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ABSTRACT

The three days of House subcommittee hearings reported in this transcript deal with the proposed Maritime Education and Training Act, H.R. 5451 and the Maritime Education and Training Elements of Maritime Appropriations Authorization Act--H.R. 6554. The primary goal of the legislation is to provide for the supply of merchant marine officers from federal and state academies. Among the topics addressed in the hearings are: (1) nominations and appointments procedures; (2) federal subsidy to state academies; (3) types of education needed; (4) service obligations of program graduates; and (5) the role of the federal government. (Author/WB)

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58
MARITIME EDUCATION AND TRAINING MISCELLANEOUS

ED 204118

HEARINGS
BEFORE THE
AD HOC SELECT SUBCOMMITTEE ON
MARITIME EDUCATION AND TRAINING
OF THE
COMMITTEE ON
MERCHANT MARINE AND FISHERIES
HOUSE OF REPRESENTATIVES
NINETY-SIXTH CONGRESS

ON
MARITIME EDUCATION AND TRAINING
ACT—H.R. 5451

DECEMBER 6, 11, 1979, APRIL 23, 1980

MARITIME EDUCATION AND TRAINING ELEMENTS
OF MARITIME APPROPRIATIONS AUTHORIZATION
ACT—H.R. 6554

FEBRUARY 25, 1980

Serial No. 96-35

Printed for the use of the Committee on Merchant Marine and Fisheries



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OF THE

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NINETY-SIXTH CONGRESS

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WASHINGTON: 1980

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CONTENTS

MARITIME EDUCATION AND TRAINING ACT

	Page
Hearings held—	
December 6, 1979.....	1
December 11, 1979.....	205
April 28, 1980.....	319
Text of H.R. 5451.....	4
Reports from—	
Defense (Navy) Department.....	31
Interior Department.....	34
Statement of—	
Albright, Rear Adm. Penrose, Director, Naval Reserve Law Programs, and a member of the Navy Maritime Planning Policy Group.....	263
Alcantara, Comdr. Leonard, Chief, Maritime and International Law Division, U.S. Coast Guard.....	109
Bednerik, Jon, director of government affairs, International Association of Drilling Contractors, Houston, Tex.....	244
Bell, Rear Adm. Henry H., Chief, Office of Merchant Marine Safety, U.S. Coast Guard.....	320
Benkert, Rear Adm. William M., USCG (retired), president, American Institute of Merchant Shipping.....	257
Brown, Donald G., manager, Marine and Industry Coordination, Gulf Trading and Transportation Co.....	228
Brown, Hazel, president, Harry Lundeborg School, Seafarer's International Union.....	307
Cannalisto, Vincent, Jr., Chairman, U.S. Merchant Marine Academy Advisory Board.....	210
Casey, Howard, Acting Superintendent, U.S. Merchant Marine Academy.....	41
Collins, Rear Adm. Frank, U.S. Navy, Director, Logistic Plans Division, Department of the Navy.....	320
Eno, Capt. Walter, administrative staff, Massachusetts Maritime Academy.....	174
Figari, Capt. William, president, National Propeller Club.....	286
Friedberg, Arthur, Director, Office of Maritime Labor and Training, Maritime Administration.....	41
Gianelloni, V. J., III, director, Louisiana Marine and Petroleum Institute.....	205
Harrington, Rear Adm. Lee, USMS, Massachusetts Maritime Academy, Buzzards Bay, Mass.....	174
Haynes, Rear Adm. Kenneth G., USMS, dean, Texas Maritime College, Galveston, Tex.....	196
Kinney, Rear Adm. S. H., USN (retired), president, State University of New York Maritime College, Fort Schuyler, Bronx, N.Y.....	122
Prepared statement.....	123
Leopold, Capt. Robert K., USN, Head, Sealift Mobility and Maritime Affairs Section, Office of the Chief of Naval Operations, Department of the Navy.....	135
Lewis, Michelle, Civilian Personnel Officer, Military Sealift Command.....	135
Mayberry, Capt. William, executive director, Offshore Marine Service Association.....	287
McCowan, Scott D., Chief, Manning Branch, Merchant Vessel Personnel Division, U.S. Coast Guard.....	109
Miller, W. McNab, III, U.S. Merchant Marine Academy Alumni Association.....	268

	Page
Statement of—Continued	
Miller, W. McNab, III, U S Merchant Marine Academy Alumni Association—Continued	
Prepared statement.....	271
Murphy, Hon John M., chairman, Merchant Marine and Fisheries Committee.....	2
Muth, Capt. Harold, vice president, government relations, American Waterways Operators.....	236
Nemirow, Samuel, Assistant Secretary of Commerce for Maritime Affairs, Department of Commerce.....	41, 320
Prepared statement.....	42
Rector, Rear Adm George B., USMS, director, Great Lakes Maritime Academy, Traverse City, Mich.....	191
Rizza, Rear Adm. J. P., USMS, president, California Maritime Academy, Vallejo, Calif.....	144
Rodgers, Rear Adm. E. A. USMS, superintendent, Maine Maritime Academy, Castine, Maine.....	160
Scarborough, Vice Adm Robert H., vice commandant, U.S. Coast Guard.....	109
Trimble, Vice Adm. Paul E., U.S. Coast Guard (retired), president, Lake Carriers' Association.....	248
Trutneff, Dr. Henry F., director of human resources of the International Organization of Masters, Mates, and Pilots.....	297
Wilson, Lejeune, vice president, personnel and training, SEDCO, Inc. (drilling division), Dallas, Tex.....	244
Wolff, Hon. Lester, a Representative in Congress from the State of New York.....	36
Yocum, James H., president, U.S. Merchant Marine Academy Alumni Association.....	263
Additional material supplied—	
Brown, Hazel: Questions of Mr. AuCoin and responses.....	316
Coast Guard:	
License examination results.....	111
Proposed changes to regulations for the Corps of Cadets.....	260
Questions of Mr. AuCoin and answers.....	117
Harrington, Rear Adm. Lee: Responses of Massachusetts Maritime Academy to questions of Mr AuCoin.....	186
Haynes, Rear Adm Kenneth G.: Answers to question of Mr. AuCoin.....	201
Kinney, Rear Adm. Sheldon H.:	
Answers to question of Mr. AuCoin.....	131
Comments on revised H.R. 5451.....	368
Maritime Administration:	
Breakdown of the cost per graduate.....	57
Class enrollment.....	67
Class of 1976 performance on Coast Guard deck licensing examination—third mate examination.....	55
Comments on redraft of H.R. 5451.....	351
Nonprofit maritime education and training facilities in the United States.....	81
Op-Ed Response to Inquirer series on U.S. Merchant Marine Academy.....	52
Questions of committee and answers.....	81
Questions of Mr. Emery and answers.....	104
Response of graduates.....	60
Work force demand.....	61
Miller, W. McNab, III: Proposed legislation imposing service obligation.....	277
Navy Department:	
Questions of Mr. AuCoin and answers.....	140
U.S. Naval Academy admission.....	347
Rector, Rear Adm. George B.: Responses to questions of Mr. AuCoin.....	194
Rodgers, Rear Adm. E. A.: Answers to questions of Mr. AuCoin.....	169
Trimble, Vice Adm. Paul E.: Questions of Mr. AuCoin and responses.....	254
Trutneff, Henry F.: Questions of Mr. AuCoin and responses.....	304
Communications submitted—	
Benkert, W. M.:	
Letter of February 29, 1980, to Ron Loesch.....	261
Letter of April 21, 1980, to Hon. Les AuCoin.....	376
Besch, Gordon O. C.: Letter of April 18, 1980, to Hon. Les AuCoin.....	376
Casey, Howard F.: Letter of January 4, 1980, to Hon. Les AuCoin.....	108

	Page
Communications submitted—Continued	
Fournier, Capt. J. M.: Letter of March 11, 1980, to Hon. Les AuCoin	117
Gianelloni, V. J., III: Letter of April 11, 1980, to Representative Les AuCoin	370
Harrington, Rear Adm. Lee:	
Letter of December 10, 1979, to Hon. Les AuCoin	189
Letter of December 10, 1979, to Hon. Les AuCoin containing view of amendments	190
Letter of April 15, 1980, to Hon. Les AuCoin	366
Haynes, Rear Adm. Kenneth G.:	
Letter of January 3, 1980, to Congressman Les AuCoin	201
Letter of April 14, 1980, to Hon. Les AuCoin	369
Kinney, Rear Adm. Sheldon H.:	
Letter of February 8, 1980, to Hon. Les AuCoin with answers to questions	131
Letter of February 8, 1980, to Hon. Les AuCoin with enclosed comments	130
Letter of April 16, 1980, to Hon. Les AuCoin	368
Lattach, Capt. L. C.: Letter of April 23, 1980, to Hon. Les AuCoin	361
Leopold, Capt. Robert K.: Letter of February 4, 1980, to Hon. Les AuCoin	140
Mayberry, Capt. W. A.: Letter of April 14, 1980, to Hon. Les AuCoin	374
Miller, W. McNab, III: Letter of February 1, 1980, to Congressman Les AuCoin containing answers to questions	293
Muth, Harold D.: Letter of April 18, 1980, to Hon. Les AuCoin	373
Nemirow, Samuel B.:	
Letter of September 10, 1979, to Edwin Guthman	51
Letter of April 21, 1980, to Hon. Les AuCoin	351
Letter to Hon. David F. Emery	104
Nottingham, Milton G., Jr.: Letter of April 17, 1980, to Hon. Les AuCoin	372
Rector, Rear Adm. George B.:	
Letter of December 12, 1979, to Hon. Les AuCoin	194
Letter of February 19, 1980, to Congressman Les AuCoin	196
Letter of April 14, 1980, to Congressman Les AuCoin	367
Rizza, Rear Adm. J. P.:	
Letter of January 3, 1980, to Congressman Les AuCoin	153
Letter of January 22, 1980, to Hon. Les AuCoin with responses to questions	154
Letter of April 15, 1980, to Hon. Les AuCoin	363
Rodgers, Rear Adm. E. A.:	
Letter of January 2, 1980, to Hon. Les AuCoin	173
Letter of April 15, 1980, to Hon. Les AuCoin	363
Treen, Gov. David C.: Letter of April 14, 1980, to Hon. Les AuCoin	370
Trimble, Vice Adm. Paul E.: Letter of April 10, 1980, to Hon. Les AuCoin	874
Trutneff, Henry F.: Letter of December 12, 1979, to Hon. Les AuCoin	302

MARITIME EDUCATION AND TRAINING ELEMENTS OF MARITIME APPROPRIATIONS AUTHORIZATION ACT

Hearing held February 25, 1980	379
Text of H.R. 6554	382
Statement of—	
Harrington, Rear Adm. Lee, USMS, president, Massachusetts Maritime Academy	430
Prepared statement	445
Haynes, Kenneth G., Rear Adm., USMS, dean, Texas Maritime College	470
Kinney, Rear Adm. S. H., president, State University of New York Maritime College, Fort Schuyler	430
Prepared statement	448
Nemirow, Samuel B., Assistant Secretary for Maritime Affairs, Department of Commerce	386
Rizza, Rear Adm. Joseph P., USMS, president, California Maritime Academy	430
Prepared statement	434
Rodgers, Rear Adm. E. A., USMS, superintendent, Maine Maritime Academy	430
Prepared statement	441
Wolff, Hon. Lester L., a Representative in Congress from the State of New York	385

	Page
Additional material supplied—	
Kinney, Rear Adm. S. H.: Training ships repair	462
Maritime Administration:	
Academy heating	406
CAORF	426
Cost comparison of custodial care	405
Cost per 1979 graduate USMMA	415
Expenditures	419
MarAd training courses	421
Maritime education and training, 1980-81	410
Merchant Marine Academy modernization program	422
Moneys appropriated	418
Net unavoidable operating cost increases	409
Operation of CAORF	427
Operators reimbursement for cadet training	424
Reprogramming actions	408
Revision of curriculum	406
State marine school service obligation	392
Rizza, Rear Adm. Joseph P.: Simulators	449
Communications submitted—	
Benkert, W. M.: Letter of March 7, 1980, to Hon. Les AuCoin	472
Rector, Rear Adm. George B.: Letter of February 19, 1980, to Dan Pan- shin	470
Trutneff, Henry F.: Letter of February 29, 1980, to Hon. Les AuCoin	473

MARITIME EDUCATION AND TRAINING ACT

THURSDAY, DECEMBER 6, 1979

HOUSE OF REPRESENTATIVES, AD HOC SELECT SUBCOMMITTEE ON MARITIME EDUCATION AND TRAINING, COMMITTEE ON MERCHANT MARINE AND FISHERIES,

Washington, D.C.

The subcommittee met, pursuant to notice, at 9:30 a.m., in room 1334, Longworth House Office Building, Hon. Les AuCoin (chairman of the subcommittee) presiding.

Present: Representatives AuCoin and Emery.

Also present: Dan Panshin, Leonard L. Sutter, Jr., Roh Losch, and Suzanne Bohn:

Mr. AuCoin. The Subcommittee on Maritime Education and Training will come to order.

The Chair would like to make a brief opening statement.

Today's hearing is the first of 2 days of hearings scheduled for H.R. 5451, the Maritime Education and Training Act of 1979. This legislation deals comprehensively with the Federal role in educating and training merchant marine officers.

In the 95th Congress, the subcommittee was chaired by my distinguished colleague, Congressman Gerry Studds of Massachusetts. Under his astute leadership, the subcommittee conducted a searching examination of maritime education and training in the United States, resulting in the oversight report on the Federal Government's role in merchant marine officer education.

H.R. 5451 implements the recommendations of the oversight report and thereby attempts to accomplish two very important objectives.

The first is a complete recodification of laws concerning maritime education and training, bringing together the provisions of various laws enacted over the years into a single act.

The second objective is to incorporate into law the large number of remedial changes detailed in the oversight report.

The Maritime Education and Training Act of 1979 represents the most complete and thorough attention ever accorded maritime education and training. It is a start, not a final product. I look to the 2 days of hearings to identify refinements that will improve the bill. If additional hearings are needed to address the issue adequately, they will be held.

This legislation deals with important and controversial issues. It is probable, if not likely, that the final outcome will not please every interest. But it is the subcommittee's goal and it is the subcommittee's intent to produce a bill that serves the national interest, a bill that corrects past deficiencies, a bill that provides

for a strong and viable maritime education and training program for the United States.

Thus, with these hearings, the stage is set for debate and for discussion. On this specialized but nonetheless important issue there are many questions that we will be examining.

For instance, what are the needs of the United States for merchant marine officers today? How many do we need? What kind of education and training do we need for these officers? What should be the role of the Federal Government?

The issues are many and the issues are complex. It is the task of the subcommittee to seek the answers. These hearings are an essential part of that process.

It is my belief, and I think it is shared by the leadership of the full committee and my colleagues on the committee; that the United States needs a strong merchant marine; both in peacetime as one of the major seagoing nations of the world, as well as in time of war or in national emergency to provide the essential naval auxiliary capability.

A strong merchant marine requires an adequate number of well-trained deck and engineering officers. Many of these officers come from the Federal and State maritime academies. The primary goal of the legislation before us is to provide for the supply of merchant marine officers from these academies in an orderly, timely, and responsible fashion.

The hearings are intended to obtain a complete record of wide ranging aspects of the maritime education and training. We will consider the Federal academy, the State academies, and the supplementary training program conducted under the auspices of the Maritime Administration.

Among the major topics I intend to pursue in these hearings are the nominations and appointments procedures to the U.S. Merchant Marine Academy, the nature and length of the service obligations of graduates from the Federal and State academies, Federal student subsidy payments to the State academies, and the adequacy of the supplementary training program.

Today, before we hear from the first witness, our esteemed colleague, the Honorable Congressman Lester Wolff of New York, I would like to insert a statement in the record from our distinguished chairman, Congressman John Murphy, along with a copy of the bill and departmental reports.

[The material follows:]

STATEMENT OF HON. JOHN M. MURPHY, CHAIRMAN, MERCHANT MARINE AND FISHERIES COMMITTEE

Thank you, Chairman AuCoin. The hearings we commence today mark the culmination of three years work by the Merchant Marine and Fisheries Committee.

At my direction, during the 95th Congress, the Ad Hoc Select Subcommittee on Maritime Education and Training, under the able Chairmanship of the Honorable Gerry E. Studds of Massachusetts (the Studds Committee) conducted an in-depth study of the requirements and problems associated with the Federal role in maritime education and training in the United States today. Subsequently, a comprehensive report (Serial No. 95-E) was submitted by the Studds Committee to the Merchant Marine and Fisheries Committee.

With the advent of the 96th Congress, I again appointed an Ad Hoc Select Subcommittee on Maritime Education and Training, with the Honorable Les AuCoin as Chairman (the AuCoin Committee). At this time, I would like to commend my colleague from Oregon for undertaking to complete this vital task.

For months now, the AuCom Committee has been working on draft legislation that would implement the recommendations of the Studds Committee Report H.R. 5451, the "Maritime Education and Training Act of 1979", on which we commence hearings this morning, is the result of their labors.

This bill is the most comprehensive piece of legislation concerning maritime education and training in the history of the Merchant Marine and Fisheries Committee.

Pursuant to the Studds Committee recommendation, this bill recodifies the existing provisions of law concerning maritime education and training that are currently set forth in the Merchant Marine Act, 1936, the Maritime Academy Act, 1958, the Civilian Nautical School Act, and the numerous other provisions of law scattered throughout Title 46 of the United States Code. I am particularly pleased to note that wherever possible Chairman AuCom has meticulously followed the wording of the existing statutes in his recodification effort. This should greatly simplify these hearings by obviating any questions as to the intent of the recodification provisions that are in the bill.

Additionally, Chairman AuCom has amended his recodification work to incorporate those recommendations of the Studds Committee that can be best implemented legislatively.

The result is a first-rate piece of legislation on which we today commence full and fair hearings.

Chairman AuCom has assured me that anyone who wishes to testify may do so. In an area as important as maritime education and training, a comprehensive hearing record is crucial if we are to complete this undertaking in a proper manner.

Also, Chairman AuCom and I are in complete agreement that none of the provisions set forth in H.R. 5451 are cast in stone. We look forward to receiving meaningful testimony so that amendments can be made as required.

Our intent is to report to the House of Representatives a bill that will provide a realistic and meaningful legislative framework to implement Federal efforts in the area of maritime education and training for many years to come.

96TH CONGRESS
1ST SESSION

4
H. R. 5451

To provide for education and training in maritime subjects.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 27, 1979

Mr. MURPHY of New York (for himself and Mr. AuCoin) introduced the following bill; which was referred to the Committee on Merchant Marine and Fisheries

A BILL

To provide for education and training in maritime subjects.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act may be cited as the "Maritime Education and
4 Training Act of 1979".

5 SEC. 2. The Merchant Marine Act, 1936 (46 U.S.C.
6 1101 et seq.), is amended by adding after title XII the fol-
7 lowing new title:

1 “(4) the term ‘Academy’ means the United States
2 Merchant Marine Academy at Kings Point, New York.

3 “SEC. 1303. (a) The Secretary shall maintain an Acad-
4 emy for the instruction and preparation for service in the
5 merchant marine of selected persons as officers thereof.

6 “(b) In connection with such instruction and as a part
7 thereof, the Secretary is authorized to provide for training of
8 merchant marine cadets (under such rules and regulations as
9 prescribed by the Secretary and upon such terms as the Sec-
10 retary may arrange) on Government-owned and subsidized
11 vessels and (in cooperation with other governmental and pri-
12 vate agencies) on other vessels, and (for instructional pur-
13 poses only) in shipyards, plants, and industrial and educa-
14 tional organizations. Expenditures incident to such training
15 are hereby authorized.

16 “(c) The Secretary shall establish minimum require-
17 ments and a system of competition for selecting merchant
18 marine cadets. The system of competition shall include an
19 assessment of the candidate’s academic background, standing
20 in competitive examinations, and such other factors as are
21 considered effective indicators of motivation and probability
22 of successful completion of training at the Academy. No pref-
23 erence to members of the immediate family of Academy
24 alumni shall be granted in selecting cadets.

1 “(d)(1)(A) The competitive system shall be administered
2 annually to those persons nominated as candidates to the
3 Academy by Senators and Representatives, and by the
4 Panama Canal Commission and by the Governor of American
5 Samoa to select persons to be offered appointment. The
6 number of vacancies allocated to each State shall be proportioned
7 to the representation in Congress from that State; but
8 two vacancies shall be allocated each year to the areas and
9 installations in the Republic of Panama made available to the
10 United States pursuant to the Panama Canal Treaty of 1977
11 and related agreements, to be filled by qualified candidates
12 nominated by the Panama Canal Commission from among
13 the sons and daughters of citizens of the United States employed
14 by the United States Government and residing in the
15 Republic of Panama, one vacancy each shall be allocated
16 each year to Guam, American Samoa, and the Virgin Islands,
17 and four vacancies shall be allocated each year to the
18 District of Columbia. In case vacancies remain after the appointments
19 under the preceding sentence have been made,
20 the Secretary shall fill them by appointments from qualified
21 candidates from other States in the order of merit established
22 by such competitive system.

23 “(B) A candidate nominated by the Governor of American
24 Samoa shall not be denied admission by reason of his
25 being a national but not a citizen of the United States: *Pro-*

1 *vided*, That such a candidate shall not be entitled to any
2 office or position in the United States merchant marine by
3 reason of his graduation from the Academy until such person
4 becomes a citizen.

5 “(2) The Secretary is authorized to permit, upon desig-
6 nation of the Secretary of the Interior, not to exceed four
7 persons at a time from the Trust Territory of the Pacific
8 Islands or the Northern Mariana Islands to receive instruc-
9 tion at the Academy. The persons receiving instruction under
10 authority of this section shall receive the same pay,
11 allowances, and emoluments (to be paid from the same ap-
12 propriations and subject to such exceptions as shall be jointly
13 agreed upon by the Secretary and the Secretary of the Interi-
14 or); shall be subject to the same rules and regulations govern-
15 ing admission, attendance, discipline, resignation, discharge,
16 dismissal, and graduation as cadets at the Academy appoint-
17 ed from the United States; but such persons shall not be enti-
18 tled to appointment to any office or position in the United
19 States merchant marine by reason of their graduation from
20 the Academy.

21 “(3) In addition, the Secretary is authorized to annually
22 make a limited number of noncompetitive appointments to
23 the Academy of qualified individuals possessing qualities
24 deemed to be of special value to the Academy. In making

such appointments the Secretary shall attempt to achieve a national demographic balance in the Academy.

“(e)(1) No person from a foreign country may be permitted to receive instruction at the Academy except as authorized by this subsection.

“(2) The Secretary may permit at any time not more than twelve persons designated by the President from all nations in the Western Hemisphere to receive instruction at the Academy. Of the twelve persons permitted to receive instruction at the Academy at any one time under this paragraph, not more than two may be from the same country.

“(3) A person receiving instruction under this subsection is entitled to the same pay and allowances, to be paid from the same appropriations, as cadets from the United States are entitled to.

“(4) Except as the Secretary determines, a person receiving instruction under this subsection is subject to the same regulations governing admission, attendance, discipline, resignation, discharge, dismissal, and graduation, as a cadet from the United States. However, a person receiving instruction under this subsection is not entitled to any office or position in the United States Armed Forces or merchant marine by reason of graduation from the Academy.

“(f) Citizens of the United States appointed to the Academy may be appointed by the Secretary of the Navy as Re-

1 serve midshipmen in the United States Navy and may be
2 commissioned as Reserve ensigns in the United States Navy
3 upon graduation from the Academy.

4 "(g) Cadets at the Academy shall receive allowances for
5 all required uniforms and textbooks (as prescribed by rules
6 and regulations) and to transportation (including reimburse-
7 ment of traveling expenses) while traveling as a cadet under
8 orders.

9 "(h)(1) Each candidate for each class entering the Acad-
10 emy after the enactment of this subsection, who is a citizen of
11 the United States, shall, as a condition of appointment to the
12 Academy, sign an agreement committing such candidate—

13 "(A) to complete the course of instruction at the
14 Academy, unless the candidate is separated by the
15 Academy; -

16 "(B) to obtain and maintain for at least six years
17 following graduation (excluding the grace period) an of-
18 ficer's license in the United States merchant marine;

19 "(C) to apply for, and if tendered, accept an ap-
20 pointment as a commissioned officer in the United
21 States Naval Reserve, and remain therein until the
22 sixth anniversary of graduation from the Academy
23 (except as otherwise provided in subparagraph (D)(iii));

24 "(D) to serve the national defense or the foreign
25 and domestic commerce of the United States for at

1 least five years following graduation in one or more of
2 the following ways:

3 "(i) as a merchant marine officer on a United
4 States-documented vessel;

5 "(ii) as an employee in private or public
6 United States maritime-related industries, pro-
7 fessions, or marine sciences (as defined by the
8 Secretary);

9 "(iii) as a commissioned officer on active
10 duty in an armed force of the United States or in
11 the National Oceanic and Atmospheric Administra-
12 tion: *Provided*, That both active service and any
13 subsequent Reserve obligation in the respective
14 service may be, except as otherwise provided by
15 law, in lieu of the Naval Reserve obligation set
16 forth in subparagraph (C) of this subsection; and

17 "(E) to report to the Secretary (at intervals deter-
18 mined by the Secretary) what such candidate has done
19 to comply with such agreement.

20 "(2) If the Secretary determines that any cadet or grad-
21 uate of the Academy has broken the agreement specified in
22 paragraph (1), the Secretary of the Navy may order the cadet
23 or graduate to active duty to serve the unexpired portion of
24 the service provided by the agreement (as determined by the

1 Secretary) but not less than three years. In hardship cases,
2 the Secretary may waive this paragraph.

3 "(i) Under conditions prescribed by the Secretary which
4 shall include passage of the examination for an entry-level
5 merchant marine officer's license, the Superintendent of the
6 Academy may confer the degree of bachelor of science upon
7 graduates of the Academy.

8 "(j)(1) There shall be appointed in January of each year
9 a Board of Visitors to visit the Academy, which shall consist
10 of two Senators and three Members of the House of Repre-
11 sentatives, appointed by the chairman of the committees of
12 the Senate and the House of Representatives, respectively,
13 having primary legislative jurisdiction pertaining to the
14 Academy (the chairmen of said committees being ex officio
15 members of the Board) and of one Senator and two Members
16 of the House of Representatives appointed by the President
17 of the Senate and the Speaker of the House of Representa-
18 tives, respectively: *Provided*, That whenever a member or an
19 ex officio member is unable to attend the annual meeting
20 provided in paragraph (2) of this subsection another Member
21 may be appointed as a substitute in the manner as herein
22 provided but without restriction as to month of appointment.

