Testimony of

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Subcommittee on Coast Guard and Transportation
Committee on Transportation and Infrastructure

Hearing on Mariner Education and Work Force

October 17, 2007
10:00 AM
2167 Rayburn House Office Building

Mr. Chairman, distinguished members of the Subcommittee, on behalf of our nation's six state maritime academies, I thank you for calling this hearing, and I appreciate the opportunity to share with you the critical contribution our state maritime academies make to our national security and the economic health of our nation.

After providing some background information, I will make the following three points about the value of the six state maritime academies—California, Great Lakes, Maine, Massachusetts, New York and Texas:

1. Our state maritime academies are the single largest source of new licensed officers for our nation, educating 70% of the new officers in the most recent year.

2. There is a compelling need for more state maritime academy graduates to meet the growing needs of the U.S. Armed Forces and commercial maritime industry.

3. State maritime academies are an extraordinary bargain for our nation, but they need more help from the federal government to keep up with the growing demand for licensed mariners.

I know I do not have to explain to this Subcommittee how important our maritime industry is to our nation. It goes without saying that behind the curtain of daily life as we know it, the living, beating heart of international trade binds us to the rest of the world and supports our way of life. As with our own human hearts, we generally do not take notice of its function as we go about our daily tasks. But one thing is for certain: if it stopped beating, the arteries of commerce that connect the nations of the world would be shut down. The impact of international trade on our way of life is in evidence everywhere and in everything--the clothes that we are wearing today, the television we watched this morning, the banana we ate for breakfast, the car we drove to get here and the gas we put in it. The list is endless.

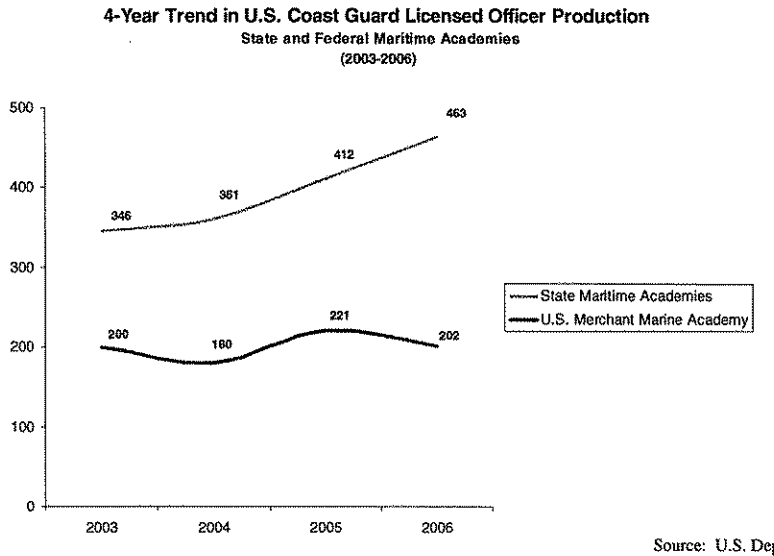
And this is not a new phenomenon. The maritime industry has been our nation's lifeblood since its inception. Back then, our trade with other countries flowed as it does today, from navigable inland waters and the open ocean. Many of our principal cities--Boston, New York, Philadelphia, Baltimore, Norfolk, Charleston, Houston and San Francisco--all grew around maritime commerce. The spark that led to the writing of our constitution--the Virginia Resolution--came from maritime commerce, and there are more constitutional clauses dealing with maritime commerce than with any other subject!

