

AMERICA BUILDS: MARITIME INFRASTRUCTURE

(119-4)

HEARING
BEFORE THE
SUBCOMMITTEE ON
COAST GUARD AND MARITIME TRANSPORTATION
OF THE
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TRANSPORTATION AND
INFRASTRUCTURE
HOUSE OF REPRESENTATIVES
ONE HUNDRED NINETEENTH CONGRESS

FIRST SESSION

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Committee on Transportation and Infrastructure
U.S. House of Representatives
Washington, DC 20515

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JANUARY 31, 2025

SUMMARY OF SUBJECT MATTER

TO: Members, Subcommittee on Coast Guard and Maritime Transportation
FROM: Staff, Subcommittee on Coast Guard and Maritime Transportation
RE: Subcommittee Hearing on “*America Builds: Maritime Infrastructure*”

I. PURPOSE

The Subcommittee on Coast Guard and Maritime Transportation of the Committee on Transportation and Infrastructure will meet on Wednesday, February 5, 2025, at 10:00 a.m. ET in 2167 Rayburn House Office Building to receive testimony at a hearing entitled, “*America Builds: Maritime Infrastructure*.” The Subcommittee will receive testimony from industry stakeholders, including from Port Tampa Bay, the Shipbuilders Council of America, the Association for Uncrewed Vehicle Systems International, and USA Maritime, on the state of the Nation’s maritime infrastructure.

II. BACKGROUND

America’s Marine Transportation System (MTS) consists of navigable waterways, ports, and land-side connections that facilitate the movement of people and cargo throughout the Nation.¹ This includes approximately 25,000 miles of navigable waterways and over 300 commercial maritime ports containing over 3,500 marine terminals.²

Ports and the maritime industry are major economic drivers in the United States, supporting nearly \$2.9 trillion in Gross Domestic Product (GDP) in 2024.³ These ports host vital intermodal connections that move goods inland along the national supply chain to consumers and allow for the exportation of domestically produced goods to foreign markets.⁴ Each port complex includes marine terminals—cargo handling facilities that both load and unload cargo from vessels. These marine terminals can either be operated by the port authority, which is the governmental or

¹ U.S. DEP’T OF TRANSP., MARITIME ADMIN., *Maritime Transportation System (MTS)*, (Aug. 17, 2023), available at <https://www.maritime.dot.gov/outreach/maritime-transportation-system-mts/maritime-transportation-system-mts>.

² *Id.*

³ AMERICAN ASS’N OF PORT AUTHORITIES, *U.S. Port & Maritime Industry: 2024 Economic Contribution Report*, available at <https://aapa.cms-plus.com/files/2024%20Economic%20Contribution%20Report%20AAPA.pdf>.

⁴ U.S. DEP’T OF TRANSP., *Climate Strategies that Work: Multimodal and Intermodal Freight Planning*, available at <https://www.transportation.gov/sites/dot.gov/files/2025-01/Multimodal%20and%20Intermodal%20Freight%20Planning.pdf>.

semi-governmental entity that manages the port complex, or by a private company that leases the marine terminal from the port authority.⁵

The MTS also includes tens of thousands of miles of navigable waterways on which over 40,000 vessels operate in domestic waterborne commerce.⁶ To support safe vessel operations, a robust network of aids to navigation exists, including beacons, buoys, and other objects installed along the waterways to provide signals and guide mariners.⁷

Responsibility for the development and maintenance of the MTS is shared across several Federal agencies, including the United States Coast Guard (Coast Guard or Service) and the Maritime Administration (MARAD), both of which the Subcommittee on Coast Guard and Maritime Transportation exercises jurisdiction over. The Coast Guard is responsible for maintaining aids to navigation and ensuring the safety of marine operations.⁸ MARAD is responsible for fostering, promoting, and developing the maritime industry of the United States to meet the Nation's economic and security needs.⁹

III. INVESTMENT IN MARITIME INFRASTRUCTURE

In order to support the development and construction of maritime infrastructure, MARAD administers several financial assistance programs that provide grants for projects to strengthen maritime and related intermodal infrastructure. MARAD's Port Infrastructure Development Program provides grants to improve the safety, efficiency, or reliability of the movement of goods into, out of, around, or within a port.¹⁰ The United States Marine Highway Program (USMHP) similarly provides grants to promote marine highway transportation and reduce landside congestion.¹¹ Grants provided through USMHP fund projects to help freight move by the United States Marine Highway System as an alternative to landside shipping and transportation options.¹² Maritime infrastructure improvement projects are also eligible for funding through other Federal programs administered by the United States Department of Transportation (DOT), including the Rebuilding American Infrastructure with Sustainability and Equity grant program and Transportation Infrastructure Finance and Innovation Act loans provided by DOT's Build America Bureau.¹³

IV. UNITED STATES SHIPBUILDING INDUSTRIAL BASE

Section 55101 of title 46, United States Code, popularly referred to as the Jones Act, underpins the United States commercial shipbuilding industry and requires any vessel participating in coastwise trade to be United States-owned, United States-crewed, and United States-built.¹⁴ Jones Act-driven business supports domestic shipbuilding capacity and prevents the Nation from losing an important strategic capability.¹⁵

Due to the growth of the shipbuilding industries of global competitors, the domestic capacity to build commercial vessels has decreased severely over the past several decades. In the 1990s, there were seven large shipyards in the United States building commercial vessels.¹⁶ Since then, three of these yards have closed and of the

⁵ JOHN FRITTELLI & JENNIFER E. LAKE, CONG. RSCH. SERV. (RL33383), TERMINAL OPERATORS AND THEIR ROLE IN U.S. PORT AND MARITIME SECURITY, (Apr. 10, 2007), available at <https://crsreports.congress.gov/product/pdf/RL/RL33383/5>.

⁶ AMERICAN MARITIME PARTNERSHIP, *Jones Act—Cornerstone of U.S. Maritime Safety & Security*, available at <https://www.americanmaritimepartnership.com/u-s-maritime-industry/jones-act-overview/>.

⁷ BOAT U.S. FOUNDATION, *Aids to Navigation*, available at <https://www.boatus.org/study-guide/navigation/aids>.

⁸ U.S. COAST GUARD, *Missions*, available at <https://www.uscg.mil/About/Missions/>.

⁹ U.S. DEP'T OF TRANSP., MARITIME ADMIN., *About Us*, available at <https://www.maritime.dot.gov/about-us>.

¹⁰ U.S. DEP'T OF TRANSP., MARITIME ADMIN., *Port Infrastructure Development Program*, available at <https://www.maritime.dot.gov/PIDPgrants>.

¹¹ U.S. DEP'T OF TRANSP., MARITIME ADMIN., *United States Marine Highway Program*, available at <https://www.maritime.dot.gov/grants/marine-highways/marine-highway>.

¹² *Id.*

¹³ U.S. DEP'T OF TRANSP., *Grants*, available at <https://www.transportation.gov/grants>.

¹⁴ THE AMERICAN WATERWAYS OPERATORS, *Issues and Advocacy: Jones Act*, available at <https://www.americanwaterways.com/issues/jones-act>; see also 46 U.S.C. § 55101.

¹⁵ AMERICAN MARITIME PARTNERSHIP, *Jones Act is Foundation of Domestic Maritime Industry*, available at <https://www.americanmaritimepartnership.com/wp-content/uploads/2019/02/Jones-Act-is-Foundation-of-Domestic-Maritime-American-Maritime-Partnership.pdf>.

¹⁶ *The State of the U.S. Flag Maritime Industry: Hearing Before the Subcomm. on Coast Guard and Maritime Transp. of the H. Comm. on Transp. and Infrastructure*, 115th Cong. (Jan. 17, 2018) (Statement of Adm. Mark H. Buzby, Administrator, Maritime Admin.).

remaining four, only one builds commercial vessels while the others solely perform repair and maintenance work.¹⁷

To support the domestic shipbuilding industry, MARAD also administers several financial assistance programs to increase shipyard competitiveness and encourage the construction of commercial vessels in United States shipyards. The Small Shipyard Grant Program provides grants to shipyards with fewer than 1,200 production employees to make capital and related improvements, or to provide industry training to workers.¹⁸ The Federal Ship Financing Program (also known as the Title XI Program) provides long-term loans to shipowners for the domestic construction and reconditioning of vessels, as well as to shipyards for modernization efforts.¹⁹ In addition, MARAD administers the Capital Construction Fund and Construction Reserve Fund Programs that offer tax deferral benefits provided the proceeds are used to expand or modernize the United States Merchant Marine.²⁰

V. AUTONOMOUS MARITIME TECHNOLOGIES

The continuing development of autonomous and other experimental maritime technologies necessitates improvements and innovations within the MTS to ensure their safe integration among traditional users of the current system. These technologies have the potential to provide benefits and reduce operational risk but will require a stable regulatory framework to ensure their safe and secure operation. At the global level, the International Maritime Organization (IMO) has been conducting regulatory scoping exercises to develop a roadmap from which autonomous technologies can be incorporated into regulatory frameworks.²¹ The Coast Guard, which is the official representative of the United States to the IMO, is working to keep pace with inspecting and crafting regulations to monitor these growing activities.²²

The introduction of autonomous and experimental systems raises a variety of regulatory issues that must be addressed, including crewing, testing, safety, security (both physical and cyber), mariner credentialing, and pilotage.²³ The Coast Guard will need to develop comprehensive guidance or other regulatory standards for surface, subsurface, and aerial spaces, to ensure the safe and efficient testing of these technologies, as well as their eventual full integration into the MTS.²⁴

VI. WITNESSES

- Mr. Paul Anderson, President and Chief Executive Officer, Port Tampa Bay
- Mr. Joe Rella, President, St. Johns Ship Building, Inc., *on behalf of the Shipbuilders Council of America*
- Mr. Tom Reynolds, Chief Strategy Officer, Seasats, *on behalf of Association for Uncrewed Vehicle Systems International*
- Mr. Brian Schoeneman, Political and Legislative Director, Seafarers International Union of North America, *on behalf of USA Maritime*

¹⁷*Id.*

¹⁸U.S. DEP'T OF TRANSP., MARITIME ADMIN., *Small Shipyard Grants*, available at <https://www.maritime.dot.gov/grants-finances/small-shipyard-grants>.

¹⁹U.S. DEP'T OF TRANSP., MARITIME ADMIN., *Federal Ship Financing Program (Title XI)*, available at <https://www.maritime.dot.gov/grants/title-xi/federal-ship-financing-program-title-xi>.

²⁰U.S. DEP'T OF TRANSP., MARITIME ADMIN., *Grants and Finances*, available at <https://www.maritime.dot.gov/grants-finances>.

²¹INT'L MARITIME ORGANIZATION, *Autonomous Shipping*, available at <https://www.imo.org/en/MediaCentre/HotTopics/Pages/Autonomous-shipping.aspx>.

²²NAT'L ACADEMIES OF SCIENCES, ENGINEERING AND MEDICINE, *Coast Guard's Next Decade: An Assessment of Emerging Challenges and Statutory Needs*, (2023), at 1, available at <https://nap.nationalacademies.org/catalog/27059/the-coast-guards-next-decade-an-assessment-of-emerging-challenges-and-statutory-needs>.

²³*Id.*

²⁴*Id.*

AMERICA BUILDS: MARITIME INFRASTRUCTURE

WEDNESDAY, FEBRUARY 5, 2025

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON COAST GUARD AND MARITIME
TRANSPORTATION,
COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE,
Washington, DC.

The subcommittee met, pursuant to call, at 10 a.m., in Room 2167, Rayburn House Office Building, Hon. Mike Ezell (Chairman of the subcommittee) presiding.

Mr. EZELL. The Subcommittee on Coast Guard and Maritime Transportation will come to order.

I ask unanimous consent that the chairman be authorized to declare a recess at any time during today's hearing.

Without objection, so ordered.

I also ask unanimous consent that Members not on the subcommittee be permitted to sit with the subcommittee at today's hearing and ask questions.

Without objection, so ordered.

As a reminder, if Members insert a document into the record, please do so and email it to DocumentsTI@mail.house.gov.

I now recognize myself for the purpose of an opening statement for 5 minutes.

OPENING STATEMENT OF HON. MIKE EZELL OF MISSISSIPPI, CHAIRMAN, SUBCOMMITTEE ON COAST GUARD AND MARI- TIME TRANSPORTATION

Mr. EZELL. Before I get to my remarks on the topic of the hearing today, I first want to send my condolences to all who were impacted by the tragic DCA Airport crash last week. Suzette and I send our thoughts and prayers and thank all first responders, including the Coast Guard, that were there in the immediate aftermath.

Today, the subcommittee meets for its first hearing of the 119th Congress and continues the Transportation and Infrastructure Committee's "America Builds" series to discuss the Nation's maritime infrastructure. It is clearly critical that we must build a safer and more efficient system.

I am also happy to say this is my first hearing as subcommittee chairman. I am excited to lead the subcommittee this Congress in addressing the many important issues facing the maritime industry. I look forward to working under the leadership of Chairman Graves in this position.

Continuing on today's topic, America's Marine Transportation System consists of navigable waterways, commercial ports, and landside connections which help to move millions of passengers and billions of dollars' worth of cargo every year.

Nearly all the country's inbound or outbound cargo is transported by ships, requiring a robust system of maritime infrastructure to ensure the movement of goods. Ports play a prominent role within this system, providing access to connections for cargo to move inland to final destinations and outbound for export overseas.

Marine terminals within each port load and unload cargo. That cargo is then transported both domestically to other points in the United States, which is also known as coastwide trade, or it is moved internationally to foreign markets.

In order to participate in coastwide trade between two domestic points, a ship must be Jones Act-qualified, meaning the ship is U.S.-built, U.S.-crewed, and U.S.-owned. The Jones Act is a fundamental statute for the domestic maritime industry. The Jones Act is quite literally the bedrock and foundation of our Nation's shipbuilding industrial base, because it helps to maintain a pool of qualified American mariners that we rely on to transport goods and our military in times of peace and war.

Unfortunately, the rise of shipbuilding industries of global competitors has led to the decline in our own shipbuilding capacity. Coastal Mississippi and the gulf coast as a whole is home to several shipyards employing thousands of Americans. I look forward to discussing ways to reinvigorate this critical industry.

In order to promote the domestic maritime industry, the Maritime Administration in the United States Department of Transportation administers several programs that fund projects to construct and expand maritime infrastructure and U.S. shipbuilding. I hope to look at the current operation of each of these programs to find ways we can improve them and look forward to recommendations from our stakeholders here today.

Additionally, autonomous maritime technologies are creating new challenges, requiring us to reassess current maritime infrastructure to ensure their safe operation. The United States Coast Guard is in charge of developing a framework from which these new technologies can safely operate. However, the development of these technologies outpaces the regulatory rulemaking process.

We understand the Coast Guard will need to focus on developing regulatory standards that provide for the adequate testing and safe integration of these technologies into the Marine Transportation System and appreciate any insights you can provide.

Thank you for all being here today, and I look forward to discussing the buildout of America's maritime infrastructure.

[Mr. Ezell's prepared statement follows:]

**Prepared Statement of Hon. Mike Ezell of Mississippi, Chairman,
Subcommittee on Coast Guard and Maritime Transportation**

Before I get into my remarks on the topic of this hearing today, I first want to send my condolences to all who were impacted by the tragic accident last week near the DCA Airport. Suzette and I send our thoughts and prayers and thank all the first responders, including the Coast Guard, that were there in the immediate aftermath.

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We understand the Coast Guard will need to focus on developing regulatory standards that provide for the adequate testing and safe integration of these technologies into the Marine Transportation System, and appreciate any insights you can provide.

Thank you all for being here today and I look forward to discussing the build-out of America's maritime infrastructure.

Mr. EZELL. I now recognize Ranking Member Carbajal for an opening statement for 5 minutes.

OPENING STATEMENT OF HON. SALUD O. CARBAJAL OF CALIFORNIA, RANKING MEMBER, SUBCOMMITTEE ON COAST GUARD AND MARITIME TRANSPORTATION

Mr. CARBAJAL. Good afternoon. And thank you, Chairman Ezell, for calling today's hearing, and congratulations on your new post as chair—

Mr. EZELL [interposing]. Thank you.

Mr. CARBAJAL [continuing]. Of the and Coast Guard and Maritime Transportation Subcommittee. I look forward to working together with you to get things done. I hear that we already share the same value on the Jones Act, so I appreciate your position on that.

Before I turn to the matter at hand, I have to express some concern and discuss what I consider was an outrageous executive action directed at the Coast Guard, specifically the unprecedented, misguided, and clearly political firing of Coast Guard Commandant, Admiral Linda Fagan.

As the first female Service chief of any branch of the military, Admiral Fagan served with honor and distinction and exhibited a true commitment to making things better for the Service as a whole. It is deeply unfair for this administration to invent a false narrative for her termination and use that as a basis to engage in political theater and retribution.

While we have made great strides in recent years in bolstering our ports, waterways, and maritime industry, we cannot take our foot off the pedal.

The Bipartisan Infrastructure Law alone invested more than \$17 billion in our ports and waterways. This funding has been used to fund repairs, upgrades, and replacements to reduce port and vessel congestion and to strengthen our supply chains.

In addition, cutting emissions near ports by boosting electrification and investing in other low-carbon technologies to reduce overall environmental impacts is critically important as we continue to battle climate change. Since BIL expires in 2 years, I look forward to working together to draft BIL 2.0.

U.S. ports accounted for almost \$3 trillion in Gross Domestic Product in 2024. The sheer volume of cargo moving in and out of ports would not be possible without robust infrastructure and a strong workforce to support it.

Another area that is prime for robust U.S. investment is offshore wind. Adding clean energy production into the maritime domain is a win-win for the U.S. maritime industry, creating jobs for mariners, business at ports, and shipbuilding opportunities for companies and shipyards, many of which have already made a significant investment.