23 "(2) Such Board shall visit the Academy annually on a
24 date to be fixed by the Secretary. Each member of the Board
25 shall be reimbursed under Government travel regulations for

1 the actual expense incurred while engaged upon duties as a
2 member of such Board.

3 “(3) The chairmen of the committees mentioned in para-
4 graph (1) of this subsection are authorized to designate com-
5 mittee staff members to serve as staff (without reimburse-
6 ment) for the Board of Visitors of the Academy, and to
7 handle matters such as the minutes and recommendations of
8 such Board.

9 “(k) The Secretary may appoint an advisory board to
10 the Academy consisting of not more than seven persons of
11 distinction in education and other fields relating to the pur-
12 poses of the Academy, who shall serve without pay. Mem-
13 bers of the advisory board shall be appointed for terms of not
14 to exceed three years and may be reappointed. The Secretary
15 shall, in June of each year, appoint one of the members to
16 serve as chairman. The members so appointed shall visit the
17 Academy at least once during the academic year on the call
18 of the chairman and may convene once each year in Wash-
19 ington, District of Columbia, at the call of the Assistant Sec-
20 retary, for the purpose of examining the course of instruction
21 and the management of the Academy and advising the As-
22 sistant Secretary, with a copy of such advice to the superin-
23 tendent of the Academy, relative thereto. The expenses of
24 the board while engaged in these duties, including the ex-
25 pense of travel, shall be defrayed from any appropriation for

1 the authorized work of the Administration, under Govern-
2 ment travel regulations.

3 "SEC. 1304. (a)(1) It is hereby declared to be the policy
4 of this section to promote the national policy with respect to
5 the United States merchant marine, as set out in sections
6 101 and 1301 of the Merchant Marine Act, 1936, by assist-
7 ing and cooperating with any States or Territories in the
8 operation and maintenance of maritime academies or colleges
9 for the training of merchant marine officers.

10 "(2) The Governors of the States or Territories cooper-
11 ating to sponsor a regional maritime academy or college shall
12 in writing identify and designate a State or Territory, from
13 among the cooperating States and Territories, to conduct the
14 affairs of such regional maritime academy or college. Such
15 regional maritime academies or colleges shall be eligible for
16 assistance from the Federal Government on the same basis
17 as State maritime academies or colleges.

18 "(b)(1) In order to carry out the policy set out in subsec-
19 tion (a)(1), the Secretary may furnish any suitable vessel
20 under his jurisdiction, or obtained under subsection (b)(2), or
21 construct and furnish a suitable vessel if such a vessel is not
22 available to any State or Territory of the United States, for
23 use as a training vessel for a maritime academy or college
24 meeting the requirements of this section. Any such vessel—

1 “(A) shall be repaired, reconditioned, equipped
2 (including supplying all apparel, charts, books, and in-
3 struments of navigation) as necessary for use as a
4 training ship;

5 “(B) shall be furnished only upon application
6 therefor in writing by the Governor of such State or
7 Territory;

8 “(C) shall be furnished only if a suitable port for
9 the safe mooring of such vessel is available while it is
10 being used by such academy or college;

11 “(D) shall be maintained in good repair by the
12 Secretary; and

13 “(E) shall remain the property of the United
14 States.

15 “(2) Any department or agency of the United States
16 may provide to the Secretary for disposition under the provi-
17 sions of this section any vessel (including equipment) which is
18 suitable for the purposes of this section and can be spared
19 without detriment to the service to which such vessel has
20 been assigned.

21 “(3) The Secretary may pay additional amounts to
22 assist in paying for the cost of fuel oil consumed during train-
23 ing cruises of the vessels referred to in subsection (b)(1).

24 “(4) The Secretary is authorized to provide for training
25 of students from maritime academies or colleges on Govern-

1 ment-owned and subsidized vessels and (in cooperation with
2 other governmental and private agencies) on other vessels.
3 "(c)(1) The Secretary may enter into agreements with
4 one maritime academy or college (which meets the require-
5 ments of this section) located in each State or Territory and
6 to each regional maritime academy or college (which meets
7 the requirements of this section) to make annual payments to
8 such academy or college, for not in excess of four years in the
9 case of each such agreement, to be used for the maintenance
10 and support of such academy or college. The amount of such
11 payment for any year to any maritime academy or college
12 shall be equal to the amount furnished to such academy or
13 college for its maintenance and support by the State or Terri-
14 tory in which such academy or college is located or, in the
15 case of a regional maritime academy or college, an amount
16 equal to the amount furnished to such academy or college for
17 its maintenance and support by all States or Territories coop-
18 erating to sponsor such academy or college, except that such
19 payment to any academy or college for any year shall not
20 exceed \$100,000, or \$25,000 if such academy or college
21 does not meet the requirements of subsection (d)(2) of this
22 section.

23 "(2) The Secretary shall provide to each maritime acad-

24 emy or college guidance and assistance in developing courses

1 on the operation and maintenance of new vessels, equipment,
2 and innovations being introduced in the maritime industry.

3 “(d)(1) As a condition to receiving any payments or the
4 use of any vessel under this section, an academy or college
5 shall—

6 “(A) provide courses of instruction in navigation
7 and marine engineering (including steam and diesel
8 propulsion), the operation and maintenance of new ves-
9 sels and equipment, and innovations being introduced
10 in the maritime industry;

11 “(B) agree in writing to conform to such stand-
12 ards in such courses, in training facilities, in entrance
13 requirements, and in instructors, as are established by
14 the Secretary after consultation with superintendents of
15 maritime academies and colleges in the United States;
16 and

17 “(C) require passage prior to graduation from
18 such academy or college of the examination for an
19 entry-level merchant marine officer's license.

20 “(2) As a condition to receiving a payment of any
21 amount in excess of \$25,000 for any year under the provi-
22 sions of subsection (c), a maritime academy or college shall
23 agree to admit to such academy or college students residing
24 in other States (excluding students from foreign countries) in
25 such numbers as the Secretary shall prescribe, except that.

1 the number of such students prescribed for any academy or
 2 college shall not at any time exceed one-third of the student
 3 capacity of such academy or college.

4 "(e) Students appointed to any maritime academy or
 5 college which is assisted under any provisions of this section
 6 may be appointed by the Secretary of the Navy as Reserve
 7 midshipmen in the United States Navy and may be commis-
 8 sioned as Reserve ensigns in the United States Navy upon
 9 graduation from the academy or college.

10 "(f)(1) The Secretary may enter into agreements to
 11 make loans for not more than four academic years (at a rate
 12 not in excess of \$1,200 per academic year) to any student
 13 (who is a citizen of the United States) entering after the date
 14 of enactment of this section an academy or college with
 15 which the Secretary contracts under subsection (c). The loans
 16 shall be allocated among the various academies and colleges
 17 in a fair and equitable manner and shall be disbursed to such
 18 student (in such installments as the Secretary shall prescribe)
 19 while the student is in attendance at the academy or college.
 20 Each such student shall agree—

21 "(A) to use the loan to assist in defraying the cost
 22 of uniforms, books, and subsistence for such student;

23 "(B) that the loan shall commence to accrue on
 24 the day the student begins his first term of work at
 25 such academy or college;

1 “(C) to complete the course of instruction at the
2 academy or college unless the student is separated
3 from the academy or college sooner by such academy
4 or college;

5 “(D) to obtain and maintain for at least six years
6 following graduation (excluding the grace period) an of-
7 ficer's license in the United States merchant marine;

8 “(E) to apply for, and if tendered, accept an ap-
9 pointment as a commissioned officer in the United
10 States Naval Reserve, and to remain therein until the
11 sixth anniversary of graduation, except as otherwise
12 provided in subparagraph (F)(iii);

13 “(F) to serve the national defense or the foreign
14 and domestic commerce of the United States for at
15 least five years following graduation—

16 “(i) as a merchant marine officer on a United
17 States documented vessel;

18 “(ii) as an employee in private or public
19 United States maritime related industries, profes-
20 sions, or marine sciences (as defined by the Secre-
21 tary); or

22 “(iii) as a commissioned officer on active
23 duty in an armed force of the United States or of
24 the National Oceanic and Atmospheric Adminis-
25 tration: *Provided*, That both active service and

1 any subsequent Reserve obligation in the respec-
2 tive service may be (except as otherwise provided
3 by law) in lieu of the Naval Reserve obligation set
4 forth in subparagraph (E); and

5 "(G) to report to the Secretary (at intervals deter-
6 mined by the Secretary) on what the student or gradu-
7 ate has done to comply with this agreement.

8 "(2) The loan is forgiven if the student carries out all
9 the terms of the loan agreement, or if the student is separat-
10 ed from the student's academy or college because of acci-
11 dent failure during the first two years of the student's
12 course of study or is separated from the academy or college
13 at any time for failure (as a result of accident, illness, or
14 other change in physical status from date of admission) to
15 meet the minimum physical requirements for a merchant
16 marine officer's license.

17 "(3) Except as provided in paragraph (1)(A), if a student
18 prior to graduation breaks the student's agreement, the loans
19 to the student become payable at the time of the breach (in
20 such installments as the Secretary determines) with interest
21 at the rate of 6 per centum per annum from the date of the
22 breach to the date on which such installments are paid.

23 "(4) If a graduate of such academy or college breaks the
24 employment portion of the agreement provided by paragraph
25 (1)(F) for any part of any year from the date of graduation,

1 the student shall repay one-fifth of the total amount of the
2 loans, less a pro rata portion for any quarter in which such
3 obligations were fulfilled, with interest at the rate of 6 per
4 centum per annum from the date of graduation to the date of
5 payment. The Secretary shall determine the installments of
6 such payments.

7 “(5) If a student fails to obtain an officer’s license in the
8 United States merchant marine or if the student fails to apply
9 for, or accept if tendered, an appointment as a commissioned
10 officer in the United States Naval Reserve (as provided in
11 paragraph (1)(E)) the loans to such student become payable
12 with interest at the rate of 6 per centum per annum from the
13 date of graduation to date of payment. The Secretary shall
14 determine the installments of such payments.

15 “(6) The Secretary may waive payment of the loan and
16 interest in any case in which there would be undue hardship
17 (as determined by the Secretary) and in any case in which
18 there would be impossibility of performance, of the employ-
19 ment or licensing provisions of the agreement (as determined
20 by the Secretary).

21 “(7) A debt which is a loan under this section may be
22 released by a discharge in bankruptcy under title 11 of the
23 United States Code only if such discharge is granted after the
24 five-year period (exclusive of any applicable suspension of the
25 repayment period) beginning on the date of the commence-

1 ment of the repayment period of such loan. Prior to the expi-
2 ration of such five-year period, such loan may be released
3 only if the court in which the proceeding is pending deter-
4 mines that payment from future income or other wealth will
5 impose an undue hardship on the debtor or the debtor's
6 dependents.

7 “(8) Section 6 of the Maritime Academy Act of 1958
8 (46 U.S.C. 1385) shall continue to apply to classes which
9 entered each academy or college prior to the enactment of
10 this section.

11 “(9) When requested by the Governor of any State or
12 Territory, the President of the United States is authorized to
13 detail, when in his opinion such detailing can be done without
14 detriment to the public service, proper officers of the Navy or
15 Coast Guard or United States Maritime Service instructors
16 employed under the provisions of section 1306 of this title, as
17 superintendents or instructors, or both, at maritime acade-
18 mies or colleges meeting the requirements of this section.
19 Officers or instructors so detailed shall be compensated by
20 the Federal agency ordinarily compensating them for service
21 as such an officer or instructor.

22 “SEC. 1305. The Secretary is authorized to prescribe,
23 conduct, and supervise such extension and correspondence
24 courses as may be deemed necessary to supplement other
25 training facilities, and to make such courses available (under

1 such rules and regulations and upon such terms as may be
2 prescribed) to the licensed and unlicensed personnel of the
3 merchant marine and to cadets and cadet officers who shall
4 make application therefor. The Secretary is further author-
5 ized to print, publish, and purchase suitable textbooks, equip-
6 ment, and supplies required for such courses and to employ
7 persons, firms, and corporations on a contract or fee basis
8 (without regard to the provisions of section 3709 of the Re-
9 vised Statutes of the United States (41 U.S.C. 5)) for the
10 performance of special services deemed necessary by the Sec-
11 retary in the preparation and editing of such textbooks and
12 other aids to instruction and in the supervision and adminis-
13 tration of such courses.

14 "SEC. 1306. The Secretary is authorized and directed,
15 under such rules and regulations as the Secretary may pre-
16 scribe, to establish and maintain the United States Maritime
17 Service as a voluntary organization for the training of citi-
18 zens of the United States to serve as licensed and unlicensed
19 personnel on American merchant vessels. The Secretary is
20 authorized to determine the number of persons to be enrolled
21 for training and Reserve purposes in such Service, to fix the
22 rates of pay and allowances of such persons, and to prescribe
23 such courses and periods of training as in the Secretary's
24 discretion are necessary to maintain a trained and efficient
25 merchant marine personnel. The ranks, grades, and ratings

1 for personnel of such Service shall be the same as are now or
2 shall hereafter be prescribed for the personnel of the Coast
3 Guard. The Secretary is authorized to prescribe the uniform
4 of the Service and the rules governing the wearing and fur-
5 nishing of such uniform of persons in the Service.

6 "Sec. 1307. Persons who have served as administrative
7 enrollees in the United States Maritime Service and have
8 subsequently been appointed to positions in the civil service
9 (as defined in section 2101 of title 5, United States Code)
10 shall be paid in accordance with the provisions of chapter 51
11 and subchapter III of chapter 53 of title 5, United States
12 Code, relating to classification and General Schedule pay
13 rates, except as otherwise authorized by law, and shall be
14 subject to other laws of general applicability to civilian em-
15 ployees of the United States except that—

16 "(1) active service performed before appointment
17 to a position in the civil service by any administrative
18 enrollee in the United States Maritime Service shall be
19 considered for all purposes as service as an employee
20 (as defined in section 2105 of title 5, United States
21 Code), except that in computing length of service the
22 active service shall be counted either toward one peri-
23 odic step increase under section 5335 of such title or
24 toward one additional step increase under section 5336
25 of such title; and

1 “(2) persons converted from their status as admin-
2 istrative enrollees to positions in the civil service shall
3 not be entitled, upon conversion or subsequent separa-
4 tion from such position, to payment of travel and trans-
5 portation expenses which otherwise may be authorized
6 under the joint travel regulations on separation from
7 the United States Maritime Service; nor shall such per-
8 sons upon conversion to positions by or pursuant to
9 this subsection be entitled to free medical, dental, sur-
10 gical, and hospital care under section 322(a)(6) of the
11 Public Health Service Act of 1944 (42 U.S.C.
12 249(a)(6)).

13 “Sec. 1308. (a) As used in this section, the term “civil-
14 ian nautical school” means any school or branch thereof op-
15 erated and conducted in the United States (except the Acad-
16 emy provided by section 1303, the State maritime academies
17 or colleges provided by section 1304, and any other schools
18 operated by the United States or any agency thereof), which
19 offers instruction to persons quartered onboard any vessel for
20 the primary purpose of training them for service in the mer-
21 chant marine.

22 “(b) Each civilian nautical school shall be subject to ex-
23 amination and inspection by the Secretary, and the Secretary
24 may (under such rules and regulations as the Secretary may
25 prescribe) provide for the rating and certification of such

1 schools as to the adequacy of the course of instruction, the
2 competency of the instructors, and the suitability of the
3 equipment used by, or in connection with, such school.

4 “(c) All laws governing the inspection of passenger ves-
5 sels in effect on June 12, 1940, are made applicable to all
6 vessels or other floating equipment used by, or in connection
7 with, any civilian nautical school (whether such vessels or
8 other floating equipment are being navigated or not) to such
9 extent and upon such conditions as may be required by regu-
10 lations prescribed by the Commandant of the Coast Guard.

11 “(d) The Commandant of the Coast Guard is authorized
12 and directed to prescribe minimum standards for the size,
13 ventilation, plumbing, and sanitation of quarters assigned to
14 members of the crew, passengers, cadets, students, instruc-
15 tors, or any other person at any time quartered onboard any
16 vessel used by, or in connection with, any civilian nautical
17 school.

18 “(e) No certificate of inspection shall be issued to any
19 such vessel until the Coast Guard has found such vessel to be
20 in compliance with all the requirements of this section and
21 the regulations issued hereunder. Such certificate shall be
22 subject to revocation in the manner prescribed by section
23 4453 of the Revised Statutes of the United States
24 (46 U.S.C. 435).

1 “(f) It shall be unlawful for any vessel to which this
2 section applies to be used by, or in connection with, any civil-
3 ian nautical school unless it is in possession of a valid, unex-
4 pired certificate of inspection or a valid, unexpired temporary
5 certificate of inspection.

6 “(g) In the case of a violation of this section (or of any
7 of the regulations issued hereunder) by any vessel or any
8 owner or officer thereof, such vessel, owner, or officer shall
9 be fined not more than \$1,000, and such owner or officer
10 may be imprisoned for not more than one year, or both.
11 Should the owner of such vessel be a corporation, organiza-
12 tion, or association, each officer or director participating in
13 the violation shall be liable for the penalty prescribed by this
14 subsection.

15 “(h) The provisions of this section shall not apply to
16 vessels of the Navy, the Department of Commerce, or the
17 Coast Guard used by, or in connection with, civilian nautical
18 schools.

19 “SEC. 1309. (a) The Secretary shall establish such rules
20 and regulations as may be necessary to carry out the provi-
21 sions of this title.

22 “(b) The Secretary is authorized to lend surplus ship-
23 board equipment to the Academy, any maritime academy or
24 college, or any other approved merchant marine training
25 school for use in instructional programs.

1 “(c) The Secretary, with the consent of any executive
2 department, independent establishment, or other agency of
3 the Government (including any field service thereof) may use
4 the information, services, facilities, equipment, officers, and
5 employees thereof in carrying out the provisions of sections
6 1303, 1305, 1306, and 1307 of this Act.

7 “(d) To effectuate the purposes of sections 1303, 1305,
8 1306, and 1307 of this Act, the Secretary is authorized to
9 employ professors, lecturers, and instructors and to compen-
10 sate them without regard to the provisions of chapter 51 and
11 subchapter III of chapter 53 of title 5, United States Code,
12 relating to classification and General Schedule pay rates.”

13 SEC. 3. (a) Section 905 of the Merchant Marine Act,
14 1936 (4 U.S.C. 1244), is amended by adding after subsection
15 (e) the following new subsections:

16 “(f) The term ‘Representative’ shall include Delegates
17 to the House of Representatives from the District of Colum-
18 bia, Guam, and the Virgin Islands, and the Resident Com-
19 missioner from the Commonwealth of Puerto Rico.

20 “(g) The term ‘State’ shall include the District of Co-
21 lumbia, the Commonwealth of Puerto Rico, Guam, American
22 Samoa, and the Virgin Islands.”

23 (b) The Act entitled “An Act to encourage the estab-
24 lishment of Public Marine Schools”, approved June 20, 1874
25 (18 Stat. 121) is repealed.

1 (c) Section 216 of the Merchant Marine Act, 1936 (40
2 U.S.C. 1126) is repealed.

3 (d) The joint resolution entitled "Joint resolution to au-
4 thorize the United States Maritime Commission to acquire
5 certain lands in Nassau County, New York", approved
6 March 4, 1942 (56 Stat. 124), is repealed.

7 (e) The joint resolution entitled "Joint resolution to es-
8 tablish a Board of Visitors for the United States Merchant
9 Marine Academy", approved May 11, 1944 (46 U.S.C.
10 1126c) is repealed.

11 (f) The Act entitled "An Act to authorize the course of
12 instruction at the United States Merchant Marine Academy
13 to be given to not exceeding twelve persons at a time from
14 the American republics, other than the United States", ap-
15 proved August 9, 1946 (46 U.S.C. 1126b) is repealed.

16 (g) The Act entitled "An Act to create an Academic
17 Advisory Board for the United States Merchant Marine
18 Academy", approved July 22, 1947 (46 U.S.C. 1126d) is
19 repealed.

20 (h) The Act entitled "An Act to authorize the construc-
21 tion of a chapel and a library at the United States Merchant
22 Marine Academy, Kings Point, New York, and to authorize
23 the acceptance of private contributions to assist in defraying
24 the cost of construction thereof", approved April 17, 1948
25 (62 Stat. 72), is repealed.

1 (i) Section 34 of the Act entitled "An Act to revise,
2 codify, and enact into law, title 10 of the United States Code
3 entitled 'Armed Forces', and title 32 of the United States
4 Code, entitled 'National Guard'", approved August 10, 1956
5 (46 U.S.C. 1126a-1), is repealed.

—6 (j) The Maritime Academy Act of 1958 (46 U.S.C.
7 1381-1388) is repealed.

8 (k) The Act entitled "An Act to authorize the Secretary
9 of Interior to nominate citizens of the Trust Territory of the
10 Pacific Islands to be cadets at the United States Merchant
11 Marine Academy", approved September 14, 1961 (46 U.S.C.
12 1126b-1), is repealed.

13 (l) Section 209(b) of the Merchant Marine Act, 1936 (46
14 U.S.C. 1110(b)), is amended by striking out "State Marine
15 Schools" and inserting in lieu thereof "State maritime acad-
16 mies and colleges" in clause (7); by striking out "under sec-
17 tion 216(c) of this Act" and inserting in lieu thereof "under
18 section 1305" in clause (9).

19 (m) The Civilian Nautical School Act, approved June
20 12, 1940 (46 U.S.C. 1331-1334) is repealed.



DEPARTMENT OF THE NAVY
OFFICE OF LEGISLATIVE AFFAIRS
WASHINGTON D C 20350

IN REPLY REFER TO
LA-91A:ari

27 JUN 1950

DEAR MR. CHAIRMAN:

Your request for consent on H.R. 5451, a bill "to provide for education and training in maritime subjects," has been assigned to this Department of the Department of Defense for the preparation of a report expressing the views of the Department of Defense.

The purpose of this bill is to create the national policy for education provided at the Federal and State level and to create certain procedures to be followed relative to the administration of the United States Merchant Marine Academy at Kings Point, New York. The Department of the Navy supports both the purpose and approach of the bill.

However, in order to make the bill consistent with Navy requirements and standards for commissioning reserve officers, the following changes to the bill are recommended:

a. Page 2, line 8 - Delete "Reserve Officer."

Line 9 - Delete "Corps" and "Naval"; insert "merchant marine" between "future" and "officers."

Rationale - The purpose of the merchant marine academies is to train future merchant marine officers vice naval officers.

b. Page 6, line 25 - Delete the word "Reserve" at the bottom of the page and at the top of page 7.

c. Page 7, line 1 - Insert "a Reserve component of" between "in" and "the."

Lines 2 and 3 - Delete "United States Navy" and insert "Merchant Marine Reserve, U. S. Naval Reserve" between "the" and "upon."

Line 20 - Insert "Merchant Marine Reserve," between "the" and "United."

d. Page 8, line 4 - Add the following to Section 1303(h)(1)(C)(i):
"; or as an officer on a vessel owned and operated by the United States, or by any State or territory."

Lines 5 and 9 - Interchange subsections (ii) and (iii) of Section 1303(h)(1)(D).

Line 8 - Modify new Section 1303(h)(1)(D)(iii) to read as follows:
"as an employee in private or public sector maritime related industries or activities, or maritime related professions or marine activities (all as

attached by the Secretary of Commerce) when the Secretary finds that employment opportunities under (1) and (11) are not available to the candidate asking application for approval under this section."

e. Page 15, line 0 - Delete the word "Reserve."

Line 7 - Insert ", Merchant Marine Reserve" between "Directors" and "and."

Line 8 - Delete "Reserve" and "in the United States Law", insert "Merchant Marine Reserve, U.S. Naval Reserve" between "ensigns" and "and."

Page 16, line 9 - Insert "Merchant Marine Reserve" between "the" and "United."

Section 1504(f)(1)(F) - Same comment as 2.0 above applies to 1504(e)(1)(F).

Page 18, line 7 - Insert "Reserve" between "a" and "commissioned."

Line 10 - Delete all between "officer" and "as", including "(".

Line 11 - Add "a" to "paragraph"; delete ")" after (E)"; insert "or (1)(f)" between "(2)" and "and."

Page 19, line 14 - Change "officers" to "personnel."

Line 19 - Change "officers or instructors" to "personnel."

Line 21 - Delete entire line.

Rationale - Permits assignment of enlisted, officer or civilian personnel.

The foregoing changes are designed to:

a. Channel graduates of the maritime academies into a naval reserve program configured exclusively for merchant marine officers trained in Navy operations and administration so that they will be able to interface effectively with the Navy during times of national emergency while continuing to sail on their licenses in merchant ships.

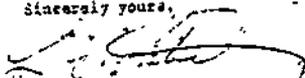
b. Ensure that all vacant seagoing jobs are filled before employment elsewhere is authorized for subsidized graduates.

This report has been coordinated within the Department of Defense in accordance with procedures prescribed by the Secretary of Defense. The Office of Management and Budget advises that, from the standpoint of the Administration's

program, there is no objection to the presentation of this report on
 H. R. 1031 for the consideration of the Committee.

For the Secretary of the Navy.

Sincerely yours,



L. G. LUTZSCH
 Captain, U. S. Navy
 Director, Legislation

The Honorable John H. Murphy
 Chairman, Committee on Merchant
 Marine and Fisheries
 House of Representatives
 Washington, D. C. 20515



United States Department of the Interior

OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20240

DEC 5 1979

Honorable John M. Murphy
Chairman, Committee on
Merchant Marine and Fisheries
House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

Your Committee has requested the views of this Department on H.R. 5451, a bill "To provide for education and training in maritime subjects."

We would have no objection to enactment of the bill if amended as suggested herein.

H.R. 5451, cited as the "Maritime Education and Training Act of 1979", provides for the maintenance of programs at Federal and State merchant marine academies for training future naval officers.

The bill would provide that the territories of Guam, American Samoa, and the Virgin Islands shall be allotted one vacancy each, and the Trust Territory of the Pacific Islands and the Northern Mariana Islands, four vacancies to the United States Merchant Marine Academy. Existing law presently permits such appointments, except that the Northern Mariana Islands is not, at this time, specifically mentioned.

We recommend two clarifying amendments.

