ranking Member Waltz, Ranking Member Wittman, and members of the Subcommittees. Thank you for the opportunity to discuss the Maritime Administration's (MARAD) role in supporting the Nation's strategic sealift capabilities and our efforts to meet the immediate capacity challenges we face today. Providing the sealift that the Nation needs is a critical part of the mission of the Maritime Administration (MARAD) to foster, promote, and develop the U.S. merchant maritime industry. MARAD is proud to be in our 76<sup>th</sup> year of managing the National Defense Reserve Fleet.

America's strategic sealift provides the Nation with the capability to project power globally by deploying Department of Defense (DOD) forces and moving cargoes worldwide during both peacetime and wartime—and through any contested environment. Sealift requires a combination of commercial and Federal resources to succeed. Our government-owned sealift fleet is supported and leveraged by a fleet of privately owned, commercially operated U.S.-flag vessels in the Maritime Security Program (MSP). The new Cable Ship Security Program (CSP) also supports U.S.-flagged ships, and the Tanker Security Program (TSP) funded in the Consolidated Appropriations Act, 2022, will soon add U.S.-flag capability to transport fuel essential for DOD to meet its operational needs.

These programs are sustained by a strong and highly qualified U.S. merchant marine and shoreside personnel. As they always have during times of crisis in our Nation's history, U.S. merchant mariners and other critical transportation infrastructure workers—including longshore workers, truckers, rail workers, and warehouse workers—have gone above and beyond during the COVID-19 pandemic to ensure the effective operation of our maritime transportation system and our intermodal supply chains. These essential workers have moved record volumes of cargo often at great personal risk, and we remember their heroic efforts and sacrifices during the COVID-19 pandemic.

MARAD deeply appreciates Congress' support for the U.S. maritime industry, especially the strong leadership of those on this Committee. We look forward to a continued partnership on the

work necessary to sustain a strong and effective strategic sealift capability and to continue to strengthen our resilience.

Our Nation's strategic sealift is hindered by a number of challenges, including: an aging fleet, operations in increasingly contested environments, a shortage of available mariners, and unprecedented readiness challenges brought on by the COVID-19 pandemic.

### *Aging Ready Reserve Force*

Today, the Ready Reserve Force (RRF) consists of just 41 Government-owned vessels. This is nearly the smallest the RRF has been since inception and provides only a fraction of the sealift needed by the DOD. RRF ships, along with a smaller number of vessels operated by the Military Sealift Command (MSC), provide sealift capability to surge DOD equipment and supplies where needed during the initial stages of response to a major contingency. The RRF fleet's average age is more than 46 years—some ships are well past their expected duration of use—and this makes recapitalization critical. While the RRF fleet is still proven capable by ongoing mission activations and turbo activations ordered by the U.S. Transportation Command (USTRANSCOM), equipment casualties have increased and the challenges of replacing obsolete equipment—exacerbated by COVID-19 and supply chain issues—make activations and operations more difficult.

MARAD has four RRF ships active with their contract mariner crews to meet DOD mission requirements. One activated vessel, the GOPHER STATE, is a steam ship built in 1973. While maintaining ships that are nearly 50 years old or older is something MARAD has had to do, it is not something we advocate as sound practice, especially when it comes to the Nation's security.

The COVID-19 pandemic has exacerbated difficulties in maintaining ship and even mariner readiness. The challenges have included widely varied local public health control measures, shipyard and local marine repair delays due to COVID-19 effects on the workforce, training shortfalls, and delays in the receipt of replacement equipment and even raw materials like copper windings for motors. While these challenges have contributed to longer out-of-readiness periods, our overall readiness actually increased over the last year thanks to modest increases in resources.

MARAD has been actively working on recapitalization. As authorized in the FY18 National Defense Authorization Act (NDAA), and following an acquisition protest upheld by the GAO, MARAD re-solicited and awarded the Vessel Acquisition Manager (VAM) contract to manage our recapitalization efforts. After a global vessel search, screening, and onboard inspections, two vessels were selected for procurement in 2021. The first of these two vessels has been delivered to MARAD this month, for rapid enhancement as an RRF sealift vessel. The second vessel delivery is imminent. We continue to work closely with DOD, USTRANSCOM, and the Navy to support the procurement actions necessary for these vessels to meet the Initial Operational Capability (IOC) as RRF ships.

Wherever possible, the RRF program will advance recapitalization and seek opportunities to increase the rate of vessel replacement. As vessels are reassigned to MARAD from DOD

components for maintenance in the RRF program, our recapitalization requirements could increase. The rate of recapitalization is limited by the number of ships we are currently authorized to purchase.

In FY 2022, MARAD will resume the role as the single manager of the Nation's reserve sealift. This change means MARAD will have management authority for allocating resources to support urgent recapitalization needs, while strengthening readiness of the existing fleet, including resilience for operating in the contested environments. In addition, the need to meet great power competition within contested environments and cybersecurity concerns across the RRF and other mutually supporting sealift programs, like the MSP and TSP, are also presenting new challenges.