I believe we are at a crossroads in the maritime domain, facing a critical deficit in the number of U.S. shipyards, U.S. mariners, and U.S. vessels.

As every mariner who does business in the United States knows, the Jones Act is the foundation of the United States maritime industry. At its core, it is designed to protect the U.S. commercial shipbuilding industry and requires any vessel participating in coastwide trade to be United States-owned, United States-crewed, and United States-built.

We have an opportunity now more than ever to leverage these built-in barriers and revitalize the maritime industry.

If the United States intends on keeping pace with capacity and technology to maintain the steady state flow of goods, we must continue to prioritize programs such as the Port Infrastructure Development Program, the Small Shipyard Grant Program, and the Federal Ship Financing Program, Cargo Preference, and Title XI.

Building out our shipyards is a top priority for our Nation's maritime governance and also our national security. Our commercial mariners and our military depend on reliable shipyards to build and repair our U.S. fleet. We know that having only four shipyards left in America is not sustainable.

But building ships is not enough. To remain competitive internationally, we must ensure that U.S.-flag ships have cargo to carry.

Even more so, I am concerned that the administration's manufactured turmoil at the Coast Guard will lead to serious risks in the maritime transportation system—risks that we cannot afford to make.

I am hopeful that this hearing can shed light on the positive impacts that the loan and grant programs have had on this industry. Also, I want you to be critical and honest: What is it going to take to return the U.S. to a global competitor in shipping and shipbuilding?

Thank you, and I yield back.

[Mr. Carbajal's prepared statement follows:]

Prepared Statement of Hon. Salud O. Carbajal of California, Ranking Member, Subcommittee on Coast Guard and Maritime Transportation

Good afternoon, and thank you, Chairman Ezell, for calling today's hearing and congratulations on your new post as Chair of the Coast Guard and Maritime Transportation Subcommittee. I look forward to working together with you to get some important things done this Congress.

Before I turn to the matter at hand today, I have to discuss the outrageous executive actions directed at the Coast Guard, specifically the unprecedented, misguided, and clearly political firing of the Coast Guard Commandant, Admiral Linda Fagan.

As the first female service chief of any branch of the military, she served with honor and distinction and exhibited a true commitment to making things better for the service as a whole. It is deeply unfair for this Administration to invent a false narrative for her termination and use that as a basis to engage in political theater and retribution.

While we have made great strides in recent years in bolstering our ports, waterways, and maritime industry, we cannot take our foot off the pedal.

The Bipartisan Infrastructure Law alone invested more than \$17 billion in our ports and waterways. This funding has been used to fund repairs, upgrades, and replacements to reduce port and vessel congestion and to strengthen our supply chains.

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Thank you, and I yield back.

Mr. EZELL. I will now recognize Mr. Larsen, the ranking member of the full committee, Mr. Larsen, for 5 minutes for an opening statement.

OPENING STATEMENT OF HON. RICK LARSEN OF WASHINGTON, RANKING MEMBER, COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE

Mr. LARSEN OF WASHINGTON. Thank you. Thank you, Chair, for calling this hearing, and congrats on your new role.

Mr. EZELL. Thank you.

Mr. LARSEN OF WASHINGTON. Your history of bipartisanship and support for the maritime industry and Coast Guard will greatly benefit this subcommittee.

Before we dive into the topic of the hearing, I want to address news of a few weeks ago, which was the sudden termination of Commandant of the Coast Guard, Admiral Linda Fagan. I think what the President did was unjustified. It was reckless. Never before in the history of the Service has a Commandant been relieved, let alone for political purposes. I want to thank Admiral Fagan for all that she has done for this country.

Acting Commandant Lunday and the next Commandant must continue to move the Coast Guard forward, building upon the foundation Admiral Fagan built. The Coast Guard needs to continue to make significant improvement regarding sexual assault and sexual harassment. It needs to continue improvement on recruiting and retention and ensuring that the Service is more inclusive for everyone. That work has to continue.

It is my hope for today's hearing, though, that we focus on the important work of building America's maritime infrastructure, but I am concerned that that work is being undermined.

The President's Executive order to pause infrastructure funding from the Bipartisan Infrastructure Law and Inflation Reduction Act is putting billions of dollars, hundreds of thousands of jobs, and tens of thousands of projects at risk.

While last week's broader memorandum from the Office of Management and Budget to freeze all Federal assistance programs was rescinded, BIL funding, including the Port Infrastructure Development Program grants, remain in limbo. Continued threats and actions to claw back infrastructure funding are sowing chaos and will have devastating impacts on the maritime industry, national security, and economic security.

Across the country, there are over 300 ports. Of these, 20 handle the vast majority of container cargo. And only 2 U.S. ports are in

the top 20 ports globally, while China has 7 of the top 10. This is not due to a lack of maritime activity in the U.S. It is because China heavily subsidizes port and maritime operations while the U.S. does not.

During the supply chain crisis in 2021, the Biden administration mobilized funding to increase capacity and productivity. These efforts by the Biden administration, coupled with the hard work of longshore workers and many others in maritime, pulled us out of the supply chain crisis.

Since then, over \$2.18 billion in Port Infrastructure Development Program funding has gone to ports across the country to bolster safety and reliability. Ports like Houston, Texas, received \$25 million. Bay St. Louis, Mississippi, received \$4 million. The State of Alaska has received over \$50 million for uses across the entire State just in fiscal year 2024 alone. These States are benefiting from the Bipartisan Infrastructure Law. Let's keep it going.

And I want to mention the Clean Ports Program that the Environmental Protection Agency administers has assisted in the deployment of shore power to ports across the country, including a \$63 million grant to the Port of Anacortes in my own district, which includes not just bringing shore power but a total redevelopment of a wholly underutilized area of the Port of Anacortes to create jobs and bring private sector jobs there, including having a signed grant agreement that now the EPA has inexplicably paused and is delaying the creation of these private sector jobs.

This is inexplicable, and I asked the EPA to provide an explanation of what it is doing to get this grant going again as well as the ones that are going to the Port of Bellingham, also in my district, and any other port that is expecting these grants from a signed grant agreement.

Investing in shore power not only improves air quality and reduces pollution, it is consistent with standard operations at ports around the globe. Shipping companies want to cut pollution. Ports want to be competitive.

Rescinding funding for ports that were passed as part of the Bipartisan Infrastructure Law and the Inflation Reduction Act puts our ports at a disadvantage. It is shortsighted, and we will not go quietly letting this happen.

America's shipyards are an essential piece of maritime infrastructure that are falling behind international competition due to unfair and subsidized competition.

Larger shipyards have no dedicated grant program and rely heavily on Government and commercial contracts to stay afloat.

Buy America requirements and the Jones Act help ensure shipyards maintain steady business by requiring shipbuilding and manufacturing to take place in the U.S.

I was heartened to hear Secretary Duffy's support for the Jones Act during his confirmation hearing. The Jones Act has strong support among members of this committee. It is critical to the maritime industry.

Thanks to the historic levels of Federal investment, this Nation's transportation system and its infrastructure are better today than they were 4 years ago. Continuing this progress requires ongoing investment, especially in the maritime industry. Let's keep it going.

Thank you. I yield back.
 [Mr. Larsen of Washington's prepared statement follows:]

**Prepared Statement of Hon. Rick Larsen of Washington, Ranking Member,
 Committee on Transportation and Infrastructure**

Thank you, Chairman Ezell, for calling this hearing and congratulations on your new role. Your history of bipartisanship and support for the maritime industry and Coast Guard will greatly benefit this Subcommittee.

Before we dive into the topic of this hearing, I must address the sudden termination of the Commandant of the Coast Guard, Admiral Linda Fagan.

What the President did was unjustified and reckless. Never before in the history of the Service has a Commandant been relieved—let alone for political purposes.

I want to thank Admiral Fagan for all she has done for this country.

Acting Commandant Lunday and the next Commandant must continue to move the Coast Guard forward. Under the leadership of Admiral Fagan, the Coast Guard made significant improvement regarding sexual assault and sexual harassment, recruiting and retention and ensuring that the service is more inclusive for everyone. That work must continue.

It was my hope for today's hearing that we could focus on the important work of building America's maritime infrastructure, but I'm afraid that work is being undermined.

The President's Executive Order (EO) to pause infrastructure spending from the Bipartisan Infrastructure Law and the Inflation Reduction Act is putting billions of dollars, hundreds of thousands of jobs, and tens of thousands of projects at risk.

While last week's broader memorandum from the Office of Management and Budget to freeze all federal assistance programs was rescinded, BIL funding including Port Infrastructure Development Program (PIDP) grants remain in limbo.

Continued threats and actions to claw back infrastructure funding are sowing chaos and will have devastating impacts on the maritime industry, our national security and our economic security.

Across the country there are over 300 ports. Of these, 20 handle the vast majority of container cargo. Only two U.S. ports are in the top 20 ports globally while China has seven of the top 10.

This not due to a lack of maritime activity in the U.S.—it is because China heavily subsidizes port and maritime operations while the U.S. does not.

During the supply chain crisis in 2021, the Biden Administration mobilized funding to increase capacity and productivity.

These efforts by the Biden Administration, coupled with the hard work of our longshore workers, pulled us out of the supply chain crisis.

Since then, over \$2.18 billion in port infrastructure development program funding has gone to ports across the country to bolster safety and reliability.

Ports like Houston, Texas, received \$25 million, Bay St. Louis, Mississippi, received \$4 million and the state of Alaska received over \$50 million for uses across the entire state in fiscal year 2024. These states are benefiting from the Bipartisan Infrastructure Law. Let's keep it going.

The Clean Ports Program that the Environmental Protection Agency administers has assisted in the deployment of shore power to ports across the country, including a \$63 million grant to the Port of Anacortes, in my own district, which includes, not just clean shore power, but a total redevelopment of a wholly underutilized area of the port to create jobs and bring private sector jobs there—including having a signed grant agreement that now the EPA has paused and is delaying the creation of these private sector jobs. This is inexplicable, and I ask the EPA to provide an explanation of what it is doing to get this grant going again, as well as the ones that are going to the Port of Bellingham, also in my district, and any other port that is expecting these grants from a signed grant agreement.

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Rescinding funds for ports that were passed as part of the Bipartisan Infrastructure Law and the Inflation Reduction Act puts our ports at a disadvantage and is short-sighted. We won't quietly let this happen.

America's shipyards are an essential piece of maritime infrastructure that are falling behind international competition due to unfair and subsidized competition.

Larger shipyards have no dedicated grant program and rely heavily on government and commercial contracts to stay afloat.

Buy America requirements and the Jones Act help ensure shipyards maintain steady business by requiring shipbuilding and manufacturing to take place in the United States.

I was heartened to hear Secretary Duffy's support for the Jones Act during his confirmation hearing. The Jones Act has strong support among members of this Committee and is critical to the maritime industry.

Thanks to historic levels of federal investment, the nation's transportation system and infrastructure are better today than they were four years ago.

Continuing that progress requires ongoing investment, especially in the maritime industry. Let's keep it going.

Thank you, and I yield back.

Mr. EZELL. The gentleman yields.

I now would like to welcome and thank our witnesses for being here today. Briefly, I would like to take a moment to explain the lighting system to our witnesses. There are three lights in front of you. Green means go, yellow means you are running out of time, and red means to conclude your remarks. In my previous career, I explained lighting systems many times to people that ran a red light.

I ask unanimous consent that the witnesses' full statements be included in the record.

Without objection, so ordered.

I ask unanimous consent that today's hearing record remain open until such time as our witnesses have provided answers to any questions that may be submitted to them in writing.

Without objection, so ordered.

I also ask unanimous consent that the record remain open for 15 days for any additional comments and information submitted by Members or witnesses to be included in the record of today's hearing.

Without objection, so ordered.

As your written testimony has been made part of the record, the committee asks that you limit your oral remarks to 5 minutes.

With that, Mr. Paul Anderson with the Port Tampa Bay, you are recognized for 5 minutes for your testimony.

TESTIMONY OF A. PAUL ANDERSON, PRESIDENT AND CHIEF EXECUTIVE OFFICER, PORT TAMPA BAY; JOE RELLA, PRESIDENT, ST. JOHNS SHIP BUILDING, INC., ON BEHALF OF THE SHIPBUILDERS COUNCIL OF AMERICA; TOM REYNOLDS, CHIEF STRATEGY OFFICER, SEASATS, ON BEHALF OF THE ASSOCIATION FOR UNCREWED VEHICLE SYSTEMS INTERNATIONAL; AND BRIAN W. SCHOENEMAN, POLITICAL AND LEGISLATIVE DIRECTOR, SEAFARERS INTERNATIONAL UNION OF NORTH AMERICA, ON BEHALF OF USA MARITIME

TESTIMONY OF A. PAUL ANDERSON, PRESIDENT AND CHIEF EXECUTIVE OFFICER, PORT TAMPA BAY

Mr. ANDERSON. Thank you, Mr. Chairman, Ranking Member Carbajal, thank you for the invitation to testify this morning on a topic that is important to both the Nation's economic growth and our security, America's maritime infrastructure. And congratulations on your first meeting as chairman and your appointment to lead this important committee.

As the president and CEO of Port Tampa Bay and the current chairman of the Coalition for America's Gateways and Trade Cor-

ridors, the immediate past chair of the American Association of Port Authorities, and as a former Federal Maritime Commissioner, the work and growth of America's seaports is deeply personal to me, and I am honored to be here today.

At the outset, let me thank two Florida members of this subcommittee, Congressmen Dan Webster and Brian Mast, for their tremendous ongoing support for Port Tampa Bay and all of Florida's ports. They recognize the critical role that ports and port operations play in ensuring the efficient movement of cargo to Florida's supply chain to serve our rapidly growing population of 23 million residents.

We are proud of the role that Port Tampa Bay plays as Florida's largest and most diverse cargo seaport and as west central Florida's largest economic driver. According to our most recent economic impact study, we have an almost \$35 billion annual impact on our region and support more than 192,000 jobs.

Shipbuilding and repair is also an essential operation at Port Tampa Bay and is woven into the history of the port. Today, we are home to four shipbuilding and repair facilities at our port and generate nearly 3,000 full-time jobs, with an economic impact of \$233 million.

Our port continues to make strategic investments for our future, including improving the resiliency of our port facilities, growing and expanding our containerized cargo and, with this committee's support in WRDA 2024, the undertaking of a major new project that deepened our shipping channels to accommodate the growing fleet of large ships that will call at Port Tampa Bay.

Through the foresight and support of our champions in Congress, especially members of this committee, America's ports such as ours have acquired and updated key equipment, modernized berths and operations, and undertaken large projects that expand our ability to move the cargo for our Nation.

For instance, grant programs, such as the Port Infrastructure Development Program, have enjoyed bipartisan support since it was founded in 2009. And PIDP is a critical tool for ports to upgrade their infrastructure to keep pace with advancements and compete with ports around the world.

I would also be remiss if I didn't mention how important the biennial WRDA process is to our Nation's ports for economic and infrastructure progress. It was a great privilege for me to testify before the House Transportation and Infrastructure Committee in December 2023 to help the committee kick off the development of WRDA 2024, and I commend the members of the committee for their leadership in crafting and passing this hallmark legislation to keep WRDA on its biennial schedule.

Ports abroad, both allied and adversarial, are investing heavily in their port infrastructure and rightly recognize ports as critical infrastructure, and America must respond in kind by investing in our ports to handle more exports and imports.

I was heartened to hear Secretary Duffy, in his confirmation hearing, commit to doing all he can do to find ways in which to accelerate the processing of Federal grants, reform bureaucratic processes at all levels, and deliver funds more efficiently so that ports like ours can deliver important projects on time and at or under

budget. I was also very pleased to hear his support for the Jones Act.

Thank you for your support of the men and women of the United States Coast Guard, who are unheralded partners in our work to secure America's ports and waterways, particularly in the growing threat of cybersecurity.

We have a seamless working relationship with our Coast Guard partners in the Greater Tampa Bay area, and we truly appreciate the work the men and women of the Coast Guard do for our Nation.

Thank you for your time, your consideration, and your pivotal role in shaping the future of our Nation's maritime industry.

[Mr. Anderson's prepared statement follows:]

Prepared Statement of A. Paul Anderson, President and Chief Executive Officer, Port Tampa Bay

Mr. Chairman, thank you for your invitation to testify this morning on such an important topic to both the nation's economic growth and security: America's Maritime Infrastructure. And congratulations on your appointment to lead this important subcommittee. As the President and CEO of Port Tampa Bay, the Chairman of the Coalition for America's Gateways and Trade Corridors, the Immediate past Chair of the American Association of Port Authorities, and a former Federal Maritime Commissioner, the work and growth of America's seaports is deeply personal to me and I am honored to be here today.

At the outset, let me thank two Florida members of this subcommittee—Congressmen Dan Webster and Brian Mast—for their tremendous ongoing support for Port Tampa Bay and all 16 Florida seaports. They recognize the critical role that ports and port operations play in ensuring the efficient movements of cargo to Florida's supply chain to serve our rapidly growing population.

We are proud of the role that Port Tampa Bay plays as Florida's largest and most cargo-diverse seaport and as West Central Florida's largest economic driver. According to our most recent economic impact study, we have a \$34.6 billion impact on our region and support more than 192,000 total jobs. This includes \$4.6 billion of direct business revenue, the re-spending and local consumption impact of \$2.8 billion, and the related user output of \$27.2 billion. This dollar value represents the sphere of influence of the marine terminals, shipyards, and non-maritime real estate holdings of the Port.

Shipbuilding and Repair is also an essential operation at Port Tampa Bay and is woven well into our history. During World War II, the Port was called upon to assist with shipbuilding efforts for our nation's military and as the war was ending the Florida legislature established our charter and created the Tampa Port Authority. Today, we are home to four ship building and repair facilities at the Port that generate approximately 2,983 full-time jobs with an economic impact of \$232.7 million.