First, upon termination of the Trusteeship Agreement, presently targeted for 1981, the Trust Territory of the Pacific Islands will cease to exist. At the same time, however, the Northern Mariana Islands will become a Commonwealth of the United States and, therefore, under the proposed provision in subsection (d)(2) would be allowed four vacancies in the academy. It would seem more appropriate to remove the Northern Mariana Islands from subsection (d)(2) and place it in subsection (d)(1)(A).

Secondly, we note that American Samoa will be represented in the United States Congress by a delegate as a result of the enactment

of Public Law 95-356. That delegate will first take his seat in 1981. It would, therefore, seem appropriate to eliminate, after 1980, the Governor of American Samoa's appointment which would be conferred under subsection (d)(1)(A). By inserting appropriate language, American Samoa's representative in the House of Representatives would begin nominating American Samoa's candidate when he takes office in 1981 as do the delegates from Guam and the Virgin Islands.

Therefore, we recommend the following amendments in order to resolve the issues raised with regard to the Northern Mariana Islands and American Samoa:

Section 1303(d)(1)(A):

On page 4, line 4, delete the word "and" and insert in lieu thereof the words ", and (until the non-voting Delegates to the House of Representatives from American Samoa takes office)"; and

On page 4, line 16, insert after the word "Samoa," the words "the Northern Mariana Islands"; and

Section 1303(d)(2): on page 5, line 8, delete the words "or the Northern Mariana Islands".

The Office of Management and Budget has advised that there is no objection to the presentation of this report from the standpoint of the Administration's program.

Sincerely,

James A. Joseph
 JAMES A. JOSEPH
 UNDER SECRETARY

Mr. AuCOIN. Mr. Wolff, I would like you to know when I visited the Academy located in your district, your office extended hospitality to me, and I wish to thank you.

STATEMENT OF HON. LESTER WOLFF, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW YORK

Mr. WOLFF. Mr. Chairman, we thank you very much for the kind remarks that you have made, plus the fact that we thank you for your interest in the Academy.

I have served on the Board of Visitors of the Academy now for some little over 10 years and I appreciate this subcommittee's activity in looking into various ways in which we can strengthen the mission of the academy.

I come before the subcommittee today to speak on behalf of H.R. 5451, the Maritime Education and Training Act of 1979.

The United States has always prided itself and has depended heavily upon commerce of the high seas. Today, the United States is in great need to maintain merchant marine training which is so vital in meeting the demand of U.S. commerce. There is a patent necessity for this country to become self-sufficient in all activities, and maritime training is certainly one of them.

I find it disgraceful that the United States must suffer the degradation of its merchant fleet to the advantage of foreign carriers. One has only to look at the growing number of foreign passenger lines that grace our American harbors to understand this malaise.

Private industry is increasingly subject to dealings with foreign lines because the United States does not provide the services so vitally needed. Foreign oil tankers spill oil onto our shores. This could be avoided if the foreign carriers had the high standards of regulation already established by American maritime law.

We have the know-how and the resources, where is the manpower?

Mr. Chairman, manpower is found in the training of prospective officers at the U.S. Merchant Marine Academy. The merchant marine officers of tomorrow must be well versed in all aspects of maritime commerce. It is necessary for the Academy to engage in a well-rounded curriculum in order to insure successful competition with the foreign carriers.

The areas of containerization, intermodal, chemical transportation, and environmental concerns are highly advanced technical aspects of maritime commerce. The academy assumes responsibility for the dissemination of such information to the future officers of maritime commerce.

Education in the area of onshore posts as well as offshore duties is essential. Moreover, the education and experience of Academy graduates is crucial to the effective management of private shipping and maritime concerns.

The Academy also assumes responsibility for an integral part of the defense of our country. Upon graduation, cadets are designated officers in the Merchant Marine/Naval Reserve Officer Training Corps. In the event of war, officers will be present onboard our merchant ships.

H.R. 5451 addresses the need to continue an effective structure for maritime education and training. It is necessary that the U.S.

Merchant Marine programs be maintained for the continued essential training of our future maritime officers. This training must be carried out at the Federal and State merchant marine academies.

The legislation gives a congressional mandate to direct the Secretary of the Navy to work closely with the Assistant Secretary of Commerce for Maritime Affairs and the various directors of the several merchant marine academies to assure that the academy curriculum is appropriate to the standards and needs of the merchant marine.

As Congressman of the Sixth Congressional District of New York State, I am fortunate to have within my district the U.S. Merchant Marine Academy at Kings Point. The Academy is a permanent institution and has been authorized by the Congress to award the bachelor of science degree.

It is an accredited college, military in character, and prepares selected young men and women to become officers in the U.S. Merchant Marine, with corollary qualifications for commission in the U.S. Naval Reserve. Entrance requirements are similar to those of the four other Federal academies.

The Academy offers to young men and women from every State and territory the opportunity to secure the education and training to qualify them as deck or engineer officers in the U.S. Merchant Marine.

There are three major curricula of study at the Academy: nautical science for the preparation of deck officers, marine engineering for engineering officers, and a dual license which provides certification in both nautical science and maritime engineering.

The education of outstanding individuals in these areas of science and engineering is crucial for the United States. After all, these men and women will become key elements of a healthy maritime industry.

Shipbuilding and ship-operating industries must meet the demand of successful competition with their foreign counterparts, both in the public and private sector. The U.S. Merchant Marine Academy has met these demands laudably since its inception in 1943 under the Maritime Administration of the Department of Commerce.

A Board of Visitors, consisting of two Senators and three Members of the House of Representatives, visit the Academy annually. As a member of this Board, I have had the opportunity to observe firsthand the work that is done at Kings Point. Such observation is necessary in making legislative recommendations with regard to the Academy.

In addition, the Secretary appoints a seven-man advisory board for the purpose of examining the course of instruction and the management of the Academy.

Such professional assistance is necessary to supplement the military training. As a result, the Academy has successfully provided a rounded and thorough knowledge of maritime operations for our future merchant marine officers.

Recently, the Academy has been criticized for failure to uphold the standards maintained by the other U.S. military academies. For example, methods of selection and service obligation have been questioned. H.R. 5451 addresses and corrects these issues.

As mandated by H.R. 5451, the Secretary is required to set up a system of evaluation and testing for the selection of prospective candidates. Academic history, in addition to entrance examination and extracurricular activities, must be considered. It is necessary for the selection to be as impartial as possible in order to insure the highest caliber of student potential at the Academy.

Nominations for acceptance to the Academy must be conducted likewise, using methods that will insure a national demographic balance at the academy. The number of vacancies allotted to each State will be given on the basis of their representation in Congress.

If vacancies remain from that State, the Secretary will decide who are the more worthy candidates from the other States. This decision is based on the order of merit established by the proposed competitive system.

Provisions for service obligation have been included in the legislation to insure the commitment of candidates to national service. Graduates of the Academy are required to obtain and maintain an officer's license in the U.S. merchant marine for at least 6 years after graduation.

The obligation can be fulfilled in three areas: First, as a merchant marine officer on a U.S.-documented vessel; second, as an employee in private or public U.S. maritime-related industries; and third, as a commissioned officer on active duty in an armed force of the United States or in the National Oceanic and Atmospheric Administration.

I believe that such requirements will once and for all settle the ongoing dispute regarding a service obligation at Kings Point. H.R. 5451 explicitly states how the maritime cadet must serve his country at the time of graduation. As a result, taxpayer money is invested wisely into the seapower forces of this Nation at the Academy.

In conclusion, I wish to point out that the Merchant Marine Academy offers a comprehensive examination to evaluate the professional competence of its senior students before they are graduated and commissioned. Of the four other Federal service academies, only the Naval Academy offers a similar method of evaluation.

The graduates of the U.S. Merchant Marine Academy are quite capable of taking their places in the demanding profession of merchant marine officer. Studies pursued in the classroom are reinforced by the actual experience at sea. The U.S. Merchant Marine Academy at Kings Point makes this realization possible. I wish to extend my support for H.R. 5451.

Thank you, Mr. Chairman.

Mr. AUCOIN. Thank you, Congressman Wolff.

I know you have a busy schedule this morning, but let me ask you a couple of questions, if I may.

Mr. WOLFF. I would be delighted.

Mr. AUCOIN. You have been a member, as you pointed out, of the Board of Visitors for a number of years. Can you tell the committee and indicate for the record what the real function, authority, and purpose of the Board of Visitors is and has been?

Mr. WOLFF. The authority is limited. The purpose is to oversee the programs that are engaged in at the Academy and to exercise the oversight responsibility which is Congress.

We have met there over a period of years. Some of the meetings have been well attended and others have not. I know I have been at every meeting that has been held up there. I do find it very enlightening to have the faculty and the commandant of cadets come before a branch of the Congress rather than just within the administration itself to make an annual report.

This report is then circulated to the members of the Board of Visitors for correction and for any implementation that they believe necessary and a final report is then made to the Congress.

Mr. AUCOIN. With an Ad Hoc Select Subcommittee on Maritime Education, and other subcommittees of the Merchant Marine and Fisheries Committee, would that not be part of the function of the full Committee or its subcommittees?

Mr. WOLFF. This committee is supposed to have a representative on the Board of Visitors and it does each year. But similar to others of the service academies, the Armed Services Committee, for example, does not oversee West Point nor does it oversee Annapolis.

There are Boards of Visitors for each one of these academies. Unfortunately, the Merchant Marine Academy has not been treated as a service academy, federally funded and responsible to the taxpayers of this country.

I do believe there has been cavalier treatment of the Academy in that many of the perquisites that are offered to others of the services academies are not offered to the same degree that they are offered at the Merchant Marine Academy.

I think this is basically because the United States has not had the impetus nor the interest in preserving what is a very valuable resource and asset of this country, our merchant marine.

Mr. AUCOIN. What is your feeling about the nomination procedure for the Federal Academy at this point? It is possible, as you well know, for a person who wants to be nominated to Kings Point to shop around among Members of Congress. A person from Kansas may go to a Member of Congress from New York, New Jersey, California, or Louisiana and collect as many nominations as possible.

What is your feeling about that? Is that an area in which you think perhaps there ought to be change or is it a good system at present?

Mr. WOLFF. Yes, I do think it should be changed because here, again, when the nominating procedure was set up, it was not set up for this type of excess. But I don't think it is peculiar to the Merchant Marine Academy.

We ought to examine each of the academies and their nominating process. I know that when I came into office a number of people came to me and said that they were on the nominating committee of my predecessor and they told me that because I was a Democrat, and because they happened to be good Democrats, that as a result they should have an opportunity to serve on my committee.

I think that one aspect of appointment to service academies is that it is too politicized today in many cases. I don't hold the Merchant Marine Academy here as the sole example of that. I think that it is done everywhere. I know of a number of Members from time to time that look up the party registration of the various people who are applying for nomination to the academies. I think that is a horrendous practice. I think this is one area that should be examined.

I have an examining board in my district. Many Members have this now. It is composed of veterans of various organizations and various civic organizations. They sit in judgment. They make the recommendation to me, and I pass this along to the academies.

We also do something else. Instead of taking a principal and an alternate designate for the various academies, we present to them five people in each category and let the Academy make the choice.

I think our objective here should be to see to it that we get the best qualified people for this particular spot. After all, it is a great advantage to an individual to get this type of free education from the taxpayers of this country. I think that we deserve the best people we can find.

But I do think that there have been excesses in the Merchant Marine Academy. I think that this bill addresses those excesses.

Now, there was one point that was made that former officers or alumnae of the Academy had first call. Now if you will examine the overall educational process in this country, this is true of virtually every private institution or public institution that I know of where an alumnus of an Academy does have a certain advantage over one who has not come from that particular school.

But I do not think that that should be the delineator of how we make the selection, nor do I think there should be special interests that provide for the designation based upon their connections with the Academy.

I think this is a very serious problem that has existed in the past. I think that it can be addressed in the future through this type of reform that has been suggested in this bill.

Mr. AuCOIN. Mr. Emery?

Mr. EMERY. I really have no questions, Mr. Chairman, except to say that from now on only Republicans are going to get in the Maine Maritime Academy.

Mr. WOLFF. With the gentleman's permission, I would like you to know that we don't even know what the designations are of the men on our selection board. We do not look up their registration.

Mr. AuCOIN. If my colleague from Maine wants to revise and extend his remarks, he is welcome to.

Mr. EMERY. I think the gentleman will simply revise his statement to agree with the gentleman that prior designation relied on registration and that it was a backward method. Certainly any changes we might be able to make in the law to eliminate those practices is certainly to the benefit of the taxpayers and is certainly fair and reasonable.

I thank the gentleman for his statement.

Mr. WOLFF. Mr. Chairman, if I may for just a moment, I do believe that what you are doing here should be begun in the other service academies as well, in other words, revising the designating

procedures, because I do think that similar situations exist with the other academies.

There are and have been over the years athletic scholarships and athletic interests that have been served, and I don't find this objectionable. But I do think that there should be an examination into the overall selection process of our academies today.

The education today in our country is beyond the means of most of the people of this Nation. When they get a free education, I think it should be done on an impartial basis.

I thank the chairman.

Mr. AuCOIN. Thank you, Congressman Wolff, for your testimony and for your willingness to stay on and answer our questions.

I want to point out, however, that the Federal Maritime Academy is different from the other service academies in the nomination procedure because no other academy allows a potential nominee to go to Members of Congress from other States, and collect nominations from those other States. That is a unique feature of the Maritime Academy.

Mr. WOLFF. I hate to contest the chairman who obviously has spent quite a bit of time in looking into this matter, but there are avenues for cadets to register, and sometimes falsely, their address in another State and to provide them with the opportunity of entering these academies.

This is a practice that is not limited, I feel, in the specific area that you mention however, that it is entirely possible without doing that in the Maritime Academy.

Mr. AuCOIN. That would be an illegal procedure?

Mr. WOLFF. It is not an illegal procedure if someone registers their address somewhere else and they have a legal address in that area.

Mr. AuCOIN. Thank you, Congressman Wolff.

I would like to call to the witness table the Honorable Samuel Nemirow, Assistant Secretary of Commerce for Maritime Affairs, Department of Commerce. He will be accompanied by Arthur Friedberg, Director, Office of Maritime Labor and Training, Maritime Administration, and Howard Casey, Acting Superintendent, U.S. Merchant Marine Academy.

STATEMENT OF SAMUEL NEMIROW, ASSISTANT SECRETARY OF COMMERCE FOR MARITIME AFFAIRS, DEPARTMENT OF COMMERCE, ACCOMPANIED BY ARTHUR FRIEDBERG, DIRECTOR, OFFICE OF MARITIME LABOR AND TRAINING, MARITIME ADMINISTRATION, AND HOWARD CASEY, ACTING SUPERINTENDENT, U.S. MERCHANT MARINE ACADEMY

Mr. NEMIROW. Thank you, Mr. Chairman.

It is a pleasure to be here today at your invitation to present the views of the Maritime Administration on H.R. 5451.

I also consider it a pleasure to follow at this witness table Congressman Wolff who has been such a strong supporter and advocate on behalf of maritime training in the United States for a number of years and is a particularly strong advocate today.

As you have indicated, I am accompanied by Howard Casey, Acting Superintendent of the U.S. Merchant Marine Academy at

Kings Point, and by Arthur Friedberg, Director of the Maritime Administration's Office of Maritime Labor and Training.

Mr. Chairman, your subcommittee is extremely important in its role of reviewing the many individual maritime training activities in the United States and in providing a forum for development of cooperation and coordination among the Federal, State, and industry activities. You have presented a unique opportunity to address the entire body of statutes pertaining to the Federal programs in maritime training.

I have submitted a detailed statement on our views on the maritime bill. This statement is 21 pages long. I would like to request your permission to submit that for the record.

Mr. AUCOIN. Your request is granted.

[The prepared statement follows.]

STATEMENT OF SAMUEL B. NEMIROW, ASSISTANT SECRETARY FOR MARITIME AFFAIRS, DEPARTMENT OF COMMERCE

Mr. Chairman and Members of the Subcommittee, I am pleased to be here today, at your request, to present the views of the Maritime Administration on H.R. 5451, a bill designed to recodify all maritime education and training statutes and to enact a number of amendments in key areas. The Maritime Administration supports the intent of H.R. 5451. We do have some comments and recommendations that we wish to submit for further consideration by the Subcommittee.

Our comments will be keyed to specific provisions in the bill and with the exception of Section 1301, which I will comment on last, I will proceed in sequence through the bill.

In reviewing Section 1302, which begins with definition of several important terms used in the bill, we note that it does not define such crucial terms as "Merchant Marine Officer" and "Maritime Academies or Colleges." We would suggest that the following subsections be added after line 2, page 3:

"(5) the term "Merchant Marine Officer" means any master, mate, pilot, engineer, radio officer, or operator licensed by the U.S. Coast Guard to serve aboard merchant vessels of over 100 gross tons; and

"(6) the term "Maritime Academies or Colleges" means any State, territorial or regional academy, college, institute or vocational technical school or program, whether degree granting or not, funded by any State or territory and operating under the authority of a State or territory, for the purpose of instruction and preparation of citizens for service as merchant marine officers."

The definition of "Merchant Marine Officer" is intended to clarify the scope and intent of the authority contained in the bill for the mission of the United States Merchant Marine Academy at Kings Point, and for the purpose of establishing and clarifying the limits for the State or territorial institutions eligible for assistance under Section 1304 of the bill. It is not intended as a definition applicable beyond the scope of this Title. For example the Great Lakes Maritime Academy in Traverse City, Michigan, trains deck officers for service on the Great Lakes who are licensed as First Class Pilots for service on the Lakes, and are not licensed for ocean service as are the deck officer graduates of the other Academies. Further, officer graduates of Kings Point and of the State schools are employed in afloat service broadly in all sectors of the maritime industry. This definition of "merchant marine officer" will clarify the acceptability of such service as within the mission of the schools. I would like to add immediately here that although the definition includes "Radio Officer," it is not our intent to initiate a federally-supported program for Radio Officer training, but the explicit authority is warranted for possible mobilization or other emergency needs. Radio Officer training would not be initiated without careful consultation with the industry, including the unions representing Radio Officers.

In section 1303, we fully support the modifications made to the text of the existing statute, particularly with reference to a system of competition for admission to Kings Point (page 3, lines 16-24), the specific authorization for a limited number of noncompetitive appointments (page 5, line 21 ss), and the establishment of a service obligation for graduates (page 7, line 9 ss), all of which carry out recommendations made by this Subcommittee in the last session of Congress.

With regard to admission of persons from the Trust Territory of the Pacific Islands or the Northern Mariana Islands, there appears to be a typographical error in the text on page 5 lines 12 and 14, which inadvertently changes the meaning of

the existing statute. The parenthesis beginning on line 11 should be ended after the word "appropriations" in line 12 by inserting a closing parenthesis, and the closing parenthesis and semi-colon should be deleted from line 14. This returns the meaning to that of the existing statute (46 U.S.C. 1126b-1). Lines 11 through 14 on page 5 should then read:

"allowances, and emoluments (to be paid from the same appropriations) and subject to such exceptions as shall be jointly agreed upon by the Secretary and the Secretary of the Interior shall be subject to the same rules and regulations governing."

Turning to Section 1303, subsection (e) on page six of the print of the bill, we have a few comments on this part, which deals with the training of foreign nationals at Kings Point.

Paragraph 1303 (e)(2), lines 6-11 on page 6, has been drafted to reflect the existing authority in 46 USC 1126b which currently permits a limited number of foreign nationals to be in training at the Academy. The existing authority states that these foreign nationals are to be "from the American republics." The text in the bill uses the phrase "from all nations in the Western Hemisphere." It is our understanding that this has the effect of expanding the list of eligible nations to include our neighbor to the North, which the legislative history of the current statute indicates is not included under the current statute. We have no objection to this change.

Further, we propose that subsection 1303(e) be amended to provide for the training of a limited number of additional students to further U.S.-international relations. We are recommending that paragraph (4) be relabeled (5) at line 16, page 6 and the following new subsection (e)(4) be added after line 15:

"(4) In addition, the Secretary is authorized to permit upon designation by the Secretary of State as sponsor, not more than 30 persons at any one time from foreign countries to receive instruction at the Academy. A foreign country sponsoring a cadet at the Academy under this section shall reimburse the United States, at a rate determined by the Secretary, for the cost of providing such instruction, including the same pay, allowances and emoluments as received by persons appointed from the United States unless a written waiver of reimbursement is granted by the Secretary."

If the Subcommittee concurs in the recommendation it will then be necessary to revise subparagraph (3) by changing the words "this subsection" on line 12 to "subparagraph (2)" in order to limit entitlements to students receiving instruction under subparagraph (2).

We also propose that in subparagraph (3) the words "the same pay and allowances" in line 13, page 6 be deleted and the words "equivalent uniforms and textbooks" be substituted. This will conform the bill to existing administrative procedure while at the same time recognize that there may be some difference in uniform insignia.

The language in subsection 1303(f) concerning the midshipman status of appointees to the Federal Academy and their subsequent commissioning upon graduation, should be revised to reflect the fact that the operative program is the Merchant Marine Reserve, U.S. Naval Reserve. The subsection beginning on line 24, page 6, should read:

"(f) Citizens of the United States appointed to the Academy may be appointed by the Secretary of the Navy as midshipmen in a Reserve component of the United States Navy and may be commissioned as Reserve ensigns in the Merchant Marine Reserve, U.S. Naval Reserve upon graduation from the Academy."

The Merchant Marine Reserve, U.S. Naval Reserve is the specific component in the Naval Reserve created for eligible actively sailing merchant marine officer. The Department of Navy policy is that these officers will not be recalled involuntarily to active duty in the Navy during a national emergency or in time of war. Instead they will continue to serve aboard merchant ships in their regular merchant marine officer employment, utilizing their special training received in this program to coordinate merchant marine activities with our Armed Forces. The Maritime Administration considers this policy of the Department of Navy with regard to the Merchant Marine Reserve, U.S. Naval Reserve, to be essential in terms of any program to promote Naval Reserve status for actively sailing merchant marine officers.

Turning to subsection 1303(g), page 7, lines 4-8, we propose that this language dealing with uniforms, books and travel of Kings Point cadets be revised for administrative purposes to read:

"(g) Cadets at the Academy shall receive all required uniforms and textbooks (as prescribed by rules and regulations) and transportation (including reimbursement of traveling expenses) in accordance with the joint travel regulations while traveling as a cadet under orders. Cadets at the Academy shall receive no pay from the Secretary."

This change will conform the bill to existing administrative procedure. Uniforms and textbooks are provided through the Ship's Store, a non-appropriated fund instrumentality established when the Academy was created, which provides all uniforms and textbooks on a voucher basis. Prior to the vouchering system, the Academy had used individual cadet accounts into which personal funds and appropriate funds were deposited for the cadet's benefit. The Ship's Store also provides other items of necessity or convenience primarily for the cadets who generally are restricted to base by virtue of the military *curriculum vitae* at the Academy.

As to the service obligation in subsection 1303(h), a number of comments and revisions are in order. It is our understanding that "separated by the Academy" in line 14, page 7, encompasses acceptance of resignations in instances where such action would be in the best interests of the Government and the candidate. Paragraph (1)(b) page 7, lines 16-18, requires that the graduate either upgrade or obtain one renewal of license so that the sailing capability of the graduate will be maintained even if employed in another maritime industry area.

Also, in keeping with the earlier comment on the Merchant Marine Reserve, U.S. Naval Reserve program, subparagraph (1)(C) should be amended by inserting in line 20, page 7 the phrase "Merchant Marine Reserve," before the term "United States Naval Reserve." At the same time, we want to stress that this is not meant to foreclose the acceptance by graduates of commissions in other components of U.S. Naval Reserve if offered by the Department of the Navy. The exception contained in this subparagraph makes it clear that active duty and any subsequent reserve status in other branches of the Armed Forces or in the National Oceanic and Atmospheric Administration in an acceptable substitute.

With regard to the five year service obligation options on page 8, the following language should be added to line 4 (delete the semi-colon) to insure that public vessels are clearly intended: "or as an officer on a vessel owned and operated by the United States or by any State or territory."

The same addition should be made in line 17, page 16. The existing language does not appear to cover service on Public Vessels. The change will correct this. We are of the view that the shoreside maritime service option for Kings Point graduates (page 8, lines 5-8), should be strengthened to require at least two years of afloat employment even as part of this particular option, and further, that the Secretary be able to suspend this service option entirely if circumstances require this in the national interest, whether in peacetime or declared emergency. We recommend that this option be revised and renumbered as (iii), and that the existing option (iii) on page 8, lines 9-16 be renumbered as (ii). The revised service option should read:

"(iii) as an employee in private or public United States maritime-related industries, professions or marine sciences (as defined by the Secretary), provided however that this option will be accepted to fulfill only three (3) years of the five (5) year service obligation unless the Secretary determines that service as an officer in vessels of the United States is not available and provided further, that the Secretary may at any time suspend this service option both for graduating classes and for graduates serving under this option, when the Secretary determines that the minimum service in (i) or (ii) of this subparagraph is required of all graduates in the national interest; and"

In connection with the three options in subparagraph (D) we have given consideration to the necessary implementing regulations, which will provide for an appropriate monitoring and enforcement and review process and will clearly spell out what is considered acceptable and unacceptable marine related employment. At this stage, we would consider positions of operational and management responsibility in the following marine related areas to be deemed generally acceptable under the shoreside service option: the Federal Government (civilian), steamship companies, stevedoring companies, vessel chartering and operations, cargo terminal operations, naval architecture, shipbuilding and repair, municipal and state port authorities, port development, marine engineering and tug and barge companies.

The following are examples of what might be considered acceptable positions:

Acceptable positions

Federal Civilian Employment (Administrative/Management): Maritime Administration, Navy, Coast Guard, and NOAA.

Port Captain/Operations Manager

Assistant Port Captain.

Marine Surveyor.

Terminal Operations Surveyor

Traffic Manager (Marine).

Container Maintenance Supervisor.

General Manager—Domestic Terminals.

Management Trainee (Steamship Company).

Cargo Supervisor.
 Tanker Operations Analyst.
 Marine Superintendent.
 Vessel Coordinator.

Marine Engineers: Test, Design; Marine Structure; Supervisor of Engineering; Mechanical; Electrical; Loss Prevention; Ship Maintenance.

Intermediate (e.g. trainee) positions leading to any of the above.

The above list is not all-inclusive and is only intended to provide examples and as a general guide.

As these suggestions of acceptable positions shows, the implementation of the shoreside service option presents potentially a considerable administrative problem.

