

STATEMENT FOR THE RECORD
SUBMITTED BY:
AMERICAN MARITIME OFFICERS
INTERNATIONAL ORGANIZATION OF MASTERS, MATES & PILOTS
MARINE ENGINEERS' BENEFICIAL ASSOCIATION
MARINE FIREMEN'S UNION
MARITIME TRADES DEPARTMENT, AFL-CIO
SAILORS' UNION OF THE PACIFIC
SEAFARERS INTERNATIONAL UNION
TRANSPORTATION TRADES DEPARTMENT, AFL-CIO
TO THE
SUBCOMMITTEE ON COAST GUARD, MARITIME, AND FISHERIES
COMMITTEE ON COMMERCE, SCIENCE AND TRANSPORTATION
ON
"THE SHIPS FOR AMERICA ACT"
"SEA CHANGE – REVIVING COMMERCIAL SHIPBUILDING"
OCTOBER 28, 2025

Chairman Sullivan, Ranking Member Blunt Rochester and Members of the Subcommittee:

This statement is submitted by the American Maritime Officers, the International Organization of Masters, Mates & Pilots, the Marine Engineers' Beneficial Association, the Marine Firemen's Union, the Maritime Trades Department, AFL-CIO, the Sailors' Union of the Pacific, the Seafarers International Union, and the Transportation Trades Department, AFL-CIO. Collectively, our unions represent the ships' masters, licensed deck officers, licensed engineers, and unlicensed merchant mariners working aboard all types of U.S.-flag commercial vessels, including all those enrolled in the Maritime Security Program and the Tanker Security Program.

The development, implementation and funding of programs and policies that promote, support and grow the U.S.-flag fleet, enhance its economic viability, and increase its ability to compete for and secure a larger share of America's commercial commerce are extremely important to the jobs of the men and women our organizations represent. The jobs that American merchant mariners perform, and the ships that they crew, are a vital component of America's economic and military security. They provide the commercial sealift readiness capability needed by the Department of Defense and, as history has demonstrated, are always ready, willing and able to put themselves in harms' way to support American troops deployed throughout the world. Consequently, we are grateful that this hearing is being held and we appreciate the opportunity to submit our statement.

At the outset, we wish to reiterate our strong support for the bipartisan and bicameral SHIPS for America Act. We thank the sponsors of this legislation for their leadership in introducing this legislation and we thank all those who have cosponsored this legislation for their commitment to revitalize America's commercial maritime capability. We assure you that America's seafaring labor organizations look forward to working with you and your colleagues to enact the provisions in the SHIPS for America Act relating to maritime manpower as well as the other far reaching and innovative proposals to achieve a stronger maritime industry.

We also wish to acknowledge the support for our industry expressed by President Trump, Vice President Vance, Secretary of Transportation Duffy, and others in the Administration. Their statements demonstrate a clear recognition at the highest level of our government that the United States needs and must have a stronger and larger U.S.-flag maritime industry. Our organizations agree wholeheartedly.

In addition, as reflected in the SHIPS for America legislation and the actions taken by the Administration, the international shipping arena is not a level playing field where all vessels operate under the same set of rules and comply with the same operational, manning and tax requirements. Rather, U.S.-flag vessels are forced to compete against foreign state owned and controlled vessels and other flag of convenience vessel operations, as well as those vessels receiving significant tax related and other economic incentives that help them secure larger amounts of the world's foreign trade.

The same holds true for the American shipbuilding industry and our labor colleagues who work in America's shipyards or in related service and supply industries. We support the steps being taken by the Administration to respond to unfair shipbuilding practices by China and urge the Administration to ensure that such steps reflect the importance of both domestic shipbuilding and U.S.-flag vessel operations to the economic and military security of our nation.

It is for these reasons why we strongly urge Congress to consider as expeditiously as possible the SHIPS for America legislation. Without the critically important initiatives contained in this legislation, vessels may be forced to leave the U.S.-flag. This will not only reduce the commercial sealift capability available to the Department of Defense but result in an outsourcing of critically important American maritime jobs causing a dangerous reduction in the number of American mariners available to crew the surge and sustainment vessels needed to support American troops overseas.

