

Testimony Of

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Good [Morning/Afternoon], Mr. Chairman. I am Augustin (“Augie”) Tellez, Executive Vice President of the Seafarers International Union, Atlantic, Gulf, Lakes, and Inland Waters/NMU, an affiliated union with the Seafarers Union International of North America, AFL-CIO. It is truly a pleasure and an honor to be here today on behalf of Mr. Michael Sacco, President of the Seafarers International Union of North America and of the Maritime Trades Department, AFL-CIO. I am also appearing today on behalf of the many thousands of members of the Seafarers International Union serving on board American-flag vessels in the U.S. and around the world.

I would like to thank the Committee for the opportunity to appear before you today and to express our thanks for the continued support of the Congress for the Maritime Security Program (MSP), the Jones Act and Cargo Preference that play a vital role in ensuring that the United States-flag fleet is generally not experiencing the kind of manpower shortages at issue here today, and can continue to supply the trained manpower essential to maintaining U.S. strategic

sealift capabilities. At the same time, I would be remiss in not pointing out that a recent government decision was made in order to save a relatively small amount of money by reducing crews in the vital U.S. Ready Reserve Force. This potentially sets a dangerous precedent and could create significant problems down the line by eroding the pool of well-trained, loyal, U.S.-citizen crews whom our military depend upon during times of conflict.

Seafarers International Union

The Seafarers International Union, Atlantic, Gulf, Lakes and Inland Waters District/NMU represents unlicensed U.S.-citizen merchant mariners sailing aboard American-flag vessels in the deep sea, Great Lakes and inland trades. The union also represents licensed U.S. mariners in the Great Lakes and inland sectors. SIU members sail in the three shipboard departments: deck, engine and steward. They work aboard a wide variety of vessels, including commercial containerships and tankers, military support ships, tugboats and barges, passenger ships, gaming vessels and many more.

Chartered in 1938, the SIU prides itself on representing the best-trained, most efficient crews in the world. A key to meeting that standard is the Paul Hall Center for Maritime Training and Education, located in Piney Point, Md. The center is a vocational training facility operated by an SIU-affiliated entity to train mariners from throughout North America. Today, the SIU is the largest North American union representing merchant mariners and constantly strives to stay ahead of the ever-changing needs of the industry.

Importance of MSP, Jones Act, RRF and Cargo Preference to Preventing Manpower Shortages in the Oceangoing Fleet

As I stated earlier, United States-flag vessels operating in the deep sea ocean trades are not experiencing the manpower shortages that are the subject of

today's hearing. The reasons for this include the MSP program enacted by Congress in 1996 and re-authorized in 2003; the preferences granted to United States-flag vessels for the carriage of military and commercial U.S. Government owned or impelled cargoes by Cargo Preference Laws enacted over the years; ongoing support for the Jones Act; maintenance of the RRF; and the general support of the Congress for emphasizing the use of commercial vessels for military cargoes expressed by the National Security Sealift Policy adopted by Presidential Directive in 1989. In combination, these programs and policies have enabled the United States to maintain a commercially viable and militarily useful fleet of privately owned vessels, manned by U.S. citizen crews, in active service in the international and domestic trades.

In 2004, pursuant to Congressional direction in the Maritime Security Act of 2003 to study the Maritime Security and Cargo Preference programs, the Government Accountability Office (GAO) concluded that—

The cargo preference and Maritime Security Programs both provide incentives to retain privately-owned U.S.-flag ships and their U.S. citizen crews for commercial and national defense purposes.¹

As stated by the Department of Defense in its comments on that Report—

The Department of Defense supports a strong and viable United States Merchant Marine which provides DOD with needed U.S.-flag vessels and mariners during war. The Cargo Preference and Maritime Security Programs are vital to the U.S. Merchant Marine and DOD.²

The direct linkage between these programs and U.S. Strategic Sealift capabilities is clear. Today 60 militarily useful vessels are enrolled in the

¹ *MARITIME SECURITY FLEET: Many Factors Determine Impact of Potential Limits on Food Aid Shipments*, U.S. Government Accountability Office Report GAO-04-1065, September 2004, at 3.

Maritime Security Program, while, according to the GAO, on average almost 200 United States-flag vessels participate in the carriage of military and commercial preference cargoes. The contributions made by these vessels to defense sealift are two-fold.

First, the vessels themselves are available for use by the military for defense cargoes. This is particularly true for the 60 vessels in the Maritime Security Fleet.

As important, however, is the contribution made to creating and sustaining a pool of skilled and experienced seafarers that the Departments of Defense and Transportation can draw upon to provide augmentation crews for Strategic Sealift vessels kept in reduced operating or reserve status when not required for contingency operations. In general, to provide for crew rotations, training ashore, vacations and sick leave, for every billet on board those vessels, there are approximately 1.5 trained and experienced U.S. citizen seafarers. It is those seafarers who form a substantial part of the manpower pool that can be called upon to crew vessels being activated from those reserve or reduced operating status fleets.

