Statement of

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Subcommittee on Coast Guard and Maritime Transportation

On "Maritime Transportation: The Role of U.S. Ships and Mariners"

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Chairman Hunter, Ranking Member Garamendi, and distinguished members of the committee, it is my privilege as the Commander of the United States Transportation Command (USTRANSCOM) to testify today. USTRANSCOM simply could not accomplish its global mission without the capabilities provided by the U.S. strategic sealift fleets and our steadfast merchant mariners.

During major and contingency operations, sealift is the primary means for deploying the preponderance of combat equipment and sustainment for ground forces, and is essential to building up combat power and to seize the initiative. In a typical operation, over 90 percent of all cargo is delivered by sealift and the Department of Defense (DOD) is one of the largest single shippers of ocean cargo in the United States.

USTRANSCOM relies on both government-owned vessels and those accessed via commercial industry. Our government-owned fleet includes 60 total vessels from the Military Sealift Command's (MSC) surge fleet and Maritime Administration's (MARAD) Ready Reserve Force (RRF). All 60 vessels are critical for the DOD's ability to surge to meet our global requirements and all are funded through the National Defense Sealift Fund (NDSF). I am grateful to the Congress for your continued support of this global mobility capability which is unique to the United States.

USTRANSCOM is working with our commercial and U.S. Government sealift partners to find cost effective means to maintain and recapitalize this critical capability. With the average age of the RRF exceeding 36 years, and nearly 1.6 million square feet, or 27%, of Roll On/Roll Off capacity retiring over the next 10 years, it is important to begin the process of recapitalization. Several options exist to recapitalize RRF vessels as they reach retirement such as extending the service life of the vessels or purchasing vessels currently in commercial service and converting them to U.S. specification through U.S. shipyards. We will continue to work with MARAD, the U.S. Navy and other stakeholders to find a reasonable solution to recapitalize the RRF.

Although our organic assets are vital, the vast majority of sealift needed by USTRANSCOM comes from our commercial partners. Access to the commercial fleets is formalized through programs such as the Voluntary Intermodal Sealift Agreement (VISA), the Maritime Security Program (MSP), and the Voluntary Tanker Agreement (VTA). Through these programs, DOD gains critical access to U.S. commercial capabilities and their transportation network, while ensuring the availability of a viable U.S.-flag maritime industry and U.S. citizen Merchant Mariner pool in times of national emergency.

VISA and MSP have been extremely successful programs since their inception in the mid 1990's and provide the federal government shared access to an enormous amount of capability. Specifically, MSP provides a fleet of 60 military-useful commercial vessels operating in international commerce, intermodal networks throughout the world and jobs for our U.S. Merchant Mariners. Over 70 percent of the required sealift capacity needed for a national emergency would come from VISA as our national sealift preparedness program that incorporates the MSP vessels. I want to thank Congress for recently extending the MSP program an additional 10 years to 2025. Preserving these programs preserves the U.S. Merchant Mariner base, a vital national asset that provides a portion of the manpower needed for surge operations.

With the responsibility to manage the global mobility enterprise, USTRANSCOM benefits from a healthy U.S. Merchant Marine pool. U.S. Merchant Mariners support USTRANSCOM's ability to meet its military requirements, and its training and proving ground are the vessels committed to national security. Since 1990, the U.S.-flag oceangoing fleet has decreased from over 400 ocean going vessels, in excess of 1,000 tons, to its present 186, and commercial industry is preparing itself for the impact of the eventual decline in military cargo as the nation and its allies transition out of Afghanistan. Our primary concern from a national security perspective is the loss of merchant mariners used to man the strategic surge fleet. Since DOD's organic fleet is maintained with partial crews until needed for real

world operations, a loss of merchant mariners in commercial industry could risk bringing those ships to full operating status when the need arises. The most significant risk would be in critical skill sets such as tanker vessel and electrician-trained merchant mariners. We are working closely with MARAD to ensure continued support of the U.S.-flag fleet and retention of the critical merchant mariner skill sets.

DOD supports the Administration's efforts to restructure the Food Aid Program to make it more efficient, and DOD's initial assessment is that changes to the Food Aid Program will not impact the maritime industry's ability to crew the surge fleet and deploy forces and cargo. Furthermore, to mitigate impact to the maritime industry, the President's Budget provides $25 million as a targeted operating subsidy for military-useful vessels. We are working closely with MARAD to determine what portion of the merchant mariner workforce requires the greatest assistance.

Our organic fleet is maintained and operated by American ship management companies. These companies conduct all organizational level maintenance, manage the U.S. citizen Merchant Mariners who man the ships, and oversee the lifecycle of the vessels under MARAD and MSC governance. All of DOD's organic vessels are required to undergo drydocking overhauls in U.S. shipyards every 5 years to maintain their regulatory certifications. The maritime defense industrial base, beyond providing shipbuilding capacity for the U.S. Navy, provides this capability. The current fiscal environment at DOD makes new vessel construction difficult; therefore, we are exploring options with the Navy and MARAD to purchase used vessels on the open market to recapitalize our organic fleet. The operation and maintenance of these vessels, as well as modifications to meet U.S. Coast Guard certification requirements, would be accomplished in our U.S. shipyards. Maintaining these companies and their capabilities, as well as the experienced workers in the various maritime trades, is essential to fostering a competitive environment when soliciting affordable ship management contracts.

Chairman Hunter, Ranking Member Garamendi, and all the distinguished members of this committee, thank you for your continued support of USTRANSCOM and all our men and women in uniform. I am grateful for the opportunity to appear before this Committee, and I look forward to your questions. Thank you.