

Testimony
of
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Good morning Chairman Hunter, Ranking Member Garamendi and Members of the Subcommittee. I am RADM Richard G. Gurnon, President of Massachusetts Maritime Academy. I am here today on behalf of the Consortium of State Maritime Academies, which represents a vital component of the federal maritime education and training partnership. The expertise that resides within these six state maritime academies is arguably the most important maritime education and training knowledge base in the country. The administrators of these six state academies serve on behalf of elected officers of their respective states and thus, under federal law, can serve as coequal partners with federal officials in the management and implementation of federal maritime education and training programs.

I thank you for the opportunity to appear before you today to discuss two very important issues of great concern to the six state maritime academies, which are located in Massachusetts, New York, Maine, California, Texas and Michigan – (1) the ever-increasing regulatory burden on our institutions and the impact it is having, and (2) the need and importance of replacing our aging training ships which are linked to our ability to train our students for jobs, while meeting federal merchant mariner credentialing requirements. I would like to take a moment and introduce the other academy presidents who are here with me today.

For over 100 years, in times of conflict and peace, the state maritime academies have prepared our students for a variety of maritime-related careers, while receiving a quality education in a Bachelor's degree program. Our students are well prepared for employment in the maritime industry in an increasingly globalized world through a rigorous curriculum comprised of intellectual learning opportunities, applied technology experiences, study at sea and in ports around the world, and professional development and leadership opportunities that prepare them for positions of significant responsibility and technical difficulty. Today, our students come from

all states around the country and our graduates enjoy a high level of success. They are senior leaders, entrepreneurs and innovators across many industries, in government and the military, from seabed to space.

In recent years, all the state maritime academies have enjoyed full enrollments by students (and their grateful parents) who seek the many opportunities we have to offer, and especially the prospects for lucrative employment following graduation in an industry that appreciates and desires the qualities our students possess. The market demand for our graduates is increasing and is related to an aging workforce and employer demands for well-educated and trained personnel who hold the appropriate domestic and international credentials issued by the Coast Guard. We are also witnessing a shift in demand for our graduates to serve on domestic inland, coastal and offshore vessels in support of our national economy.

Collectively, the state maritime academies graduate approximately 650 students per year which equates to over 70% of the newly licensed deck and engineering officers in our country each year. This number is significant in terms of ensuring a sufficient pool of merchant mariners in the event of a national emergency and providing highly trained and qualified individuals to companies operating in all segments of the maritime industry. But the academies now find themselves facing a number of challenges, despite our excellent records in enrollment and job placement, which threaten our future success.

Throughout our history, the maritime academies have seen many changes and have had to adapt to an ever-changing regulatory and fiscal environment at both the state and federal levels. At the same time, while expectations have increased, budgetary support has declined, or at best remained constant. This past April, the Maritime Administrator reported to this subcommittee that the President's FY 2014 budget request of \$17.1 million for the state academies remains unchanged from FY 2012 levels. At the same time, the states are looking to cut costs to make education more affordable to more students. Reduced funding from the states and the federal government simultaneously will hamper our ability to provide a quality education and fulfill ever-increasing federal requirements for our students to meet domestic and international merchant mariner credentialing requirements.

Regulatory Burden Due to Coast Guard's Implementation of STCW

The United States Coast Guard is the federal agency charged with prescribing regulations and policies related to merchant mariner credentialing. The Coast Guard along with the Maritime Administration approves and oversees our academy training programs. We are grateful for the Coast Guard, work with them every day, and recognize that they are the chief regulatory agency when it comes to merchant mariner training and credentialing. But what we have observed since the late 1990's, when the International Convention and Standards of Training, Certification and Watch-keeping (STCW) Code was first implemented, is an ever-increasing layered set of

requirements and policy, which when taken collectively are onerous, in many cases considered unnecessary, and result in unfunded mandates and higher costs for the academies.

STCW dramatically changed the way the academies train our students. Prior to the late 1990's the academies had much more flexibility to train students who were deemed competent by demonstrating that they could pass a comprehensive licensing exam at the completion of their training, much the same as airline pilots, nurses and doctors, who sit for professional examinations before receiving a license. Since the Coast Guard began implementing STCW, the academies have had to make significant changes to their curricula and now assess each individual student in numerous practical assessments or demonstrations of skill. This requires an enormous amount of time for our faculty to satisfy checklist-type requirements for each student, as well as the time and cost to maintain records of their assessments and training.