Our Port continues to make strategic investments for our future, including improving the resiliency of our port facilities, growing and expanding our containerized cargo business, and, with this Committee's support in WRDA 2024, the undertaking of a major new project to deepen our shipping channels to accommodate the growing fleet of large ships that want to call upon Port Tampa Bay. The jobs and money that flow back into our regional economy is a direct result of our strategic planning and growth.

Through the foresight and support of our Champions in Congress, especially Members of this Committee, America's ports such as ours have acquired and updated key equipment, modernized berths and operations, and undertaken large projects that expand our ability to move the cargo our nation's and our state's businesses, industry, and residents depend upon.

For instance, grant programs such as the Port Infrastructure Development Program (PIDP), have enjoyed bipartisan support since it was founded in 2019. PIDP is a critical tool for ports to upgrade their infrastructure to keep pace with advancements at ports around the world. These grant projects are truly partnerships between the Federal Government, state, and local governments, alongside private partners.

I would also be remiss if I didn't mention how important the biennial WRDA process is to our nation's ports for economic and infrastructure progress and vital for the sustenance and growth of trade and commerce across our country. It was a great privilege for me to testify before the House Transportation and Infrastructure Committee in December 2023 to help the Committee kick off the development of WRDA 2024. I want to commend the members of the Committee for their hard work in crafting and passing this hallmark legislation to keep WRDA on its biennial schedule, which is so important in the timing of our projects to minimize delays and reduce costs.

This investment and focus on the needs of America's ports is critical for our economic and national security. Ports abroad, in both allied and adversarial countries are investing heavily in their port infrastructure and rightly recognize ports as critical infrastructure. America must respond in kind by investing in our ports to handle more exports and imports. A recent study from the U.S. Committee on the Maritime Transportation System found that increases in infrastructure spending could spur economy-wide returns of \$2-\$3 for every dollar spent.

Our nation's ports are integral to the national infrastructure and the responsibility of protecting, growing, and innovating the supply chains that link every part of our economy falls to all of us from the local, regional, state, and federal levels. This includes building strong relationships with our private partners to assist in achieving these goals.

I was heartened to hear the new Secretary of Transportation, in his confirmation hearing, commit to doing all he can to find ways in which to accelerate the processing of federal grants, reform bureaucratic processes at all levels, and deliver funds more efficiently so that ports like ours can deliver important projects on time and at or under budget. Burdensome delays and inflexible requirements written into grant requirements and agreements redirect resources away from the intended scope of the project, and result in wasteful spending and inefficiencies that keep us from our core functions to plan for the long-range development of ports and port facilities.

Before I close, let me thank you for your support of the men and women of the United States Coast Guard, who are unheralded partners in our work to secure America's ports and waterways. We have a seamless working relationship with our Coast Guard partners in the greater Tampa Bay area.

We are working with the Coast Guard right now on a most timely project to replace and repair countless navigational aides in our shipping channels that were heavily impacted by Hurricanes Helene and Milton, which devastated our region and our state during a 12-day period last September and October. Because of the loss of this vital equipment, night-time navigation is reduced or unavailable, causing delays in the movement of ship traffic on our 45-mile channel. As you well know, the movement of ships into and out of ports is tightly choreographed and any disruption in schedules impacts the overall supply chain. Our Port, along with our tenants, service providers and various industries delivers a broad assortment of goods and services to the Central Florida region, including 35 million tons of cargo, 17.3 million tons of petroleum, and cruise capacity for over 1.6 million passengers.

As to my earlier comments about reducing inefficiencies, anything your subcommittee can do to support the Coast Guard in reducing procurement regulations and the deployment of this important equipment would help ports like ours speed the recovery from natural disasters and get us back to full capacity just as soon as possible.

Thank you for your time, your consideration, and your pivotal role in shaping the future of our nation's maritime industry and infrastructure. Your work in supporting America's supply chain supports the development of robust international trade routes and fosters the more efficient movement of goods and services throughout our nation.

Mr. EZELL. Thank you, Mr. Anderson.

We now recognize Mr. Joe Rella of St. Johns Ship Building Incorporated. You are recognized for 5 minutes for your testimony.

TESTIMONY OF JOE RELLA, PRESIDENT, ST. JOHNS SHIP BUILDING, INC., ON BEHALF OF THE SHIPBUILDERS COUNCIL OF AMERICA

Mr. RELLA. So that was good, 10 seconds remaining. I hope I will be as good with that.

Chairman Ezell, Ranking Member Carbajal, and distinguished members of the subcommittee, thank you for the opportunity to testify today on behalf of the U.S. shipyard industry.

My name is Joe Rella. I am president of St. Johns Ship Building based in Palatka, Florida. I am here to discuss the critical role U.S. shipyards play in America's Marine Transportation System, the economic impact of our industry, the importance of investment in maritime infrastructure, and the state of the U.S. shipbuilding industrial base.

Before diving in, I would like to share a bit about myself and St. Johns Ship Building. I am a former enlisted U.S. Navy Nuclear Power School graduate with degrees from the U.S. Merchant Marine Academy in marine engineering and Spring Hill College; MBA, Spring Hill in Mobile, Alabama. I received a commission in the Navy Reserve upon graduation from the Merchant Marine Academy.

I have sailed in the U.S. merchant marine as a licensed engineer and participated in the strategic sealift supporting Operation Desert Shield. My experience in shipbuilding and repair includes U.S. Navy and commercial vessels and both blue and brown water service. I am a former president and chief operating officer at Austal USA, and now president of St. Johns Ship Building.

St. Johns Ship Building is a full-service shipbuilding and marine repair company specializing in new construction and repair of a wide variety of aluminum and steel vessels. While the shipyard's history has been primarily commercial, we recently were awarded a contract with the U.S. Army Corps of Engineers for two stop-log barges, which signifies our entry into supporting the U.S. Government with new construction and repair service.

The U.S. shipyard industry is diverse and operates in several sectors, including Government new construction, Government repair and modernization, commercial repair and modernization, and commercial new construction. According to the Maritime Administration, there are 120 active shipyards in the United States spread across 27 States, with shipyard-related and induced jobs touching all 50 States. Shipyard companies have diversified their waterfronts to contribute to multiple sectors, and some are also utilizing their skilled workforce to contribute to nonmaritime construction.

A 2021 study by the U.S. Maritime Administration found that the industry supports more than 390,000 direct and indirect jobs across the United States and contributes \$42.2 billion annually to the GDP.

From our industry's perspective, the Jones Act is absolutely essential to the commercial shipbuilding sector. The Jones Act, which comes at no cost to the Government, helps maintain a merchant marine to carry out our domestic waterborne commerce. The law also ensures that the U.S. maintains critical shipyard infrastructure and an associated skilled workforce that can build, repair, modernize, and maintain more than 40,000 vessels of the domestic

Jones Act fleet. This industrial base also ensures there is sufficient workforce to support the construction and repair of our critical national security fleets.

U.S. shipyards build some of the most technologically advanced vessels in the world. For example, the world's first LNG-powered containership was built in the U.S. and is now serving the Puerto Rican trade. Our shipyards also build world-class offshore service vessels for oil and gas exploration, offshore wind development and production, and vessels of all types for the Coast Guard, and the most advanced and lethal fleet for the United States Navy.

As we look at the current state of the U.S.-flag maritime industry, we need to ask ourselves what's next. At the end of the 118th Congress, bipartisan and bicameral legislation was introduced, the SHIPS for America Act, sponsored by Senator Mark Kelly, Senator Todd Young, Congressman Trent Kelly, Congressman John Garamendi, and Congressman Mike Waltz, who happened to be our Congressman at the time.

The proposed legislation would provide for the first time a national maritime strategy to grow the entire maritime industrial base, from shipbuilding to maritime logistics to the merchant mariner workforce. The bill proposed the construction of a fleet of strategic commercial assets, including 250 vessels for international commerce and 100 tankers for the Tanker Security Program, among many other legislative proposals to better support the U.S. maritime industry and infrastructure for the education facilities that are in dire need of infrastructure improvement, such as the Merchant Marine Academy.

If we were to undertake such a shipbuilding campaign, there will need to be substantial expansion in both shipyard facilities and workforce. Private industry will make the commitment based on the signals provided by the Congress and the administration and the legal certainty provided under this comprehensive legislative proposal.

In conclusion, the U.S. shipyard industry plays a vital role in supporting the Nation's economic and national security needs. Continued investment in maritime infrastructure and support for the domestic shipbuilding industrial base, including the Jones Act build requirement, is essential for maintaining a robust and competitive maritime industry. I urge the subcommittee to continue its support for these critical initiatives.

Thank you for the opportunity to testify today. I look forward to answering any questions that you may have. And I have 1 minute and 16 seconds to go.

[Mr. Rella's prepared statement follows:]

**Prepared Statement of Joe Rella, President, St. Johns Ship Building, Inc.,
on behalf of the Shipbuilders Council of America**

Chairman Ezell, Ranking Member Carbajal and distinguished members of the Subcommittee, thank you for the opportunity to testify today on behalf of the U.S. shipyard industry. My name is Joe Rella, and I am President of St. John's Shipbuilding based in Palatka, Florida. I am here to discuss the critical role U.S. shipyards play in America's Marine Transportation System (MTS), the economic impact of our industry, the importance of investment in maritime infrastructure, and the state of the U.S. shipbuilding industrial base.

Before diving into the above testimony, I would like to share a bit about myself and St. Johns Ship Building.

I am a former enlisted US Navy Nuclear Power School graduate. I was selected to attend the US Merchant Marine Academy in Kings Point, NY, and graduated with a degree in Marine Engineering Systems. I am also a graduate of Spring Hill College with an MBA. I have sailed in the US Merchant Marine as a licensed engineer and participated in the strategic sealift supporting Operation Desert Shield. I have literally sailed around the world on US-flagged merchant Ships. My experience in shipbuilding and repair includes US Navy and commercial vessels and both blue and brown water service. I am a former President and Chief Operating Officer of Austal USA and now President of St. Johns Ship Building.

St. Johns Ship Building is a full-service shipbuilding and marine repair company specializing in the new construction and repair of a wide variety of aluminum and steel vessels. We are located on the Southeast Coast with excellent access to the Mid-Atlantic and New England as well as the Caribbean and Gulf Coast. Our facility sits on a beautiful, partially wooded site along the St. Johns River in Putnam County, Florida, approximately 68 miles south of Jacksonville, Fla. The St. Johns River is easily accessible to the Intracoastal Waterway and opens to the Atlantic Ocean at Jacksonville, Florida. While the shipyard's history has been primarily commercial, we recently were awarded a contract with the US Army Corps of Engineers for two Stop Log Barges, which signifies our entry into supporting the US Government with new construction and repair services.

The U.S. shipyard industry is diverse and operates in several sectors, including government new construction, government repair and modernization, commercial repair and modernization, and commercial new construction. According to the Maritime Administration (MARAD), there are 120 active shipyards in the United States spread across 27 states, with shipyard-related and induced jobs touching all 50 states. Shipyard companies have diversified their waterfronts to contribute to multiple sectors, and some are also utilizing their skilled workforce to contribute to non-maritime construction efforts.

A 2021 study by the U.S. Maritime Administration¹ found that the industry supports more than 390,000 direct and indirect jobs across the United States and contributes \$42.2 billion annually to GDP.²

From our industry's perspective, the Jones Act is absolutely essential to the commercial shipbuilding sector. The Jones Act, which comes at no cost to the U.S. government, helps maintain a merchant marine to carry our domestic water-borne commerce. The law also ensures that the U.S. maintains critical shipyard infrastructure and an associated skilled workforce that can build, repair, modernize and maintain the more than 40,000 vessels of the domestic Jones Act fleet. This industrial base also ensures there is a sufficient workforce to support the construction and repair of our critical national security fleets.

U.S. shipyards build some of the most technologically advanced vessels in the world. For example, the world's first LNG-powered containership was built in the U.S. and is now serving the Puerto Rican trade. Our shipyards also build world-class offshore service vessels for oil and gas exploration, offshore wind development and production and vessels of all types for the Coast Guard, and the most advanced and lethal fleet for the United States Navy.

SHIPYARDS & AMERICA'S MARINE TRANSPORTATION SYSTEM (MTS)

America's Marine Transportation System (MTS) is a vast network that includes approximately 25,000 miles of navigable waterways and over 300 commercial maritime ports containing more than 3,500 marine terminals. This system is essential for the movement of people and cargo throughout the nation, supporting nearly \$2.9 trillion in Gross Domestic Product (GDP) in 2024. Ports and the maritime industry are major economic drivers, hosting vital intermodal connections that facilitate the movement of goods along the national supply chain and enable the exportation of domestically produced goods to foreign markets. The maritime industry is also the most economical form of domestic transportation, moving more than 1 billion tons of cargo annually at a fraction of the cost of other modes.

Each port complex includes marine terminals that handle cargo loading and unloading. These terminals can be operated by port authorities or private companies leasing from port authorities. The MTS also includes tens of thousands of miles of

¹ <https://www.maritime.dot.gov/sites/marad.dot.gov/files/2021-06/Economic%20Contributions%20of%20U.S.%20Shipbuilding%20and%20Repairing%20Industry.pdf>
[Editor's note: There is no footnote 2.]

navigable waterways, where more than 40,000 U.S. vessels, like the one my company builds, maintains and modernizes, operate in domestic waterborne commerce.

UNITED STATES SHIPBUILDING AND SHIP REPAIR INDUSTRIAL BASE

The United States shipbuilding and ship repair industrial base is underpinned by the Jones Act, which requires vessels participating in coastwise trade to be U.S.-owned, U.S.-crewed, and U.S.-built. This legislation supports domestic shipbuilding capacity and prevents the loss of strategic capabilities.

To support the industry, MARAD administers financial assistance programs such as the Small Shipyard Grant Program, the Federal Ship Financing Program (Title XI), and the Capital Construction Fund and Construction Reserve Fund Programs. These programs provide grants, loans, and tax deferral benefits to increase shipyard competitiveness and encourage the construction of commercial vessels in U.S. shipyards.

Additionally, the Jones Act sustains a competitive domestic market for carriers, operators, and shipyards. However, when the Jones Act is not enforced or is undermined by shortsighted policies, it can have detrimental effects on the broader domestic maritime industry and U.S. job creation.

For example, a 2017 decision by the Customs and Border Protection (CBP) allowed certain foreign-built, foreign-crewed, and foreign-owned offshore supply vessels to operate in violation of the Jones Act. This decision led to the cancellation of numerous construction contracts for new “Made in the U.S.A.” vessels due to the uncertainty introduced by executive actions that contravene Congressional intent. The immediate impact of these cancellations dampens the domestic industry, initiating a vicious cycle where future opportunities may also be reconsidered or rescinded. This not only affects current contracts but also hampers the industry’s ability to invest in its workforce and modernize facilities, making them safer and more efficient.

This issue exemplifies how a decision by an agency to not enforce the Jones Act can adversely impact commercial shipbuilding, reverberating throughout the entire shipyard industrial base. This raises costs and destabilizes the industry’s ability to support national defense requirements. We urge Congress to identify and close existing loopholes in the Jones Act, providing clarity on matters related to visa issues and heavy lift operations that are integral to the success and viability of this critical commercial market.

Rather than undermining the Jones Act and the essential shipbuilding manufacturing sector, the United States government—both the Administration and Congress—should promote policies that actively encourage the expansion of the shipyard industrial base.

Members of this Committee have recognized the potential benefits of ensuring access to our domestic energy and as the United States has emerged as the world leader in energy production, it is crucial that we encourage the transportation of our domestically produced natural resources, including LNG, on U.S. vessels. Policies such as Congressman Garamendi’s Energizing American Shipbuilding Act and the SHIPS for America Act would support this goal.

Implementing such policies would not only help us regain a foothold in the international shipping market, where we have lost ground to heavily subsidized and government-backed shipyards, but it would also have a direct impact on the recapitalization of our strategic sealift fleets. The construction of LNG carrier and petroleum tankers would stabilize the shipyard supplier base and the shipyards themselves, thereby strengthening our overall maritime infrastructure.

Long-term, there needs to be a workforce expansion, and some shipyards will need to reconfigure or expand production lines to meet demands for national security vessel construction and commercial market demands. This can and will be done as required to meet the need if adequate, stable budgets and procurement plans are established and sustained for the long-term. Funding predictability and sustainability, along with fully and consistently enforcing the Jones Act, will allow industry to invest in facilities and more effectively grow its skilled workforce. The development of that critical workforce will take time and a concerted effort in a partnership between industry, the Congress, local governments, and the federal government.

U.S. shipyards pride themselves on implementing state of the art training and apprenticeship programs to develop skilled men and women that can cut, weld, and bend steel and aluminum and who can design, build and maintain the best Navy and Coast Guard in the world, along with our domestic commercial fleet. However, the shipbuilding industry, like so many other manufacturing sectors, faces an aging workforce. Attracting and retaining the next generation shipyard worker for an industry career is critical.

Recent capital investments in private U.S. shipyards total more than \$7 billion and highlight the industry's potential and readiness to meet these demands.^{3 4 5 6}

IMPACT OF CHINESE MARITIME DOMINANCE ON U.S. SHIPYARDS

Recently, the U.S. Trade Representative (USTR) concluded an investigation under Section 301 of the Trade Act of 1974, finding that China's targeted dominance in the maritime, logistics, and shipbuilding sectors is unreasonable and burdens or restricts U.S. commerce. The investigation revealed that China's policies have significantly displaced U.S. shipyards in the global market.