In addition to the hardship waiver provision on page 9, lines 1 and 2 of the print, we feel that there should also be a proviso for deferments in exceptional cases for a period not to exceed two years. We recommend that the following subsection (h) (3) be added after line 2 on page 9:

"(3) In exceptional cases, the Secretary may grant a deferment of all or part of the service obligations under paragraph (1)(D) for a period not to exceed two years for graduates for the purpose of engaging in a graduate course of study at an accredited graduate school. Such deferment, if granted by the Secretary, shall not extend to the Naval Reserve obligation set forth in subparagraph (C) of this subsection or to service requirements thereof, unless waived by the Secretary of the Navy."

Moving to Section 1304 which addresses the State schools, we recommend that the language in subsection 1304(d)(2) (page 14 of the print) dealing with out-of-state students at the State Maritime Academies and Colleges should be revised to specify that the number of such students "as the Secretary shall prescribe" (p. 14, line 25) is related to the size of the entering class rather than to the school's student "capacity." In our judgement it is more appropriate to tie the upper limit of the prescribed number of out-of-state students to the number of students "enrolled," rather than to the school's total student "capacity," which may or may not be fully utilized. Additionally, a clarifying statement should be added to the effect that the upper limit for out-of-state students applies to the number which the Secretary may prescribe and not to the number the academies may admit. Actually, they may exceed this number if they do desire, and this would particularly bear on regional schools.

The following language change is proposed: delete all of line 3, page 15 and substitute "enrollment at such academy or college. A maritime academy or college may voluntarily exceed the number prescribed by the Secretary."

Subsection 1304(e) on page 15, lines 4-9, should be amended to be consistent with the Merchant Marine Reserve, U.S. Naval Reserve program at the academies. It should be reworded to read as follows: "Students appointed to any maritime academy or college which is assisted under any provisions of this section may be appointed by the Secretary of the Navy as Midshipmen, Merchant Marine Reserve, in the United States Navy and may be commissioned as Ensigns, Merchant Marine Reserve, U.S. Naval Reserve upon graduation from the academy or college." This is not meant to foreclose the acceptance by State school graduates of commissions in other components of the U.S. Naval Reserve if offered by the Department of the Navy. Subparagraph (F) (iii) on page 16 also makes it clear that active duty and any subsequent reserve status in any other branch of the Armed Forces or in the NOAA Officer Corps will satisfy the service obligation and substitute for the Naval Reserve status obligation.

As to the service obligation for State Academy cadets in subsection 1304(f), we recommend the following revisions:

1. The phrase "in a fair and equitable manner" (page 15, line 17) should be revised to read "in a fair and reasonable manner as determined by the Secretary." While the Administration would want to keep some element of control on the total number of loans provided, we would work out the distribution of the loans in consultation with the schools.

2. The language in paragraph (1)(E) should more accurately reflect the type of commission granted. The phrase "Merchant Marine Reserve," should be inserted (page 16, line 9) before the term "United States Naval Reserve."

3. There would appear to be a typographical error and an omission of a phrase in subparagraph (F) at line 15, page 16, which should read "least five years following graduation in one or more of the following ways." This change will make it conform to the wording in subparagraph (D) page 8 lines 1 and 2.

4. The marine related employment option in subparagraph (F)(ii) (page 16, lines 18-21) should be strengthened to limit shoreside service to three years of the total

five year service obligation as we propose it be done for the Federal Academy graduates. The following should be substituted

"(ii) as an employee in private or public United States maritime-related industries, professions or marine sciences (as defined by the Secretary), provided however that this option will be accepted to fulfill the service obligation for only three (3) years of the five (5) year obligation unless the Secretary determines that service as an officer in vessels of the United States is not available"

Because of the difference in degree of federal relationship to State Academy students as compared to the Federal Academy, we have not proposed the same authority for the Secretary to suspend the shoreside service option for graduates of the State Academies as we propose for Kings Point. The federal service obligation should reflect the difference in federal support which is given to students, and we feel that this does that to some degree

5 The phrase "paragraph (1XA)" in line 17, page 17 should be replaced with the phrase "paragraph 2 of this subsection (f)" since the intent is to have students pay back their loan with interest if they resign at any time or if they are separated from an academy or college because of academic failure after the first two years of their course of study

6 The word "student" in line 1, page 18 of the print is inappropriate and should be replaced with the word "graduate". The individual addressed at this point is a "graduate."

7 A new paragraph should be added authorizing the Secretary to grant limited deferments of all or part of the service obligations under paragraph (1XF) for a period not to exceed two years for graduates for the purpose of entry after graduation into a graduate course of study at an accredited graduate school. The text we propose is exactly the same as the language we have already proposed for Kings Point

To accomplish this, we suggest that subparagraph (6) on page 18 at line 15 be renumbered (6XA) and that the new text, numbered (6B) be inserted between lines 20 and 21. The text to be inserted is as follows.

"(6XB) In exceptional cases, the Secretary may grant a deferment of all or part of the service obligations under paragraph (1XD) for a period not to exceed two years for graduates for the purpose of engaging in a graduate course of study at an accredited graduate school. Such deferment, if granted by the Secretary, shall not extend to the Naval Reserve obligation set forth in subparagraph (C) of this subsection or to service requirements thereof, unless waived by the Secretary of the Navy"

8 The term "proper officers" and "officers or instructors" in lines 14 and 19 of page 19 should be replaced with the term "personnel" to provide for the assignment of either officers or enlisted persons as appropriate to the function and agreeable to the parties. In connection with this, a period should be placed at the end of line 20 and the text of line 21 should be deleted as unnecessary.

Section 1305 corresponds to paragraph 216(c) of the Merchant Marine Act, 1936 (as amended) and is the authority under which we conduct the supplemental training programs in radar, firefighting and other training in our Regions, as well as the slow speed diesel short courses offered to licensed officers using facilities at Kings Point. In our view the supplemental training programs of the Maritime Administration are highly cost effective since they address very specific needs of actively sailing merchant marine officers and are conducted in a tightly structured short course framework. We do not propose any change in this Section as drafted.

Section 1306 on pages 20 and 21 of the print carry forward the existing authority for the US Maritime Service as a voluntary training organization. At present this exists only in regard to the State Schools and the uniformed faculty and staff at the US Merchant Marine Academy. At the State schools, the subsidized cadets are enrolled in the US Maritime Service, the Superintendent or President of each school is enrolled, and the Master of the government-furnished training ship is also enrolled. In the past there have been rare enrollments of outstanding individuals in the maritime field with inactive commissions (i.e. honorary) as a recognition bestowed by the Administration. It is worth recalling here that all others in the US Maritime Service were released and rendered inactive in the period after World War II with neither obligations nor benefits whatsoever as to either the inactive member or the Government. The US Maritime Service does have a place in our mobilization contingency planning and should therefore remain in this bill.

Section 1307 is intended to preserve in this bill certain residual protection and conditions applicable to a number of our employees who were administrative enrollees, that is, staff as contrasted to trainees, in the US Maritime Service, at the time that administrative enrollees were converted to civil service status. Carry-forward of these provisions is considered necessary to preserve the protections and conditions

which still apply. The bulk of the legislation pertaining to the conversion is no longer applicable and had been deleted. However the language in this Section needs to be modified.

As the system of employment and pay of persons who served as administrative enrollees in the U.S. Maritime Service was changed by Public Law 87-93, effective January 1, 1962, to the competitive or excepted civil service with pay in accordance with the General Schedule or Wage Grade system; except in the case of faculty members, for whom a pay system was established by Section 216(e) of the Merchant Marine Act, we question whether it is necessary to repeat in Section 1307 so much of the provisions of Public Law 87-93. We think this will be shown by Public Law 87-93 and its legislative history. In the absence of other appropriate statutory authority, agencies would have no alternative but to pay employees under the government-wide pay system, e.g., General Schedule or Federal Wage System. Therefore, it appears most of Section 1307 should be eliminated.

Section 1307 of the draft bill appears to provide that U.S. Merchant Marine Academy faculty members would be subject to the General Schedule or Wage System although that interpretation would conflict with Section 1309(d) of the draft bill.

In Section 1307, page 21, we recommend eliminating lines 10, 11, 12 and all except "shall be" on line 13. If these lines were left in, they would conflict with the provisions contained in Section 1309(d) of H.R. 5451, which is essentially the same as the provision now contained in Section 216(e) of the Merchant Marine Act for compensation of faculty members.

As Section 1307 is now worded, it appears any agency employing a former administrative enrollee would be expected to employ the person under the General Schedule or Wage Schedule. Such employing agency may have other pay authorities, such as Foreign Service, Marine Wage or another compensation authority, such as we now have for faculty members. It is considered essential that U.S. Merchant Marine Academy faculty members continue to be compensated without regard to Chapter 51 of title 5 of the U.S. Code, which governs General Schedule positions, and Subchapter 53 of title 5 U.S. Code, which relates to wage schedules.

The General Schedule is not considered suitable for U.S. Merchant Marine Academy faculty members due to the limited salary ranges of the General Schedule grade levels and the fact that the present salary ranges applicable to faculty ranks do not correlate with any single General Schedule grade or combination thereof. Also, we do not believe that the General Schedule would provide the degree of flexibility needed to hire and retain the best qualified faculty members that is provided under our current system.

In view of the foregoing, it is recommended that Section 1307 be revised to read as follows:

"Sec. 1307. Persons who have served as administrative enrollees in the United States Maritime Service and have been or are subsequently appointed to positions in the civil service (as defined in section 2101 of title 5, United States Code) shall be subject to other laws of general applicability to civilian employees of the United States except as otherwise provided by or pursuant to law including Section 1309(d) of this Act and except that—

"(1) active service performed as an administrative enrollee in the United States Maritime Service before appointment to a position in the Civil Service shall be considered for all purposes as service as an employee (as defined in section 2105 of title 5, United States Code); and

"(2) persons converted from their status as administrative enrollees to positions in the civil services shall not be entitled, upon subsequent separation from such position or other position in the Federal Service to payment of travel and transportation expenses which otherwise may have been authorized under the joint travel regulations on separation from the United States Maritime Service; nor shall such persons following such conversion be entitled to free medical, dental, surgical, and hospital care under section 322(a)(6) of the Public Health Service Act of 1944 (42 U.S.C. 249(a)(6)) by virtue of having been administrative enrollees in the United States Maritime Service."

As the conversion referred to took place in 1962, the second paragraph of Section 1307 above has been revised to eliminate the "upon conversion" provision, but to continue the provision that employees who were brought into the competitive or excepted service by Public Law 87-93 and who are still employed are not entitled to transportation "home" on separation from their positions at the U.S. Merchant Marine Academy.

Section 1308 of the bill repeats the "Civilian Nautical School Act" of June 12, 1940 (54 Stat. 346). We note the addition of vessels of the Department of Commerce,

to the exclusion in paragraph 1308(h) in line 16, page 24. On careful review we recommend deletion of the "the Department of Commerce," from that paragraph.

Section 1309(d) on page 25 beginning at line 7 of the draft bill provides for the employment of faculty members without regard to Chapters 51 and 53 of title 5. This authority is needed as the General Schedule under which faculty members otherwise would be employed does not provide sufficient flexibility in rates of pay upon employment, to make it a viable system. Thus, the agency needs to retain its present statutory authority for the compensation of faculty members.

To clearly show that the Secretary, or the person to whom he delegates this authority, is solely responsible for the determination as to faculty salaries, it is recommended adding an appropriate provision to Section 1309(d) of the bill, by adding the following after the text of line 12 on page 25. "Notwithstanding any other provision of law, the Secretary is authorized to establish such compensation schedules without further authorization or negotiation." This is not intended to change the Secretary's practice of establishing schedules similar to those of the Naval Academy.

There appear to be a few typographical errors in the remaining pages. On page 25, line 13 should begin "Sec 1310. (a)" rather than "Sec. 3. (a)", on line 14 the citation in parenthesis should be "(46 U.S.C. 1244)." On page 26, line 1, the citation in parenthesis should be "(46 U.S.C. 1126)". Also, the definition of "State" beginning on line 20, page 25 should be modified to include "the Northern Marianas".

As a final item I would like to address the opening Section 1301 which presents special problems as presently worded.

The view that a special step needs to be taken to assure that Naval Reserve Officer Training Corps programs for training future naval officers are maintained at Federal and State merchant marine academies is really an outgrowth of the sense of Congress as expressed in a Defense Department appropriation bill of several years ago. At the time, Navy wanted to deactivate the NROTC units at the Maine and New York state academies and Congress viewed it in the national interest that they be maintained.

We consider it highly appropriate that the opening section of this bill refer to the necessary close relationship between the Navy and the merchant marine and to the role of the various maritime training institutions in fostering this relationship. However the appropriate program established to accomplish this relationship. However the appropriate program established to accomplish this is the Merchant Marine Reserve, U.S. Naval Reserve program and this would be the most appropriate reference to use in this important section. At the same time the reference by the Congress to the NROTC at the State maritime academies and colleges could be preserved by an insert subparagraph in Section 1304(a) of this bill.

It is important to note that the primary interest of the Navy and MarAd is to have the graduates, in their capacities as merchant marine officers cooperate with Navy in peace, war or national emergency. To that end, among other actions, the Merchant Marine Reserve, U.S. Naval Reserve program has been established. Midshipmen at the Federal Academy and cadets at five of the State academies are required to take a program of naval science courses and to apply for and accept, if offered, a commission as Ensign, U.S. Naval Reserve. Effective with the next entering classes the specific Naval Reserve component which will apply under this requirement will be the Merchant Marine Reserve, U.S. Naval Reserve.

Section 1301 on page 2 of the print should be changed by rewording lines 8 and 9 to read: "that special steps be taken to assure that Naval training programs for training future merchant marine officers."

The insert of the Congressional reference to NROTC programs for training future naval officers might appropriately be accomplished in Sec. 1304(a) on page 11 by relabeling the existing subparagraph (2) on line 10 as (3) and inserting the following after line 9

"(2) It is hereby declared to be the policy of this section to promote the maximum integration of the total seapower forces of the Nation. To contribute to this policy it may be desirable to maintain Naval Reserve Officer Training Corps programs for training future naval officers at appropriate State maritime academies and colleges. It is the sense of the Congress that the Secretary of Navy should work with the Assistant Secretary and the administrators of the maritime academies and colleges to assure that the training available in these programs at these academies and colleges is consistent with Navy standards and needs."

Since students in the NROTC programs are committed by separate agreement to service as Naval Officers and receive financial support from the Navy they would not be eligible for the loans or subject to the service obligation set forth in Sec. 1304. These students, although sharing facilities with merchant marine cadets at the two

State schools which currently have NROTC programs, have a status distinct from the cadets in terms of their goals and their sponsorship.

We would be pleased to cooperate insofar as we are able concerning NROTC programs at the State schools, but we recognize that the basic judgment concerning the training of future naval officers rests with the Navy.

I will be pleased to answer any questions.

Mr. NEMIROV. I would propose, in the interest of time and convenience of the committee and yourself, to not read the entire statement but rather summarize its major points and go into any issues in any type of detail you would care to address, after I conclude the summary remarks.

H.R. 5451 is designed to recodify all maritime education and training statutes and to enact a number of amendments in key areas. This effort is a major contribution to updating statutes which were enacted many years ago under different circumstances and needs.

We strongly support the intent of this bill. The text follows the excellent work of the previous Ad Hoc Select Subcommittee and we welcome the direction it takes.

Most of our comments on the bill are recommended language changes for clarification and greater precision. I will not repeat this type of detail, although some very important points are treated such as the Navy relationship with the academies. But let me point out those of our proposed modifications which affect the substance of the bill as it has been drafted.

First, we propose the addition of two definitions to section 1302 of the bill. These added definitions will make it clear that the mission of the Federal Academy and the purpose of support for State schools is not limited to training officers for the large deep sea ships, but extends to afloat employment as officers in other maritime sectors as well.

The proposed changes also acknowledge that Federal support to State schools may extend to nondegree vocational/technical schools. The bill as drafted is unclear on these points and we feel that they should be addressed explicitly.

Second, we propose a modest broadening of the authority to provide training at Kings Point for foreign nationals, provided that this additional authority is exercised only as part of our international relations program as determined by the Secretary of State, and then only on a reimbursable basis.

I would like to point out that in our international maritime relations, we share a concern for the quality of officers on foreign ships which call at our ports or which our own ships encounter in their voyages. A limited authority to cooperate in maritime training with other nations is appropriate and we urge your serious consideration of this proposal.

Third, we strongly support the statutory service obligation for cadets but have a number of changes to offer. We propose that the shoreside maritime employment option be tightened by requiring a minimum of 2 years afloat employment even under the option.

For Kings Point graduates we propose an additional authority which would enable this shoreside employment option to be suspended entirely if circumstances require this in the national interest.

Mr. AUCOIN. Where in your testimony are those recommendations? I am looking at your text at this point.

Mr. NEMIROW. I believe it begins on page 8.

Mr. AUCOIN. Would you repeat those recommendations?

Mr. NEMIROW. Basically there is one technical change we have suggested and that is that the language does not appear to cover employment afloat on public vessels and we suggest that that change be made.

We also recommend, without getting into the specifics of the language, that the shoreside maritime service option for Kings Point graduates be strengthened to require at least 2 years of afloat employment even as part of this option, and further that the Secretary should be able to suspend this service option, this is the shoreside service option, entirely if circumstances require this in the national interest, whether in peacetime or in the course of a declared emergency.

There would basically be three options set forth in the new subparagraph, and we have given consideration to implementing regulations which would provide for an appropriate monitoring and enforcement and review process.

We intend to clearly spell out what is considered acceptable and unacceptable maritime-related employment. I could list some of them for you at this point if you would care to include them in the record.

Mr. AUCOIN. I would like very much for you to do so.

Mr. NEMIROW. We would consider positions of operational and management responsibility in the following marine-related areas to be deemed generally acceptable under the shoreside service option:

Those would be employment in the Federal Government in a civilian capacity such as employment in the Maritime Administration or the Department of the Navy or the Coast Guard, and that is not an exhaustive list; shoreside service with steamship companies; stevedoring companies, vessel chartering concerns, cargo terminal operations, naval architecture, shipbuilding and repair, municipal and State port authorities, port development, marine engineering, and tug and barge companies.

I would expect that in the process of implementing this legislation, upon its adoption we would be publishing regulations which would be quite detailed as to what shoreside employment is acceptable and which shoreside employment is not acceptable. We would be coordinating our views on this matter with the State schools and we would publish them for comment by the industry and public at large prior to their implementation.

We have also included in our proposal a small modification, we believe, but I think an important one. That would permit us, in appropriate cases, to defer the service obligation not to exceed 2 to 3 years in order to permit cadets to go on to graduate studies.

This is intended to be a limited deferment only and the full 5-year service obligation would still apply.

In administering the Federal program in support of maritime training, it is our position that industry-financed schools have a definite role in our national maritime training posture, including our emergency planning.

Both management and labor have responded to meet training needs in the industry, particularly in areas not directly addressed by Federal programs. We encourage efforts to support an integrated national maritime training program based on joint cooperation and coordination of the Federal, State, and industry activities.

Before I conclude this summary statement, Mr. Chairman, I would like to—and I am most sincere in this—commend our respective staffs for the close cooperation and dedicated work that they have shown in this endeavor over some period of time now.

I am sure that as this bill moves forward through the committee and as its various provisions are redrafted in the course of markup, we can expect this same fine cooperation to continue.

As I indicated at the outset, I would be pleased to address any of the specific items in my summary statement or the detailed statement or go on to answer any questions you or the other members of the committee might have at this time.

Mr. AUCOIN. Mr. Nemirow, I appreciate your testimony. I do have a number of questions I would like to ask.

You have read, I am sure, the lengthy critique of Kings Point in a Philadelphia newspaper over the course of this year. I am wondering if you would tell the committee what your general impressions were of that coverage, to what extent you think the series of articles were on point, and to what extent you think that perhaps they were off point?

I would like to give you some time to respond to what has to be the lengthiest critique I have seen in the press of the academy. I would point out that the theme of the articles, as I am sure you will remember, is "An Academy, Off Course."

Mr. NEMIROW. As you may recall or may have had an opportunity to see, I did send a letter to the Philadelphia Inquirer and it was published as an op ed piece. That letter was dated September 10.

In that letter, we went into some detail in our belief that we are dealing with a reporter or perhaps a newspaper, that is off course, as much as with an academy with certain problems, very well defined, and understood by those of us engaged in this process.

We found nothing in the Philadelphia Inquirer articles to be new. We found certain accusations to be completely inaccurate. Significant, unwarranted innuendoes prevailed throughout that piece.

Without going into them in detail here, I would like to submit for the record a copy of my September 10 letter to the Philadelphia Inquirer. I would just like to say that we consider the attack in that series of articles on the Academy to have been unwarranted.

[The following was received for the record:]

U S DEPARTMENT OF COMMERCE.
ASSISTANT SECRETARY FOR MARITIME AFFAIRS.
Washington, D C., September 10, 1979

Mr. EDWIN GUTHMAN,
Editor, Philadelphia Inquirer,
Philadelphia, Pa

DEAR MR. GUTHMAN I had intended to respond to the Inquirer's recent six-article attack on the US Merchant Marine Academy in a letter to the editor. However, since it is impossible to address even a portion of the many charges and allegations contained in a 54,000-word series in a brief letter, I have cast my reply as an Op-Ed piece

I believe that as a result of the deceitful and unprincipled manner in which your staff writer assailed the Academy, you have a responsibility to publish this response in its entirety.

Sincerely,

SAMUEL B NEMIROW,
Assistant Secretary for Maritime Affairs

OP-ED RESPONSE TO INQUIRER SERIES ON U.S. MERCHANT MARINE ACADEMY

(By Samuel B. Nemirow, Assistant Secretary of Commerce for Maritime Affairs)

We in the Maritime Administration are both disturbed and incredulous as a result of the vicious and heavily slanted attack made on the U.S. Marine Academy in your recent six-article series.

It is incredible that a newspaper of your standing would devote front-page prominence and over 1,100 column inches to a series that stirred the coals of the Academy's 40-year history to dredge up virtually every allegation, grievance, and criticism to depict the Academy in a most sensational and derogatory light.

We respect the right of the media to evaluate the mission and administration of any federal institution, and fully cooperated with your staff writer in her investigation. However, her "expose," for the most part, consisted of heavily slanted rewriting of previously published news accounts gleaned principally from the morgue of the Long Island daily Newsday, and a reiteration of dissident or self-serving viewpoints of Academy critics.

About the only positive comment contained in the series was a fleeting reference that Kings Pointers served their nation with great valor and distinction during the hazardous voyages and enemy attacks in World War II.

The consolidation of vintage accounts, the accumulated allegations and grievances involving past and present Academy employees, innuendos and, in a number of instances, outright inaccuracies and extraneous matter, presented a distorted and decidedly unfair portrait of the U.S. Merchant Marine Academy.

If Ms. Pombeiro had approached her subject objectively, one might wonder why she didn't even mention the significant and highly publicized *voluntary* decision which opened the gates of the U.S. Merchant Marine Academy in 1974 to females—two years before the Congress enacted legislation *compelling* the four other federal service academies (Navy, Army, Air Force and Coast Guard) to admit females.

Countless other positive observations *could* have been made about the academy but, of course, that would have provided a semblance of balance to the series and interfered with the intent of your staff writer to cast her target in the worst possible light.

While it is exceedingly difficult to respond to a vituperative attack that aggregated some 54,000 words, I want to briefly rebut some of the major allegations and assumptions encompassed in this series.

(1) Ms. Pombeiro charged that the Academy "was intended to be a temporary World War II facility. It was made permanent by bureaucratic stealth."

Ms. Pombeiro's faulty assumption apparently was reached by lifting selective excerpts from the book "We'll Deliver," a history of the Academy written by Brad Mitchell and published in 1977 by the alumni association. This same history states that a shoreside training site for officer candidates training was sought prior to the outbreak of World War II. In fact, the dust jacket of this book proclaims:

"Although Kings Point had been founded in peacetime as a permanent national institution on a par with its sister academies . . . its very success in furthering the war effort bred a *misconception* in some quarters, following Japan's surrender, that it was a 'war agency' and should be dismantled as such." (Emphasis added.)

(2) She repeatedly referred critically to the \$42,000 in taxpayers money spent for each student's four-year education at the U.S. Merchant Marine Academy. It seems strange that your staff writer failed to mention that a 1975 study by the Comptroller General of the United States, which was brought to her attention, revealed that the comparable costs of the four other federal service academies amounted to 175 percent to 260 percent of the costs of training at Kings Point.

(3) Two of the series' six segments were devoted to long-winded, guilt-by-association, accounts in which Ms. Pombeiro sought to link the administration and operation of the Academy to the tax-exempt Kings Point Fund and the private business affairs of the nonpaid legislative representative of the Kings Point Alumni Association.

While your staff writer cleverly implies that the alumni association's tax-exempt Kings Point Fund engaged in illegal transactions, the fact remains that the IRS, after a thorough examination of its affairs, has taken no steps to revoke its tax-exempt status. As Ms. Pombeiro well knows, there are literally hundreds of such

funds operated by the alumni and friends of other institutions of higher learning throughout the country.

If she disagrees with the tax codes benefitting such funds let her criticize them *per se*. We believe it was deliberately and blatantly unfair to single out the Kings Point Fund for such an insidious attack—particularly when she knew that the IRS had not found the fund to have operated in violation of the tax codes.

Additionally, while your staff writer expresses great concern over the expenditure of tax dollars for the operation of Kings Point, she somehow fails to emphasize that the substantial sums and equipment donated to the Academy in just the last four years by the fund have saved the taxpayer nearly \$1 million. For example, the donations of sailing vessels and funds for the athletic program conserved hundreds of thousands of government dollars that would have been expended for these purposes.

The use of stigma and sensational, though irrelevant information, to discredit the Academy is highly questionable for a newspaper that purports to be dedicated to high ethical standards.

(4) Ms. Pombeiro charged that Kings Point graduates do not respond to their "moral obligation" to go to sea. Although she knew that the numerical contraction of the fleet in 1970's, and concurrent actions of the officer unions to curtail the opportunities available to Academy graduates to obtain shipboard billets were the major obstacles to their seafaring employment, this fact was played down. The fact that only about half of the graduating classes in 1973, 1974 and 1975 found immediate shipboard employment can be attributed to the depressed condition of the shipping industry and union job placement procedures.