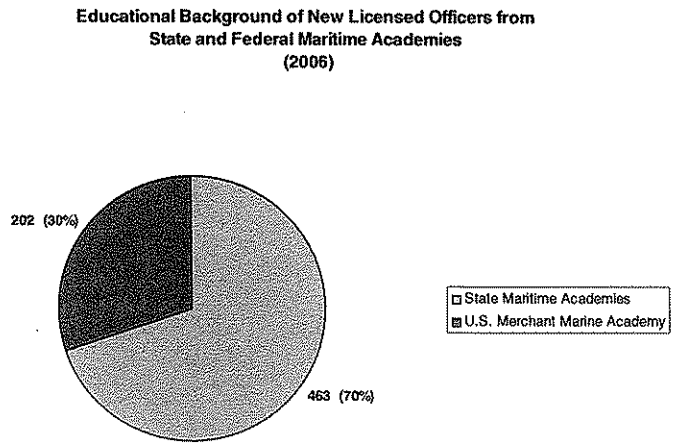
Today, international trade remains our nation's lifeblood, and the people behind the scenes who make it possible for it to thrive are the seafarers who operate and maintain our ships and ports. The maritime industry rests uniquely at the intersection of a number of activities. It is inherently an international business intertwined with the economic and political aspects of trade and foreign policy. It is at the hub of a vast intermodal transportation enterprise requiring managerial skills, from finance and logistics to administration. The industry embraces a wide range of technology, from the essential infrastructure of materials and energy to the most sophisticated communication and control systems. It requires highly skilled, resourceful and disciplined operators for its primary agents – ships. The mission of the state maritime academies is to

recruit, educate and place the highly trained seafarers who play a crucial role in our national security and in keeping global commerce flowing freely.

Now let me turn to my three main points.

1) State maritime academies are the single largest source of new licensed officers in the U.S.





Source: U.S. Department of Transportation, Maritime Administration data

<u>If I could leave you with only one point today, it would be this: The state maritime academies produce the vast majority of all new licensed officers in the U.S. each year and while the state maritime academies are an extraordinary value for our nation, they need more federal government support in meeting the growing demand for licensed merchant mariners who play such a critical role in our national security.</u> In 2006, 70% of the new licensed officers were graduates of the state maritime academies, a percentage that has grown steadily over the past several years and is expected to continue to increase. (See charts above.) This is important both from the perspective of the Military Sealift Command (MSC) of the U.S. Department of Defense, which must compete with the commercial fleet to hire new licensed officers, and our national commercial fleet, which as will be discussed later faces an overwhelming need for new mariners. If you visit virtually any major shipping company in the United States, you will find that the majority of its new officers are state maritime academy graduates.

Recruiting young men and women for a maritime career is a significant challenge. The general public knows very little about the maritime industry and still less about the lifestyle and skill-sets required of a modern merchant mariner. Unlike a commercial airline pilot, a merchant captain works mostly out of sight and is therefore out of the mind of the general public. In recruiting prospective students, we highlight not only the value of a world-class maritime education, but also the acquisition of technical skills, the hands-on training that comes from six months aboard our training ships, and leadership development. Similarly, we emphasize the broad array of

career paths available within the maritime industry, including, but not limited to, international business, transportation and trade, oceanic and atmospheric sciences, and engineering and technology applied to global commerce. With shipboard education and training at the core of these programs, we highlight the many opportunities students have to lead and the self-discipline they gain from a regimented lifestyle-skills that will allow them to be successful in any endeavor they may undertake throughout their lives. We also highlight the opportunity to travel and experience other cultures during the summer or winter sea terms, as students aboard our training ships visit at least a dozen foreign ports during their time in college.

We ask a great deal of our students in return for this education. The minimum number of credit hours required for graduation is 162, versus the norm of 130 for other colleges, and our students spend six months at sea during their summer and winter breaks. This makes our recruiting incentives very important in attracting prospective students.

As a recruiting tool, the state maritime academies offer in-state or regional tuition as an incentive to prospective students. California Maritime Academy, which is part of the California State system, offers reduced tuition rates to 10 western states. The State University of New York Maritime College, which is part of the State University of New York system, offers in-state tuition rates to students residing in 14 coastal states and the District of Columbia, from Rhode Island to Louisiana. Massachusetts Maritime Academy offers in-state tuition rates to 2 states and regional rates to 12 others. Maine Maritime Academy offers in-state tuition rates to 5 states and regional rates to residents of Puerto Rico, Quebec and other Canadian provinces. Great Lakes Maritime Academy offers in-state tuition to Pennsylvania, Ohio, Illinois, Wisconsin and Minnesota, while Texas A&M, which is part of the Texas A&M system, offers in-state tuition to all 50 states.

The federal Student Incentive Payment (SIP) Program exists to assist students participating in the federal Merchant Marine license program. It provides funds to offset the cost of uniforms, books and subsistence, in return for a service obligation in the Merchant Marine Reserve (MMR). While this is a valuable program, it does not as currently structured serve as an up-front incentive for participating in the Merchant Marine license program, and the annual stipend has not kept pace with inflation.