In 1975, the United States ranked number one in commercial shipbuilding, constructing over 70 ships annually. Today, the U.S. ranks 19th, building fewer than five ships each year, while China builds more than 1,700 ships annually.⁷

China's dominance is driven by extensive state support and control over its shipbuilding industry, which undermines fair, market-oriented competition. This dominance has led to a significant reduction in business opportunities and investments in the U.S. maritime sector, creating economic security risks and dependencies on Chinese-controlled supply chains. The USTR's findings underscore the urgent need for responsive actions to invest in and strengthen the U.S. shipbuilding industry to counter these challenges.

NATIONAL MARITIME STRATEGY

As we look at the current state of the U.S. flag maritime industry, we need to ask ourselves "what's next." At the end of the 118th Congress, bi-partisan, bi-cameral legislation was introduced titled the "Shipbuilding and Harbor Infrastructure for Prosperity and Security for America Act" (SHIPS Act) sponsored by Senator Mark Kelly, Senator Todd Young, Congressman Trent Kelly, and Congressman John Garamendi and Congressman Michael Waltz.

The proposed legislation would provide for the first time a national maritime strategy to grow the entire maritime industrial base from shipbuilding, to maritime logistics to the merchant mariner workforce. The bill proposed the construction of a fleet of strategic commercial assets, including 250 vessels for international commerce and 100 tankers for the Tanker Security Program, among many other legislative proposals to better support the U.S. maritime industry.

If we were to undertake such a shipbuilding campaign, there will need to be substantial expansion in both shipyard facilities and workforce. Private industry, as I noted above, will make that commitment based on the signals provided by the Congress and the Administration and the legal certainty provided under this comprehensive legislative proposal.

AUTONOMOUS MARITIME TECHNOLOGIES

The development of autonomous maritime technologies presents both opportunities and challenges for the MTS. These technologies have the potential to increase efficiency and reduce operational risks but require a stable regulatory framework to ensure their safe integration. The International Maritime Organization (IMO) is conducting regulatory scoping exercises to develop guidelines for incorporating autonomous technologies into regulatory frameworks.

Stable and consistent guidance from these agencies are critical to enable the U.S. maritime industry to invest in these new technologies and incorporate them into our future commercial and government fleets.

CONCLUSION

In conclusion, the U.S. shipyard industry plays a vital role in supporting the nation's economic and security needs. Continued investment in maritime infrastructure, support for the domestic shipbuilding industrial base, and the development of autonomous maritime technologies are essential for maintaining a robust and com-

³ <https://breakingdefense.com/2023/04/fincantieri-finishing-300m-shipyard-renovations-a-big-bet-on-the-us-navys-frigate-plans/>

⁴ https://www.gdeb.com/news/news_archives/2022archives.html

⁵ <https://news.clearancejobs.com/2024/04/19/secnav-urges-defense-contractors-to-invest-in-u-s-shipyards-to-enhance-navy-capabilities/>

⁶ <https://www.madeinalabama.com/2024/07/austal-to-add-over-1000-jobs-with-expansion-of-mobile-shipyard/>

⁷ <https://ustr.gov/about-us/policy-offices/press-office/press-releases/2025/january/ustr-finds-chinas-targeting-maritime-logistics-and-shipbuilding-sectors-dominance-actionable-under>

petitive maritime industry. I urge the Subcommittee to continue its support for these critical initiatives.

Thank you for the opportunity to testify today. I look forward to answering any questions you may have.

Mr. EZELL. You took some of his time. Thank you.

The Chair now recognizes Mr. Reynolds with Seasats. You are recognized for 4½ minutes for your testimony.

**TESTIMONY OF TOM REYNOLDS, CHIEF STRATEGY OFFICER,
SEASATS, ON BEHALF OF THE ASSOCIATION FOR
UNCREWED VEHICLE SYSTEMS INTERNATIONAL**

Mr. REYNOLDS. Chairman Ezell, Ranking Member Carbajal, and distinguished members of the subcommittee, thank you for the opportunity to testify today. I am Tom Reynolds, the chief strategy officer at Seasats, Inc., a small business based in California which develops and manufactures unmanned surface vessels for defense, scientific, and commercial customers.

I am a member of the Association for Uncrewed Vehicle Systems International, on their board of directors, and the founder and the first chairman of AUVSI's Maritime Advocacy Committee.

I am testifying today on behalf of AUVSI, the world's largest not-for-profit organization dedicated to the advancement of uncrewed systems, autonomy, and robotics.

By way of background, I have over 22 years of operational and developmental experience with maritime unmanned systems. I am a retired U.S. Navy explosive ordnance disposal officer and surface warfare officer, a former EOD branch chief at Joint Special Operations Command, a former 5th Fleet EOD and diving task commander, a former 5th Fleet maritime intelligence task commander, and the former commanding officer of the world-famous deep sea divers at Mobile Diving and Salvage Unit 2 in Little Creek, Virginia.

I became involved with unmanned systems as a member of an experimental Navy-Marine Corps unit established in the late nineties. I began working with them in 2002 to develop new unmanned underwater vehicles, which I then planned and executed their first combat use in 2003 during the invasion of Iraq. I went on to conduct five additional combat tours in Iraq and a few more combat deployments to other locations in 2012. Notably, all of these included the use of unmanned systems, maritime, air, and ground.

I now have 13 years in industry. All of these have been dedicated to the design and manufacture of maritime robotic and unmanned systems with the end user in mind. I have served as an executive in the largest unmanned underwater vehicle company in the world, as an executive with the leading U.S. shipbuilder, and now with a terrific small business there in southern California, Seasats, Inc.

What I hope to express in this testimony is that robotic systems have a value to the United States in the maritime domain, that regardless of views or our position on them, our competitors are developing and deploying them faster and more effectively than we are, because they have recognized this value. Yet, our current regulatory framework has not kept up with this advance in technology, and our current rules are impeding the development and operation of a modern maritime economy.

In addition, the principal leader in our national maritime regulatory framework, the U.S. Coast Guard, operates no robotic or autonomous ships or boats or underwater vehicles of its own, zero. It is unfair to expect that our Coast Guard can effectively regulate something it has not been equipped to experience itself.

Finally, on behalf of AUVSI, I offer our association's full support and commitment to work with the Government to develop responsible standards for safety certification, updated to the rules of the road, as well as support the development of a workforce needed in this modern maritime economy.

Thank you, and I am looking forward to your questions.
[Mr. Reynolds' prepared statement follows:]

Prepared Statement of Tom Reynolds, Chief Strategy Officer, Seasats, on behalf of the Association for Uncrewed Vehicle Systems International

INTRODUCTION

Thank you for the opportunity to testify today on the critical topic of our nation's maritime infrastructure. My name is Tom Reynolds, and I am the Chief Strategy Officer at Seasats and a Board Director with the Association for Uncrewed Vehicle Systems International (AUVSI). Seasats builds and operates high-endurance, user-friendly autonomous surface vehicles (ASVs) that collect data for defense, research, and commercial customers. I am testifying today on behalf of AUVSI, the world's largest nonprofit organization dedicated to the advancement of uncrewed systems, autonomy, and robotics. In addition to serving on the AUVSI Board of Directors, I am the founder of the association's Maritime Advocacy Committee (MAC), which represents more than sixty (60) companies in the robotics and autonomous systems (RAS) maritime domain. AUVSI represents a diverse range of stakeholders, including manufacturers, operators, and policymakers focused on integrating RAS across the air, land, and maritime domains and I am honored to sit on their Board.

I appreciate the Subcommittee's leadership in examining how our maritime infrastructure can support innovation, enhance safety, and strengthen economic growth. By way of background, I have over 22 years of operational and developmental experience with maritime unmanned systems.

I am a retired U.S. Navy Explosive Ordnance Disposal (EOD) Officer and the former Commanding Officer of the EOD and Diving Task Group in 5th Fleet and EOD Branch Chief at Joint Special Operations Command. I first began operating maritime robotics and autonomous systems (MRAS) in an experimental unit developing them in 2002 and led their first use in combat in 2003. I went on to conduct six (6) deployments to Iraq between 2003 and 2011, all of which included unmanned systems (maritime, ground or air).

I now have thirteen (13) years in industry dedicated to the design and manufacturing of MRAS. I was an executive in the largest unmanned underwater vehicle (UUV) company in the world and an executive with a leading U.S. shipbuilder.

My experiences in combat with uncrewed systems have forged in me a dedication to ensuring that as a nation, we lead the world in the integration of RAS to do the dirty, dangerous, and dull tasks, so that our men and women in uniform conducting important public safety and transportation missions are safeguarded from harm.

This is a very dynamic time for the U.S. Coast Guard (USCG). Recently, the Commandant was relieved. Shortly thereafter, the service was directed to initiate their biggest surge operation since World War II and more significant changes are predicted in the coming weeks. At present, the USCG is in lockdown status and recently conducted a daylong 3 and 4-Star Leadership Conference to assess immediate and long-term strategies.

With significant changes anticipated, I believe we have the opportunity to accelerate and integrate readily available RAS capabilities to meet the USCG's diverse mission needs and requirements. We must lay the groundwork for underwater, surface, and aerial autonomous capabilities coupled with budget needs in support of encouraging the USCG's autonomous strategy completion and ensuring they have sufficient budget to test and implement their strategy.

As I mentioned before, I am testifying on behalf of AUVSI today. I, as a longtime AUVSI member with various companies and a current Board Member, commit the

association to working with you to ensure that the United States has a robust maritime infrastructure and to ensure that the USCG has the resources it needs to be successful in achieving its mission and integrating autonomous technologies to supplement our men and women in uniform. It will be critically important for this Subcommittee to have robust oversight over the USCG, Maritime Administration (MARAD), and others as they develop key regulations. AUVSI is an important stakeholder to ensure industry's voice is heard when developing those key regulations moving forward and I encourage the members of this Subcommittee to take any and all opportunities to work with them and their members.

OUTDATED REGULATIONS AND THE U.S. MRAS INDUSTRY

Existing regulations are not compatible with the state of technology in the maritime industry. Currently, many of the regulations governing maritime operations result from centuries of maritime tradition of crewed vessels and do not adequately address the unique characteristics and operational requirements of MRAS. Until this is remedied, U.S. maritime regulations will continue to perpetuate uncertainty for manufacturers, operators, and investors, discouraging innovation and slowing the adoption of these transformative technologies.

Specifically, regulations need to be updated to address three key areas—development, certification, and the operation of MRAS.

1. *Development*: Current regulations require businesses to spend a significantly greater amount to test at sea than our international competition. Industry needs a testing regime at sea where MRAS can operate with no chase vessels, no human “lookouts”, and limited liability.
2. *Certification*: Despite all the advances in sensors, artificial intelligence, and robotic reliability, regulations do not address a clear path to certifying MRAS for operations.
3. *Operation*: Industry has developed the ability to use MRAS safely and effectively for fisheries, hydrography, oil/gas, subsea mining, and environmental studies, however regulations restrict or lack clarity on how to operate these systems at sea.

THE ROLE OF MRAS IN MODERNIZING MARITIME INFRASTRUCTURE

The introduction of MRAS is transforming the maritime transportation system (MTS). MRAS enhance efficiency, improve safety, and contribute to economic and environmental sustainability. However, realizing their full potential requires addressing key infrastructure, supply chain, and regulatory challenges.

1. *Port Infrastructure Development and Protection*:

Ports and harbors face constant challenges from harsh marine environments and vessel activity, with underwater structures, including quay walls, pier supports, jetties, cables, and pipelines, at particular risk from corrosion, marine growth, and damage from ship traffic. MRAS operations can significantly augment existing inspection and security infrastructure, promoting resiliency and safety. However, many ports lack the facilities to support MRAS operations, including dedicated berths for MRAS, charging and fueling stations, and data integration systems. Programs like the Port Infrastructure Development Program (PIDP) and Rebuilding American Infrastructure with Sustainability and Equity (RAISE) grants are crucial to ensuring ports can accommodate both traditional and autonomous systems. Targeted investments can accelerate the deployment of MRAS, ensuring they seamlessly integrate with existing infrastructure and operational frameworks. Investments in UUVs and USVs are vital for critical infrastructure monitoring because they can operate autonomously in hard-to-reach and hazardous underwater environments.

2. *Aids to Navigation (ATONs)*:

As MRAS adoption increases, our navigation systems must evolve. Modernizing ATONs to include digital and autonomous communication systems will ensure MRAS can navigate safely and efficiently alongside manned vessels. The USCG's ongoing efforts in this area are critical, but additional resources are needed to expedite these advancements and procure and operate MRAS safely. The advancement of radar systems, automatic identification system (AIS) base stations, communication systems (e.g., satellites, radio systems, and camera clusters), and integrated bridge systems are important for the MRAS market to integrate into the manned fleets.

3. *Workforce Development and Standards:*

The rapid integration of MRAS into the MTS brings tremendous opportunities for innovation and cost saving efficiencies. However, it also underscores a critical need for standardized training and certification programs for operators. Inconsistencies in training, safety protocols, and operational procedures hinder the full potential of MRAS technologies, potentially compromising safety, efficiency, and public trust.

Industry-driven standards for MRAS training and certification are essential to addressing these challenges. Such standards create consistency across the sector, ensuring operators are equipped to handle complex missions while minimizing the risks of fragmentation and variability in training quality. By providing a unified framework, industry-led initiatives can enhance the safety and effectiveness of MRAS operations while fostering trust among stakeholders.

AUVSI is taking proactive steps to address this gap through its MRAS Training & Certification Program. This collaborative initiative brings together stakeholders from industry, academia, and government to develop common standards for safe and effective MRAS operation. The program aligns training with operational realities, safety requirements, and technological advancements, establishing a reliable foundation for workforce development across the sector.

Adopting an industry-driven program like AUVSI's offers numerous benefits, including the creation of a robust, industry-tested standard that can serve as a foundation for regulatory frameworks. These standards ensure that all MRAS professionals meet rigorous safety and operational criteria, providing consistency across training programs and practices. By aligning with proven methodologies, such a program offers regulators a practical, well-vetted model to incorporate into formal policies, streamlining the regulatory process and reducing duplication of effort.

Industry-tested standards also build public and regulatory trust by demonstrating a commitment to professionalism, safety, and accountability. They provide assurance that the MRAS sector is proactively addressing operational risks and prioritizing safety, which are critical factors for public acceptance of these technologies. Additionally, regulatory agencies can leverage these standards to create flexible policies that accommodate the rapid pace of technological advancement in the MRAS industry.

These standards enhance interoperability across platforms and organizations, a key requirement for operations in multi-stakeholder environments such as ports, defense applications, and disaster response efforts. Standardized procedures reduce the risk of miscommunication, operational errors, and inefficiencies, enabling smoother and safer collaboration. This interoperability is particularly vital in scenarios involving coordination across multiple jurisdictions or agencies, where consistent practices are essential.

Incorporating industry-driven standards into regulatory frameworks ensures that MRAS operations are not only safe and efficient, but also scalable. This approach supports the gradual expansion of MRAS technologies into new use cases and operational environments while maintaining oversight and public confidence. AUVSI's MRAS Training & Certification Program demonstrates the potential of this approach, offering a trusted model for accelerating the safe and effective integration of MRAS into the MTS.

These efforts will not only enhance operational readiness but also position the U.S. as a global leader in RAS, innovation, and workforce development.

4. *Shipbuilding and MRAS:*

The current state of U.S. shipbuilding presents a significant challenge to maintaining maritime infrastructure and operational readiness, particularly in producing large, crewed naval combatants. Shipyards across the nation are behind schedule for both building and maintenance. Traditional submarine shipyards/drydocks are at capacity as well. MRAS provides critical and practical support to this crisis. For both commercial and defense operations, MRAS are ultimately more cost-effective vessels which can be built far more rapidly and at a fraction of the cost compared to traditional ships and warships. Unlike the constrained capacity of specialized shipyards required for building exquisite crewed naval combatants, the industrial base for USVs, UUVs, and undersea warfare crewed capital assets (e.g. SSNs)—from speedboats to two hundred (200)-foot ships—has far greater flexibility, with shorter lead times for supply chain components such as engines, electronics, and propulsion systems. MRAS offer procurement savings, lifecycle savings, scalability, adaptability, resilience and can be attritable—all differentiators in comparison to crewed undersea capital assets.

It is also important to note that the disparity in shipbuilding capacity between the United States and China is significant and has strategic implications for U.S. commercial and defense leadership. China's shipbuilding industry has a capacity ap-

proximately two hundred thirty two (232) times greater than that of the United States, enabling rapid expansion of its commercial maritime and naval capabilities.¹ According to a 2024 report by the Congressional Research Service (CRS), China's Navy is the largest in the world, with a battle force of over three hundred seventy (370) platforms, including major surface combatants, submarines, and aircraft carriers.² This fleet is expected to grow to three hundred ninety five (395) ships by 2025 and four hundred thirty five (435) by 2030.³ In contrast, the U.S. Navy had two hundred ninety six (296) battle force ships as of August 2024, with projections to slightly decrease to two hundred ninety four (294) ships by 2030.⁴ This vast industrial capacity allows China to build over 40% of large ocean-going vessels manufactured globally each year, totaling over one thousand (1,000) ships annually, compared to approximately ten (10) per year by the United States.⁵

Additionally, the supply chains that enable domestic shipbuilding face critical vulnerabilities, especially to Chinese extortion and export controls. For example, the United States is significantly dependent on China for rare earth magnets, which are essential components in the propulsion and guidance systems in every commercial and military vessel. There are currently no qualified domestic rare earth magnet manufacturers in the United States. The U.S.' ability to ensure a resilient shipbuilding base and maintain operational readiness requires significant attention and investment to onshore manufacturing of critical components like rare earth magnets.

This substantial difference in shipbuilding capacity underscores the challenges faced by the U.S. in maintaining naval parity and highlights the strategic advantage held by China in maritime manufacturing. Investing in the scaled production of MRAS platforms can significantly enhance operational readiness while addressing supply chain constraints that currently hinder the production of larger crewed vessels. By integrating MRAS platforms into the shipbuilding framework, we can expand the operational capacity and resilience of our naval fleet in a cost-efficient and timely manner. Simply put, MRAS do not replace current technologies and operations but rather enhance them.