### ***Support for Strong Commercial Maritime Capacity***

The U.S.-Flag commercial fleet is supported by three pillars of maritime policy: cargo preference, the MSP, and the coastwise-trade laws collectively referred to as the Jones Act. These three programs, along with the newly funded TSP, augment the Government-owned strategic sealift fleet and provide much of the sustainment sealift capability needed to follow surge operations.

MSP is the heart of sustainment sealift, made up of a fleet of 60 commercially viable, militarily useful vessels, active in international trade and available on-call to meet DOD contingency requirements. In return for a stipend, MSP operators provide DOD with assured access to ships as well as the multibillion-dollar global intermodal networks maintained by participating carriers. MSP operators provide employment on their vessels for 2,400 highly trained, skilled U.S. merchant mariners on which our country depends to crew the government surge vessels when activated. Additionally, MSP supports more than 5,000 shore side maritime industry jobs. MSP encourages newer vessels to enter the U.S.-Flag fleet; in Fiscal Year 2021, six new vessels have flagged into the U.S.-Flag fleet to participate in MSP.

In addition, the newly funded and authorized TSP will begin to address the need for more U.S.-flag product tankers capable of loading, transporting, and storing on-station bulk petroleum refined products to meet both national economic needs and DOD contingency requirements. We look forward to introducing ten U.S.-flag tankers in the TSP and anticipate this will add about 500 critical mariner jobs. Thank you for your support for the TSP.

In addition to sealift support provided by the MSP and TSP, adherence to and enforcement of the cargo preference requirements are critical to keeping vessels operating under the U.S.-flag. These requirements encourage increased demand for U.S.-flag vessels and the U.S. mariners who crew these ships, which improves the Nation's overall sealift readiness. There has been a long-standing saying in the industry, "Cargo Is King"—meaning that U.S.-flag ships must have access to a substantial portion of cargo opportunities in peacetime to remain viable for sealift operations during national emergencies. MARAD is committed to ensuring compliance with cargo preference requirements, and we continue significant outreach efforts to Federal Government agencies and industry to assist them in understanding and meeting these requirements.

MARAD is also committed to supporting our domestic U.S.-flag fleet operations. U.S. coastwise trade laws, referred to as the Jones Act, contribute to sealift capability and capacity, and help sustain the U.S.-flag domestic trading fleet. The domestic fleet supports U.S. shipyards and repair facilities and sustain those supply chains that produce and repair American-built ships, including government vessels. In addition, the Jones Act ensures that vessels navigating within and between U.S. coastal ports and inland waterways operate with U.S. documentation and majority U.S.-credentialed crews, rather than under foreign flags with foreign crews. Aside from the tens of thousands of tugboats, towboats, and barges that ply our domestic waterways, about 100 U.S.-flag, ocean-going vessels operate in the Jones Act trade and nearly all are enrolled in DOT-DOD emergency preparedness sealift programs.

Our ports, harbors, and marine highways are the vital connectors between sealift and surface distribution in a national mobilization. The National Port Readiness Network (NPRN) is a cooperative designed to ensure readiness of designated commercial strategic ports that support military force deployments during contingencies and other national defense emergencies. We support the development of port infrastructure—not just in our 18 commercial Strategic Seaports that are in the formal program, but in ports in every coastal, inland, and Great Lakes hub. Under the Bipartisan Infrastructure Law, the Agency’s Port Infrastructure Development Program will invest historic levels of funding in competitive grants to build new port infrastructure and strengthen supply chain resilience.

### ***Availability of U.S. Mariner Workforce***

Access to a pool of qualified mariners from a robust, commercial maritime fleet is essential to maintaining sufficient sealift readiness capacity for contingencies. Due to the declining number of ships in the U.S.-flag oceangoing fleet, MARAD is concerned about our ability to quickly assemble an adequate number of qualified mariners to operate large ships for surge and sustainment sealift operations if an extended mobilization were to occur. MARAD is working to better track licensed mariners who may no longer be sailing, but who could serve if needed, and to develop tools to understand and analyze changes in the numbers of fully qualified mariners trained and able to meet the Nation’s commercial and sealift requirements. In addition, we are developing strategies to attract that next generation mariner workforce to meet our economic and national security needs.

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 (SMA).

As this Committee is aware, aging vessels at the SMAs are used to train cadets who will go on to become fully qualified mariners. Congress has recognized the need to replace these training ships and has appropriated funding for the fifth National Security Multi-Mission Vessel (NSMV). MARAD has implemented the Congressional acquisition strategy utilizing commercial best practices through a contracted Vessel Construction Manager (VCM) to negotiate for, manage, build, deliver, and warrant these new ships. Construction is fully underway at Philly Shipyard on the first two ships—the EMPIRE STATE and the PATRIOT STATE—as designed

and at a fixed price. The first NSMV is expected to be delivered to MARAD in early 2023, and we will continue to keep the Committee informed as the NSMV program progresses.