The original intent of STCW was to increase the training and professionalism of other nations' mariners. The unintended consequence is that in the U.S. where mariners already met high standards for training and professionalism, our mariners were placed under the microscope with added requirements. These additional time-consuming and costly requirements do little to improve safety, while driving many mariners out of the profession because they no longer wish to invest so much energy, time and cost to attain or retain their qualifications.

Despite over a decade of having to comply with STCW requirements, it is questionable whether STCW has actually been effective in producing more qualified mariners and reducing marine casualties. To date, we are not aware of any study that has looked at the benefits of STCW, and whether it has had a quantifiable impact on improving safety and reducing marine casualties. Furthermore, many of our international maritime university partners report that their flag state administrations do not require the same level of requirements or oversight that we have in the U.S.

In the U.S., there is still no published final rulemaking since the academies were asked to implement the STCW in the late 1990's. The Coast Guard continues to interpret the STCW, while the academies are unable to participate in discussions about new requirements or policy. This has led to a great deal of speculation as to what the Coast Guard might find acceptable, and the academies being forced to implement additional requirements based on assurances that the requirements will eventually be contained in a final STCW rulemaking.

Unfortunately, the collective expertise that resides within our institutions is continually ignored by federal agencies under the cover of the Federal Advisory Committees Act (FACA); this despite a specific exemption to FACA under provisions of Section 204 of the Unfunded Mandate Reform Act of 1995, P.L. 104-4, concerning intergovernmental communications. The purpose of this exemption is to "provide meaningful and timely input into the development of regulatory proposals containing significant Federal intergovernmental mandates." This issue has been brought to the attention of the Coast Guard.

The six state maritime academies represent a vital component of the federal maritime education and training partnership. The expertise that resides within these six state maritime academies is arguably the most important maritime education and training knowledge base in the country. Were the USCG to engage with the academies in a collaborative partnership and not be dismissive of the expertise that resides within these six institutions, a far better outcome for the taxpayers of this country could be realized.

Need To Replace Aging Training Ships

The six state maritime academies use their training ships throughout the year to train our nation's future merchant mariners. They are the primary vessels by which our graduates receive the required sea time experience for unlimited tonnage and horsepower credentials each year. Therefore, the academy training ships are an essential component to our approved training programs and to our national security and national economy.

The need to replace the training vessels furnished to the state maritime academies by the Maritime Administration is recurring in nature. Over the past thirty years, various means have been pursued to provide replacement vessels, with the actual method usually a function of the specific circumstances at a given moment in time. Several replacements have arisen after "catastrophic" loss of an existing vessel; most others have been either planned or opportunistic acquisitions. However, none of these methods are cost effective. A programmatic-holistic approach would lead to a more efficient and effective approach that would drive down the total cost of procurement and ownership while delivering increased capability.

Previously many of the training ship conversions had been funded by Congressional earmarks because there was no other way to secure funding. Now, of course, Congressional earmarks are no longer an option, and there is no path of any kind to secure funding to convert these vessels.

MARAD has asked the state maritime academies to provide a consolidated input for a business case they will present to the Secretary of Transportation for the construction of new training ships.

The state maritime academy training ships' average age is now 35 years old; therefore, they are increasingly costly (from a maintenance and operations aspect) and make environmental compliance a growing challenge. The SUNY Maritime College training ship (*EMPIRE STATE VI*), the oldest of the ships, is now over 51 years old and must be replaced not later than 2019. Originally designed as a break bulk cargo ship, it has outlived its design life and no longer meets various international environmental standards. This substantially limits where the ship can sail.

There are several ways to reduce the cost of training ships. Converting aging ships that are in the National Defense Force or on the market would be initially less expensive. However, over the long term this would be more costly since a converted ship would be good for about 20 -25 years

compared to 40 plus years for a purpose-built training ship. Constructing new, multipurpose, purpose-built training ships would also provide a stimulus for shipyards and ensure that critical skill sets essential for our national security are retained. A new construction project would also support thousands of high-value, high-paying manufacturing jobs in the U.S. at one or more shipyards. New ship construction would generate approximately 600-1,000 jobs directly. For every wage dollar earned by these jobs, the multiple is approximately 2.5 times for the indirect impact. Comparatively, the conversion of a ship periodically to meet the latest training ship needs would have much less of an economic impact. Additionally, conversion does not produce a state-of-the-art education and training platform and may not meet emerging global or U.S. environmental operating standards.