The percentage of Kings Point graduates holding firm, shipboard commitments at the time of graduation has risen from 60 percent in 1977 to 77 percent in 1978 to 94 percent in 1979. Here, again your staff writer chose to ignore the much improved record of shipboard employment of Kings Pointers in recent years.

(5) It was charged that there is a declining need for officers in the U.S. merchant marine. The facts are that there is already a shortage of officers for Great Lakes vessels and that all training institutions, Kings Point, the State academies and union schools, will be hard-pressed to meet the demand for oceangoing officers in the early 1980's.

This tight officer supply projection is due to the expected retirement of a major proportion of the seagoing officer force which will be eligible for pensions during the next several years.

(6) Your staff writer promotes the view that Kings Point graduates should serve their entire professional careers at sea. While many graduates have sailed continuously over a period of 25 or 30 years, it is illogical to make such service mandatory. For example, West Point graduates do not remain field commanders indefinitely, nor do Annapolis graduates spend their entire careers aboard ship.

Most of the other service academy graduates progress to "desk" positions of increasing responsibilities to expand and better utilize their talents.

Similarly, Kings Pointers, because of their unique blend of shipboard experience and broad educational background are particularly well-suited to assume managerial positions within the maritime industry. The managerial skills of shoreside management are as vital to the American merchant marine as well-trained ships' officers.

(7) It was charged that training at Kings Point was so poor that barely four of 10 graduates in 1976 passed the third mate licensing examination.

It is significant that all of the Kings Pointers in the Class of 1976 passed the examination prior to graduation and that virtually all members of subsequent classes passed on the first attempt in the past three years.

It should be emphasized that in other professional fields, such as engineering and law, it is not unusual for some candidates to be unsuccessful in their first attempt to pass certifying examinations.

Although Ms. Pombeiro was aware that the difficulty initially encountered by most of the Kings Point deck officer candidates in the 1976 exam was unique, not experienced before or since, the article inferred that this instance was characteristic of the calibre of training provided by the Academy.

As I noted, it is exceedingly difficult to respond in a single letter to the multiple allegations and charges contained in your 54,000-word attack.

We are not trying to whitewash the Academy, which, in several instances, can be justifiably criticized. Extremely poor judgment was displayed by the Academy when it inquired about the private lives of two of its employees. The action of a former Academy official in setting up a "yearbook" banking account under his sole signature into which student funds were channeled is another example of poor judgment—although an investigation revealed none of these funds were expended for

the individual's personal use. And, finally, the Academy's admissions procedures—which were corrected last year—also were prone to criticism.

In summary, I believe that this series, rather than being based upon a responsible and objective assessment of the Academy's mission and administration, was heavily slanted by inaccuracies, faulty assumptions and allegations.

As a consequence, in addition to giving the taxpayer a distorted view of the Academy, it also has adversely impacted on the morale of the midshipmen.

Mr. NEMIROV. We know of no major defect or illegality at the Academy that was brought out by those articles. There was nothing there that was new. There was nothing there that was anything except sensational. It made nice reading for people who felt like reading that in the Philadelphia Inquirer.

We are very satisfied and encouraged and pleased with the record of the Academy and we look forward through this process of improving that record. We do have shortcomings and we intend to rectify them. We were not particularly excited by those articles, but we were just concerned by the nature of the reporting.

Mr. AUCOIN. What is your opinion of the nomination procedure to the Academy, which I referred to in the colloquy with Congressman Wolff? Do you think that is an area in which there should be change, improvement? In other words, is it really the best procedure to allow a perspective midshipman to go to any Congressman anywhere in the country to gather up nominations in any number in order to gain access to the U.S. Academy?

Mr. NEMIROV. No. We believe that is absolutely not the right procedure. We have taken steps through new regulations which will be in effect, and actually have been in effect for this entering class, but even more directly in effect for the next entering class, to modify the nomination and selection process. We have put each applicant on a competitive basis with the other applicants from his home State. The method of competition will apply even though he may go to a Congressman from a separate State to seek a nomination.

Mr. AUCOIN. You probably read in this series of articles about the notorious example of one Member of Congress trading his 10 nominations for 25,000 Government brochures about farming.

That is the kind of problem, if true, that can be caused by such a procedure, wouldn't you agree?

Mr. NEMIROV. I would agree that that is the type of problem that can occur. I have no evidence or real facts as to what happened on that occasion and I would not, if you would indulge me, like to comment on how Congressmen allocate or permit people to be nominated over their signatures or with their recommendations.

Mr. AUCOIN. Another charge that came out over the summer was that maritime training is so poor that barely 4 in 10 graduates in 1976 passed the third mate's licensing examination on their first attempt.

What is your response to that? Is that an accurate statistic? And if so, how can that be defended? And if not, what are the figures?

Mr. NEMIROV. My understanding without going into too much detail is that in that particular year, the nature of the examinations which were being taken was changed dramatically and it took many of the cadets by surprise and they were unfamiliar with the form of examination.

There was an aberration in that year in terms of the number of people who qualified through the examination process. However, it has been my understanding that since that one year, 100 percent—I always like to cover myself—at least 99 percent of the midshipmen who took the examinations passed the examinations.

Mr. AUCOIN. How does the 4 in 10 figure compare to the other graduates of other academies who faced the same test at the same time? Do you have that information?

Mr. NEMIROW. I once asked that question and I don't recall the answer I received. Perhaps Mr. Friedberg would recall.

Mr. AUCOIN. Mr. Friedberg, you act as if you know the figures. Mr. FRIEDBERG. I have the exact numbers but I don't have them handy. I think it would be best to submit them for the record. [The following was received for the record:]

CLASS OF 1976 PERFORMANCE ON COAST GUARD DECK LICENSING EXAMINATION—THIRD MATE EXAMINATION¹

School	Initial examination				1st reexamination			Overall results	
	Pass	Fail	Partial failures	Total	Pass	Fail	Total	Pass	Fail
California Maritime Academy.....	52		1	53	1		7	53	
Maine Maritime Academy.....	25	1	4	30	4	1	5	29	1
Massachusetts Maritime Academy.....	6	19	17	42	23	13	36	37	5
State University of New York Maritime College.....	38	1	10	49	9	2	11	47	2
Texas Maritime College.....	6		5	11	4	1	5	11	
U.S. Merchant Marine Academy.....	64	18	64	146	72	10	82	143	2

¹ Reexamination takes after Dec. 31, 1976; not included. Statistics do not include foreign nationals.

² 4 candidates from the Massachusetts Academy passed a reexamination subsequent to the 1st reexamination.

³ 1 candidate from the Texas Academy passed a reexamination subsequent to the 1st reexamination.

⁴ 3 candidates from Kings Point passed a reexamination subsequent to the 1st reexamination.

Source: U.S. Coast Guard

Mr. AUCOIN. Is it your recollection that that is roughly the same as the other academy graduates at that time in the year when the new test was employed?

Mr. FRIEDBERG. In the year that we are talking about here, where the figure of 4 in 10 was used in the Philadelphia Inquirer article, it was a unique situation, unique to that class at Kings Point that has never been repeated nor was it preceded by anything similar. It did not apply to the other academies.

Mr. AUCOIN. Isn't this the standard Coast Guard examination given to anyone who seeks a license after graduating from any of the academies?

Mr. FRIEDBERG. It is not the identical exam even within a year.

Mr. AUCOIN. Well, I would hope not. But those changes take place year after year. As I understand Mr. Nemirow's comments, you are talking about, a basic change in the form of the examination.

What I am saying is: In that year when the Coast Guard decided to change the basic form of its examination which it applied to graduates from all academies, what was the experience with other academy graduates taking it? Do you recall?

Mr. FRIEDBERG. Well, as I stated, the same unique experiences we had at Kings Point did not occur at the other academies.

Mr. AU COIN. Did not occur? I want you to submit the specific figures, but since you won't be back here at that time, can you tell the committee why Kings Point graduates had a unique difficulty with the new examination?

Mr. FRIEDBERG. I think it is necessary to stress that it is not so much the complete change of examination and format at that particular year. Frankly, I don't have an answer to that question. We have asked and tried to develop what exactly happened.

Mr. AU COIN. We have had 3 years to find out.

Mr. FRIEDBERG. It was an extraordinary set of circumstances that I don't have an answer to.

Mr. AU COIN. Mr. Nemirow, do you have an answer to that question?

Mr. NEMIROW. No, I think as I indicated when I suggested that Mr. Friedberg might have one that I did not, I don't have an answer to that.

Mr. AU COIN. Mr. Casey, you are Acting Superintendent now. You were not the Superintendent at the time, but you have had an affiliation with the institution. Do you have an answer to that question?

Mr. CASEY. I do not have an answer to the question of the comparison between Kings Point and the other schools.

Mr. AU COIN. We know, though, it is not a comparison but more of a contrast. I am wondering what attempt has been made to find out the reasons for the disparity? We have had 3 years to look at this.

Mr. CASEY. I cannot answer the question specifically with respect to 1976. With respect to 1979, for example, I can provide you some data with respect to how Kings Point graduates did on the deck examination. We had a total of 130 who took the examination, 109 passed it the first time through; 21, all the remaining, had partial passing grade. They did not pass the entire test, but they passed enough of it so they could take a reexamination.

On the second examination, 18 of that 21, passed; there were 3 who failed the second examination. Those three, to the best of my knowledge, passed the examination after graduation so they still got their license. They would not have gotten their degree at the time of graduation. Similar statistics apply to the year 1978.

Mr. AU COIN. Mr. Casey, before getting into all those statistics, let me mention, we do have a Coast Guard witness who has been asked to provide information of that kind and we will bring that out at that time.

I am just curious as to what kind of self-examination took place within the institution when that occurred 3 years ago.

Mr. NEMIROW. Mr. Chairman, if I might, I would simply like to suggest that I do not know and apparently my colleagues don't know of any specific investigation of the problem that occurred in that year.

However, I think it is important and I think it is frankly much more important to note that the percentage of the passage of the examination has increased dramatically to the extent where nearly every midshipman who takes the examination passes.

I would rather assure that kind of a situation than worry about what happened in 1974 or 1976, whichever the year was. If you

would like us to look into it in more detail, we will certainly be glad to submit information to you.

Mr. AUCOIN. I have heard a number of figures. What is the rough value of the price tag of the education, at Kings Point today? Is it approximately \$42,000?

Mr. NEMIROW. Approximately. It is \$32,188.

Mr. AUCOIN. OK.

Mr. NEMIROW. I am not being too facetious on that. There is an asterisk next to the number I am looking at because we have not included in that number any effort to try to amortize the cost of modernization of some of the facilities.

Basically, the fully allocated costs, excluding modernization expenditures now being incurred, is \$32,188.

Mr. AUCOIN. Is that a cost totally borne by the taxpayer?

Mr. NEMIROW. Yes, it is.

Mr. AUCOIN. The student doesn't make a contribution?

Mr. NEMIROW. Correct. However, I might indicate that a study was done of the various service academies by, I believe, GAO, within a most recent time frame of perhaps 3 to 4 years which found that the most cost effective per graduate cost of all of the service academies was Kings Point.

Mr. AUCOIN. I beg your pardon.

Mr. NEMIROW. I will put it another way: If you compare the cost of a graduate, the budgetary cost of each graduate from Kings Point with the graduating cadets from other academies, the least expensive to the Federal Treasury is Kings Point.

Mr. AUCOIN. On what basis was that finding rendered?

Mr. NEMIROW. I think we can submit that study to you for your review and that of the committee and its staff.

[The following was received for the record:]

BREAKDOWN OF THE COST PER GRADUATE

Academy	Graduating class		
	1976	1977	1978
Air Force	\$96,600	\$105,200	\$101,700
Military	101,200	126,200	106,200
Naval	82,500	84,800	91,300
Coast Guard	71,900	77,400	84,100
Merchant Marine	36,100	36,100	37,800

* These costs are distorted due to the honor incident—147 cadets dismissed from the Class of 1977 and 95 of them reentering the Class of 1978

[The General Accounting Office report entitled "The Five Service Academies: A Followup Report" from which the above figures are derived has been placed in the subcommittee files.]

Mr. AUCOIN. Counsel suggests that the figure that you just quoted with regard to the cost of an education at Kings Point may exclude seetime which is, of course, part of the training at Kings Point.

Is that true? Does that figure exclude those costs?

Mr. NEMIROW. We have a table here which addresses those costs as well as on-campus costs. Let me have Mr. Friedberg address that question, if I might.

Mr. FRIEDBERG. The on-campus costs, that is, the annual budget allocation for the operation of the U.S. Merchant Marine Academy, minus the amount for the rather extraordinary building modernization program or the rehabilitation program, is divided by the number of cadets on campus.

Now, this has the effect of counting a person on campus for 3 years, a smaller number of people on campus. The sea year is included in the direct costs of the sea-year portion. If he is not on campus, he is at sea and his sea-year costs are included in this calculation.

The on-campus costs for operating the Academy are divided by the total number of people on campus. Actually, if we put the sea-year people into that calculation, we would come up with a lower per-student figure for the on-campus costs.

Mr. AUCOIN. There are seagoing costs, are there not?

Mr. NEMIROW. And they are in.

Mr. AUCOIN. Is it correct that they are included in the figure you are giving me?

Mr. FRIEDBERG. Exactly.

Mr. NEMIROW. As I understand these numbers, Mr. Chairman, we take the budget of the Academy divided by the number of cadets on campus. There is a deduction for those who are not there, who are at sea. But we include in those numbers direct costs related to those cadets who are at sea, such as transportation to meet vessels but not on-campus costs for those cadets who are not on campus.

There are direct costs even though they are not on campus, particularly travel. Those would be included.

Mr. AUCOIN. Why wouldn't it make sense to require some minimum, individual financial contribution to the costs of education at Kings Point, given the fact that not all graduates go into the direct maritime duty for the complete 5 years?

Mr. NEMIROW. In the graduating class of 1979, I believe 92 percent went to sea. There have been periods of time in the past when seagoing berths were simply not available.

Mr. AUCOIN. For 5 years?

Mr. NEMIROW. No; 1979.

Mr. AUCOIN. Did you say 1979?

Mr. NEMIROW. Yes, the class of 1979. There have been periods of time, particularly in the early seventies, when seagoing berths were not available. It was very difficult to burden a cadet, and the fact of the matter is, he may have applied for a position and no positions were available.

Our projections for the eighties are that there will be seagoing berths available and we contemplate that all of the graduates of Kings Point, as well as of State schools, will be able to find employment afloat.

Mr. AUCOIN. As a principle, though, why would it be wrong to have, on the part of the midshipman, some individual financial contribution to the cost of his or her education?

Mr. NEMIROW. The question is, What is the nature of Kings Point and is it a Federal academy? We believe it should be continued to be treated as a Federal academy. We believe that the Merchant Marine Academy does provide the kind of human re-

sources necessary to have our merchant marine serve as a naval auxiliary in times of national emergency.

We think the country is getting what it is paying for at Kings Point, and as a Federal academy we do not see any rationale for payment of tuition on the part of the cadets.

I will say in this day of discussion of user charges and having everyone pay for what they get from the Government, the same rationale could apply to any Federal academy: Naval Academy, West Point, Air Force Academy, Coast Guard Academy.

Mr. AuCOIN. I will yield to my colleague from Maine after this question and then come back for additional questions.

Following up on that, in the Vietnam era when this Nation was beginning to respond militarily to a military situation in Vietnam and we needed additional merchant marine capacity, what was Marad's experience in getting those with a moral obligation or some other type of obligation to the merchant marine to go back into the service after they had received a Kings Point education at the cost that we described?

Mr. NEMIROW. I believe in that period of time, 99 percent of our graduates found employment at sea. Also, in the activation of some reserve fleet ships, we called upon former merchant mariners and for graduates of Kings Point to provide service in order to provide the kind of support needed for the military operations in Vietnam.

As you will recall, I am sure well over 90 percent of the supplies that were moved to Vietnam to support the confrontation there moved on U.S.-flag vessels manned totally by U.S. crews, and a very substantial portion of the officers of those vessels were Kings Point graduates.

Mr. AuCOIN. Were they active officers at the time or were they those in maritime-related industries who were asked to come back to serve and who did serve?

Mr. NEMIROW. It was a combination.

Mr. AuCOIN. How satisfactory was the response in the latter category?

Mr. NEMIROW. The onshore, nonocean-going, marine-related?

Mr. AuCOIN. Marine-related onshore.

Mr. NEMIROW. I would say the response was quite satisfactory. We had older vessels operating out of the reserve fleet that required a special training capacity and we had a great response from people who had been out of the merchant service for some period of time to fill those seagoing berths in order to be able to serve on those vessels. The response was most satisfactory.

Mr. AuCOIN. I would like to have for the record specific statistics indicating how many Academy graduates who, serving in maritime-related fields onshore at the time, responded to that call and filled that need.

Mr. NEMIROW. We will provide that to the extent that it is available in that detail and we would be glad to go over what type of data we have if it is not available in that detail with you or with your staff.

[The information follows.]

RESPONSE OF GRADUATES

At the outset of the fleet buildup in support of our armed forces in Vietnam, the then Maritime Administrator sent letters to past graduates of all of the maritime academies urging those who were not actively sailing, to return to sea to meet the increased need for merchant marine officers. There are no statistics on the number of shore-employed graduates who did, in fact, leave their shore employment to return to sea. We are particularly aware that our own efforts through Federal procedures to have the maritime industry declared essential, which would have insured reemployment rights for those in shoreside jobs, was unsuccessful. Nevertheless the record of Kings Point in responding to the need at that time is considered outstanding with 97 to 99 percent of all the graduates of the classes during the Vietnam fleet build-up period going directly into afloat employment as merchant marine officers.

Mr. AUCOIN. You understand the significance of the question because we are talking about a free education which gives more than just a license to serve on a ship. It also gives a 4-year college education for free.

If the country has a need of those who serve in a maritime-related field and industry, maybe at a desk in a private company, their failure to respond casts a shadow over that question.

Mr. NEMIROW. I would just like to say that I welcome the opportunity to show on this record—and I think we will have the opportunity—the contribution made by graduates of Kings Point to the Nation in time of national emergency.

I think it is an outstanding record, and I would like to establish it fully on the record.

Mr. AUCOIN. That is exactly the purpose of the question, and the purpose of the hearing as well.

Mr. Emery.

Mr. EMERY. Thank you very much, Mr. Chairman.

In 1977, the Maritime Administration presented the "Deck and Engine Officers in the U.S. Merchant Marine—Supply and Demand, 1976-1984."

Is that study still current? Do you have any refinements or do you still hold to the projections that were made in that document?

Mr. NEMIROW. I can't say we have had an ongoing review but we have underway at the moment a review of that study. It is still at this point our planning tool and our expectation as to where requirements will be in merchant marine and maritime employment into the 1980's.

We are at the moment taking another look at that study to see if it can be reinforced.

Mr. EMERY. There are a couple of proposed changes in the legislation, one of them is administration's bulk package and the deep seabed mining bill which, with the Senate's "Man American Requirement," for the mining vessels and one transportation vessel per site and also the omnibus bill's goal of 40 percent U.S.-flag carriage of our foreign commerce.

How would you expect each of those three developments in turn to affect manning requirements?

Mr. NEMIROW. If you would tell me which ones of these bills will be passed in this session of Congress, I will tell you how many seagoing workers we will be requiring.

Mr. EMERY. Make the assumption for the moment they are all going to pass. At some time we may have to modify that.

Mr. NEMROW. If the bills were to pass in their current form, we have done some analysis and the numbers of vessels required to comply with the provisions of the bills are available.

I testified before the Merchant Marine Subcommittee in September and I supplied them with that information. I believe under one of the scenarios we are talking about a requirement for 1,000 ships. You can expand from that the number of officers and the amount of seagoing employment that would be provided.

I would like to submit that information for you. It is quite detailed both in terms of dollar costs and in terms of number of vessels. We can try to apply to that increase in employment numbers by some projection as to what kinds of crewing we would expect on those vessels.

Mr. EMERY. Do you expect that your recommendation or the projections made in the study that I just cited would be substantially changed by the fact of the passage of one or more of those bills, or do you think the study is going to be pretty much on target even if those bills pass?

Mr. NEMROW. I think that the study showed that there will be a small shortfall in the number of people available to fill seagoing jobs. We expect that would be exacerbated if the bills were to pass, and that is no reason to not pass the bills. We believe the training programs can be implemented in order to accomplish the filling of positions on these vessels and we would welcome an opportunity to undertake that effort.

Mr. EMERY. If you would supply that additional information for the record based on these three pieces of legislation, we would appreciate that very much.

[The information follows:]

WORK FORCE DEMAND

Work force estimates have been developed for the Administration's Bulk Package: If enacted immediately, it is estimated that approximately five new bulk vessels will be delivered each year beginning in 1982. However, due to accelerated retirements over the forecasted levels within the study, the fleet would gain approximately two vessels in both 1982 and 1983, three vessels in 1984 and five vessels in 1985 and hopefully five vessels per year for the remainder of the decade. This would lead to an increase in officer demand by the following amounts through 1985 with the increase continuing thereafter as the bulk fleet continued to increase:

	Additional deck officers (cumulative)	Additional engine officers (cumulative)
1981	0	0
1982	+ 16	+ 16
1983	+ 32	+ 32
1984	+ 56	+ 56
1985	+ 96	+ 96

Workforce estimates have not been developed for the Omnibus Maritime Bill or for the Deep Seabed Mining bill. The uncertainties concerning their final form, economic conditions at time of enactment and thereafter, impact of potential international agreements, industry response and other variables preclude the possibility of reasonable projections. Any estimates would be so highly speculative at this time as to be unuseable and potentially misleading in the context of current decisions affecting maritime training programs. For example one estimate of the additional number of vessels required for forty (40) percent trade penetration is 832 additional ships. This represents more than a doubling of our entire fleet. However, it is not possible realistically, due to the uncertainties I have mentioned, to produce a time-phased projection of the fleet increase which could serve as a useful basis for

projecting increased workforce demand. Clearly an expansion of this extent, increasing officer demand by as much as 14,000 and unlicensed demand by 26,000 would have a major impact on all maritime training programs. Employment would increase roughly proportionately to the increase in size of the fleet.

Mr. EMERY, Admiral Rodgers, Maine Maritime Academy, in his statement, which he has not yet presented, suggested that there would be benefits in classifying the training academy ships as U.S. public vessels.

What could you see as the impact of that move? Would you support it?

Mr. NEMIROW. The most direct impact I suppose would be on the payment of tolls. There are certain burdens which are borne by the State academies which are not recoverable, as you know full well, through the Federal process.

I would encourage devices or mechanisms or methods such as this which would alleviate some of these burdens against the people who are required to operate State schools and State vessels.

I would not personally have an objection to that. I have not looked into it from the administration point of view but as far as the Maritime Administration is concerned we would not object.

Mr. EMERY. Thank you very much, Mr. Chairman. I have no further questions at this point.

Mr. AUCOIN. Mr. Nemirow, throughout your testimony you have referred to the Merchant Marine Reserve-U.S. Naval Reserve. Could you amplify what you are suggesting here? Then, I have some additional questions.

Mr. NEMIROW. I would be happy to but, frankly, Mr. Friedberg has been working for many months with the Navy in fleshing out the Merchant Marine Reserve program and is working on a weekly basis in trying to get this program into effect for the academy this year.

Since he is one of the most knowledgeable people in Washington on this area I would like to defer to him.

Mr. FRIEDBERG. Mr. Chairman, the Merchant Marine Reserve-U.S. Naval Reserve is a relatively new and very unique reserve status specifically designed for actively sailing Merchant Marine officers, specifically, deck, engine, and radio officers. It is a cooperative effort between the maritime industry and the Department of the Navy in which a totally separate organization structure has been created within the Naval Reserve separate from other portions of the Naval Reserve. It is specifically designed to provide a training base structure, a training base organization, for merchant marine officers to get the knowledge and those additional skills that might be necessary of a merchant marine officer to operate his merchant ship in conjunction with the Armed Forces under any mobilization or peacetime conditions requiring joint operations.

It has unique characteristics in that first it is not a source for Navy acquisition of naval officers. It is a reserve unit specifically to maintain the merchant marine officer in his position on a merchant ship but with the training that he will acquire through this program for joint operations with the Navy.

That is the key thing between the officer on the job in the merchant marine and the Defense Establishment.

Mr. AUCOIN. You are working on this program currently with the Department of Navy?

Mr. FRIEDBERG. That is correct.

Mr. AUCOIN. When do you anticipate having this proposal complete?

Mr. FRIEDBERG. The proposal is complete. It is being advertised to merchant marine officers. They can currently apply. It is in existence.

Mr. AUCOIN. How long has it been in existence?

Mr. FRIEDBERG. It was promulgated this past spring. Promulgation is one thing in terms of a directive by a Government agency. We were able to send out leaflets on the program which we hope will reach every merchant marine officer. We were able to send them out within the past month and a half.

At the U.S. Merchant Marine Academy the program does not come fully into effect until the next incoming class because the existing classes have signed an earlier training and service agreement. But the earlier classes have the option now to switch to the new program.

Mr. AUCOIN. This is a totally voluntary program? Can a person opt in or opt out at his choice?

Mr. FRIEDBERG. Not under the proposed legislation nor at Kings Point under existing arrangements, nor necessarily at the State academies under existing regulations. It is not totally voluntary for the cadets.

Mr. AUCOIN. Is it mandatory? Are you suggesting you have the authority through regulation to mandate that any graduate of a U.S. academy serve in this Maritime Reserve?

Mr. FRIEDBERG. At the U.S. Merchant Marine Academy we require that the midshipmen be midshipmen USNR and on graduation accept, if otherwise eligible, a commission in the Naval Reserve as ensign.

At the State maritime academies we require, for those cadets who receive the Federal student allowance that they sign an agreement to apply for, and if offered, accept a commission in the U.S. Naval Reserve. These commissions, with the next incoming classes, will be commissions in this new Merchant Marine Reserve, Naval Reserve program.

Mr. AUCOIN. Will all of the commissions in the Naval Reserve program be of this nature?

Mr. FRIEDBERG. All of the cadets at the State academies and the Kings Point midshipmen will go into the new Merchant Marine Reserve program. That is, the subsidized cadets.

Mr. AUCOIN. How long does that basic obligation last?

Mr. FRIEDBERG. I might say there are certain exceptions.

Mr. AUCOIN. Then it is not all?

Mr. FRIEDBERG. It is not all. A person can go to active duty in another line of the Navy or can opt to go into the NOAA Corps, or into the Coast Guard. They have options that allow for substitution of service in other uniformed services.