5. Security of Maritime Infrastructure:

With power and communication cables, energy pipelines, and vital installations crisscrossing the seafloor, the need for continual monitoring and robust inspection practices is paramount. The maritime industry has over thirty (30) plus years with MRAS solutions to support subsea infrastructure protection. Investments should focus on industry solutions, especially UUVs and USVs, which are ideal for critical infrastructure monitoring because they can operate autonomously in hard-to-reach and hazardous underwater environments.

UUVs can offer long duration, sustained presence, and a rotational force Concept of Operations (CONOPS) model for protection of critical undersea infrastructure protection. We have seen threats and vulnerabilities in the Baltic region and the North Atlantic Treaty Organization's (NATO) response with expensive crewed assets. There is significant opportunity for an uncrewed undersea presence and response with life cycle savings.

6. Maritime Innovation:

The James M. Inhofe National Defense Authorization Act (NDAA) for Fiscal Year 2023 directed the Secretary of Transportation, through a competitive cooperative agreement, to establish a United States Center for Maritime Innovation (USCMI) to support the study, research, development, assessment, and deployment of emerging marine technologies and practices related to the MTS. Maritime innovation has been chronically underfunded and often supported in silos by government agencies related to the U.S. MTS according to individual agency priorities. The U.S. maritime industry stakeholders have had challenges in developing and maintaining high priority research agendas that address issues key to government and industry and executing aligned portfolios of research projects that engage multi-disciplinary, multi-organizational expertise that transcend parochial interests of individual institutions, organizations, and companies.

The USCMI presents a unique opportunity to help build research priority alignment among government agencies and with industry, academia, and other stake-

¹ Congress.gov. Library of Congress: <https://www.congress.gov/118/meeting/house/117481/witnesses/HHRG-118-ZS00-Wstate-PaulS-20240626.pdf>

² CRS Report: <https://crsreports.congress.gov/product/pdf/RL/RL33153>

³ CRS Report: <https://crsreports.congress.gov/product/pdf/RL/RL33153>

⁴ CRS Report: <https://crsreports.congress.gov/product/pdf/RL/RL33153>

⁵ Brookings: <https://www.brookings.edu/articles/to-expand-the-navy-isnt-enough-we-need-a-bigger-commercial-fleet>

holders to best advance the interests of a more competitive, safe, secure, and environmentally friendly MTS. The USCMI also provides the collaborative forum to approach research in a new way—not just issuing competitive grants/contracts for project execution, but rather formulating collaborative teams that bring together diverse stakeholders in new ways. The USCMI has been authorized and established, but needs additional funding to execute meaningful research, development, and demonstration projects in partnership with the industry to drive results for the nation.

INVESTING IN U.S. MARITIME LEADERSHIP

A robust U.S. maritime infrastructure is a cornerstone of economic and national security. As we modernize our ports, shipbuilding capacity, and regulatory systems, we must ensure that uncrewed systems are fully integrated into these efforts. Strategic investments in MRAS technology, workforce development, component supply chains, and infrastructure will position the United States as a leader in this transformative industry.

CONCLUSION

MRAS are entering the market on a global scale. These systems will be operating at sea regardless of the United States' participation in this technological evolution. As outlined above, this is for a good reason—MRAS offer unparalleled opportunities to enhance safety, efficiency, and sustainability in maritime operations while strengthening U.S. competitiveness and national security.

Until maritime regulations are updated to include the safe and responsible development, certification, and operation of USVs and UUVs, the United States shall remain a follower in the development of this technology.

AUVSI and its members are committed to partnering with Congress, federal agencies, and industry leaders to ensure the development of a robust ecosystem that supports the integration of these systems into our nation's maritime infrastructure.

With your continued leadership and support, the United States can solidify its position as a global leader in maritime innovation and maintain the strength and resilience of its MTS.

Mr. EZELL. Thank you. The gentleman yields.

I now finally recognize Mr. Brian Schoeneman with Seafarers International Union of North America. You are recognized for 5 minutes.

TESTIMONY OF BRIAN W. SCHOENEMAN, POLITICAL AND LEGISLATIVE DIRECTOR, SEAFARERS INTERNATIONAL UNION OF NORTH AMERICA, ON BEHALF OF USA MARITIME

Mr. SCHOENEMAN. Welcome aboard, Chairman Ezell, and thank you, Ranking Member Carbajal and the rest of the Coast Guard Subcommittee for holding this hearing.

My name is Brian Schoeneman, and I serve as political and legislative director for the Seafarers International Union. I am also chair of USA Maritime, the coalition of shipping companies, associations, and unions that make up the fully manned U.S.-flag internationals.

The goal of this hearing is to discuss the current state of our maritime infrastructure. I would rate our infrastructure a solid "C." There is much work to be done if we are going to catch up to the rest of the world, particularly China, who has invested billions, if not trillions, into their maritime sector.

In less than 30 years, China has emerged as the dominant commercial maritime power. They are the world's largest shipowner. They are the world's largest shipbuilder, and they control most of the world's trailer chassis, maritime cranes, and shipping container supply.

In that same time period, the United States has invested a pittance. And our industry scrambles each year to convince Congress to spend the money needed to adequately fund our handful of Government programs, like the Maritime Security Program. I would ask each of you to join us in that effort this year so that Congress will again give us full funding for these programs.

Now, while we aren't failing when it comes to our infrastructure, we are on the brink of failure. Why? Because we, as a Nation, have not made maritime a priority. Our strategic opponents have, and the proof is all around us.

So how do we fix it? Fortunately, we have all the tools we need. We just need to use them. America needs more mariners, we need more cargo, and we need more ships of all types, from icebreakers and fireboats to oceangoing commercial vessels. We can fix these problems by making maritime a priority again, like it has been in our past.

We continue to work hard to solve our current mariner shortage. Even before COVID-19 made a bad problem worse, the industry was focused on recruitment and retention. Since COVID, we have worked hard to claw back our losses and bring new mariners into the fleet. Some of this required legal changes, including a pilot program that helped us cut the time needed to create able seafarers in half, which we urge Congress to make permanent. The rest required a change in how we recruit.

The world has changed. In the past, the merchant marine sold itself: See the world, visit exotic locations, and get paid to do it. That was the message, and it brought in all the mariners we needed.

Today, your average mariner doesn't care nearly as much about pay or where they are going. They are more likely to ask, is there Wi-Fi on the ship? Quality of life more than anything else is the name of the game now.

Where we train mariners also needs work, and Joe alluded to this. The United States Merchant Marine Academy needs significant investment to repair crumbling infrastructure. And while our private sector training schools, particularly our union schools, are world class, Kings Point and the various State academies have long suffered from too little attention, a lack of funding, and declining enrollments.

When it comes to ships, we are not living up to our aspirations. Current law says America must have a merchant marine sufficient to carry a substantial portion of our waterborne foreign commerce. We don't do this. Our fleet carries less than 2 percent of our foreign commerce and represents less than 0.4 percent of the world's shipping fleet.

We saw the damage overreliance on foreign shipping creates during the most recent supply chain crisis. More U.S.-flag market share will help to strengthen the resilience of our national supply chain.

The Jones Act keeps our domestic industry strong, but we have no such protections for the international fleet. American ships have become too dependent on Government cargo. This cargo is barely enough to maintain the handful of ships we currently have. Defense cargo is down, as we are supporting fewer warfighters across

the globe. And in one of the first acts of the new administration, they suspended foreign aid cargo.

Let me be clear. There is no more “America First” set of foreign aid programs out there than the Title II P.L. 480 Food for Peace program and the Food for Progress program. These are programs that work. They are programs where you buy food grown by Americans, carried by Americans on American ships to feed hungry people around the world.

Food for Peace supports American mariners and farmers, and it helps expand demand for our products overseas. These aren’t just giveaway programs. These programs must be restarted before it costs us even more ships and jobs than it already has.

America also needs new sources of commercial cargo. The best way to get new cargo, in our view, is the creative use of the Tax Code, providing tax incentives and discriminating tariffs that benefit shippers when they put America first. Like Buy American laws, we want to create ship American incentives that get businesses to contract with U.S. carriers to carry more cargo.

For us to compete against China, we must change our priorities, and it needs to start today. We can’t afford to wait any longer. Each day we wait, the pricetag increases, the potential downside of doing nothing increases, and each day we wait, our strategic opponents grow stronger. The time for half measures and incremental progress is over. We need bold decisive action, and it must be now.

Thank you, and I look forward to your questions.

[Mr. Schoeneman’s prepared statement follows:]

Prepared Statement of Brian W. Schoeneman, Political and Legislative Director, Seafarers International Union of North America, on behalf of USA Maritime

Thank you to the Coast Guard subcommittee, especially Chairman Ezell—welcome aboard—and Ranking Member Carbajal, for holding this hearing today. I’m pleased that the maritime industry, so often forgotten when we talk about transportation infrastructure, is being recognized as part of this America Builds series, and I’m pleased to be able to join my colleagues here to testify before you on this subject today.

My name is Brian Schoeneman, and I am the Political and Legislative Director for the Seafarers International Union (AFL–CIO). In addition to that role, I was elected by my peers to serve as Chairman of USA Maritime, the coalition representing the U.S.-Flag international sailing fleet, made up of ship operators, trade associations and labor organizations owning, operating, crewing and advocating on behalf of the United States Merchant Marine in international commerce. I’m here today wearing both caps, as a representative of maritime labor as well as on behalf of USA Maritime.

Fortunately, I can do this because the interests of everyone in the American international maritime industry align. Since the founding of our republic, and for hundreds of years before America was an independent country, the people who live here have been dependent on foreign commerce. Today is no different. What is different, however, is how little of our international commerce American ships and mariners actually carry. The vessels and crews bringing cargo into the United States, and the vessels’ crews carrying cargo leaving the United States are rarely American. Hundreds of thousands of mariners each year visit ports around the United States, and the vast majority of them hail from East Asia and Eastern Europe.

As the new Administration begins its work, one of the things we’ve seen is a renewed focus on the concept of “America First.” This is a welcome change for the U.S.-Flag international fleet, because, in this industry, America has not been first in quite a long time. While statistics vary, and you can rank the size of our fleet in a variety of ways from vessel types to deadweight tonnage, every ranking usually finds the United States near the bottom in terms of world shipping.

China, on the other hand, is always near the top. A recent study by the United States Trade Representative puts into perspective the relative differences between the United States and China when it comes to maritime. For instance, according to USTR, China's global shipbuilding capacity represents more than 50% of the world's shipbuilding capacity today. In 2023, China built more than 1,000 ocean-going ships—we built fewer than ten. They are now the world's largest shipowner, with 19.1% of the global commercial fleet under their control—less than zero point four percent of the world's ships fly the U.S.-Flag today. Chinese based companies, many of whom have direct ties to the Chinese government, own stakes in 95 overseas ports, including the Panama Canal, and they dominate several other critical maritime infrastructure sectors.

How bad is it? According to the USTR, China produces 86% of the world's trailer chassis, 80% of the world's maritime cranes, and 95% of the world's shipping container supply. China has spent the last thirty years dumping hundreds of billions of dollars into its maritime industry. In that same period, the United States has spent a pittance, and the industry scrambles each year to convince Congress to spend the money needed to adequately fund the Maritime Security Program, Tanker Security Program and various other maritime programs at their fully authorized levels. The industry is in the middle of this effort right now, and we ask the members of his Committee to join us in urging the Appropriations Committee to ensure full funding for MSP, TSP and the other maritime programs that are critical to the continued existence of the United States Merchant Marine.

The goal of this hearing is to discuss the current state of our maritime infrastructure. If I were pressed to give a grade to our maritime infrastructure, I would rate us a solid "C."

We aren't failing, but we are on the brink of failure. In many ways, America's maritime infrastructure is crumbling. Why? Because we, as a nation, have not made maritime a priority. Our strategic opponents have, and the proof is all around us.

Now, to be clear, this is not an insurmountable problem. To paraphrase former President Bill Clinton, there is nothing so wrong with America's maritime industry that it cannot be solved by what is right with our industry. We have some of the smartest, most dedicated people in the world in this industry. We have some of the greatest thinkers, the loudest and most eloquent voices, and tens of thousands of the best merchant mariners on the planet. Working together, we can fix these problems and turn this ship around.

My colleagues who represent ports and shipbuilders can paint a better portrait of their respective areas than I can, so I will defer to their expertise and focus on the areas USA Maritime represents—our maritime workforce and our ship owners and operators.

Besides our shipbuilding capacity and our ports, the United States maritime infrastructure includes all the other aspects of the industry required to make it successful, including the critical role mariners play. How we recruit them, how we train them, how they're paid and their benefits, and how we keep them safe. Another aspect are the ships—not how we build them, but how we operate them, how we keep them sailing, and how we keep them under the American flag. Finally, the cargo that our ships carry—how much, what types, and where it's going. These are the fundamentals of our maritime infrastructure, and we face significant challenges in every aspect of it.

The industry, alongside our colleagues from MARAD and DOD, has been sounding the alarm on our mariner shortage for nearly a decade now. Even before the COVID-19 pandemic exacerbated the problem, we were already facing significant recruitment challenges, with an ageing workforce that was hitting retirement and not enough new blood to replace our losses. As far back as 2017, MARAD has been coming to Congress, citing a shortage of nearly 2,000 trained unlimited tonnage credentialed mariners. COVID made the problem far worse, as retirements spiked and our training programs were shut down. Thanks to some law changes, such as the reduction in the time it takes to create an able seafarer—law changes that were enacted as pilot programs but which we hope will be made permanent—we've begun to claw back the worst of the shortages, but there still remains considerable work to do.

This mariner shortage is not solely an American problem. A 2021 International Chamber of Shipping study indicated the need for an additional 90,000 qualified maritime officers by 2026 to operate the existing world-wide fleet.

How we recruit and retain mariners must change as well, as the world has changed, and the expectations of workers have changed. In the past, the merchant marine sold itself. "See the world, visit exotic locales and ports, and get paid to do it" were the messages, and they were appealing. Today, your average recruit doesn't care nearly as much about how much they'll get paid or where they're going. They're

more likely to ask, “is there WiFi?” or “how’s the food?” Quality of life issues are key, and those are not easily solvable, and it will take a fundamental change in how we recruit mariners and where we put our efforts into retaining them. Providing good paying jobs and good benefits is simply not enough anymore. We also know that many Americans just don’t realize that going to sea is a viable option for them. Since the end of the Second World War there hasn’t been a major recruiting drive for the merchant marine. While we were telling young Americans to “Be All You Can Be,” “Aim High,” and become one of the “Few, the Proud,” we weren’t telling them anything about the merchant marine. Thanks to language in last year’s NDAA, the Navy is tasked with coming up with a recruiting campaign on behalf of the Merchant Marine, and we’re looking forward to working with them on implementing it.

How we train mariners also needs work. The United States Merchant Marine Academy needs significant investment, to repair crumbling infrastructure, buildings in disrepair, and to bring its standards up to those of its sister service academies. While our private sector training schools, especially those run by our maritime unions, are world-class and doing well, King’s Point and the various state maritime academies have long suffered from too little attention, a lack of funding and dropping enrollments. Cal Maritime, for instance, will be shuttering its current campus and moving to Cal Poly’s campus in Solano over the next two years as they merge the two schools together. Our state maritime academies are still paying for the fuel to run their training ships and passing those costs on to their students. And while there are student incentive programs designed to help reduce the cost of these programs for students who want to go to sea, the programs are too small and need to be greatly expanded to help more students. Further, expanding MARAD’s “Centers of Excellence” program for training schools and fully funding it will help expand our ability to train the next generation of merchant mariners.

Shifting away from the mariner question, we move over to ships, how we operate them and how we keep them sailing.

The preface of the Merchant Marine Act of 1936, which remains the current policy of the United States today, states that “[i]t is necessary for the national defense and development of its foreign and domestic commerce that the United States shall have a merchant marine . . . sufficient to carry its domestic water-borne commerce and a substantial portion of the water-borne export and import foreign commerce of the United States and to provide shipping service essential for maintaining the flow of such domestic and foreign waterborne commerce at all times . . .”

We do not do this. We have not done this for decades, if not longer. Our merchant marine carries less than 2% of the waterborne foreign commerce of the United States. We saw the damage our overreliance on foreign shipping had during the supply chain crisis after the pandemic. Ensuring more U.S.-Flag market share for commercial shipping can help to strengthen the resilience of our national supply chain. While our domestic industry remains strong, and the Jones Act is doing its job of protecting our domestic trades from foreign interference, our international sailing fleet has no similar protections and must compete against the rest of the world, where their competition doesn’t have to pay American taxes or comply with the same laws American corporations based here must comply with. The result has been that American ships have become dependent on government impelled cargo—foreign aid, defense cargo, and other government sponsored cargo—to keep our ships sailing.

This cargo is barely enough to maintain the handful of ships currently under the U.S.-Flag. There is definitely not enough to expand the fleet significantly, or even to meet the growing needs the Department of Defense will likely have over the coming decades, especially if we find ourselves in a conflict with a great power. In addition, we have seen significant impacts on these forms of government impelled cargo. Defense cargo is down, as we are supporting fewer warfighters across the globe. Foreign aid cargo has been suspended, and it is likely that many of the ships currently sailing as we speak will be returning to port to be laid up until the futures of USAID, the Food for Peace, and Food for Progress programs are clarified.

Let me be clear—there is no more “America First” set of foreign aid programs out there than the Title II PL 480 Food for Peace program and the Food for Progress program. These are programs, which have been around for more than 70 years, where American food is purchased and shipped on American ships to help feed hungry people and expand demand for American commodities. These programs are some of our best diplomatic tools, and they work. The Philippines were long one of America’s main recipients of Food for Peace shipments, and today they are our third largest market for American wheat. When these programs work, they are not simply giveaways to foreign countries—they are programs that support American farmers

and merchant mariners, and they should be continued, regardless of what happens to USAID.