The importance of these ships and crews to military sealift is evidenced by their continued role in supporting Operations Enduring Freedom and Iraqi Freedom. To augment active privately owned, militarily useful vessels in commercial service and U.S. Government-owned active sealift forces, the United States maintains a fleet of approximately 45 sealift vessels in reserve or reduced operating status. During the period between October 2001 and February 2006, vessels activated from those reserve fleets transported 28.2 percent (U.S.-

² *Id.*, at 66 citing the September 7, 2004, letter from the Office of the Deputy Under Secretary of Defense for Logistics and Material Readiness.

flag commercial vessels carried most of the remaining 71.8 percent), or almost a third, of all military equipment and supplies delivered to U.S. forces in those contingency operations.³

One of the sealift lessons learned through Operations Desert Shield and Desert Storm in 1990-91 was that because of the age of many of these vessels, and the lack of any crew on board during reserve status, the vessels experienced a high operating failure rate during the initial surge to this earlier war. Crew shortages also became an issue because the only manpower pool that was available to man the government-owned vessels had to come from the U.S.-flag commercial fleet. After extensive study and analysis, in the mid-1990s the Department of Defense and the U.S. Maritime Administration changed the way that the government vessels would be maintained to solve the crewing issues encountered during the first Gulf War. In short, the Maritime Administration established a Reserve Operating Status Maintenance Program that placed a cadre of U.S. crews on board groups of reserve vessels in order to maintain the ships in a higher state of readiness. During Operation Iraqi Freedom, these ships were again called upon for initial surge transport, but unlike in Operation Desert Shield, the ships performed flawlessly, and most importantly, because of the small cadre of crew already on board the ships for maintenance there was a nucleus crew ready to sail the ships. By making the change in the mid-1990s, it increased the manpower pool by a small amount, but that was sufficient to help solve the crewing issues experienced during Desert Storm. Overall, it must be emphasized that in addition to the RRF crews, without the trained and experienced mariners drawn from the manpower pool made possible by the

³ Based on data provided by the U.S. Transportation Command's Military Sealift and Surface Deployment and Distribution Commands and the U.S. Maritime Administration.

United States-flag commercial fleet supported by the Maritime Security Program, Cargo Preference programs and the Jones Act, it would have been impossible to crew up those vessels for Operation Iraqi Freedom.

This being said, I am very concerned with plans by the government, as a cost-saving device, to decrease the readiness of certain vessels and reduce or eliminate the crews originally put on board through the changes made to the RRF program after Operation Desert Storm. While we are experiencing no significant crew shortages at this time, with the downgrading of the Reserve vessels, any future use of those vessels for major sealift will clearly lead to crew shortages in both the Jones Act and international trades. The gradual reduction in entry-level shipboard positions in all three departments makes this situation even worse.

Manpower Generally

While the SIU does not now have a manpower shortage, there are reasons for this that I would like to share with the Committee. As mentioned, in partnership with our contracted companies, the SIU operates and maintains a training school in Piney Point, Maryland. The school was opened in 1967 and has trained more than 100,000 merchant seamen who sail on board SIU contracted vessels in virtually every U.S.-flag trade. Overall, the school has issued 238,000 training certificates to individuals who have completed deck, engine, steward and safety courses. More than 22,000 men and women have graduated from the Paul Hall Center's entry-level training program, and I would like to point out that the program is still going strong. At the time of this hearing, there are more than 100 individuals enrolled in "phase one" of the trainee program, while dozens more are completing subsequent stages.

There is no shortage of mariners for us because the school allows for the flexibility to expand or contract the training pipeline through effective and active recruiting of new people to the industry. For example, if and when we sense that there may be a looming shortage of engine room rated positions, the problem is identified early and recruitment is focused and geared toward that particular position on the vessel.

On a regular basis, the SIU meets with its contracted companies to discuss training and manpower and to identify as early as possible any industry trends that need to be addressed, such as impending crew shortages. Several years ago, it was clear that the industry would be facing some shortages in the Jones Act (U.S. domestic, inland and coastal trades), particularly in the licensed positions. Working in partnership, the SIU and its Jones Act companies met and immediately implemented an Inland License upgrading program at our training school to address the expected crew shortages. Through this company-sponsored program we increased the number of mariners passing through the training pipeline and addressed any serious shortages. This program has been a tremendous success and it is working today to produce a steady pool of new and upgraded mariners for SIU contracted companies. This program, augmented by our Inland Apprentice program, will create a career-advancement process whereby entry-level boatmen will be recruited and trained to ultimately obtain their license.

Lastly, I would also like to offer a couple of comments on the requirement for a Merchant Mariner Document (MMD) and the soon-to-be-required Transportation Worker Identification Credential (TWIC). For SIU members, while TWIC will create a procedural obstacle, it should not lead to significant

mariner shortages provided it is implemented efficiently and properly. The reason that TWIC will not be as problematic to our members is that in order to sail today on an inspected U.S.-flag vessel, they must possess a current MMD. As part of the MMD application and approval process, the mariner is subjected to periodic and random drug and alcohol testing, and, importantly, is subject to a thorough background check by the U.S. Coast Guard and the Federal Bureau of Investigation. This is not the case in other modes of transportation.

Conclusion

In conclusion, the Seafarers International Union urges continued support for the Maritime Security Program, the Jones Act, Cargo Preference Programs and Ready Reserve Force crewing at levels which adequately help maintain the pool of American mariners whom we rely upon to bolster national and economic security. For that matter, the SIU urges support for all programs and policies that promote and maintain a viable, commercial U.S.-flag merchant marine. Absent such support and such programs, our nation would be left vulnerable as American-flag commercial ships that are militarily useful would essentially disappear, taking with them the trained, experienced U.S. crews who deliver the goods for our nation in times of peace and war.

Thank you for your attention and for the invitation to speak before you today.

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