Mr. AUCOIN. Tell the committee once more what the essential purpose of the Maritime Merchant Marine Reserve is. Is it basically for retraining?

Mr. FRIEDBERG. Let me go back a little bit.

Mr. AUCOIN. You don't have to give an extensive response.

Mr. FRIEDBERG. The merchant marine has been engaged in defense logistics support throughout its history. This is the first program that is a solid, conscious effort to see to it that the officers aboard U.S. merchant ships have the particular training that they need for that defense mission as distinct from what they would normally have.

Mr. AUCOIN. I understand that, but what about the fellow who graduates from the Academy, goes to work for some firm in a maritime-related field, and sits in a cushy chair behind a desk. Does he have an obligation to serve in this Merchant Marine Reserve that you are talking about?

Mr. FRIEDBERG. The graduate, yes, for a 6-year period.

Mr. AUCOIN. He must come back for retraining?

Mr. FRIEDBERG. He has certain obligations ashore with regard to maintaining status in the Naval Reserve, including active duty. There are certain active duty requirements, and these are particularly applied to an individual who is not actively sailing.

Mr. AUCOIN. Why then is the 5-year service obligation required?

Mr. FRIEDBERG. I think one reinforces the other. The service obligation is aimed particularly to service in the industry and to seafaring services. We would like particularly to see it with active duty Navy as an option. The Reserve status, which is not active duty in the Navy, is something that covers as a blanket all the obligations in the statute.

Mr. AUCOIN. If this had been in existence during the Vietnam conflict, would it have been possible to bring Academy graduates into active merchant marine duty to respond to the Nation's need to a greater degree than was the case then?

Mr. FRIEDBERG. It would have been possible at that time if we had nationalized the ships, painted them gray and put numbers on them, to have called into active duty the graduates of any of the academies who were not actively sailing but were ashore and had Naval Reserve status.

It would have brought them into the Naval Reserve on active duty.

Mr. AUCOIN. Why shouldn't there be a Merchant Marine Reserve to get at the problem and the criticism that has been lodged against those graduates serving in maritime-related fields, a term very difficult to define?

You indicated you wanted to work very carefully, and you gave us examples on the kind of jobs that would qualify for maritime-related fields. The regulations, however, will be extremely difficult to bring out.

Why not have a Merchant Marine Reserve which enables people to be called up at a time of national emergency, whether or not they are sitting in cushy chairs.

Mr. NEMIROW. I think under the program we have been discussing they would be eligible to be called up in the Navy through the Navy Reserve program.

I think the hearings before the Subcommittee on Merchant Marine, particularly in the full committee, in recent years has brought out the very direct concern of this committee for an enhanced relationship between the merchant marine and the Navy and between the activities of the Maritime Administration and

those of the Department of Defense, particularly the Department of the Navy.

We think this is an example of the kind of cooperation that is necessary in peacetime in order to have the kind of labor force that is going to be required in the event of a national emergency. We think that this program as an adjunct to the Navy program in peacetime provides the kind of coordination and the kind of background and experience that will serve us well in time of national emergency.

My reaction to your suggestion is, given some of that background, and given the requirement to serve as a naval auxiliary, I think an independent Merchant Marine Reserve doesn't answer enough of the problems. I think the course that we are now pursuing is a more appropriate course.

Mr. AUCOIN. Let me turn to another subject. As you know from reading the bill, section 1304(f), provides for loans to students at State maritime academies to replace the outright grant of \$1,200 to the students at the academies.

In this regard, I would like you to tell the committee how you would implement the Studts committee recommendation set forth in 1304(f)(1) that states the loans shall be allocated among the various academies in a fair and equitable manner.

Mr. NEMROW. The question of allocation of loans and allocation of subsidies to the various State schools, as you know, has been a very sensitive one. We have established quotas at each school, and those have been kept in force since the period I believe beginning around 1971.

We at this point would intend that that allocation system would continue in effect and that the loans would be made available basically on the same ratio.

Mr. AUCOIN. On the same ratio as they are now.

Mr. NEMROW. That is our current thinking.

I was discussing with Mr. Friedberg before coming over here this morning, whether or not we should set up a meeting with the representatives of the various State schools to go into the allocation process more fully and talk about how the loan program might be implemented and how the subsidies might be allocated in the event of passage of this bill.

I think it would be a useful exercise and I would intend to do that.

Mr. AUCOIN. You were saying that the current allocation system is roughly one that you think you may stay with. However, you think it might be a reasonable thing to meet with the State academy directors and discuss it further? Is that your testimony or did I miss something?

Mr. NEMROW. It is the way I hear you characterizing that testimony; but let me say this: I would expect if this bill were to pass today and we were required to implement the provisions of the bill—

Mr. AUCOIN. The language I just read.

Mr. NEMROW. Yes, We would continue the allocation on the current basis. That is the way we would implement the legislation.

We obviously don't contemplate that the bill will be passed today and there have been some difficulties in the past with the alloca-

tion of these subsidies if we can call them that. It was in keeping with my discussion with Mr. Friedberg earlier today that I suggested we might want to take a new look at the allocation program and discuss it with the State academies in contemplation of passage of this bill.

Mr. AUCOIN. Let's be a little more direct. Do you not see this language as representing some sort of message to MarAd about the allocation of these funds? Do you not see the language, "The loans shall be allocated among the various academies in a fair and equitable manner," as having some purpose?

In other words, Congress made a finding through the Studts committee and the committee that produced this bill. There is something in this somewhere—don't you see this as marching orders of some sort?

Mr. NEMIROW. There seems to be an assumption in what you have said they have not been allocated in a fair and equitable manner. If that is the case, yes, that is a directive or a strong suggestion on the part of the committee.

Mr. AUCOIN. Without making the point that any of the figures I am about to give you are necessarily representing something unfair or unequitable, let me read you some statistics from the Studts committee oversight report.

I am dealing with 1977-78 quotas, grants, numbers versus the numbers of students who were eligible for them in the period 1977-78. California Academy received 110 grants. There were 161 eligible freshmen.

The New York State Academy, 251 grants out of 252 eligible freshmen.

The Great Lakes Academy had 50 grants out of a total number of eligible students of 52.

Maine Academy had 150 grants out of a total number of eligible freshmen of 179.

The Massachusetts State Academy had 77 grants out of a freshman population eligible for those grants of 267.

The Texas State Academy had 35 grants out of an eligible population among the freshmen of 89.

I think when you see figures such as 77 versus 267 in the case of one academy, as opposed to 251 out of 252 in the case of another academy, there is reason to at least examine the allocation system. Don't you agree?

Mr. NEMIROW. I think those numbers don't tell the whole story. I have no objection as I have indicated, and I would encourage a review of the allocation system. Those numbers do not result from an historical accident. When the allocations program was put in place, basically the Federal Government at that time was saying to these academies that this is the level at which we can subsidize your student body. This is the number of positions we would consider to be within the subsidizable quota.

Some of the schools maintained their enrollment at about the same level as the quota which had been established. Other schools engaged in a significant program of expansion after that decision had been made. They knew that the quotas would not be available and that the allotments had already been made. The numbers

reflect those decisions as well as the earlier decision of the Government to subsidize a limited number of students.

Mr. AU COIN. Is that the major explanation for the ratio 277 to 67 at the Massachusetts Academy, the most dramatic case I have cited?

Mr. NEMIROW. That is my understanding. I had looked into that question. I had been given that as the reason for a disparity, the allocation to the academy in Massachusetts was at the number of 77. Their class at the time was—I can give you the number. I think somewhat less than a hundred. They increased their enrollment and our allocation has not increased at Massachusetts Maritime Academy.

Mr. AU COIN. Has MarAd ever reviewed its allocation with the idea of making changes and redistribution?

Mr. NEMIROW. Yes. We looked into the redistribution question and we have to take into consideration the fact that certain of these institutions created certain of these problems, these disparities. Let's not call them problems. That was a decision that they made.

We always are confronted with the question of why should we take from Peter to pay Paul, particularly when each knew what they were getting when the program began. We could reallocate but then the disparity would exist in another area and the problem would not be with Massachusetts, it would be with California or some other school. That is the kind of problem we have in this system.

Mr. AU COIN. In the case of the New York Academy, has there been an absence of the kind of extension you refer to as a result of these disparities?

Mr. NEMIROW. Basically I believe that the level of enrollment has remained about the same in this period of time, at least that is my understanding.

Mr. AU COIN. About the same?

Mr. NEMIROW. About the same. I can give you specific numbers; I just don't have them at my fingertips.

Mr. AU COIN. Please provide them.

[The information follows:]

CLASS ENROLLMENT

Year	California	Maine	Massachusetts	New York	Texas	Great Lakes
1967	(*)	161	98	212	46	(*)
1968	124	161	103	228	88	(*)
1969	112	167	113	235	86	6
1970	94	202	115	250	80	34
1971	107	149	183	243	65	34
1972	108	120	221	176	53	43
1973	127	145	229	147	49	46
1974	144	206	260	196	64	45
1975	131	223	280	207	58	57
1976	177	192	260	236	59	50
1977	163	180	273	233	62	53
1978	143	184	265	233	85	52
1979	159	194	263	223	90	86

* Not available

* The Great Lakes Maritime Academy was established in 1969

Source: State Maritime academies and colleges

Mr. AUCOIN. We will have to interrupt the hearing because of a vote. We will adjourn temporarily and reconvene as soon as possible.

[Brief recess.]

The committee will come back to order.

Mr. NEMIROW, we have a time problem. I know you do, too. I believe you have an engagement at noon. The committee is going to have to adjourn at approximately 11:50. We will come back at 1:30 and proceed for the rest of the day to accommodate the entire witness list.

You are one of our most important witnesses today, and I have a number of additional and extremely important questions to ask you and the two associates you brought with you this morning.

I propose that after you meet your commitment at noon, that you return so that we can proceed with the balance of these questions.

Is that suitable?

Mr. NEMIROW. I would be pleased to do that.

Mr. AUCOIN. I appreciate that very much.

Mr. NEMIROW. When would you propose reconvening?

Mr. AUCOIN. I would like to reconvene at 1:30 if that is possible. Is that possible?

Mr. NEMIROW. Yes, that would be fine with me.

Mr. AUCOIN. I appreciate that.

I think we were talking about the allocation policy of MarAd. You have explained to me how some of these figures get distorted in terms of grants given versus eligible midshipmen. I understand that.

But surely from time to time there is an attempt on the part of your agency to reevaluate and see what changes in the reallocation system ought to occur. Can you describe to the committee how MarAd goes about this or in your judgment, is this an area in which your agency candidly ought to be doing a better job?

Mr. NEMIROW. We do from time to time undertake a review of the allocation of these various quotas. The problem is that there is, I would suggest, a substantial bias toward maintaining some relationship to the quotas that were established in 1971.

There is a reallocation. There are not an infinite amount and number of subsidies. They cannot be made available to all entering cadets. We try to be as equitable as possible. They are reallocated. We cannot move all of the subsidies to one particular academy because it has increased its enrollment three or four times what it was seven or eight years ago.

Without creating that kind of bias, we try to reallocate them on an equitable basis. I think that we cannot expect that everyone will be satisfied, but that is the nature of the business, that is what allocation of limited resources is all about.

Mr. AUCOIN. Let me turn to another question which deals with the criticism I hear at times from critics of the U.S. Merchant Marine Academy. I have heard that for a variety of reasons the midshipmen there are getting a very rich education at taxpayer's expense, an education going well beyond what is needed for them

to carry out their duties and what is needed to obtain a 4-year degree.

Let me refer specifically to a finding in the Studds committee oversight report which questioned the appropriateness of the U.S. Merchant Marine Academy offering such courses, such elective subjects as oceanographic research, astrophysics and numerical analysis.

The oversight committee felt that courses of that kind, which are conducted at an expense to the Academy, are ones that do not materially add to the qualifications of a deck officer or any of the graduates who go into the merchant marine.

I am asking you if you have looked at the part of the oversight report that I refer to, and do you agree that perhaps there is an enrichment here that may be unwarranted?

Mr. NEMIROW. We have a process of continuing review of the curriculum at the Academy. I must say that if those are the most egregious examples of excesses in the curriculum that could be identified by the committee, it gives me some comfort.

I am not particularly concerned about having an elective course in oceanographic research if, among other things, we are preparing cadets for the possibility of service as uniformed officers in the service of the National Oceanographic and Atmospheric Administration.

I really don't consider that an excess. Frankly, I don't know very much about astrophysics.

Mr. AUCOIN. How many seagoing officers do you believe need to apply that skill or know anything about that?

Mr. NEMIROW. Astrophysics?

Mr. AUCOIN. Yes.

Mr. NEMIROW. Not knowing anything about it myself, I can't comment on what value it might have to a seagoing officer.

Mr. Casey, are we teaching astrophysics?

Mr. AUCOIN. What about numerical analysis?

Mr. NEMIROW. I was aboard a vessel 2 weeks ago which was about to be delivered and the engine room and the cargo facilities—it was a tanker vessel—were very heavily computerized.

I have not addressed this specific course in the curriculum, but it seems to me it is a very logical thing to be addressing, given the technology of seagoing equipment today. I think it is very compatible with the requirements of a senior officer aboard a vessel.

Mr. AUCOIN. Is it your testimony that knowledge of the subject matter in any of those three examples that I gave is necessary for the midshipman graduate to pass the examination that entitles him to his license?

Mr. NEMIROW. No, I am not sure it is necessary in order to pass the examination. And I also do not agree that preparation for passing the license examination is the sole objective of the Academy.

Mr. AUCOIN. Is it necessary for the accreditation of the Academy?

Mr. NEMIROW. I think it contributes significantly to the accreditation of the Academy.

Mr. AUCOIN. Is it necessary for the accreditation of the Academy?

Mr. NEMIROW. I don't know what goes through the minds of people who are in the business of accrediting institutions. I would probably agree, if this is the nature of your question, that the accreditation would not be lost if those courses were not taught. I think that the courses are probably not necessary in the absolute sense of that word. But they are also not unrelated and that is why they are elective courses.

Mr. AUCOIN. The significance of the question again goes to those graduates who do not go to sea or stay at sea once they graduate from the academy. If it can be shown that an enriched college education is provided at taxpayer's expense, and that we have a loose definition of maritime-related industries which graduates can enter, an argument can be raised that this is just one big piece of cotton candy for those fortunate enough to get their education in this way.

Mr. NEMIROW. I think that can always be argued anyway. We have learned to suffer through those arguments.

Mr. AUCOIN. Maybe the day is coming to an end.

Mr. NEMIROW. In which that issue can be argued?

Mr. AUCOIN. That you can endure those kinds of criticisms without some changes in the institution itself.

Mr. NEMIROW. I did not say endured, I said suffered. I think there is a relationship and it is not illogical to teach some of these courses if you are training officers for seagoing employment. I don't know about astrophysics.

I do know that the other courses that we have been talking about do bear a relationship to the mission of the Academy. I discussed this with the faculty the other day. I am concerned that the Academy maintain as its basic objective the training of merchant marine officers, and that the mission of the school not be broadened directly or indirectly by a desire to turn it into a liberal arts institution. That is not our objective.

However, I think you have to broaden the background of some of the cadets. You could have a vocational school where you spend all of the training of engineer officers down in an engine room, but I don't think you produce the kind of officer you want in the merchant marine or to serve in time of national defense in the naval auxiliary.

Mr. AUCOIN. Of course, that very rich and extravagant education would be easy to defend if each graduate committed time to the Nation's service at sea in a maritime field.

To the extent that is not the case, the issue is what the problem becomes in the eyes of the taxpayers, in the eyes of members of this committee, and in the eyes of a growing number of the American public.

Mr. NEMIROW. I think the bill which is now before the committee, particularly on the service obligation portions, would certainly address the concern that you just mentioned. I might communicate.

Mr. AUCOIN. We are trying to tighten up the service obligation. There is no question that we—

Mr. NEMIROW. I might communicate, if you would indulge me for a moment, that the Maritime Administration has had this concern for some time as to the nature of the obligation. I believe that in

the initial draft of this bill, that provision, the service obligation, was prepared by our staff in coordination with your staff and it has been a number of years now that we have been trying to see enacted a service obligation for graduates from Kings Point.

We have absolutely no question about that. We think it will enhance the Academy's role and clarify its responsibilities. We encourage that and we have endorsed it for a number of years. We are very pleased that the Congress is now prepared, we hope, to adopt that measure.

Mr. AuCOIN. Of course, my concern, and I hope it is your concern, too, is that in the service obligation language we do have the technology "maritime related." Defining what that means is the potential loophole which raises the possibility of criticism along the lines I have just pursued.

I think you understand what I am saying.

Mr. NEMIROW. For the graduates of Kings Point, in our testimony this morning we proposed a 2-year sailing requirement as a minimum.

Mr. AuCOIN. I did note that.

Mr. NEMIROW. We take that as a very serious concern. In order to maintain the status of the Academy, we would expect that that would happen.

Mr. AuCOIN. Mr. Nemirow, one last question before our 11:50 point of departure; Section 1306 deals with the U.S. Maritime Service. I have always been mystified by this service, and the explanation you give for the service in your testimony on page 14 is, in my judgment, far from complete.

I would like to hear from you a clear, crisp, concise explanation of the current status of the U.S. Maritime Service.

I would like to have the numbers and titles of people who are currently enrolled. Although I know you cannot provide that today, I do want that for the committee.

I would like to know for the record what the function of the U.S. Maritime Service is in times of peace and also in times of national emergency. At this point it is a complete mystery to me and I think many Members of Congress. What is it? Who are these people and what do they do?

Mr. NEMIROW. As much as I hate to do that, given the direct nature of the question, I would like to defer to Mr. Friedberg who has tried to enlighten me and I hope can enlighten you.

Mr. AuCOIN. Mr. Friedberg, it is 11:50. If you want to defer that until we come back, I would be pleased to do that, or if you would like to answer that, that would be fine as well.

Mr. FRIEDBERG. It is up to the pleasure of the Chair.

Mr. AuCOIN. Let's defer until we reconvene at 1:30. Have a good answer for me because I want to know what this entire situation is. We stand in recess until 1:30.

[Whereupon, at 11:50 a.m. the subcommittee recessed, to reconvene at 1:30 p.m. the same day.]

AFTERNOON SESSION

Mr. AuCOIN. The committee will come back to order.

Sam, we are appreciative to you and your colleagues for your willingness to come back this afternoon.

Let me pose these additional questions. I wanted some clarification, an end to the mystery, if you will, on the U.S. Maritime Service.

Mr. Friedberg, you promised to give me a definitive, clear, concise, crisp explanation as to who these people are, what this group does, and what its function is. I am waiting with great interest to find out.

Mr. FRIEDBERG. Thank you very much, Mr. Chairman. I will try to make this as brief as possible.

But I do have to tell you first what it was. It was the largest maritime training activity ever accomplished in the United States and possibly in the world. It was in its hey-day during World War II when it trained thousands of merchant marine personnel from entry ratings to senior officer levels to complement the massive shipbuilding program that we had during World War II.

The activities of the U.S. Maritime Service continued as a training operation after the war, tapering down to a final close of what was a dozen or more USMS installations around the country, finally going out of business in 1954. That is what it was.

There are people in this room and very many in the industry today aboard ship and senior union officials and industry officials who got their licenses through that training organization.

What it is now is fundamentally broad maritime training authority in statute. It does not exist as an operating organization at the present time.

We propose in our comments to maintain the authority as it currently exists without change and point out that it has a place in our mobilization contingency planning and should therefore remain in the bill.

What it is not, because there seems to be a misconception about it, it is not a shipboard employment status organization. It is not a working shipboard service organization. It is strictly a training organization. There are some current vestiges.

In order to identify the subsidized cadets at the State maritime academies with their Federal role, and as a part of their Federal subsidization, the subsidized cadets at the State academies are currently enrolled in USMS for status and identification.

Similarly, the superintendents or presidents of the State maritime academies are enrolled in the U.S. Maritime Service as rear admirals. The masters of the government-owned training vessels at the State maritime academies are commissioned as captains, USMS, all inactive status.

For uniform purposes of the faculty and staff at Kings Point, USMS enrollment is used to provide the basis for the wearing of the uniform of Kings Point. These are the vestiges.

I think I covered what it was and I hope I have described well what it is.

Mr. AUCCOIN. You indicated that it remains for the purposes of training of personnel as well? I want you to go back over your testimony just for a second. I thought you began to say that this was an organization for training purposes. Then, as you concluded your remarks, it sounded to me as though it was a holding mechanism for masters, faculty and staff, superintendents, et cetera.

Does it have any training functions at all as an organization separate from the institutions we are talking about today?

Mr. FRIEDBERG. At the present time, the USMS organization is not in existence as an operating organization. Its only involvement at the present time in these vestiges that I have talked about are with the other training organizations such as the State academies and Kings Point that are currently in existence.

Mr. AuCOIN. Why is it necessary to have superintendents of the academies, masters of the academy vessels, faculty and staff of the U.S. Academy, part of the U.S. Maritime Service? Those are three of the vestiges you just mentioned.

Why is that necessary? Why continue the U.S. Maritime Service?

Mr. FRIEDBERG. Why continue the vestiges? Identification is the primary reason, identification of the individuals. First of all, the cadets, as I have mentioned, as being federally subsidized.

Mr. AuCOIN. Let me ask you something about that. I was a former college administrator. It was important for the dean of admissions, the registrar, and the business office at the colleges I worked for to know who had scholarships and who didn't. They didn't have to wear a uniform. They didn't have to be a member of some service.

So what do you mean by identification? Why is this particular kind of identification necessary in this instance, the one you just mentioned?

Mr. FRIEDBERG. If you use the word "necessary," I think that it may not be absolutely necessary.

Mr. AuCOIN. Why is it desirable?

Mr. FRIEDBERG. It is desirable because in our discussions as we try to mutually work through arrangements with the academies it has been found to be desirable and therefore we are doing it.

Mr. AuCOIN. That answer doesn't answer anything for me. I don't know what you mean by arrangements. Tell me about the identification, what the arrangements are, and why it is desirable. Just name me one of these vestiges that you mentioned, the one dealing with subsidized cadets, those cadets who receive the subsidy.

Why is that necessary? Why is it desirable, and what are the arrangements that you are talking about?

Mr. FRIEDBERG. I won't say it is necessary. It is desirable because these cadets have a Federal link that gives both the Maritime Administration and the cadets themselves a link to each other in a uniformed organization.

We do require all the State academies to maintain a system of discipline. This is one of the disciplines.

Mr. AuCOIN. So you are saying that the State academy cadets who are subsidized by virtue of this vestige wear uniforms and others don't have to.

Is that the link that you are talking about?

Mr. FRIEDBERG. No. The individual academies can specify their own uniform.

Mr. AuCOIN. What is the link? Isn't the subsidy a pretty tangible thing? What other link are you referring to?

Mr. FRIEDBERG. The identification of an individual being able to say I am a U.S. Maritime Service cadet and having a clear understanding of an association with a Federal training program.

Mr. AUCOIN. What more is gained from that than being able to say, I am a cadet at a State academy who receives one of these generous subsidies from the Federal Government, one of these grants? What is the difference?

Mr. FRIEDBERG. We are talking in the area of perceptions. Mr. Chairman. There is no strong argument at all that makes USMS enrollment of the cadets at the maritime colleges and academies an absolute requirement. The identification has been found to be of definite value, a moral issue.

Mr. AUCOIN. We have a vote on and I am sorry to cut you off, Mr. Friedberg. Why don't you respond more fully for the record? I think you can understand the nature of my question.

I would like a more definitive answer than you have given in the brief time that you have had here. We do have other witnesses and it would not be fair for them to pursue this particular question further at this time.

Mr. NEMIROW, I notice that in your testimony you supported subsection 1303(C) which is one of the Studts committee recommendations. I would like to ask you how you would implement the final sentence of that subsection which reads, "No preference to members of the immediate family of academy alumni shall be granted in selecting cadets."

I guess in essence what I am asking you is how you contemplate defining the immediate family?

Mr. NEMIROW. I really am not sure I understand the question. What we are contemplating is that there will be no preference given because of relationship to the Academy by someone's family, that that not be an identifier or a measure against which to consider competition for positions in the Academy.

How do we intend to do it? We don't intend to include it as a point of consideration.

Mr. AUCOIN. Daughters, sons, second cousins, will play no role in the selection process?

Mr. NEMIROW. That is our intention.

Mr. AUCOIN. That is your testimony as well?

Mr. NEMIROW. Yes.

Mr. AUCOIN. Mr. Nemirow, you also support the Studts committee recommendation for a limited number of noncompetitive appointments to the Academy as provided under the bill's subsection 1303 d3. I assume I would address this question either to you or to Mr. Casey.

I would like a description of what you would consider noncompetitive appointments?

Mr. CASEY. Competitive appointments would be strictly by merit, in order of merit. First, it would be done on a State basis, against a State quota. To the extent that any of those quota positions were not filled, qualified candidates would be considered from a national list and would be selected 100 percent on a merit basis.

This would account for all of the quota positions that are allotted to the Academy; a total of 313 quota positions would be filled

strictly in the order of merit, first by State and then by a national list.

Any other appointments would be under the authority of subsection 3 which authorizes a limited number of noncompetitive appointments.

Mr. AU COIN. What does the limited number of noncompetitive appointments mean in your judgment?

Mr. CASEY. It is to accomplish what the section provides for qualified individuals. First, they have to be qualified, and second possess qualities deemed to be of special value to the Academy.

Mr. AU COIN. Would that be a football player?

Mr. CASEY. It could be.

Mr. AU COIN. Why would that be necessary?

Mr. CASEY. I think in terms of the Academy, that having an efficient athletic program is a very desirable element.

Mr. AU COIN. Is this what the language means?

Mr. CASEY. No, you asked the question as to whether the football player would possess a quality deemed to be of special value to the Academy.

Mr. AU COIN. What would be another example?

Mr. CASEY. As it says, to maintain the demographic balance in the Academy. That to me means many things. It would not include athletics. Demographic would include minorities, females, and a wide geographic distribution.

Mr. AU COIN. You don't see athletic competition in the language anywhere, do you?

Mr. CASEY. I see in the language "possessing qualities deemed to be of special value to the Academy." I think athletics is an essential element of the Academy.

Mr. AU COIN. In the opinion of the chairman, it is not. Since we are discussing a bill and establishing legislative intent, I would indicate that the acquisition of a football player under this language is not an essential characteristic for the Academy.

Mr. NEMIROW, did you want to speak to that?