The state maritime academies ask for your support in enhancing the SIP Program as part of our recruiting efforts to attract more students and keep pace with the demands of our growing maritime industry. Changing the program to allow students to apply for the MMR and SIP prior to their freshman year, as is the case with Reserve Officer Training (ROTC) Corps programs, will make this a more attractive program for many reasons. It will provide for an up-front payment to students entering the program, which will in turn increase the number of students in the Merchant Marine license and MMR programs and increase the number of active duty military officers originating in the MMR pipeline. It will also increase the military sealift surge capability, as there will be more MMR officers available to staff military sealift ships in times of crisis and fill strategic logistical positions ashore.

The current SIP payments of $4,000/year for four years, which eligible cadets begin receiving in their sophomore year, is less than half what it costs to provide uniforms, books and subsistence,

the stated purpose of the program. We ask that an $8,000 up-front payment be provided to students at the beginning of their freshman year, with annual follow-on payments of $8,000 for their sophomore, junior and senior years, and an overall cap of $32,000. This will enable the SIP payment to cover a percentage of educational costs on a level closer to what it covered 25 years ago.

In terms of the education provided by the state maritime academies, a wide array of undergraduate and graduate programs is offered to support the maritime industry. Degrees are offered in the general areas of international business, engineering, humanities and science. At SUNY Maritime College, for example, specific degrees are offered in marine business and commerce, marine electrical and electronic systems, marine engineering, marine operations, marine transportation, maritime studies, naval architecture (one of only six such programs nationwide), facilities engineering and marine environmental science, as well as a master's degree in international transportation management.

The flexibility of the curricula offered by the state maritime academies allows them to quickly meet emerging needs of the industry, such as port and maritime security, liquefied natural gas (LNG) training and ship management.

2) There is compelling evidence that the supply of new licensed officers in the U.S. is falling far short of the demand.

There is an extraordinary demand for licensed officers in this country. Rarely does a day go by that we do not hear from shipping company executives about their need for new officers. Placing our graduates is therefore the easiest part of our mission; however, even with record enrollment at our nation's state maritime academies, without increased support from the federal government, we simply cannot produce enough graduates to keep up with the growing demands of the maritime industry. The vast majority of our students are placed before graduation, and they receive multiple employment offers. Engineers are hired as engineering watch officers for MSC and other shipping firms; naval architects and project engineers are sought out by Naval Sea Systems Command, Naval Intelligence, the Navy's nuclear power program, national shipbuilding facilities and major ship design firms. Our graduates are hired as electrical engineers for large electrical power plants, as engineering service supervisors for major heating and air conditioning manufacturers, and as facilities engineers for hospitals and large industrial power plants. The demand for our non-engineering students is just as great. They are hired as deck officers by MSC, National Image and Mapping Agency, National Oceanic and Atmospheric Agency, commercial, tanker and cargo ships and as tug and barge operators. Each year, a large percentage of our graduating classes goes into the military. At SUNY Maritime College, for example, 15% of our last graduating class went into the Navy or Marine Corps. Other graduates go into the U.S. Coast Guard, while others serve in port and maritime security positions at port terminals throughout the country. Others become marine surveyors and harbor and river pilots. Virtually all graduates have immediate employment or job offers at graduation, and during the following three months, all graduates will have been hired. Our graduates' starting salaries are some of the highest in the nation. As an example, the average starting salary for the California Maritime Academy Merchant Marine License graduating class of 2007 was $64,000.

The state maritime academies have statutory obligations and are accountable to several federal and international organizations. These relate to programs which qualify students for licensure as merchant ships' officers, and they operate under regulations set by the Maritime Administration (MARAD), the United States Coast Guard (Coast Guard), and the International Maritime Organization (IMO), an agency of the United Nations.