New construction, multipurpose built ships designed for training cadets for unlimited tonnage and horsepower credentials, could also be capable of serving multi-mission purposes (disaster relief assistance, humanitarian assistance, and logistics support for DOD). Training ships have been utilized in this role (e.g., Hurricanes Sandy and Katrina post-disaster relief efforts, and Haiti and Mogadishu Humanitarian Assistance deployments). A ship built from the keel up to support these missions could encourage investment from other departments such as DHS and DOD. This would benefit the state maritime academies, MARAD, and the public. Building a new construction multi-mission vessel would result in lower training and maintenance costs over the near term, and increased capability well into the future for multiple agencies (DOT/MARAD, DHS/FEMA, and DOD). As has been demonstrated previously, using DOD ships to support post-disaster operations is much more costly to the public and significantly impacts the operational tempo of DOD assets and personnel. During Hurricane Sandy, MARAD testified that there was a cost avoidance of approximately \$3.7M to the taxpayer because of the ability to use state maritime academy training vessels to house relief workers.

Building a class of training ships for the state maritime academies has several advantages. First would be the cost savings associated with a multi-hull build. Second would be the savings associated with recurring maintenance, spare parts and upkeep. As vessel equipment ages and needs to be upgraded, a “bulk buy” for similar equipment would save maintenance money. Currently, the academies have six different aging ships for which unique, and sometimes non-existent, spare parts drive maintenance costs up, especially as the ships no longer reflect the industry standard. Third, there would be a cost savings associated with administrative oversight of a class of ships compared to individual ships. For example, implementing a Safety Management System for one ship type instead of five different ship types would save MARAD money.

Since the primary role of the ships would be to train cadets at sea, there are some areas where the cost could be picked up by the respective states. Since the ships will be “public vessels” owned by the USDOT-MARAD and operated by respective state maritime academies, a cooperative arrangement might be explored, whereby the federal government pays for the hull, machinery

and navigational systems, and the academy pays for outfitting the ship with specialized maritime educational technology (e.g., classrooms, berthing areas, labs, simulation). Potential academy sources of funding might include the states, alumni, foundations and private donors.

The most significant impact of taking no action (or delaying a decision) is the eventual result of inoperative and/or unsafe training ships which would bring a halt to academies' license programs. Disrupting that source of available mariners would have substantial negative (some would say dire) consequences affecting all segments of the maritime industry that require Coast Guard credentialed mariners, well beyond the national defense aspect, to include near coastal, inland, rivers, offshore energy, etc. Second and third order impacts would be realized in key areas such as port operations and maritime security.

Sea service requirements under the STCW Manila Amendments require the U.S. to satisfy 360 days of sea service for the mates and engineers. Each maritime academy satisfies this requirement by having cadets train, perform maintenance and stand watches aboard the training ships while the ships are underway or tied up alongside our piers.

Without training ships, the academies would be forced to send cadets out on commercial vessels to obtain their required sea time. This would put a significant strain on all the academies, including the U.S. Merchant Marine Academy, due to the limited number of available commercial vessel berths.

Shortages of available licensed mariners would be realized at all credential levels, and the future availability of licensed mariners in the event of a national emergency would be severely impacted. Furthermore, it is already well documented that the mariner workforce is aging, and the country cannot afford to lose experienced and new officers simultaneously.

It would be unrealistic to think that the level of education and training and the total numbers of fully qualified mariners would not substantially decline. This would in turn significantly impact maritime safety and security.

Conclusion

In closing, let me emphasize that the state maritime academies hold the U.S. Coast Guard and the Maritime Administration in high regard. We all place great importance on training our students to become competent, professional leaders, but that task is becoming ever more challenging. This is due to an ever-increasing regulatory burden on the academies and the challenges of funding new public vessel training ships for our academies, so that our students can continue to meet federally imposed credentialing requirements.