Until the final delivery of the fifth NSMV, MARAD anticipates the continued need for the SMAs to share vessels in the training fleet to mitigate shortfalls in the current berths so cadets can gain the requisite number of sea days to take their licensing exams. The challenge of providing sea days to cadets has been exacerbated by the COVID-19 pandemic, which caused nearly all training cruises at the SMAs to be cancelled. Utilizing funds appropriated by Congress to support SMA training vessel sharing, MARAD has sponsored cadet training cruises to provide make-up opportunities for creditable sea days. In FY 2021, MARAD sponsored three training cruises which supported cadets from all SMAs. MARAD is continuing this and other efforts to ensure every SMA and USMMA cadet can achieve their required sea time, graduate on schedule with the required license, and support the U.S merchant marine.

### ***SASH - Mariner and Cadet Safety***

As the Committee is aware, late last year, we made the difficult decision to pause the Merchant Marine Academy's Sea Year training aboard commercial vessels that midshipmen undertake to earn sea time. We did this so we could strengthen both the measures we require of the operators carrying cadets and our own institutional policies, procedures, and training instructions to prevent sexual assault and sexual harassment (SASH), improve maritime safety, and support a culture of respect in the merchant marine.

In response to a request from Congress for a public plan to prevent SASH and improve safety, we implemented a new Superintendent's Instruction to govern Sea Year at the Merchant Marine Academy. We also revised the Sea Year guide, which includes a new amnesty policy for SASH survivors, witnesses, and bystanders, and we provided cadets with satellite phones they can use at sea to contact the Academy as well as their wider support networks, including family and friends.

We also developed a program called "Every Mariner Builds a Respectful Culture," or EMBARC. This program enumerates policies intended to help prevent sexual assault and sexual harassment, to support survivors, and to support a culture of accountability. The USMMA will not place a cadet on a vessel that has not adopted the EMBARC policies.

Critically, we intend these policies not only to strengthen cadet safety, but to be the first steps in what must be an ongoing effort to strengthen safety for every mariner. That is why we have requested these practices be implemented as part of vessels' Safety Management Systems. Doing so will reinforce that preventing and ensuring effective response to sexual assault and sexual harassment are safety issues for every mariner aboard a vessel.

We are also committed to complementing these foundational efforts with a comprehensive review of sexual harassment and sexual assault experienced by cadets, both at the Merchant Marine Academy, and aboard commercial vessels during Sea Year. Preventing and addressing sexual misconduct is a top priority for the Biden-Harris Administration, and we have been engaged on ongoing discussions with the White House to support our next steps. This includes

learning about the Administration's recent efforts to address sexual assault in the military through the Independent Review Commission.

Cadet embarkations resumed in December 2021, initially on training vessels and vessels operated by MSC, the Navy, and the Coast Guard. I deeply thank MSC, the Navy, and the Coast Guard for the support they have provided to our cadets. With their assistance, we currently expect that every midshipman in the USMMA Class of 2023 will be able to accrue the sea time needed to graduate on time. We also appreciate the flexibilities that the Coast Guard has provided to support our midshipmen. We note that thanks to these flexibilities, should any midshipman have a sea time deficit, they will still be able to take their licensing exams on time. Any remaining sea time will be provided by USMMA after the exams. No student will leave USMMA without all the sea time they need to graduate with the required license.

As the Committee knows, we have been providing Congressional staff with weekly updates on these issues since January 5, 2022. Currently, two commercial carriers and two companies that operate vessels in the MARAD Ready Reserve Force fleet are now enrolled in the EMBARC program. We continue to meet with carriers to answer their questions about EMBARC and have published and updated a "Frequently Asked Questions" page to address issues of concern. I continue to urge every U.S.-flagged carrier to enroll as quickly as possible so that we can continue to expand cadets' commercial embarkations.

### ***Conclusion***

MARAD directly supports DOD's sealift requirements. We support and invest in the defense industrial base of shipyards, ship owners and managers. We also sustain programs that generate readiness and maintain the workforce needed for our economic and national security requirements. We continually evaluate those areas that could hinder our ability to deploy and sustain our Armed Forces, or that would impact our economic vitality on the domestic front. From strategic ports, marine highways, intermodal connectors, the industrial shipyard base, and maritime labor, MARAD proactively develops and improves programs to meet our Nation's security and economic needs—in times of peace and during wartime. Partnering with DOD and USTRANSCOM, and our commercial partners, MARAD demonstrates our commitment to meet our collective, national security objectives.

Thank you for the opportunity to address this Committee on the state of our Nation's sealift as a component of the mobility enterprise. I appreciate your support of the U.S. merchant marine, and I look forward to your questions.