The federal government, through the Department of Transportation and MARAD, furnishes our training ships, provides for their major maintenance and repair and provides for a small direct payment to the academies for maintenance and support. The training ships are generally older former naval or cargo ships that have been converted to carry cadets and serve as training platforms. The ship currently assigned to Texas A&M is a former Navy cargo ship that is not deployable as a training ship due to the lack of federal funds needed to convert it for suitable school use. The conversion of the ship assigned to Massachusetts Maritime is still incomplete, awaiting additional federal funds. The oldest of the six ships is 46 years old, and while it is still a well maintained and useable training ship, it is operating beyond its original service life and will soon need to be replaced. These training ships are vital to the education of our nation's Merchant Marine license students because of the irreplaceable hands-on training environment they provide and because of the Coast Guard's at-sea STCW-95 assessments requirement for the Merchant Marine license. They are also valuable assets in national emergencies. Three of our ships were activated by the President to house and feed relief workers during Hurricanes Katrina and Rita. They should be considered critical national assets and funded accordingly.

In return for the support provided by the federal government through MARAD, the academies agree to provide courses of instruction in navigation, marine engineering and the operation and maintenance of vessels, in a curriculum of no fewer than three years' duration. The U.S. Code of Federal Regulations (CFRs) requires that the instruction include at least six months aboard a training ship, in cruise status, and also requires students to take the professional examination administered by the Coast Guard. In fact, the passing of the federal Coast Guard license exam is a requirement for graduation in the license degree programs.

The agreements further require each academy to establish and publish a set of rules and regulations governing cadet discipline, provide a demerit system to assess compliance with these regulations and submit a statement indicating that the student is suitable for U.S. Merchant Marine service.

The Coast Guard is the federal agency responsible for determining and validating the qualifications an applicant must possess to become a deck or engine officer in the Merchant Marine of the United States. The Coast Guard administers a professional licensing examination and issues the appropriate federal Merchant Marine license and other Merchant Mariner documents.

Under the auspices of the IMO, the International Convention of Training, Certification and Watchkeeping for Seafarers was promulgated in 1978 and amended in 1995. It provides the legal framework for the application of mandatory technical Standards of the Seafarers' Training, Certification and Watchkeeping (STCW) code. The STCW code provides international standards for those involved in educating, training, or assessing the competence of seafarers and,

as adopted by the Coast Guard, often mandates class sizes, course duration, and the technical laboratory and training equipment required by academies to meet the standards. In addition to the federal license, the Coast Guard issues an STCW-95 endorsement to graduates of academy license programs.

It bears repeating that each year, the majority of all new licensed officers in the United States graduate from our nation's state maritime academies, and this is important both from the perspective of MSC, which must compete with the commercial fleet to hire new licensed officers, and our national commercial fleet, which faces an overwhelming need for new mariners to keep pace with the growth in global commerce.

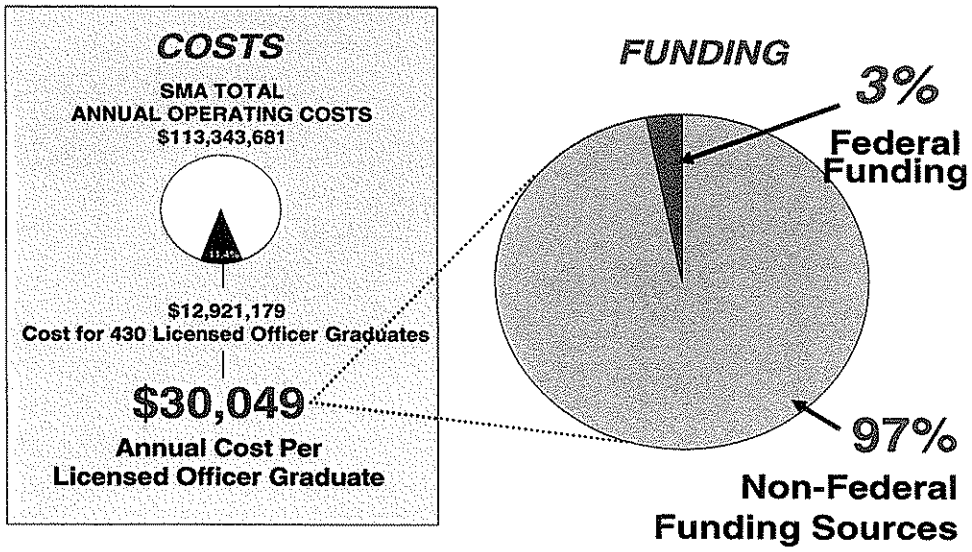
While some observers of the maritime industry may not understand or recognize the crucial role the state maritime academies play in our national security, MSC, the organization responsible for transporting military goods throughout the world during peacetime and in times of crisis, certainly does. In 2005, while in command of MSC, Vice Admiral David Brewer expressed his belief in the importance of the state maritime academies, as follows:

> Quite simply, it would not be possible to meet our U.S. Merchant Mariner licensed officer manpower requirements without the many qualified graduates of the state maritime academies...over 90% of the combat cargo and supplies required by the men and women of our U.S. Armed Forces during war is delivered aboard sealift ships crewed by U.S. Merchant Mariners.