In fact, when we lose U.S.-flag vessels and the shipboard billets they provide, trained and experienced American mariners lose their jobs, their income, their health and other benefits, and their ability to provide for their families. When this happens, they have no choice but to leave our industry and find employment someplace else. For our government, and particularly the Department of Defense, this means that a sufficient number of American mariners will no longer be there - will no longer be working in our industry — the next time the need to support American troops and America's interests abroad arises.

It is also extremely important to emphasize that it takes many years for an individual to gain the sea-time necessary to obtain Coast Guard-issued licenses and endorsements. Simply put, it will take a long time for our country and our industry to recover from the further downsizing of our fleet and the outsourcing of American maritime jobs. Rather, Congress, the Administration and our industry need to work together to achieve the goals and objectives contained in the Declaration of Policy

in the Merchant Marine Act, 1936: namely, that “It is necessary for the national defense and development of its foreign and domestic commerce that the United States shall have a merchant marine (a) sufficient to carry a substantial portion of the water-borne export and import foreign commerce of the United States. . .”

Today, U.S.-flag commercial vessels today carry less than 2 percent of America’s commercial foreign commerce, clearly not a “substantial portion”. However, the simple fact is that the key element in the revitalization of the U.S.-flag shipping industry and its ability to protect the international shipping supply chain is to increase the share of commercial cargo carried by U.S.-flag vessels in international commerce. Without cargo, ships don’t sail and if ships don’t have the cargo they need to operate, then the American merchant mariners who crew these vessels will not have work and may in fact be forced to leave the industry, reducing the critically important maritime manpower pool.

To this end, we support the increase in U.S.-flag cargo preference shipping requirements to 100 percent as contained in the SHIPS for America legislation. We believe very strongly that U.S.-flag vessels and their U.S. citizen crews should be responsible for the carriage of all U.S. taxpayer financed government cargoes.

At the same time, it is important for Congress and the Administration to understand that simply increasing the share of government cargo to be carried by U.S.-flag vessels will not result in the increase in the number of U.S.-flag commercial vessels envisioned by the SHIPS for America legislation. It is essential that provisions be included that result in the carriage of a greater portion of America’s foreign trade on American ships.

Congress should, for example, consider the establishment of a tax credit provided to the shippers or owners of the cargo as an incentive to utilize American ships in response to the economic advantages enjoyed by foreign flag and foreign crewed ships. In addition, we would encourage Congress to consider which tax-related incentives currently available to foreign flag vessels should be made applicable to U.S.-flag vessels and their American crews. Many nations, for example, exclude the income earned by their mariners from their income tax, a provision that reduces operating costs to the vessel owner. In fact, this foreign source income exclusion is currently available to other American workers employed outside the United States pursuant to section 911 of the Internal Revenue Code but not to American mariners working aboard U.S.-flag vessels operating in the foreign trades.

We also believe that section 421 in the SHIPS for America Act that allows duties on imported cargo to be adjusted if carried on U.S.-flag vessels should be utilized and that such incentives should be a part of bilateral and multilateral trade negotiations.

In short, if we do nothing and our industry is expected to respond on its own without the support of the United States government to constantly changing conditions in the international shipping arena, the stability necessary for the U.S.-flag shipping companies to attract the investments they need and the opportunity for maritime labor to recruit and retain the mariners our country needs will not be there. Most importantly, the failure to act means that the Department of Defense will no longer have the certainty that the privately-owned U.S.-flag commercial industry will be there to provide the commercial sealift capability it needs; will no longer be able to undertake the long-term planning necessary for an effective sealift strategy; and will be forced to dedicate a significant portion of its limited resources to the commercial sealift functions presently provided by the U.S.-flag merchant marine at a fraction of what it would cost the government to do it all itself.

In conclusion, we stand ready to do whatever we can to help put in place the programs and policies that result in the operation of a greater number of commercial vessels under the United States-flag, that create new job opportunities for American mariners, and that increase the share of America's foreign trade carried by U.S.-flag vessels.