It's not enough to just hold on to what we currently have, since what we currently have is not enough. If we are to raise the grade on our maritime infrastructure, we must have new sources of cargo—commercial, not government cargo—that we can carry. The best way to bring this about is the creative use of the tax code, providing tax incentives and discriminating tariffs that benefit shippers when they choose to ship American. Like “Buy American” and “Make American” laws, creating “Ship American” tax incentives and discriminating tariffs could incentivize voluntary participation by businesses, large and small, to contract with U.S. carriers so that more commercial cargo moves on American ships, thus supporting American jobs. For too long, the U.S. Merchant Marine has been focused largely on government cargoes, and we cannot continue this trend indefinitely. For American shipping to be commercially viable, we need to be able to compete directly against foreign operators and win. Amending the tax code, for instance, to allow American importers and exporters to deduct up to twice the amount of their transportation costs if they use American ships could help drive demand and increase the cargo available for our ships.

Solving these problems and raising the grade on our maritime infrastructure is not going to be quick or easy. It is going to take a fundamental altering of our national priorities, making maritime one of them. It's going to require the federal government doing something it rarely does well—work together. MARAD, the Coast Guard, the Defense Department, Customs and Border Protection, USDA, the State Department, among others will all need to pull on the same line at the same time if we are to move the needle to improve and make maritime infrastructure more robust.

Fortunately, we have many champions in Congress who understand what needs to be done and are willing to put in the work to get it done. The SHIPS for America Act, a bipartisan piece of legislation soon to be reintroduced, represents one of the largest, most comprehensive pieces of maritime legislation in the last century. Not since the Merchant Marine Act of 1970, or going back even farther to the Act of 1936, has there been a more fundamental rethinking of how we do maritime in American. USA Maritime is proud to endorse the legislation, and we are committed to working with Congress to see its provisions enacted into law.

As you all are aware, the problems we face now are not new. We have faced similar problems before in America and we have overcome similar problems before in America. But each time we've faced them and overcome them, it has been part of a nationwide, concerted effort. There were days, in the United States, where shipping and maritime issues were kitchen table issues. People lived by the water, worked on the water, bought and sold goods via the water, and traveled on the water. If we, as a nation, choose to go the route that China has taken—one where maritime becomes a national priority—we can return the American merchant marine to its primacy of place. We can position US maritime well for the future—as the safest, best managed, best maintained, best choice for maritime transportation in the world.

It has taken China thirty years of intentional effort to dominate world shipping for them to be in the position they are today. It has taken them billions, if not trillions, of dollars to build their shipbuilding capacity and their merchant fleet into the powerhouses they are today. We don't have the luxury of time or their seemingly unlimited resources, so we have to work smarter.

For us to compete against China, to compete on the world stage in the way we used to, it is going to take the combined efforts of the United States government and the private sector, working together in partnership, to arrest this decline and rebuild our maritime infrastructure.

It needs to start today. We cannot afford to wait any longer. Each day we wait, the price tag increases. Each day we wait, the potential downside to doing nothing increases. Each day we wait, our strategic opponents grow stronger. The time for half measures, for incremental progress, is over. We need bold, decisive action and it must be now.

We must work together, *now*, not tomorrow, not the next day, to solve these problems and restore the United States Flag to its rightful place on the waves.

Thank you, as always, for the opportunity to testify.

Mr. EZELL. Thank you, sir.

I would now like to recognize the former chairman of the subcommittee, Mr. Webster, for his opening 5 minutes of questions.

Mr. WEBSTER OF FLORIDA. Thank you, Mr. Chairman. And congratulations to you, and thanks for putting this panel together. It is really awesome. It is a good hearing.

I ask my good friend Paul Anderson from the Port of Tampa Bay, two hurricanes last year damaged a good portion of the Coast Guard's equipment, and some of it was damaged. Some of it was actually destroyed because they are only limited to partial nighttime operations. And so I was wondering what your thoughts are on ways we could repair or replace this equipment in a timely manner.

Mr. ANDERSON. Yes. Thank you very much, Chairman Webster. The double impact of two hurricanes in a 12-day period was truly both extraordinary, unprecedented, and caused great damage to not only people's lives but the impacts on the ability of Port Tampa Bay to carry cargo into the port.

We supply over 10 million residents of the State of Florida and over 60 million visitors with fuel supply. Our fuel terminals were damaged, all seven of them. They were restored very quickly.

But the most long-term damage we are still dealing with today, as you alluded to, is the ATONs, the aids to navigation—the range lights, the channel markers—and it is causing restrictions on our 45-mile channel operations.

They are restricting container vessels, but these are [inaudible]. The largest ships that come into the Gulf of Mexico are restricted to daytime operations, due to the fact that while the Coast Guard is doing everything they can do within their process to restore the navigational aids, the process itself is holding the Coast Guard back to be expedient and nimble in responding to repairing these ATONs.

And I would propose today the committee consider that for future Federal heavy-weather events and natural disasters that are declared as a Federal emergency, potentially we could have repaired these with our contractors working with the Coast Guard and had those done. Here we are 5 months later. While the Coast Guard did have the emergency funding, it is going to take them at least until the end of summer, where we are going to be here almost a year without full operations.

And I think we are great partners with the Coast Guard. They are doing everything they can. But, as we all know, there are certain regulations. They do not have the authority to do a public-private partnership in this instance.

I note, Chairman Ezell, we talked about this last year in the WRDA hearing. They can be very powerful multipliers of expediting projects, and in this case, it would get us back to full operations at Port Tampa Bay.

Mr. WEBSTER OF FLORIDA. I did want to talk about also the cranes in the port being manufactured by China. And you were the president of the full association, American Association of Ports.

What do you think the security risk is in using those cranes, and what does it mean for America's ports and their supply chain?

Mr. ANDERSON. Well, yes, you are referring to the American Association of Port Authorities. We did a study among American port members, and over 80 percent of the ports of the United States are manufactured by ZPMZ, a CCP-controlled and funded company.

Our port ourself, because we had low-bid State laws, required us to buy our first two post-Panamax heavy-lift cranes from China, but we are preparing to buy two additional cranes—three additional cranes that will be by Allied Partner. There are only three in the world. This will be a German company but manufactured in Ireland.

And we are doing that because of the security risk that we feel there will be. I know that agencies within the Government that have oversight of this also have looked deeply into this. And I do believe there is an ongoing risk in the competitive aspect that Mr. Larsen outlined his concerns about China and their subsidies, unfair competitive advantage it gives and works against American companies.

I do believe we should also move boldly, quickly, as I heard from my fellow testifier down the table, to support the American manufacturing not only of shipyards, because cranes are built at shipyards. We have the capacity and the know-how to build these. We just need to move. And really, it needs to be led by all of you here in Congress, not only as authorizers but as appropriators.

Mr. WEBSTER OF FLORIDA. Thank you very much.

I yield back, Mr. Chairman.

Mr. EZELL. The gentleman yields.

The Chair now recognizes Mr. Larsen for his 5 minutes of questioning.

Mr. LARSEN OF WASHINGTON. Thank you. Thank you, Mr. Chair.

Mr. Anderson, you are going to be highlighted a little bit early on here. So I noted during my initial statement that the Port of Anacortes and Port Bellingham as well had their Clean Port grants frozen or paused or we are not quite sure what the right verb is yet.

It is a dumb move. It is disastrous. I know that Port Tampa Bay has a \$1.8 million planning grant under the program, and there are ports in Alaska having \$45 million, ports around the country. I have no idea if all those are frozen or paused.

Can you give me the status of your particular grant?

Mr. ANDERSON. Yes. Thank you, Mr. Larsen. Our entire industry is very alarmed and concerned about the pause on grant funding. There is a lot of uncertainty. In fact, just last week, we had an emergency board call of many of our members representing the west coast, the Great Lakes, the east coast and the gulf ports.

And it will be very difficult and burdensome for ports that have had planning and strategic planning involving the use of Federal grants. I believe we are very, very early on in this new administration. And we discussed we just need, I think, to be patient and let this work its way out. We just can't stop delivering funds.

I think once they are reevaluated and looked at, pragmatism will win the day. We believe that these grants, including all the grants in the Bipartisan Infrastructure Law, the Port Infrastructure Development Program, and the other grants are critical to competing on the world stage with ports around the country.

Mr. LARSEN OF WASHINGTON. Yes. I think these investments—the administration has been clear they don't believe in climate change or don't want to fund climate change. And if that is their view, that is fine.

But my dad was a lineman for the Snohomish County Public Utility District. They put electric wires up everywhere, and we didn't call it anything but utilities. That is all it is. It is nothing more than that. And it is getting wrapped up in this other discussion when, in fact, moving forward in our case, the Port of Anacortes, we developed a wholly undeveloped/underdeveloped piece of property that has been sitting unused to its maximum jobs potential for a long, long time. And now that is on pause. Imagine that story is being told in every Democratic and Republican district in this country right now, because of this uncalled-for pause.

Mr. Schoeneman, you discussed somewhat the issue of P.L. 480. Have you heard concerns specifically about the Trump administration's—my question says “changes,” I wouldn't say “changes”—destruction of USAID?

Mr. SCHOENEMAN. I mean, right now for us this is a major issue. We have had—at least I talked to one of our biggest food aid carriers, and they have got ships that are currently sailing. One of them has already been laid up because they don't have cargo. Another one is on its way back from Africa, and it will get laid up when it gets here.

And every time they lay a ship up, that is 20, 30 jobs for my members and for the rest of the industry. And we don't know how long the ships are going to be out of service.

In addition, the company is owed like \$6 million on these contracts, and they are worried about never getting paid. And, I mean, we are talking about—we are not talking about big massive corporations here. We are talking about small family-owned businesses that need that money that are operating on a pretty shoestring.

And I want to make sure my mariners get paid. I want to make sure my mariners are not trapped in Africa for months at a time. If they get a stop work order while they are unloading a ship and they just got to sit there—I mean, we have had that happen before. It happened a couple years ago on a Food for Progress trip, and my mariners were stuck for months.

So we are really concerned about this. And I think, as the President is looking at AID—and regardless of what happens to AID, I think these programs, Food for Peace, Food for Progress, they are critical to not only U.S. farmers but to the U.S. merchant marine, and they are one of our major cargo bases.

And if it goes away—I will tell you, in 2013, the percentage of cargo that we carried under law, we previously had carried 75 percent minimum food aid cargo. It was cut to 50 percent. And over the next 10 years, we lost more than a dozen ships from the fleet permanently, because the cargo just wasn't there to sustain the work. And if this continues for a while, I expect that is going to happen again. So—

Mr. LARSEN OF WASHINGTON [interrupting]. Thanks. I don't want to misquote. I certainly think I am paraphrasing accurately our former colleague Roger Wicker, who is the Senate chair of the Senate Armed Services Committee, yesterday when he outlined the fact that USAID he believed was a good counter to the Belt and Road Initiative of China, China's Belt and Road Initiative. And

now that tool has potentially if not already been taken away to counter China.

Mr. SCHOENEMAN. Absolutely. I mean, the bottom line is wherever we walk away, China walks in. And we can't afford to be putting ourselves in a position where we take a step back on the world stage.

I was talking to some of my labor colleagues yesterday at the Solidarity Center. We have been working on a lot of these—USAID has been working along with us on a lot of these issues overseas, trying to raise quality of life and provide union support for workers in other countries.

And that is the best way for us to raise the standard of living so that our American workers can compete against foreign workers is to make sure that they are getting the same pay and benefits and treatment that our guys get so that that isn't an issue. So not having AID out there doing that is pretty bad.

Mr. LARSEN OF WASHINGTON. Thank you. I yield back except to say I love the Small Shipyard Grant Program too, Mr. Rella.

Mr. EZELL. The gentleman yields.

I now recognize myself for 5 minutes for questions.

Mr. Anderson, you mentioned in your testimony the catastrophic damage caused by Hurricanes Helene and Milton has devastated navigational aids in your shipping channel.

There has been discussion on how public and private partnerships may be used to benefit both the Coast Guard and ports. Can you expand on this just a little bit?

Mr. ANDERSON. Yes, Mr. Chairman. I believe that if the Coast Guard had the authorizing language to be able to rapidly respond during post-hurricane heavy weather, natural disaster events to repair facilities with a port partner as a public entity but delivering private—we have private contractors on retainer ready to go.

We have emergency disaster, the largest companies in the world, BELFOR, others that could respond in days instead of months or even a year. This is in no way a criticism of the men and women of the Coast Guard. We have had meetings with the admiral last Monday. We have had with the captain and sector commander of the Coast Guard.

It is their ability to be able to work through the rules. So I think this committee could allow them, in a future bill, to give them the flexibility and the authorization and a mechanism to be able to be much more responsive.

And your ports, Mr. Chairman, they are potential at risk for the same type of issues. All the gulf ports are at risk, Atlantic coast where you have hurricanes. So I think it would be very prudent for the committee to consider that.

Mr. EZELL. Last Congress, Mr. Anderson, I introduced legislation to expand the eligible uses of the Capital Construction Fund to include marine terminal operators, MTO.

In your opinion, how would this legislation improve the efficiency at our ports?

Mr. ANDERSON. Mr. Chairman, clarify with you. Authorization for marine terminal operators?

Mr. EZELL. Yes, to expand the Capital Construction Fund to include marine terminal operators.

Mr. ANDERSON. Yes. I think it would be very important. I mentioned earlier that the terminals that China is building, they are all subsidized.

Our Nation needs to do more of the work. There are American terminal operators that could expand much more quickly, more rapidly. They could fill the voids. Again, I heard one of my fellow testifiers here talk about when we pull out or we don't invest, China fills the void.

And I believe that capitalizing and supporting the capitalizing of marine terminal—for example, in our case, we have Ports America as our terminal operating partner. They are the largest in North America, 44 terminals, I believe.

And they co-invest with us in our terminal operations. We are a landlord port. They are the operator. When we buy these cranes I mentioned in my earlier testimony, they are co-investing with us as a private terminal. And they also invest with us on the warehouses, on the infrastructure for the cranes, the power, and all of the other marine infrastructure. So I believe that would be a very positive step for marine terminals.

Mr. EZELL. Thank you.

Mr. Rella, there has been an increased attention on revitalizing the United States maritime industry and increasing competitiveness of the domestic shipbuilding industrial base relative to foreign competitors.

What do you see as the biggest challenge to accomplishing this for our shipbuilding industry?

Mr. RELLA. Well, it is really not a level playing field. That is the biggest problem, right? Our shipbuilders wear steel-toe shoes. They wear hardhats. We have OSHA oversight to make sure our employees are safe. We have permitting requirements, inspections for contaminants and hazardous waste management. We have USL&H insurance requirements.

So we have a heavy burden to run a shipyard in the U.S. for the right reasons, right, not necessarily for the wrong. But we care about our people a lot more than some of our competitors do. So, we need to understand that, number one, it is about the people that work in the shipyards, too.

So there are ways—for example, one of the easy things to do is with Government contracts where—does that mean I only have 6 seconds?

Mr. EZELL. Go ahead. Now, finish up.

Mr. RELLA. Okay. So the Government contract entity where large shipyards are building Navy vessels or larger vessels for any of the Government defense sectors, a small business component requirement, now, that exists but it doesn't always have teeth, right?

So, you can have a small shipyard, and that includes set-aside for disabled veterans, women-owned businesses, HUBZone entities. So, building those into the contracts with teeth, mandatory compliance with the set-aside work for small businesses, will stimulate the overall maritime economy.

It will help the small shipyards out. It will build the feedstock of employees for the future for the bigger yards, because a lot of times small shipyards are where shipbuilders start and then it becomes their profession, right?

And then they go into larger shipyards where there is a steady flow of business, because the biggest reason we have a hard time retaining employees in the small shipyard world is the lack of a horizon on the work. How do I know I am going to have a job? I want to buy a house. How do I know I am going to have a job when we only have two ships to build and it is for an OSV operator?

We need block buys, we need consistent build programs, and the ability to tag into the contract mods with small business clauses for the smaller shipyard component of it. That is a start.

Mr. EZELL. Thank you.

The Chair now recognizes Mr. Carbajal for his 5 minutes of questioning.

Mr. CARBAJAL. Thank you, Mr. Chairman.

Mr. Anderson, I appreciate the information you provided in your testimony, quote, "Increases in infrastructure spending could spur economy-wide returns of \$2-\$3 for every dollar spent."

This statement really lends itself to the benefit of the Federal investment in programs like the Port Infrastructure Development Program and the Marine Highways. As you know, these programs were funded by the Bipartisan Infrastructure Law.

The Trump administration has released conflicting information calling on funding from the Bipartisan Infrastructure Law and the Inflation Reduction Act to be paused while also exempting some programs. This subcommittee has yet to get clear answers from MARAD regarding the status of current grant programs.

Can you detail what that would mean for ports if the Port Infrastructure Development Program were paused; and two, are you aware of any ports that have been ordered a work pause and unable to recoup grant awards?

Mr. ANDERSON. Thank you, Mr. Carbajal. I am not aware of specifically any ports that have been told to pause directly as of last week. I think this is an evolving situation that we are all patiently waiting further guidance. Ports do strategic planning. Our plan is a 2030 plan. We are amending it to a 2035. It is not a next year plan.

We need to plan projects with confidence that our Federal and our State partners will co-invest with the ports, because typically our Federal grants are a 50 percent. We are investing 50 percent. We count on those dollars.

So, in general, I absolutely think that it is critical that ports continue to receive funding. And I will go back to my comments. When you have an adversary or an economic war with a nation that is building ships faster than us, building cranes, building ports, and we are not investing in our ports to maintain our competitive stature as well as for strategic national events, it is very concerning.