A complete copy of Admiral Brewer's letter is attached.

3) ***State Maritime Academies are an extraordinary bargain for the federal government.***

STATE MARITIME ACADEMIES
2004 LICENSED OFFICER COSTS AND FUNDING

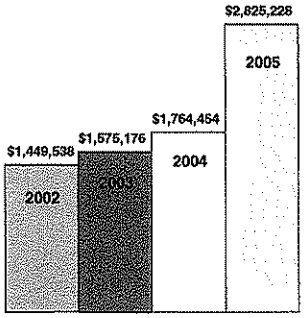


Source: White House Office of Management and Budget (OMB)

Despite the fact that the state maritime academies and their Merchant Mariner graduates play a critical role in our national security, only 3% of the schools' funding comes from the federal government. The remaining 97% of the operating revenues for the state maritime academies comes from state funding, tuition and the maritime industry. Currently, the typical annual federal contribution to the state maritime academies falls somewhere between $10 million and $13 million for all six state academies combined, which is less than the state academies received from the federal government 15 years ago! Our requirements and costs have increased significantly over the last decade, while our federal assistance has actually declined. And, the vast majority of federal funds never reach the operational accounts of the academies.

STATE MARITIME ACADEMY

Annual Fuel Costs (2002-2005)



Considering the fact that state maritime academies produce 7 out of every 10 of our nation's newly licensed officers each year, that a Commander of MSC has stated that our national military sealift requirements could not be met without these graduates, that several of the state maritime academies' training vessels have been diverted for humanitarian use during national emergencies such as Hurricanes Katrina and Rita, that feedback from the commercial shipping industry indicates a shortage of merchant mariners, which could adversely affect our nation's ability to keep the lanes of global commerce operating safely and efficiently, we believe the federal government's investment needs to be far more substantial than the current $10-13 million. We therefore ask your help in increasing the level of federal funding to support the important mission of the state maritime academies.

We will continue to carry out our mission of recruiting, educating and placing the world's best trained mariners, and we believe that a continued strong partnership with the federal government will enable us to better serve the needs of our nation and our world. Thank you, Mr. Chairman.

DEPARTMENT OF THE NAVY
COMMANDER MILITARY SEALIFT COMMAND
914 CHARLES MORRIS CT SE
WASHINGTON NAVY YARD DC 20398-5540

REFER TO:

March 30, 2005

VADM John R. Ryan
President
SUNY Maritime College
6 Pennyfield Avenue
Bronx, NY 10465

Dear Admiral Ryan,

I wanted to take this opportunity to thank you for your recent visit, which underscored the critically important contribution that the State Maritime Academies are making to the military sealift capability of our nation. Quite simply, it would not be possible to meet our U.S. Merchant Mariner licensed officer manpower requirements without the many qualified graduates of the State Maritime Academies.

As you well know, the State Maritime Academies are the largest single source of new licensed officers each year. The increasing complexities of the licensed officer profession, as well as the new, more rigorous requirements of the international Standards of Training, Certification, and Watch (STCW) keeping, have only increased the importance of four-year degree programs like those at the State Maritime Academies. These more rigorous training, education, and licensing requirements mean that the State Maritime Academies, which are important now, will only become more important from a military sealift perspective in the future.

The Military Sealift Command is proud of its strong, symbiotic partnership with the State Maritime Academies. Over 90% of the combat cargo and supplies required by the men and women of our U.S. Armed Forces during war is delivered aboard sealift ships crewed by U.S. Merchant Mariners. Thus, America's military sealift capability is critical to our national defense, and a vital component of that capability is the manpower contributed by the State Maritime Academies.

Sincerely,

D. L. BREWER III
Vice Admiral, U.S. Navy