Mr. NEMIROW. Yes, I would only have one comment. It is obviously very important that we have a clear understanding as to what this committee intends in adopting the language set forth in that provision.

If it is not the intention of the committee to have that provision fairly broadly interpreted, I think the language should be narrowed and the committee might well consider specifying what kinds of applicants would fall within the provisions of that section.

If it is specifically not intended that athletics be taken into account, perhaps we should limit the list to nonathletic items because I am certain in the future there may be some misunderstanding.

Mr. AU COIN. I appreciate that comment.

At this point we are going to have to stand in recess. In order to get the remaining questions of the Maritime Administration witnesses done and Mr. Casey and Mr. Friedberg, I would like the committee staff director to follow up with the remaining verbal questions. He will then ask you to submit answers to the written questions.

This is out of courtesy to the witnesses waiting a long time. I may not see you when I return, gentlemen. I want to thank you for your testimony today.

Mr. NEMIROW. Thank you very much. We certainly thank you for your interest in what we consider a vital program.

Mr. PANSHIN. Let me continue the questioning in the noncompetitive category for a moment.

The present wording in the proposed bill is "limited number." How would you, Mr. Nemirow, interpret the words "limited number"?

Mr. NEMIROW. I don't at this point have any specific number in mind. I would think the most appropriate way to define that phrase would be to do it by percentage, perhaps no more than 10 percent of an entering class would be an appropriate measure.

I don't know what the Congress or the committee has in mind when it says limited number, the same way they don't know what I have in mind. I would say 10 percent seems reasonable, but I would like to turn the question the other way and see if the committee has something specific in mind.

They might want to include it at this point so the legislative history would be clear.

Mr. PANSHIN. I think the committee does not at this time. If you care to select a percentage or a number other than the one you mentioned, would you provide it for us in writing?

Mr. NEMIROW. Yes.

Mr. PANSHIN. I have another question: One of the State academies in testimony we will hear later today has recommended that seetime aboard a U.S.-owned, but foreign-flag, vessel should count toward satisfying the 5-year-at-sea obligation.

Would you care to comment on this?

Mr. NEMIROW. I don't believe that that would be appropriate. I think our purpose is to create a body of officers capable, competent, and indeed engaged in U.S.-flag merchant marine activity. I believe that sailing aboard foreign-flag, U.S.-owned vessels is not the objective of the Merchant Marine Academy, nor should it be the objective of the State schools.

Mr. PANSHIN. As you know, section 1309(B) deals with surplus equipment and would implement a Studts committee recommendation. A number of the State academies will be commenting on this provision, but I note that you have not.

Are we to assume that the Maritime Administration supports the subsection as it is presently written?

Mr. NEMIROW. Yes, you can make that assumption. We had some technical suggestions and the second problem we had in going over the testimony last night was that we may want to suggest a broadening of that language to the committee, but we wanted to have some additional internal discussions about that.

The way the language is currently drafted and the suggestion that surplus marine equipment could be made available to State schools is not objectionable to us. We have some drafting language we would like to present to you and we may wish to present a suggestion for broadening that authority.

Mr. PANSKIN. The committee would be happy to receive that. I do have one more question, but I would like to defer to minority counsel first.

Mr. LOSCH. Mr. Nemirow, Mr. Emery made the point that MarAd's projections of Office of Supply and Demand indicated that in the early 1980's there would be a demand that exceeded the supply of deck and engineering officers and that furthermore the studies show at the same time period the supply of Great Lakes officers, officers to serve on the Great Lakes as first-class pilots, would be at about 50 percent of the demand level.

In light of those statistics and, of course, that assumes the status quo for the U.S.-flag fleet or just a small growth of the fleet and not the omnibus bill, the mining bill provisions or the administration package, in light of those statistics, we are faced with a question of what is the most cost effective way of meeting this demand.

In order to more fully evaluate this, we are going to need the most recent statistics on the amount of moneys that flow through the subsidy programs to the union on the private schools.

The most recent statistics we had were from 1977. I think it would be helpful if you would update those statistics and indicate the amount of moneys which are flowing through the ODS program to the various union schools, both the per-vessel considerations and the special considerations.

In that regard, one of the recommendations of the standards committee was that the subcommittee audit the training trust funds of the various unions so they would have some idea as to how these moneys were being spent and whether or not they compared favorably to the expenditures of Federal funds through the more direct subsidy programs to the State schools or to Kings Point.

Have you conducted those audits?

Mr. NEMIROW. As you know full well from discussions we have had before, not on this specific subject but a related subject, the Maritime Administration makes no payments to the pension trust funds of maritime unions. We have no direct relationships with these trust funds at all.

We have submitted to you in the course of a series of requests by you and certain Congressmen on the committee the data that has been made available to us. We make subsidy payments to U.S.-flag steamship companies in accordance with the provisions of title VI of the 1936 act. We do not trace dollars and we have not been required to trace dollars and I don't know whether we could trace dollars.

We have made available to you those audits of the trust funds which we have been able to obtain. We have requested the operators to make them available to us and we have requested them of the unions.

To the extent we have access to them, you have access to them. We have no direct responsibility in this area.

Mr. LOSCH. I will recognize that you don't directly pay moneys into the trust funds, but it is a passthrough through management as a result of the collective bargaining agreement, is it not?

Mr. NEMIROW. Management makes a lot of payments out of general revenues.

Mr. LOSCH. But you know precisely what the moneys are in the collective bargaining agreements?

Mr. NEMIROW. We know what the agreements provide.

Mr. LOSCH. Don't you have printouts in Mr. Friedberg's office which show other contributions pursuant to these collective bargaining agreements?

Mr. NEMIROW. No. I believe we have a measure of what our estimate would be of the mandated costs of these various contributions. I am not really trying to create a debate here. I believe, and I will ask Mr. Friedberg to address it directly, that we do not have the kinds of precise information that you are talking about. We would be happy to make available to you the information that we do have either through our computer program or through audits made available to us.

I have no reluctance in making that information available to you, but I think you realize there is certain information that we do not have at this time.

Mr. LOSCH. I do have schedules of those numbers from 1977 that were supplied by the Office of Maritime Manpower. If you could update that schedule in any way that you might be able to, we would appreciate those numbers.

In addition, going back to the issue of audits of various trust funds, it has come to my attention and the committee's attention that several of the trust funds cross-subsidize. For example, the Transportation Institute trust fund pays moneys to the Seafarers International Union School at Piney Point.

Do you have any details on the amount of moneys that are spent in that regard and could you compile those figures as well?

Mr. NEMIROW. One, I have no information at this time.

Two, I doubt whether the information is now available in any form at the Maritime Administration.

Three, we will look into that question and make available to you whatever we do have. This issue has not been raised with me at any earlier time and I am frankly not familiar with it. But I would be happy to look into it.

Mr. LOSCH. I can show you the statistics we have on those specific problems.

Mr. NEMIROW. Can I ask you the source?

Mr. LOSCH. Yes, it is the public inspection copy of the Transportation Institute tax return from 1978.

Mr. NEMIROW. OK. We will pursue the same source and see if we can give you some additional information.

Mr. LOSCH. It is all a matter of public record as a nonprofit corporation. Taft-Hartley, section 302, requires audits of all union trust funds. These audits are required to be made available for public inspection.

Mr. NEMIROW. By the Department of Labor and by the trust fund laws of the States. I hope you are not suggesting that is a responsibility of the Maritime Administration.

Mr. LOSCH. No, but I am suggesting that that information is available to the Maritime Administration. What I am suggesting is how much does the Federal Government pay for the various academies, public, private and State-operated. We need to get a handle on which are cost efficient and where we should put the Federal

moneys in order to meet the demand which is scheduled to be very serious in the mid-1980's, especially if we pass this new maritime legislation.

I am not arguing with the propriety of these cross-subsidations. I just think we should all know how much money is flowing from the Federal coffers into these varying programs. The lack of supply of officers in the eighties also raises the question of seetime requirements and training of these officers.

The new IMCO convention of standards of training and watch-keeping requires, I believe, 1 year of sea time. When will that convention come into force?

Mr. NEMIROW. I don't know what the current projections are. It depends on the rapidity with which various countries ratify the convention. I suspect it will come into force within the next 2 to 3 years.

Mr. LOSCH. In a speech you made this past year at the Maritime Research Center in New York discussing the CAORF computer, you mentioned that new regulations would have to be written in order to bring the United States into conformity with the requirements of that convention.

I understand you have been working with the Coast Guard on those regulations?

Mr. NEMIROW. Yes, we have. There are serious questions under the convention when and if it does come into force when they discuss the issue of equivalency, one year of seetime or its equivalency, what would be defined as equivalency.

Mr. LOSCH. In your opinion, will simulator time be one of these equivalencies?

Mr. NEMIROW. That would be our proposal. In our opinion, simulator time is valid experience of an equivalent nature and should be taken into account.

Mr. LOSCH. We are facing a severe problem with respect to this sea time requirement and the aging of the present schoolships. Has the Maritime Administration done various studies on which would be the best solution to fulfill this sea time requirement and have you used simulators in this evaluation?

Mr. NEMIROW. The answer to the question of have we done an evaluation, is we have done one and we are in the process of completing that evaluation. Did we use simulators in order to reach these conclusions, the answer is we did not use simulators in the effort we have undertaken to date, but we do contemplate the use of simulators for training purposes in lieu of sea time, if that is the question.

Mr. LOSCH. That was my question.

Do you believe the Maritime Administration will get into the procurement of simulators for training similar to the procurement of training vessels? Or will this be the State school responsibility or the private school responsibility?

Mr. NEMIROW. That is a very interesting question. My thinking at the moment would be that we should test the simulator mechanism on a smaller scale than CAORF and to see through that experiment how effective that kind of training can be to substitute for sea time.

It is our belief that five simulators in the near term will be necessary to meet the simulator requirements of the convention. We are trying to calculate the cost and look at the budget implications of that.

It would be our expectation at the moment that these would be made available to the States through a Federal program. I think we will have an opportunity to discuss this further as our authorization bill finds its way to this committee.

Mr. LOSCH. Who will make the determination as to whether or not simulators are equivalency or will meet the equivalency requirements?

Mr. NEMIROW. The ultimate final determination, in my understanding, is that of the Coast Guard, and that is rightly the case.

Mr. LOSCH. The Coast Guard would make that determination and IMCO would honor it?

Mr. NEMIROW. I believe under the current convention, States are permitted latitude in determining what they will accept as equivalency. I cannot be specific on that. Perhaps you might want to address that to the Coast Guard.

Mr. LOSCH. If I might follow up on a question regarding sailing on foreign-flag, U.S.-owned vessels, if a situation arose where we had a greater supply of officers than a demand for seagoing billets, would that change your attitude about seagoing on U.S.-owned foreign-flag vessels, or do you believe that the alternative of allowing them to have a shoreside billet in lieu of them fulfilling their seagoing obligations was preferable?

Mr. NEMIROW. You have me going back and forth.

The last question had to do with an inadequate number of men. Now, you are asking about an inadequate number of billets given an adequate number of men.

Our position continues to be that as far as the service obligation which will be specified if this bill is adopted, that service obligation should be focused exclusively on U.S.-flag, U.S.-owned vessels.

Mr. LOSCH. If we were to make the U.S. vessels a real reserve force, what would be your opinion regarding paying these maritime officers a salary similar to those of other Federal academy graduates during their period of active duty in lieu of the normal scales paid?

What I am suggesting is, if you took a scholarship or grant from the Federal Government and had an obligation to serve, say, 2 years active duty in the U.S. merchant marine, should they be paid the normal scale or should they be paid something equivalent to what a military officer gets graduating from another Federal academy?

Mr. NEMIROW. As you know, the rates of pay are not set by the Federal Government and neither are the bills for these officers' services paid by the Federal Government. I believe that the issues that you are raising are issues which are confronted in the collective bargaining process. I think it behooves both the Congress and the Maritime Administration at this point not to engage in collective bargaining.

I don't see that as a responsibility of the Maritime Administration unless you make it so.

Mr. LOSCH. Thank you, Mr. Chairman.

Mr. NEMIROV, Majority counsel had one additional question.

Mr. PANSKIN, I had an additional series of questions on the proposed IMCO standards, but for the sake of time I will submit them to you for written response.

Mr. AuCOIN, Gentlemen, thank you for your testimony. We look forward to your responses to our written questions.

Thank you again.

[The following was received for the record:]

QUESTIONS OF COMMITTEE AND ANSWERS BY MARAD

Question No. 1. It would be helpful to have a complete list of maritime education and training facilities provided by the Maritime Administration and by the various maritime unions, both licensed and unlicensed. For each such facility, please provide the name of the organization operating the facility, the name and location of the facility, and a general description of the courses offered.

Response. Attached is a comprehensive listing of the various non-profit maritime education and training facilities in the United States.

NONPROFIT MARITIME EDUCATION AND TRAINING FACILITIES IN THE UNITED STATES

A. MARITIME ADMINISTRATION (MARAD) FACILITIES

1. U.S. Merchant Marine Academy

Superintendent

U.S. Merchant Marine Academy

Kings Point, Long Island, New York 11024

Operated by MarAd, the Academy offers a four-year program leading to a license as a merchant marine deck and/or engineering officer, a commission as ensign in the United States Naval Reserve and an accredited Bachelor of Science Degree. Three major curriculums are offered—Nautical Science for the preparation of deck officers; Marine Engineering for those interested in becoming engineer officers and a combination of the two, the Dual License curriculum, which leads to a license in each specialty. There are also several elective programs in such areas as management, marine petroleum operations, nuclear engineering and naval architecture.

2. Maritime Administration Regional Radar Training Centers:

Eastern Region Radar Observer Training Center

15 State Street

New York, New York 10004

Great Lakes Region Radar Observer Training Center

933-35 Summit Street

Toledo, Ohio 43604

Central Region Radar Observer Training Center

6th Floor, Unit 1, Section "A"

4400 Dauphine Street

New Orleans, Louisiana 70146

Pacific Northwest Area Radar Observer Training Center

2228 Elliott Avenue

Seattle, Washington 98121

Western Region Radar Observer Training Center

Building 317, Pier 1, Fort Mason

San Francisco, California

A comprehensive collision avoidance radar training program for ship's deck officers is offered at all five locations. Program components include radar theory, operation and capabilities of marine radar systems, radar plotting and interpretation of radar information. Practical training is conducted on typical marine radar display units utilizing an electronically simulated visual display. Courses on other types of modern electronic navigation equipment such as LORAN and gyrocompass are also made available.

3. Maritime Administration Regional Fire Fighting Training Program:

Military Sealift Command Fire Fighting School

RD #2, Highway 33

Freehold, New Jersey 07728

Naval Technical Training Center
 Treasure Island, California
 Via Commander MSC Pacific (P-24)
 Naval Supply Center
 Building 310
 Oakland, California 94623

Through MarAd, fire fighting training is offered for U.S. merchant seamen, cadets and trainees at the Military Sealift Command (MSC) facilities in Earle, New Jersey, and Treasure Island, San Francisco, California. By the close of fiscal year 1980 two additional MarAd fire fighting training facilities will be operational in New Orleans and Toledo. Also, new joint training agreements with MSC will improve and expand on the training facilities offered at Earle and Treasure Island. Our fire fighting training expansion is in step with anticipated Coast Guard regulations on Tanker-men which will require fire fighting training.

4 Marine Diesel Engineering Continuing Education Program

Continuation Education Coordinator
 U.S. Merchant Marine Academy
 Kings Point, Long Island, New York 11024

At Kings Point, a five week training program for actively sailing marine engineers is conducted in order to ensure well-trained diesel engineers for the medium and slow speed diesel ships entering the fleet. The program also includes one week short courses for Masters, chief mates, managers, port engineers and others concerned with the operation of these more economical vessels. Special courses of varying lengths may be tailored to meet specific needs of the maritime industry.

B. STATE MARITIME ACADEMIES

1 State University of New York Maritime College:

Rear Admiral Sheldon H. Kinney, USMS
 President
 State University of New York Maritime College
 Fort Schuyler, Brox, New York 10465

Operated as a unit of the State University of New York, the Maritime College offers a four year program leading to a license as a merchant marine deck or engineering officer, a commission in the United States Naval Reserve and an accredited bachelor of science or engineering degree. Majors include marine transportation, marine engineering, marine nuclear science, meteorology, oceanography, computer science, electrical engineering, naval architecture and ocean engineering. Also a graduate program grants a master of science degree in transportation management and a complementary graduate program in transportation engineering is being developed.

2 Maine Maritime Academy

Rear Admiral Edward A. Rodgers, USMS
 Superintendent
 Maine Maritime Academy
 Castine, Maine 04421

As an independent state operated institution, the Academy offers a four year program leading to a license as a merchant marine deck or engineering officer, a commission in the United States Naval Reserve and an accredited bachelor of science degree in nautical science for deck officers and in marine engineering for engineering officers. Short courses are also offered on subjects such as radar, advanced ships medicine, marine management systems and human factors to experienced officers and steamship company personnel.

3 Texas Maritime College

Rear Admiral Kenneth G. Haynes, USMS
 Dean, Texas Maritime College
 Texas A&M University at Galveston
 P.O. Box 1675
 Galveston, Texas 77533

As a component of the Texas A&M University at Galveston, the college offers a four year program leading to a license as a merchant marine deck or engineering officer, a commission in the US Naval Reserve and an accredited bachelor of science degree. Majors include marine transportation, marine biology, marine science, marine engineering and marine systems engineering. Special courses on radar and oil pollution control are also available.

4 Massachusetts Maritime Academy

Rear Admiral Lee Harrington, USMS

President

Massachusetts Maritime Academy

Buzzards Bay, Massachusetts 02532

Operated by the Commonwealth of Massachusetts, the Academy offers a four year program leading to a license as a merchant marine deck or engineering officer, a commission in the U.S. Naval Reserve and an accredited bachelor of science degree in marine transportation or marine engineering. Separate courses in oceanography, ocean engineering and fisheries are also offered.

5. California Maritime Academy:

Rear Admiral Joseph P. Rizza, USMS

President

California Maritime Academy

Vallejo, California 94591

Operated as an independent educational facility of the State of California, the Academy offers a four-year program leading to a license as a merchant marine deck or engineering officer, a commission in the U.S. Naval Reserve and an accredited bachelor of science degree in marine engineering technology or nautical industrial technology. Marine related adult education courses are also made available in the evenings and on weekends.

6. Great Lakes Maritime Academy:

Rear Admiral George B. Rector, USMS

Director

Great Lakes Maritime Academy

Northwestern Michigan College

Traverse City, Michigan 49684

As a division of Northwestern Michigan College, operated by the State of Michigan, the academy offers a three-year program leading to a license as a Great Lakes deck officer (1st class pilot) or engineering officer and an associate of applied science degree. Study areas include navigation, marine engineering, marine electronics, ship construction, cargo stowage, refrigeration and marine traffic regulations. Practical experience in deck and engine operations is acquired on Great Lakes commercial vessels.

C. MARITIME LABOR OPERATED SCHOOLS

1. Calhoon MEBA Engineering School:

Director

Calhoon MEBA Engineering School

9 Light Street

Baltimore, Md. 21202

Established under terms of the collective bargaining agreements between the Marine Engineers Beneficial Association, District 1st PCD and its contracted companies, this school prepares entry level applicants to become qualified marine engineers with a U.S. Coast Guard 3rd Assistant Steam and Diesel License after completion of a comprehensive three year course which includes training at sea on various U.S. merchant ships. In addition, active MEBA members are offered separate courses in license preparation, shipboard electricity, welding, liquefied gas, electronics, refrigeration/air conditioning, medical care and diesel engineering. Additional facilities located in Easton, Maryland, are used for lifeboat and firefighting training in addition to the use of MarAd facilities at Earle, N.J. The school's diesel laboratory and other instructional programs will be moved from Baltimore to the Easton location when construction of a new dormitory-classroom building is completed. 590 personnel, including 120 new engineers, finish training here annually.

2. Maritime Institute of Technology and Graduate Studies:

Director

Maritime Institute of Technology and Graduate Studies

5700 Hammonds Ferry Road

Linthicum Heights, Md. 21090

Financed through a trust fund, from contributions by companies having union contracts with the International Organization of Masters, Mates and Pilots (IOMM&P), union members are offered several courses which relate to the needs of the contemporary deck officer. License upgrading, radar and collision avoidance system training and recertification, law/ships business, cargo (including liquefied gas and liquid petroleum products), engineering (for the deck officer), and shipboard medical care, are the principal areas covered. 900 personnel complete training annually.

3. The Harry Lundeberg School:

President
The Harry Lundeberg School
St. Mary's County
Piney Point, Md. 20674

Operated by the Seafarer's International Union, the primary component of this school is a three month basic training course for high seas and towboat/unlicensed entry level applicants. Courses are also offered to SIU members for certification as lifeboatmen, able seaman, tankerman, fireman/oil/water tender (FOWT), qualified member of the engine department (QMED), cook/baker and towboat operator. A high school equivalency diploma (GED) course, 1st Aid/cardiopulmonary resuscitation training and fire fighting training (using MarAd facilities at Earle, N.J.) are offered. College credits are available for all courses. 2,300 personnel, including over 1,000 high seas and towboat trainees, receive training here annually.

4. NMU Upgrading and Retraining School:

Director of Training
NMU Upgrading and Retraining School
346 West 17th Street
New York, N.Y. 11011

This school, which is operated by the National Maritime Union (NMU), prepares members, through a variety of unlicensed skill level courses, for the deck, engine and stewards department. Courses in emergency/safety areas such as fire fighting (using MarAd facilities at Earle, N.J.), lifeboat survival and first aid are also provided. 345 personnel complete training annually.

5. MEBA No. 2 & AMO High Seas School:

Director of Training
MEBA No. 2 & AMO High Seas School
672 4th Avenue
Brooklyn, N.Y. 11232

This school, operated by the Marine Engineers Beneficial Association (MEBA) District No. 2/Associated Maritime Officers' (AMO) union provides three to four month license preparation training courses for engine and deck personnel who sail on the high seas ships under contract to this union. Special courses in liquefied natural gas (LNG), refrigeration, electrical, diesel and firefighting are also available. 165 personnel are trained per year.

6. MEBA No. 2 & AMO Great Lakes School:

Director of Training
MEBA No. 2 & AMO Great Lakes School
933-35 Summit Street
Toledo, Ohio 43604

Operated by the Marine Engineers Beneficial Association (MEBA) District No. 2/Associated Maritime Officers' (AMO) union, this school provides three to four month license preparation courses for deck and engineering personnel who sail on the Great Lakes ships which come under this union's contract. Special upgrading training for steward department personnel is also available. 140 personnel are trained per year.

7. ARA TIME Training Program:

Director
ARA Technology Institute for Maritime Electronics
826 West 42nd Street
New York, N.Y. 10036

Operated by the American Radio Association (ARA), members are trained at the American Radio Association Technology Institute for Maritime Electronics (ARA-TIME) in modern marine electronic equipment maintenance and repair by combining correspondence with residence courses. A Radio Electronics Officer (REO) course and other specialty upgrading courses are offered. Approximately 300 personnel receive this training annually.

8. ROU Training Program:

Director
ROU Training Program
P.O. Box 508, Route 5 Easton, Maryland 21601

As operated by the Radio Officer's Union (ROU), entry training for prospective radio officers is offered. A Radio Electronics Officer (REO) course and other specialty upgrading training courses are also provided by combining residence and corre-

pendence courses. Approximately, 150 personnel, including 24 new radio officers, complete training annually.

D. OTHER MARITIME TRAINING FACILITIES

1. Lake Carriers Association:

Lake Carriers Association
1411 Rockefeller Building
Cleveland, Ohio 44113.

During the winter months, license preparation courses are offered to deck officers in Duluth. Unlicensed upgrading courses for Able Seamen and Firemen/Oilers are offered periodically throughout the year in Cleveland. Average annual output is 110. This includes nearly twenty deck officers from the winter program in Duluth. There are no fixed facilities. Use of local school classrooms or other locations is made as can be arranged.

2. National River Academy of the United States of America:

Executive Director
National River Academy of the United States of America
Drawer No. 827
Helena, Arkansas 72342

This academy is financed by a number of river towboat companies as a management initiative. An entry level deck hand course and upgrading courses for all categories of vessel operating personnel concerned with the inland waterways are offered. An effective recent addition to the school is a Tankerman (barge) Training Simulator. 560 personnel, including 255 new deckhands, are trained annually.

3. Seattle Central Community College:

Seattle Central Community College
Marine Technology
4455 Shilshole Avenue, NW
Seattle, Washington 98107.

Operated by the State of Washington, a two year associate degree in marine deck or engine technology oriented towards the commercial fishing, towboat and ferryboat industries is offered. Some graduates have found employment on U.S. flag tankers. Some sea service credit for this training has been approved by the Coast Guard. 75 students complete this program per year.

4. Southern Maine Vocational Technical Institute:

Director
Southern Maine Vocational Technical Institute
Fort Road
South Portland, Maine 04106

This school is part of the State of Maine Vocational Technical Education System. At this facility, a small number of entry level applicants participate in a three year diploma program which has funding from Gulf Oil Company. Sea training is provided on Gulf Oil tankers. Students graduate with a 3rd Mate or 3rd Assistant Engineer license. A two year associate degree program leading to employment and licensing as mate or engineer on uninspected oil and mineral industry vessels is also available. The annual output, divided between the two programs, is 35 graduates.

5. The Seamen's Church Institute of New York Merchant Marine School:

Director
Seamen's Church Institute of New York
Merchant Marine School
15 State Street
New York, New York 10004

This school is operated by the Seamen's Church Institute, an activity of the Episcopal Church in the Diocese of New York. License preparation courses are provided for practically all categories of ocean and inland personnel. There are also separate classroom courses on LORAN, Gyrocompass, Omega and Fire Fighting. Annual output is 270. The school also offers a number of general studies courses for the benefit of merchant seamen of all nationalities.

6. Louisiana Marine and Petroleum Institute:

Director
Louisiana Marine and Petroleum Institute
P.O. Box 236
Chauvin, Louisiana 70344

This is Louisiana's state-financed marine training school for vessel operating personnel involved with development of marine related resources of the Gulf Coast. Accordingly, it offers deck and engineering preparation for limited licenses, uninspected towing vessel operator, tankerman, able seaman, oiler and deckhand courses. In addition, a core program will be initiated soon which will provide entry courses for prospective mates and engineers of offshore mineral and oil vessels and mobile drilling units. Anticipated annual output is 450 personnel.