Mr. CARBAJAL. Thank you.

Mr. Anderson, on January 29th, the new Secretary of Transportation directed the Department to prioritize projects that, quote, "give preference to communities with marriage and birth rates higher than the national average." I am having trouble understanding how birth and marriage rates contribute to making grant awards that strengthen our national supply, let alone the legality of it.

I would venture to guess that this panel of witnesses combines over 100 years of maritime experience. Does anyone know how marriage and birth rates help determine sound maritime investments? Anybody? Anybody on the panel? Your silence says it all.

Mr. Anderson, do you know how Port Tampa Bay and the surrounding area compares to the national birth and marriage rates? And does it concern you that such factors are being considered in awarding grants?

Mr. ANDERSON. I have no information or knowledge of what that would be. I was very pleased to see the now-Secretary support the Jones Act, which is critical to our port, our shipyards, the workforce, the men and women who wear those hardhats, the steel-toed shoes, the welders—

Mr. CARBAJAL [interrupting]. Thank you, Mr. Anderson. I appreciate your pivot, but didn't quite answer the issue. Thank you very much.

Mr. Schoeneman, as we discuss maritime infrastructure, we have to include the Jones Act. Without it, domestic commerce would be controlled by foreign interests, shipyards would disappear, and mariner jobs would follow.

Can you discuss the importance of the Jones Act and the impact of waivers?

Mr. SCHOENEMAN. One hundred percent. I mean, the bottom line is—and I believe Chairman Ezell mentioned this in his opening statement. The Jones Act is a bedrock foundation of American maritime law. It has been forever, at least since 1920. And there have been laws on the books since the first Congress that provide preferences to American ships and restricted domestic commerce to American ships.

We wouldn't be here as a country if there was no Jones Act. We wouldn't be here as a merchant marine with no Jones Act. We would have no shipping at all, and my mariners would have no jobs. So for us, protecting the Jones Act is fundamental. It's about making sure that the United States maintains its status as a maritime power.

And regardless of who is opposing it or saying nasty things about it, the bottom line is, even the most hard core of conservative thinkers, Adam Smith, "The Wealth of Nations" man himself, flat out said that when it comes to—and I have the quote here—it comes to—"defense, however, is of much more importance than opulence." And that is what the Jones Act proves.

The bottom line is, of all the laws you can put on the books, if you are going to be protectionist, do it for national security reasons, and the Jones Act is that fundamentally. So for us, we have to do everything we can to protect it, because we wouldn't be here without it.

Mr. CARBAJAL. Thank you. Mr. Chair, I am out of time. I yield back.

Mr. EZELL. The Chair now recognizes Mr. McDowell for his questioning for 5 minutes.

Mr. MCDOWELL. Thank you, Mr. Chairman. And thank you to the witnesses for testifying before the subcommittee today. We appreciate you joining us.

And my first question is for you, Mr. Rella. Of the financial assistance programs that the Maritime Administration administers that you mentioned in your testimony, which do you feel is the most valuable to the shipbuilding industry?

Mr. RELLA. The Small Shipyard Grant Program is probably one of the more significant ones. The Title XI program is good for the operators to contract to build ships and especially for foreign operators. I participated in the construction of a vessel for a foreign operator through the Title XI program back in my day. So it brings folks to the shipyards in the U.S. So Title XI is good.

But for smaller yards, the Small Shipyard Grant Program is great. It would be great if it was more of a 25-percent match instead of a 50-percent match. But still, it is very helpful to allow shipyards—and it is productivity; it is about productivity, right? So anything we do has got to be earmarked against the productivity improvement.

And that is how small shipyards—we have been scrapping and fighting for many years now. We have gotten pretty good at doing it and diversifying our product mix. So—and the way you do that is through keeping—getting the best—keeping the best people you have, but also innovation and technology, right? So advancing with the latest and greatest in metal fabrication—

Mr. MCDOWELL [interposing]. Sure.

Mr. RELLA [continuing]. And shipbuilding.

Mr. MCDOWELL. What are ways that Congress can work to improve the existing funding programs or take action to help bolster this industry?

Mr. RELLA. Could you repeat the question?

Mr. MCDOWELL. Sure. Yes. So what are ways that Congress can work to improve existing funding programs or take other action to help bolster the industry?

Mr. RELLA. That is an easy one to answer. I think the SHIPS for America Act is probably the best way to do that, right? That is the most comprehensive, broad-reaching bill or initiative, I call it, because I wasn't always involved in all the bills that come through.

But I can tell you the SHIPS for America Act engages all components of the maritime industry, from the education institutions to all the way through to the ship operators. And it is a path to us getting the ships that we need to support our overseas theaters of operation.

Mr. MCDOWELL. Sure. Mr. Anderson, a question for you. According to your testimony, your organization has \$34.6 billion in economic impact on the region.

How can Congress provide support for growth in shippers' cargo business capacity?

Mr. ANDERSON. Yes. Thank you, Congressman.

The very—again, very easy, support for continue. I believe, the—as I have previously testified, a regular biennial WRDA bill is so important that this committee do for our Nation's ports.

For Port Tampa Bay, it included during the last WRDA bill authorization for the deepening of our channel, which we absolutely will need to continue to handle the larger ships that are waiting to come into the Gulf of Mexico. Our adversary nations are making these investments. We need to be more competitive.

I think the speed of delivery on how grants come out the door is very critical. The awards that we have received in the Port Infrastructure Development Program, for example; whereas, from award to delivery of the check was 2 years. In the meantime, inflationary pressure increased the cost of the project by 40 or 50 percent.

So finding efficiencies in that process could be very helpful as well.

Mr. MCDOWELL. Got you. I don't have much time left. But, Mr. Reynolds, what do you see as the biggest barriers to continued U.S. leadership in maritime robotics and autonomous systems?

Mr. REYNOLDS. So thank you for the question. I would say the first barrier I would think of relevant to this subcommittee would be regulations, the regulatory framework.

And, again, I point to the fact that the U.S. Coast Guard is our leading body when it comes to the development and the enforcement of those regulations, and I think there are great guardsmen out there; they serve, they are always operating.

While I was in the Navy, sometimes I would be at peace, but then I would go and operate. Our guardsmen are always operating. And yet, it is still—frankly, it surprises me a bit that they do not have any robotics systems.

I will point to one success they have on the National Security Cutter, the ScanEagle has been deployed, and I think it is being replaced by a different unmanned aircraft. And that has been very successful. I understand they like it very much.

I would suggest that when it comes to unmanned underwater or unmanned surface vessels, it would gain some wisdom and would gain some operational capability, but also really appreciate how to better regulate this technology.

Thank you. Sorry I went over.

Mr. MCDOWELL. No worries. Thank you, sir. Chairman.

Mr. EZELL. The gentleman yields. The Chair now recognizes Mr. Pappas for 5 minutes.

Mr. PAPPAS. Thank you, Mr. Chairman, and congratulations on taking the helm of this subcommittee. I want to thank all of our witnesses for their testimony today.

I do think that strengthening U.S. maritime has to be the highest priority in the Halls of Congress, because the status quo simply is inadequate to meet our economic challenges and our national security needs.

In New Hampshire, my State is home to a number of merchant mariners who have chosen to call my State home; helps to have no State income tax. But I am concerned about the number of individuals that are pursuing this career. The U.S.-flag fleet, as small as it has been historically in the mariner pool, has shrunk to near-record lows. So I was glad that Congress has passed funding last December to ensure that our Government invests in capital improvements for the Merchant Marine Academy and also language requiring the Navy to create a recruiting campaign on behalf of the merchant marine, the first since World War II in terms of a major campaign.

Mr. Schoeneman, I appreciate your testimony today. As we think about workforce, we continue to face a historically tight labor mar-

ket. This is the case across various sectors of our economy; certainly the case with maritime.

Can you assess some of the efforts around workforce development post-pandemic, some of the investments in the maritime, the Merchant Marine Academy, and where Congress should really focus its attention with respect to workforce?

Mr. SCHOENEMAN. Absolutely. I think we have made a lot of progress since COVID-19. As I mentioned, we have been dealing with a mariner shortage for a while now, and it is caused by a variety of things, not the least of which is a lot of our mariners are older. They are getting older. They are aging out and they are retiring, and we are not replacing them as quickly as we need to be.

We were very happy to see that the language was passed in the NDAA to create the recruitment drive, and we are hoping that we can work with the Navy Department to put something together.

I mean, as I mentioned in my testimony, we have been telling American kids, “be all you can be” and “aim high” and “be one of the few, the proud” forever. But since World War II, we haven’t talked about the merchant marine at all. And our biggest issue, we find, is people don’t know what we do. They have no idea that these jobs are even available.

And when we go into the community and say, look, we can take—I can take a kid off the street, 18-year-old kid, put him through our training program. In a year, we will make him a merchant mariner, we will give him his first job guaranteed out of school, and in 2 or 3 years, he is going to be making a solid middle-class living. And by the time he ends his career, he is going to make a lot of money.

And these are tough jobs, they are hard jobs, but they are good jobs. And for the most part, our guys will work 6 months of the year, they have the other 6 months to do whatever they want. We cover their vacation, we provide them with benefits, the pay is good. The food is getting much better. It is one of the things the guys want on the ships a lot.

And a lot of the vessels in the fleet have started putting on Wi-Fi and things like that. So we are doing our best to make sure that we are putting ourselves in a good position to be able to recruit.

What Congress can help us with, obviously, is the recruitment drive. Funding for all of the training schools is critical; fully funding the Centers of Excellence program that MARAD put together is important, I think. And just making sure things like student incentive payments that the maritime academies provide, the State academies and everything.

Those are always fully subscribed, and they don’t cover the entire cost. We need to expand those programs and make sure that we are not passing on and making it harder for mariners to join the industry because they have got to pay for things like fuel for their ships when they go on a sea cruise over the summer, which no other college kid is going to have to pay.

So there is a lot of—I think a lot of room for improvement there, and we are looking forward to working with you guys on that.

Mr. PAPPAS. Well, thank you. And I appreciate your comments as well, Mr. Schoeneman, with respect to the Food for Peace program. And reflections on the important role that Government cargo plays

in strengthening U.S. maritime. Obviously, it can't begin and end there, but that is a critical component. It is a win-win for our national interests, as well as for our farmers and for our economy.

So I hope we can continue to find ways to support that and so many other critical programs that are a lifeline for U.S. maritime.

Thank you for all of your comments, and I yield back my time.

Mr. EZELL. The gentleman yields. The Chair now recognizes Mr. Van Drew for 5 minutes.

Dr. VAN DREW. Thank you, Mr. Chair. Congratulations. Look forward to working with you, as always.

While autonomous vehicles, vessels, present both opportunities and challenges for the maritime transportation industry, I am concerned about safety, security, and regulatory oversight. It is important. There are workforce implications that are important that come along with this technology. Safety must remain our top priority. I think that goes without saying.

Mr. Reynolds, thank you for being here today. How will these vessels interact with crewed ships—ships that have crews on them—port operations, and emergency response efforts?

Mr. REYNOLDS. Thank you for your question, Congressman. I—so I think safety at sea is safety at sea whether there are people on board or not. I believe that the COLREGS, although they have not been updated in quite some time, are very well-suited just for considering manned vessels.

But consider also the state of sensors and artificial intelligence and other advances that have gone into the industry already. In a calm sea, the sensors work very well and are very comparable to what you have with a manned vessel.

But in heavy seas, because you don't need to worry about the human element, about being seasick, about being tired, about being rocked around on a vessel, there are actually some artificial intelligence and sensors on board vessels that can make ships at sea even safer.

I would, though, defer to the U.S. Coast Guard to really work out how to do that, and AUVSI is committed to working with the Coast Guard to come up with those regulations.

Dr. VAN DREW. Thank you for the answer. So I mean, if I was to summarize that, encapsulate that, there is tremendous potential, but we do have to be careful?

Mr. REYNOLDS. Of course. Yes. Yes, sir. You know—

Dr. VAN DREW [interrupting]. How about cybersecurity protocols, are they adequate to protect these vessels from emerging cyber threats, which, again, is another concern?

Mr. REYNOLDS. Yes, sir. Actually, AUVSI is a trusted partner in cybersecurity, particularly with the U.S. Navy. And I would also submit that cybersecurity is an issue, whether it is a manned vessel or not. That is an issue for all systems on every vessel.

Dr. VAN DREW. I have been vocal in the past about autonomous vehicles, whether they are on ground or in the water. I do think we have to be careful.

The technology, I believe, has—I am stating the obvious. I think you would agree—I think you would all agree that it must be further researched. We still need to be careful, we still need to know more, we have to see what could go sideways because we don't

want that to happen. There also must be a viable regulatory framework for these vessels.

I am a guy that doesn't love regulations, but in this case, obviously, you need them. We need to be careful. And I know there are already efforts to do this, but there are, in my opinion, some significant gaps.

Mr. Reynolds, back to you for a minute. What specific regulatory changes are needed to test maritime robotic and autonomous systems? What specifically would you like to see?

Mr. REYNOLDS. Thank you again for that. So currently, there are no overall regulations that would govern this.

Currently, the captains of a port, of a Coast Guard port are just given—I guess delegated the authority to allow whether a vessel can go out to sea and do any testing or not based on their judgment. Again, most of these captains of port have never operated or been around unmanned systems before, and it is just something that they are trusted or expected to work out.

So they work closely with industry, very much have a personal relationship, and it is actually a patchwork. You have a captain of port in one area that will be different from a captain of port in another.

Dr. VAN DREW. Real quick, Mr. Reynolds. Are we where we should be—in other words, I will talk about something else that falls under transportation, aviation. We are definitely—we are about a decade, at least a decade behind in drone technology and UAS technology compared to China and some other countries.

Are we behind, are we where we should be, are we ahead? If you had to quickly give me a word, what would that word be?

Mr. REYNOLDS. So I will give a two-part answer to that. Yes, we are definitely behind. But we are also behind because there is not enough, I guess, incentive by industry to really go out and develop this technology. There are so many roadblocks.

Dr. VAN DREW. Not your—forgive me for interrupting, and I know my time is up. I am going to yield back.

I am so tired in every committee that we talk about technology in the United States Congress, I ask that question about a myriad of things, I know the word is always, we are behind, we are behind. America leads. It is time we take the lead. We have been behind for the last 4 years. Hopefully, now we are going to move forward.

Mr. Reynolds, I thank you for your answers, and I yield back, Chairman.

Mr. EZELL. Thank you. The gentleman yields. The Chair now recognizes Ms. Scholten for 5 minutes of questions.

Ms. SCHOLTEN. Thank you, Mr. Chairman, and congratulations. Wonderful to have you at the helm here in this committee.

I want to thank our panel of witnesses today for your commitment to this incredibly important topic. We appreciate your insights in this thoughtful conversation about maritime infrastructure. As a Representative from Grand Rapids, Michigan, Coast Guard City, U.S.A., making sure that we have a strong and successful maritime industry is important to me.

Like many of my colleagues on this subcommittee, I am concerned with the rise of global competitors, shipbuilding industries.

Adversarial nations, like China, have bolstered their shipbuilding capabilities while domestic capacity has decreased.

That is why the Maritime Administration's Federal assistance programs to boost U.S. shipyard competitiveness are absolutely critical, not only to our Nation's economy, but to our security.

Mr. Rella, can you speak to how any potential freeze in the Maritime Administration's Federal assistance programs could hinder progress in domestic shipyard activities and undermine our competitiveness?

Mr. RELLA. Yes. So the Small Shipyard Grant Program is the one most obvious, I think. If that is frozen for this year, that would delay any new productivity improvements that would be assisted with the Government with that program. I had mentioned Title XI, similar thing for shipbuilders or operators to come and build with us.

And the—just, essentially, any assistance and training and education would also potentially hamper with our workforce development. So we find a way to get by. It just delays our progress.

Ms. SCHOLTEN. And getting by doesn't necessarily put us at the cutting-edge of competitiveness, I would imagine?

Mr. RELLA. No.

Ms. SCHOLTEN. Supporting our ports, including ports like Muskegon and Grand Haven in my district, is also critical to our national security, as well as the smooth operation of our supply chains. While the Bipartisan Infrastructure Law made historic investments in our ports, we have to keep pace to unlock port capacity across the country, especially in our Great Lakes.

Mr. Anderson, how can Congress build on previous investments to ensure our ports can accommodate our commercial and recreational needs in addition to protecting our supply chains?

Mr. ANDERSON. Yes. As I previously mentioned, I believe, regular passage of WRDA is vital to all of our Nation's ports. I think I can speak for all of our Nation's ports as a member of the American Association of Port Authorities and past chair that we support any type of programs that support port infrastructure. It is, as you mentioned, strategic to our national defense, our competitiveness in a global marketplace, and we are, in many cases, behind, particularly adversarial countries.

So, grant programs, efficiencies in regulatory regimes that sometimes have slowed the delivery of grant-related projects that are, in many cases, hundreds and hundreds of millions of dollars that get delayed, so looking at how we can improve those, making sure whatever administration is administering those grants, that we get velocity through the grant programs, they don't get hung up in the bureaucratic process.

I think this committee could look at some of those, encourage—and whatever name that program turns out to be—and I think we all recognize that funding is an absolute linchpin to the competitiveness of our Nation's ports today and going forward.

Ms. SCHOLTEN. Thank you.

In addition to investing in our infrastructure, it is incumbent on Congress to uplift our workforce. Making sure that we have this capacity to do these projects means nothing if we don't have the workers to actually do them. These are skilled laborers who are at

the forefront of our maritime industry. However, we know that there is a critical labor shortage right now.

Mr. Schoeneman, I know you have been active in calling out our mariner shortage. How can we adjust our recruitment and retention efforts? I know we saw incredible gains in the Coast Guard under Admiral Fagan's leadership, and we want to make sure that we can keep that going in our Coast Guard and match it with mariners across the country, particularly so that we can leverage increasing trends of Gen Z entering the skilled trades, which is a great thing.

Mr. SCHOENEMAN. Absolutely. I think from our perspective—I mean, number one—and I mentioned it before—is we have just got to make sure people know these jobs exist. They don't. You see a truck on a road, you know there is a truck. You see an airplane flying in the sky, you know there is an airplane.

If you are not on a port, if you are not in a district like Congressman Mast or somewhere where you are going to see ships all the time, you don't think about it. How does something get to Walmart? Well, it goes on a truck. No, it goes on a ship first, and trying to get people to understand that is hard.

So we have to do a better job in promoting ourselves. And I think that is something the industry really needs to focus on, and I am looking forward, hopefully with—with this new Navy program that was in last year's NDAA, that we can start doing that.

I think, other than that, it is just working on quality of life. We need to make it clear that we are not recruiting the same people that we have been over the years. They have different priorities, and we need to make sure we are meeting those priorities; otherwise, they are going to find something else to do that is not going to take them away from their home as often as this job does.

Ms. SCHOLTEN. Thank you. You have got strong partners on this committee, and certainly in me to make it happen. Thank you.

I yield back.

Mr. EZELL. The gentelady yields. The Chair now recognizes Mr. Mast for 5 minutes.

Mr. MAST. Thank you, Mr. Chairman. Appreciate you all taking the time to be here today, share your expertises with each and every one of us.

I want to talk a little bit about trucking. I want to speak specifically to you, Mr. Anderson, right now a little bit about the Port of Tampa and help you guys to help me understand. As we go through different driver classifications, CDL, and the Class A, Class B, Class C, all the different endorsements that we could look at out there for an individual, and I want to ask very specifically related to drivers that are 18 years old, not yet 21 years old, right, a lower age driver, do you have a problem with 18-year-old drivers coming in and out of your port moving goods from A to B, whether it just be to another location just outside the port because that is where it is going to be—let's say, circling the wagons to bring it across the State or across the country or whether directly out of the port, directly to interstate commerce, somewhere over the road, out to Texas or who knows where; do you have a problem in general with somebody being 18 years old doing that?

Mr. ANDERSON. Thank you, Congressman. First, no, don't have a problem. I want to thank you for your support for everything we have done in our port.

And as we look at it, as many of our testimonies have talked about today, there is a graying in the workforce, particularly in the maritime industry, trucking industry, and we would wholeheartedly support—we average about 10,000 truck moves a day in and out of our port complex. It is a critical function.

Our trucking companies are having difficulty finding truck-drivers. Getting a CDL at a young age with the proper training, safety—we ask 18-year-olds to sail on the bridge of an AEGIS-class destroyer and drive that ship in and out of our port or other ports. We ask 18-year-olds to get behind an Abrams tank and drive it. I think they can drive a truck with the proper training.

I think we need to do a better job as a Nation in promoting the quality of life that can be in today's trucking world. It is not the trucking that our mom and dads thought of when these are long hauls or gone for weeks. There are really quality trucking opportunities. You are home every night. The benefits are good. And these can be long-term careers. And they can turn into owning your own operation and business.

Mr. MAST. All I can say to that is: damn right. I couldn't have said it any better myself, right? You are moving across the seas as a part of our Navy or moving a tank across the desert somewhere, you name it. I think you have the opportunity to go out there and serve over our roads as well.

But let's be a little bit—and I think this comes down to: Do we have trust in our training systems, or do we not? Do we have trust in the licensure, or do we not? Because whether you are 18, 28, 38, 48, whatever it might be, either we believe in the training that you have and then the experience that you have garnered thereafter, or we don't believe in it, right?

So let's go more specific. You don't have a problem with somebody handling over 26,000 pounds being 18 years old?

Mr. ANDERSON. I do not.

Mr. MAST. Anybody have an issue with that?

Don't have a problem if somebody can go out there and get their hazmat credentials? You are not worried about the age for them as long as they go through the proper vetting, get the proper clearance to do it, as long as they get the proper training?

Mr. ANDERSON. I do not. And there is somebody on this panel, I believe, who was an EOD. They didn't ask him his age when he was doing that training.

Mr. MAST. We've just got to be able to kick well, right? Just kick it with the end of our boot? No, that is not how we do EOD work.

But don't have a problem with an H endorsement or an X endorsement for somebody regardless of age as long as they have the proper training; fair to say?

Mr. RELLA. So I can't keep my mouth shut because I hire people all the time for the shipyards, right? They have to meet certain criteria, clean record, drug testing, and make sure that they are doing the right things, too. Sometimes the biggest problem is finding someone—you got to get them young before they have a chance to screw up too much.

Mr. MAST. That is certainly—that is part of the credentialing, right? You are not going to get the hazmat credentialing if you haven't lived—

Mr. RELLA [interposing]. Right.

Mr. MAST [continuing]. The proper lifestyle in that way.

What about—let's go to one other thing. You kind of touched on it with your Navy and tanker analogy.

What about—let's speak a little bit, military training, transferring over to those that want to start moving goods over the road. Just compare and contrast to me a little bit: Where do you think our military truckdriving training is at?

Should somebody be able to come right out of service, take off the uniform, put on a different pair of boots, and step into the rig, or do you think they are not meeting the—the military is failing somewhere and not getting them up to the same level, or they are? Anybody?

Mr. RELLA. Again, I will chime in. So it has to be comparable equipment, right? So, I mean, if they are training on a military piece of equipment, if you can learn to drive a tank, yes, but you need to learn how to drive a truck.

Mr. MAST. Military drives 916s, they call it, right?

Mr. RELLA. So you just make sure there is apples-for-apples sort of match to that where—

Mr. MAST [interrupting]. You feel the training is comparable?

Mr. RELLA. Honestly, I can't comment on that. I can't really comment on that.

But I can tell you that what we look for is when we hire welders is weld certifications, right? And have they—is there a standard by which we can hire them as a second-class or a first-class welder, right?

So they come in with credentials, we look at them, and we even test them, right, before we hire them to make sure they can do what they say they can do.

Mr. MAST. If you will just indulge me for one point, Mr. Chairman?

Mr. EZELL. Yes.

Mr. MAST. And I would simply just say, for our military, if they are not being trained at a level that is commensurate to everybody else, that is an issue for our military to be looking at because it is nonsensical to have somebody trained at a lower level. And if they are being trained at the appropriate level, and we are putting a roadblock in front of them from getting immediately into the workforce after they have served their country, then that is very nonsensical as well.

Mr. SCHOENEMAN. On the maritime side, that is something we have been working on for a while. Like, the bottom line is military maritime, we have been working on this for years.

If a guy gets out of the Navy, spent 20 years at a post in the Navy, there is no reason why he should not be able to come over in the merchant marine and sail and be at that level immediately. The same on guys with their licenses.

So for us, this has been critical. And it all comes down to making sure that regulations and the rules the Coast Guard puts together and all that stuff makes sense and that they take into account the

fact that you can have 20 years at sea, and that should count for something when you come back into the industry.

Mr. MAST. Damn right. Thank you, Mr. Chairman.

Mr. EZELL. The gentleman yields. The Chair recognizes Representative Strickland for 5 minutes.

Ms. STRICKLAND. Thank you, Chairman Ezell and Ranking Member Carbajal.

I have the privilege of representing the South Puget Sound in Washington State. We have lots of ports there. And I appreciate all of your testimony today because you talked about a lot of things, the need for more shipbuilding. But I would say more importantly, the workforce development part of this. And they are all connected to each other.

In every industry or every panel I am on, I always hear a conversation about worker shortage. And I am going to quote Mr. Rella who said, get them while they're young. And I think that is a really smart strategy.

Can you talk a bit, Mr. Schoeneman, about what concrete steps we at the Federal Government can take to make the merchant marine and maritime supporting skilled trades a more viable career path for younger people?

When I host my academy night, there are students who show up, they don't even know what the Merchant Marine Academy is or that it exists. And so just some ideas about what you think we can do better to reach out to younger people?

Mr. SCHOENEMAN. I think, obviously, number one, is make sure they know what it is. And I think when it comes to Kings Point, Kings Point is the diamond in the rough. People just don't realize. They think about the service academies, they think about Annapolis and Colorado Springs and they think about West Point, but they don't think about Kings Point.

And it is one of these things where I told my son, I was like, you are looking for colleges; I know one that is pretty good. How about you check over here.

Ms. STRICKLAND. Right.

Mr. SCHOENEMAN. When it comes to what Congress can do, I think, obviously, making sure that we have the ships and the cargo and the long-term jobs, that is the number-one thing. Nobody wants to get started in an industry that people think is dying, you know.

Ms. STRICKLAND. Right.

Mr. SCHOENEMAN. And, I mean, Joe talked about it. Like, when you have serious construction in the shipyard, that means you got work for a long time. People are going to want to do those jobs.

In the merchant marines, the same way. My guys want to know that that ship is going to be moving and that it is going to have cargo and that those routes are going to exist. And if they get started, they are not going to end up spending 10 years and then have to transition into another job.

So from our perspective, anything Congress does that supports the Maritime Security Program, supports the tanker program, increased funding for those programs, getting the funding so that it is done properly every year, that keeps those jobs in existence, and that makes it possible for us to go out and recruit.

And the same thing for when it comes to recruitment, I have been mentioning over and over again, we have to get that stood up so that we are telling people, hey, this is a viable career and you should try it out. And I think once we do that and we put the money that we need to into our training and the service academies and the State academies, I think we will be in a much better position than we are right now.

Ms. STRICKLAND. Yes. So what I just heard you say is investing in our maritime manufacturing industrial base so there is certainty, and also, I would say, good trade policy to make sure that we know commerce is going to be there.

Mr. Reynolds, did you want to add something, sir?

Mr. REYNOLDS. Yes, ma'am. So I have spent a couple weeks this past—well, about a year ago up at the main—Massachusetts Maritime Academy and working with the Massachusetts Department of Transportation and actually bringing unmanned systems to that campus, and I want to point out that we talk about unmanned systems. The first thing I suggest we think about is, they are not in lieu of manned systems. I am not trying to threaten my friend here to my left one bit, but they are very complementary.

Ms. STRICKLAND. Yes.

Mr. REYNOLDS. And there—and unmanned systems can go where we already don't send people.

Ms. STRICKLAND. Yes.

Mr. REYNOLDS. And they can provide some of the—it is trite—but I will just say the dull, dirty, dangerous tasks.

And I also believe that young people are interested in and attracted to flying an unmanned aerial vehicle to inspect aids to navigation, operating unmanned underwater vehicles to go do surveys around wind farms or subsea infrastructure.

And so I just wanted to add one—we are not trying to replace people. We think we can augment the maritime industry, and that, including this—merchant marine academies are an education, I think, would attract younger generations.

Ms. STRICKLAND. Absolutely. And we have a younger generation that is very tech-savvy. So to your point, it is not meant to supplant; it is meant to supplement and make us more effective.

And I just want to do one plug—and I am going to come to you, Mr. Rella—that in Tacoma, Washington, where I am from—and I am the former mayor, so I did a lot of work with the ports—Tacoma Public Schools and the Port of Tacoma are partnering to create a maritime skill center, Maritime 253.

And I say this because I hear rumblings about this administration trying to eliminate the Department of Education. The Department of Education provides a lot of funding to our public school system. So if we are talking about supplementing and enhancing programs that help us solve these problems as well, we have to think about the Department of Education, local school districts and how our ports, which are local taxing districts, all need to work together.

Mr. Rella?

Mr. RELLA. Sure. We talked about the maritime academies, and they certainly are a pipeline for leaders in the maritime industry. But then you have the need to say, for example, in a shipyard, the

skills, trades that you need to build ships. And when I ran also, I started—and we had 700 employees at the time. And when I left, we had 2,500 in 5 years.

So we had a really great State support and also local support, local government support. They helped fund a lot of our training programs. They put up a maritime training center right next to the shipyard.

Ms. STRICKLAND. Right.

Mr. RELLA. So having incentive—maybe Federal-State partnerships in the maritime where there are some incentives for the State to help support that maritime industry—the training growth.

Alabama—and I speak for Alabama because I spent a lot of time there, but it is—I live in Florida now, but it is the Alabama Industrial Development Training, AIDT, and they trained folks to our procedures, to the shipyard's procedures, and they had to qualify to that. And then we made the hire decision.

Ms. STRICKLAND. Right.

Mr. RELLA. So—and it was all free of charge to the potential employee.

Ms. STRICKLAND. Yes.

Mr. RELLA. So those sorts of things are really how you can build a workforce quickly. It comes from different angles. It is the State, it is the county, it is the city, and the Federal Government participating together to build that workforce.

Ms. STRICKLAND. Absolutely. Yes. And public schools. And so thank you all for your testimony.

Mr. RELLA. And the public schools.

Ms. STRICKLAND. And, again, we have to let more young people know that this is even a career option because it is such a vast industry.

Thank you, Mr. Chair. I yield back.

Mr. EZELL. The gentlelady yields.

I want to recognize myself for one question. Mr. Anderson, we had some conversation about low bid. You were telling me about an issue you had with having to buy two cranes from China because of low bid. I have, over the course of many years in public service, had my issues with low bid.

Could you tell me the problem that you have with the cranes that you bought, that you had to buy because of the low bid?

Mr. ANDERSON. Yes. So, Mr. Chairman, we are required under Florida statute to—when we do a procurement over a certain amount, we go through an RFP process, and the statute requires that you accept the low bidder in that process. And in that instance, the other crane manufacturers, recognizing in a bidding process with the low-bid requirement, the Chinese company being subsidized by the CCP, that they could not compete on a price basis, so they just didn't bid.

On the second go-around, we are piggybacking off another bid that was done, which we are allowed to do. But there needs to be, just like I was asking earlier for the Coast Guard to have some flexibility and authorization to use some private-public partnership to expedite things, there are situations where low bid isn't—when it comes to national security, you shouldn't be required to have a low-bid requirement.

We are using the existing law to purchase these cranes that will be built in Ireland, so we have navigated around that. But I believe that that is sometimes harmful to our Nation's interests.

Mr. EZELL. Would anybody else like to say anything about having to deal with low bid and national security or anything else with low bid?

Okay. Thank you very much. And I recognize Mr. Carbajal for 5 minutes.

Mr. CARBAJAL. Thank you, Mr. Chairman.

Mr. Rella, I understand that one of your business lines is constructing offshore wind support vessels. The current administration has the stated goal of dismantling offshore wind projects.

How do you expect the termination of offshore leases to affect your businesses if that is the case?

Mr. RELLA. We did have a focus and have delivered three crew transfer vessels for the offshore industry. We are building two more. We are close to signing the contract for another. So it is still vibrant for us, but any future builds might be in question.

The shipyard has diversified into other product lines, not just relying on the offshore wind, including commercial steel vessels. The CTVs that we are building for the offshore wind are aluminum hulled, so they are the high-speed craft, typically multihull.

So, we have diversified our product mix for commercial steel and also commercial aluminum vessels, such as research vessels and other types of vessels for the marine industry. And we are also looking to—obviously, I mentioned earlier, we are entering the Government sector with the Army Corps of Engineers.

So there are things that were attractive and the investment tax credits were something that we enjoyed the benefit of as a shipbuilder. So, that is a good program. Wherever it goes, however it is applied, I think for the shipyard to receive the tax credit to that effort is good.

So that is—goes with—like, currently with the wind farm future, see where that goes. So—but we have already flexed and—what the wind farm industry has done for us in the shipbuilding sector at least is enabled the shipyard to gain the expertise in aluminum ship welding, right, aluminum fabrication.

So we can take that expertise and move it to other markets, which is what we are doing.

Mr. CARBAJAL. Thank you.

Mr. Reynolds, with a 10-percent shortfall in the Coast Guard's workforce and a budget that is significantly below the needs of the Service, can you discuss in more detail the opportunity that autonomous technology could offer, and understanding the constraints on the Coast Guard's budget, what is the fastest and most cost-effective way for the Coast Guard to adopt these technologies?

Mr. REYNOLDS. Thank you, Congressman. I will say the first thing here is that the Coast Guard only has an R&D budget of about \$18 million a year. And that is for the entire Coast Guard's budget.

The U.S. Navy, as well as actually Department of Commerce, NOAA, are already investing and operating a wide range of unmanned systems in various states of development. I would suggest

close collaboration between DHS, DoD, as well as DOC to leverage these existing Government investments.

I will also add that the investment on the commercial side, basically industry wants to lean forward. Industry believes that there is something here. And so, you see quite a bit of private investment going into this technology, and I think our first thing we believe is that if you get it in the hands of the guardsmen just to develop their own comfort level with this kind of technology, they will then understand what requirements they need and understand how to best utilize this technology.

Again, I will point to what the National Security Cutter has done with an unmanned air vessel—aircraft, contractor-owned, contractor-operated. So the Coast Guard doesn't actually own this technology, but it is employed on the National Security Cutters.

And from what I understand from past testimony, the Coast Guard is thrilled with how this has really improved and really extended the capability of that platform without removing any people. It's been additive.

And so, the Coast Guard mission is extremely arduous. They go into places that a lot of people won't want to go. They conduct missions that maybe your robotic system could go do maybe more safely or help them do it.

So my first thought would be partner with the U.S. Navy and NOAA. I think they would be—I hope they would be open to that. And then, let's work with industry about maybe what we could deliver and just get in the hands of the guardsmen or something like a pilot project for them to learn about themselves.

Mr. CARBAJAL. Thank you.

Mr. Chair, I yield back.

Mr. EZELL. Thank you. The gentleman yields.

If there are any other members of the subcommittee who have not been recognized?

Seeing none, that concludes our hearing today.

I would like to thank each and every one of you today for being here and providing this important testimony. The subcommittee stands adjourned.

[Whereupon, at 11:44 a.m., the subcommittee was adjourned.]