7. Brazosport College.

Brazosport College
Department of Oceanic & Marine Technology
500 College Drive
Lake Jackson, Texas 77566

This school is part of the State of Texas education system. A two year associate degree program which contains a variety of marine oriented applications is offered. Small numbers of oil and mineral vessel operating personnel take separate tankerman, able seaman, and license preparation courses. Annual marine related output is 25 personnel.

8. Charles F. Chapman School of Seamanship and Maritime Arts:

Administrator
Charles F. Chapman School for Seamanship and Maritime Arts
1755 S.W. Mapp Road.
Palm City, Florida 33490

This school depends on funds via a Department of Labor Comprehensive Education and Training Act (CEVA) contract and the Department of Education of the State of Florida. Seamanship and small vessel operating courses are offered. Enrollment is small and students normally find employment on yachts and oil and mineral vessels. Annual output is nearly 50 graduates.

9. Marine Fire Fighting and Emergency Training School:

Chief
Fire Protection Training Division
Texas Engineering Extension Service
The Texas A&M University System
F.E. Drawer K
College Station, Texas 77843

Operated by the Texas Engineering Extension Service, a part of the Texas A&M University System, a five day marine fire fighting and emergency training course is offered. Extensive hands-on training utilizing marine-related mock-ups is provided. Annual output is approximately 500.

10. Ketchikan Community College:

President
Ketchikan Community College
7th & Madison
Ketchikan, Alaska 99901

This school is funded by the State of Alaska through the University of Alaska community college system. The main course of instruction is a sixty hour lifeboatman course endorsed by the U.S. Coast Guard. Other areas of instruction include deck officer license preparation, able seamen, diesel mechanics, electronic navigation, and special offerings tailored to the local needs of Alaska ferry and commercial fishing vessel personnel. Approximately 200 persons receive training annually. Nearly 100 of this number receive lifeboat training.

Note.—This listing is not exhaustive. In addition to the above non-profit schools, there are several commercial schools located in several U.S. ports which offer license preparation courses to seafarers who have accumulated requisite sea experience.

Question No. 2. As you know, we may have a problem concerning the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers, with Annex, 1978, done at London, July 7, 1978.

(a) What role did the Maritime Administration play in the formulation of the Convention?

Response. The Maritime Administration served in an advisory role both in the U.S. working group of labor, management and Government representatives formed by the U.S. Coast Guard to develop United States position papers, and as part of the U.S. delegation in London. The objective of the MarAd role was to influence the U.S. position to insure that a practical text of the convention would result which would not conflict with U.S. practices. For example, on the 12-month sea time issue,

the U.S. position firmly protected the procedures used by the state academies and this was reflected in the draft Convention prepared by the IMCO Subcommittee on standards of Training and Watchkeeping approved by the IMCO Maritime Safety Committee, and submitted to the IMCO Conference as the basis for preparation of the final convention language. When this issue was reopened at the 1978 Conference itself, MarAd supported the effort of the U.S. Delegate to defeat a move to require a two year minimum sea time requirement, but the U.S. Delegate was unable to prevent the one year minimum from carrying.

(b) What role will the Maritime Administration play in the implementation of the convention?

Response. Assuming ratification of the Convention by the United States, the Maritime Administration, as the Federal agency responsible for the Government's role in maritime education, will work closely with Federal, state and industry training program administrators, and in coordination with the U.S. Coast Guard, to insure that the requirements of the Convention are met by approved training programs, subject to any conditions or reservations attached to U.S. ratification. For example, we are currently addressing the "12-month seetime" issue which affects Kings Point.

(c) Is the Maritime Administration generally satisfied with the provisions contained in the Convention? Why?

Response. In general, we consider the Convention to be a major first step in establishing minimum international standards for the professional competence of merchant marine personnel of all flags. As with any document created by a group composed of diverse interests, the final product is bound to have areas of difficulty for many of the parties, and areas in which a particular participant can see room for improvement.

The "twelve-month seetime" issue for new licensed deck officers is an obvious area of difficulty which the Maritime Administration is addressing in conjunction with the academies and the Coast Guard, for a solution within the context of the Convention. Regulations in the Convention pertaining to officers on ships of less than 200 gross register tons raise serious issues concerning the need for formal training programs in the sectors of the U.S. maritime industry where ships of this size predominate.

From the standpoint of the Convention's training and certification standard for crews of large ships engaged in international trade, we are generally satisfied with the Convention as a first step in establishing minimum international standards.

(d) What initiatives is the Maritime Administration taking with the federal, state and union schools to carry out its responsibilities with respect to the Convention?

Response. The Maritime Administration immediately supplied copies of the Convention to the academies and has completed a comparison of applicable regulations in the Convention to the curricula of the academies. We also insured that all union schools had copies of the Convention. In meetings with representatives of the academies and the union schools and review of the curricula, it was concluded that the "twelve-month seetime" issue was the critical point for officer training. Other factors such as firefighting training, medical care training and physical standards, while requiring attention, were considered resolvable within activities underway.

The Maritime Administration initiated meetings with U.S. Coast Guard on the "twelve-month seetime" issue and in cooperation with the academies has in preparation a detailed proposal, under Convention Article IX, Equivalents, which will be submitted to Coast Guard as a proposed solution.

(e) Do you believe that the Coast Guard is taking a realistic approach to the Convention? Why?

Response. With the exception of the "twelve-month seetime" issue affecting the academies, there are no crucial issues raised by the Convention affecting existing Federal, state and union schools. In light of the time interval to when the Convention might come into effect, we believe that Coast Guard is acting realistically in its approach to the Convention by giving the training institutions and the Maritime Administration an adequate interval and opportunity to propose solutions to the seetime issue.

Question No. 3. As you know, the Studds Committee Report made a number of recommendations concerning the U.S. Naval Reserve.

(a) The first recommendation is that legislation authorizing the Secretary of the Navy to appoint cadets at the State Maritime Academies as Reserve Midshipmen in the U.S. Navy would be acted upon in the early days of the 96th Congress. As you know, the legislation referred to in this recommendation is H.R. 1091, 95th Congress. This provision has been incorporated into the bill as subsection 1304(e). Would you inform the Committee as to the difference between the language implementing

the Studts Committee recommendation and the language of subsection 1304(e) as amended by the Maritime Administration and the reasons for your position?

Response. The only difference between subsection 1304(e) as currently written in H.R. 5451 and our proposed language is the specific reference to the Merchant Marine Reserve, U.S. Naval Reserve. The designation of students at the maritime academies as Midshipman, Merchant Marine Reserve, U.S. Naval Reserve, is intended to lead these students, who are receiving Federal assistance to become merchant marine officers, into the specific component of the Naval Reserve which has been designed for actively sailing merchant marine officers.

The Merchant Marine Reserve, U.S. Naval Reserve is the specific component in the Naval Reserve created for eligible actively sailing merchant marine officers. The Department of Navy policy is that these officers will not be recalled involuntarily to active duty in the Navy during a national emergency or in time of war. Instead they will continue to serve aboard merchant ships in their regular merchant marine officer employment, utilizing their special training received in this program to coordinate merchant marine activities with our Armed Forces.

The designation of a student as Midshipman, Merchant Marine Reserve, U.S. Naval Reserve does not change the options or obligations of the student since, on graduation, the student still has the option to apply for active duty in a different Naval Reserve program (or other uniformed service) as provided in 1304(D)(1)(F)(iii) of the bill. Further, those graduates who do not pursue a sailing option would ultimately be transferred administratively by the Navy to a different Reserve Program (e.g. Surface Combatant Program).

Our proposed amendment would give recognition to the existence of the Merchant Marine Reserve, U.S. Naval Reserve and make the provision consistent with the program at the academies. The revision would not foreclose the acceptance by Federal and state school graduates of commissions in other components of the U.S. Naval Reserve if offered by the Department of the Navy. As you know, certain provisions in the bill (subparagraphs 1303(h)(1)(D)(iii) and 1304(D)(1)(F)(iii)) provide that active duty and any subsequent reserve status in any other branch of the Armed Forces or in the NOAA Office Corps will satisfy the service obligation and substitute for the Naval Reserve status obligation.

(b) Another Studts Committee recommendation, Section I would like you to comment on is the one which provides that the so-called service obligation legislation to be proposed by the Administration is expected to be submitted to the Congress before the end of 1978, and it should be acted upon in the early days of the 96th Congress. As you know, the legislation referred to is H.R. 603 and H.R. 604. Pursuant to the Studts Committee recommendation, the provisions contained in these bills have been incorporated into H.R. 5451. In this regard:

U.S. Merchant Marine Academy. Section 1303(h)(1)(c) of the bill requires candidates "(C) to apply for, and if tendered, accept an appointment as a commissioned officer in the United States Naval Reserve."

As you know, the Secretary of the Navy is currently authorized to appoint cadets at the Academy as Reserve Midshipmen in the Naval Reserve (section 1303(f) of the bill).

State Maritime Academies. Section 1304(f)(1)(E) of the bill requires student loan recipients "(E) to apply for, and if tendered, accept an appointment as a commissioned officer in the United States Naval Reserve."

The Maritime Administration has seen fit to propose an amendment to both of these provisions of law? What would be the effect of your proposed amendments and the rationale for them?

Response. The intent of our proposed amendments is to specify that the normal component of the Naval Reserve into which graduates at both the Federal and state academies would be offered Naval Reserve commissions, is the Merchant Marine Reserve, U.S. Naval Reserve component. Since this is the Naval Reserve component specifically created by the Navy for actively sailing merchant marine officers, the proposed changes, if accepted, would add to the stress in the bill on sea service as the primary objective of the academies. These changes do not affect the options available to the graduate or to the Navy if the graduate seeks active duty in the Navy. For active duty service under the options provided in the bill the Navy would administratively change the commission designator to a different Navy Reserve component designator.

On the other hand, a commission on graduation in a Naval Reserve component other than the Merchant Marine Reserve, U.S. Naval Reserve, would work to the detriment of an actively sailing merchant marine officer since he or she would then have to compete with a broad spectrum of Reservists under conditions in which an actively sailing merchant marine officer would find it difficult to meet the different Reserve training requirements. This has, in fact, been the past experience prior to

establishment of the Merchant Marine Reserve, U.S. Naval Reserve, as a specific Naval component for merchant marine officers.

Question No. 4. Please detail the different types and amounts of federal assistance that are provided to the state academies.

Response. Actual fiscal year 1979 obligations by the Maritime Administration to support the state academies were:

State	Grant	Cadet allowances	Training ship maintenance and repair
California	\$100,000	\$445,731	\$379,842
Maine	100,000	621,000	1,036,569
Massachusetts	100,000	402,239	160,029
Michigan	100,000	125,638	(*)
New York	100,000	852,329	498,807
Texas	100,000	137,303	378,848
Total	600,000	2,584,240	2,354,095

* Reflects decision to deactivate existing scholarship

** No scholarship has been provided to the Michigan academy

Our fiscal year 1980 budget provides the following in the way of assistance:

	Amount
Grants.....	\$600,000
Allowance payments for uniforms, textbooks and subsistence of cadets.....	2,600,000
Maintenance and repair of the training vessels.....	3,585,000
Reactivation of a training vessel for Massachusetts Maritime Academy.....	3,500,000
Total	10,285,000

Note: Actual distribution of the student allowance and maintenance and repair funds during the year are subject to such variables as student attrition and current maintenance and repair requirements at the individual academies.

Question No. 5. On what basis is the \$1,200 annual student support payment to the state academies determined?

(a) How often is it reviewed for adequacy?

(b) Has it ever been revised?

Response. The basis for the \$1,200 figure is found in the Maritime Academy Act of 1958 (Public Law 85-672). Section 6(a) of the Act provides, in part, that "The Secretary may enter into agreements, with each academy or college with which he contracts under section 4 to make payments, at a rate not in excess of \$1,200 per academic year per student, to such academy or college, with respect to each student attending such academy or college."

When the Act was approved in 1958, the figure was set at \$600. Since then it has undergone periodic review and in 1977 it was increased to \$1,200 when the Act was amended by Public Law 95-173.

Question No. 6. Why do you propose to change federal student subsistence payments to the state academies to loans?

Response. Converting the student allowances to forgivable loans will provide the Government with the necessary lever to enforce the service obligation proposed for state academy graduates. The enforcement mechanism differs from that proposed for the Federal Academy where graduates may be called to active duty by the Secretary of the Navy since Navy has indicated that they may not have the capacity to accommodate both Federal and state academy graduates. Further since state academy students receive only a monetary benefit for part of the cost of their training, the lesser benefit is better reflected in a lesser sanction, in this case a monetary sanction equal to the monetary benefit, than would be applicable to students at the Federal academy.

Question No. 7. On page 3 of your statement, discussing the inclusion of the term "Radio Officer" within your proposed defined term for "Merchant Marine Officer", you state:

"I would like to add immediately here that although the definition includes Radio Officer, it is not our intent to initiate a federally-supported program for Radio Officer training, but the explicit authority is warranted for possible mobilization or other emergency needs."

I think the hearing record should be very clear as to what you are proposing here:

(a) How would the conclusion of the term "Radio Officer" give you explicit authority for possible mobilization or other emergency needs?

(b) Would this so called explicit authority extend to the Federal Academy, the state maritime academies and supplementary training provided by Section 1305? Just what would be the scope of the authority you are reaching for here?

(c) Why do you need this authority?

Response. If no definition of "Merchant Marine Officer" is included in the bill, we would clearly have authority to train Radio Officers under Sections 1303, 1304, 1305 and 1306 of the bill, since Radio Officers are licensed merchant marine officers. If a definition is to be included, as we recommend, the list should include "Radio Officer" to prevent exclusion of authority to train Radio Officers if necessary in emergencies. The explicit authority in our proposed definition extends to the Federal Academy (Sec. 1303) and the state maritime academies (Sec. 1304) where the term "Merchant Marine Officer" is used. Section 1305, covering supplementary training and Section 1306, covering the U.S. Maritime Service do not use the term "Merchant Marine Officer" but instead refer to "licensed" personnel. Exclusion of "Radio Officer" from the definition of "Merchant Marine Officer" would, at the least, raise a question of the intent of Congress with regard to the authority in sections 1305 and 1306, since "licensed" is equated to "officer".

The Maritime Administration is of the opinion that addition of the definition improves the bill by clarifying and making explicit the intent and scope of the bill.

The addition of the two definitions proposed by the Maritime Administration is intended to make it clear that the mission of the academies, the service of their graduates, and the scope of Federal assistance in maritime training, extends to all sectors of the maritime industry including limited licenses and small tonnage vessels. Under mobilization or emergency conditions, the Maritime Administration should have available the authority to augment the work force to meet any large-scale demand including a need for radio officers created by reactivation of the National Defense Reserve Fleet or by an emergency shipbuilding program.

Question No. 8. You have indicated that the parenthesis on lines 11 and 14 of page 5 of the bill changes the meaning of the provision of law set forth in 46 U.S.C. 1126b-1.

(a) What is the intent of the existing provision of law?

(b) How does the parenthesis change this intent?

Response. The precise wording of this sentence in the existing statute is—

"The persons receiving instruction under authority of this Act shall receive the same pay, allowances, emoluments, to be paid from the same appropriations, and subject to such exceptions as shall be jointly agreed upon by the Secretary of Commerce and the Secretary of the Interior, shall be subject to the same rules and regulations governing admission, attendance, discipline, resignation, discharge, dismissal and graduation as cadets."

The intent of the words in the existing statute is (1) to indicate that expenses for students from these areas shall be paid from the regular appropriations for the Academy, and (2) that the Secretaries of Commerce and Interior may agree on exceptions in the treatment of such students regarding standards of admission, attendance, discipline, etc.

The phrase "and subject to such exceptions as shall be jointly agreed upon by the Secretary of Commerce and the Secretary of the Interior" as written in the statute applies to the rules and regulations governing admission, attendance, discipline, etc. and not to the phrase "to be paid from the same appropriations." And therefore, the closing parenthesis should come after the word "appropriations" and the closing parenthesis and the semi-colon should be deleted from line 14 on page 5 of the bill.

We would like to note for the benefit of the Subcommittee that this special consideration for admission of students from the Trust Territory of the Pacific and the Northern Mariana Islands is being reviewed as part of the negotiations intended to lead to termination of the U.N. Trusteeship and agreement on a Compact of Free Association which will establish a new and unprecedented political status for the emerging states of Palau, the Marshall Islands and the Federated States of Micronesia. As soon as details of these negotiations are completed, the Subcommittee will be informed of any proposed changes affecting this subsection.

Question No. 9: Your recommended amendment to line 13 on page 6 of the bill that the words "equivalent uniform and textbook" be substituted for the words "the same pay and allowances" would appear to be a part of your recommendation that subsection 1303(g) be rewritten as set forth on page 6 on your statement. Am I correct in this?

(a) In both instances you say that such changes will conform the bill to existing administrative procedures. This would appear to raise the question as to what legal authority you are operating under at the present time.

(b) In both instances your rationale for the proposed amendments is far from specific. Just what are you reaching for here? At the present time, have any cadets not received all required uniforms, textbooks and official transportation expenses?

(c) What is the current status of your rules and regulations in this regard? Are they up-to-date?

(d) Every year we authorize and appropriate funds for the Academy. If your proposed amendments are enacted, what would prevent you from amending your rules and regulations so as to increase the liability of the United States beyond the amounts appropriated?

Response The two proposed amendments are related in that both are concerned with the issue of uniforms and textbooks. The distinction being that subparagraph 1303(e)(3) deals with foreign nationals and Section 1303(g) covers United States citizens. The following paragraphs are keyed to the specific questions above.

(a) The authority for the existing administrative procedures can be found in Section 216(b)(4) Merchant Marine Act, 1936, as amended, covering citizen cadets, and Public Law 79-701 and 46 U.S.C. 1126b covering foreign nationals and U.S. territory cadets. While the existing statute speaks to allowances, the existing procedure and the intent of the statute, is to provide uniforms and textbooks at no cost to the individual. We are issuing all the required uniforms and textbooks in the most efficient and economical manner possible. The foreign nationals enjoy the same benefits as do citizen cadets (see 46 CFR Section 310.64).

(b) Our intention is to make it clear that the Government provides the actual uniforms and textbooks. No midshipman has ever been denied the required uniforms, textbooks and official transportation expenses.

(c) The regulations pertaining to the Academy are currently being updated and will be promulgated in the Federal Register in the near future. Any changes necessary, due to passage of H.R. 5451 will be effected promptly.

(d) Within the amounts appropriated for the Academy are funds for uniforms and textbooks. The House Appropriation and Authorization Committees permit us to reprogram either up or down 15 percent or \$250,000 whichever is less of a budget line item without further reference to Congress. This has at times been done to permit operating units to meet minor program changes usually related to price changes. If a greater sum is required the Agency has to submit a reprogramming action to the Appropriations Committee. A copy of this is provided to the Authorization Committee. If the cost change is a permanent one it also has to be addressed in the next budget submission. Therefore, there is adequate Congressional oversight of reprogramming actions above the established threshold.

Question No. 10. On page 9 of your statement, you indicate that the implementation of what is or is not "marine related employment" provided by subparagraph 1303(h)(1)(D)(ii) "presents potentially a considerable administrative problem."

(a) Will this be handled on an ad hoc basis, or do you intend to set forth in regulations what are acceptable positions?

(b) What sort of criteria will you use in determining so-called "acceptable employment" for this purpose?

Response. The implementation of the shoreside service option will not be done on an ad hoc basis. Rather, our regulations will establish criteria for acceptable marine related positions. A primary criterion will be that the position makes a contribution to the development and/or maintenance of the American merchant marine or is directly involved in the waterborne commerce of the United States.

We will consider acceptable, positions of responsibility of an operational and management nature in such marine related areas as the Federal Government (civilian capacity), steamship companies, stevedoring companies, vessel chartering and operations, cargo terminal operations, naval architecture, shipbuilding and repair, municipal and state port authorities, port development, marine engineering and tug and barge companies.

Question No. 11. On pages 4 and 5 of your statement, you recommend that a new paragraph be added to subsection 1303(e), generally authorizing an additional 30 foreign students to attend the Federal Academy.

As I recall, the Studts Committee recommendation in this regard generally provided that the question of foreign students from countries other than those specifically authorized by law should be settled before it arises again, and provisions should be adopted similar to those which apply to the admission of foreign students to other Federal academies. Subsection 1303(e) generally follows the admissions procedure for foreign students at the U.S. Naval Academy.

(a) In view of the Studts Committee recommendation, what would be the justification for providing for an additional 30 foreign students at the Merchant Marine Academy when the Naval academy does not appear to have a similar provision? Or am I wrong?

(b) I do note, however that the Naval Academy provides for the admission of four students from the Philippines, whereas, your authority in this regard has expired. Would you want to have this authority again?

Response We do not draw a parallel between the US Merchant Marine Academy and the US Naval Academy on the point of foreign students at Kings Point since the objectives of the two academies differ and the international relations aspect of training foreign nationals at these two academies are significantly different. Nevertheless, we do not have any objection to the bill's language in Paragraph 1303(e) which is based on the authority (10 USC 6957) for foreign students at the U.S. Naval Academy and adds students from Canada to our existing authority.

Our recommended additional text would enable the Secretary of Commerce to cooperate with the Secretary of State in permitting foreign students, without specific statutory restriction as to nation, including additional students from Western Hemisphere nations, to attend the Academy in the interest of promoting good international relations. The additional text would cover situations such as the Philippines if that were found to be in the interests of U.S. relations with that country. Further the additional text provides for reimbursement for costs by the foreign country unless waived in writing by the Secretary for any student admitted under the proposed authority. The limit of 30 persons was chosen as a practical upper limit based on available facilities and translates to an average of less than eight per year if done on a regular basis. The Maritime Administration views the proposed additional text as enabling the Academy, in a limited way, to be a resource in promoting international cooperation particularly in the areas of trade and shipping.

Question No. 12 On page 10 of your statement, you recommend an amendment to subsection 1304(d)(2), that would tie the upper limit of the prescribed number of out-of-State students at any one State Maritime Academy to the number of students enrolled rather than to such school's total student capacity—which may or may not be fully utilized.

(a) What is the problem that you are attempting to resolve with this amendment?

(b) What would be the effect of this amendment on the existing six State maritime academies?

Response We are attempting to clarify the provision in the bill dealing with out-of-State students and establish a realistic base for setting the upper limit. The existing language is too vague concerning the basis on which the upper limit is to be determined. The wording "one-third of the student capacity" can be interpreted to mean one-third of the entire student capacity or one-third of the freshman capacity. The amendment would give the academies the assurance that the upper limit will be within reasonable bounds. Except for establishing a more specific basis, our proposed change has no effect on the State academies additional to that which the current statute has.

Question No. 13 With respect to the service obligation provisions set forth in subsection (h)(1)(D), on page 10 of your statement, you state that "In addition to the hardship waiver provision on page 9, lines 1 and 2 of the print, we feel that there should be a provision for deferments in exceptional cases for a period not to exceed two years."

(a) What would you consider to be a hardship case? Could you give me some examples?

(b) What would you consider to be an exceptional case? Could you give me some examples?

(c) Would you please explain the effect of your proposed language in subsection (h)(3) which reads as follows "Such deferment if granted by the Secretary, shall not extend to the Naval Reserve obligation set forth in subparagraph (c) of this subsection or to the service requirements thereof, unless waived by the Secretary of the Navy."

Response (a) Examples of hardship cases would be instances of impossibility of performance of the licensing or employment provisions of the agreement due to accident, illness or other major change in physical condition, or severe family related hardships such as sole support of a bed-ridden parent.

(b) The reference to "exceptional cases" is in connection with a provision for a two year deferment of all or part of the service obligation so that the individual may pursue graduate studies. The intent of the words "exceptional cases" is to establish the statutory basis for a possible regulatory requirement that the individual should be required to make application for such deferment and demonstrate that the deferment, if granted, will be in the interest of the country as well as the individual. The term is also intended to indicate that this proposed authority of the Secretary is not to result in an automatic grant of the deferment on any request, but is to be based on an evaluation in each instance.

(c) In proposing this authority for the Secretary, we have been careful not to extend the authority of the Secretary of Commerce into areas under the authority of the Secretary of the Navy. The applicant would have to seek any additional waiver regarding the Naval Reserve service obligation from the Secretary of the Navy as may be considered necessary.

Question No. 14. On page 11 of your statement, concerning the allocation of state academy student loans, you recommend that the phrase "in a fair and equitable manner" set forth on page 15, line 17 of the bill should be amended to read: "in a fair and equitable manner as determined by the Secretary."

As I recall, the Studts Committee Report found that the distribution of so-called assistance quotas among the academies have been arbitrary, violate section 6(a) of the Maritime Academy Act of 1958, as amended (46 USC 1385(a)), and are not properly incorporated into agency regulations. The report went on to find that the Maritime Administration should immediately end its improperly adopted quota system, and seek legislative authority if it continues to believe that restrictions on the number of the students receiving subsistence allowances are necessary.

Your proposed amendment would continue to give the Maritime Administration the authority to continue the practices condemned by the Studts Committee. As I mentioned in my opening remarks, I am not wedded to any of the language in the bill and the hearing record will remain open. If you still wish to amend the phrase "in a fair and equitable manner," I need draft language so that we can work on a suitable amendment for insertion in the hearing record.

Response. We must respectfully advise that we do not agree with the assessment in the Studts Committee Report that the distribution of the freshman subsidy quotas violates the Act. The authority by which the Maritime Administration limits the number of students that may receive subsistence payments under Public Law 85-672, the Maritime Academy Act of 1958, 46 U.S.C. 1981 et seq., is derived by reading Section 6(a) in tandem with Section 4 of the referenced Act. These sections allow two forms of financial assistance to state maritime academies. Section 4 of the Act authorizes lump sum payments not exceeding the amounts specified therein per academy or college; Section 6(a) of the Act authorizes payments not exceeding a specified amount per student. Both sections provide that the "Secretary may enter into agreements. . . ." (emphasis added.) Given its plain meaning, the word "may" denotes discretionary or permissive authority to enter into agreements. The Secretary is not obligated to enter into an agreement. However, should the Secretary enter into an agreement, there are no statutory conditions for the agreement other than the specified ceiling amounts.

Since the Secretary has the authority to withhold Federal financial assistance from a maritime academy and all of its students, it necessarily follows that the Secretary also has the authority to grant aid to only a limited number of students.

The students selected to be paid allowances on entry continue to be paid subject to the terms of the Federal regulations (46 CFR Part 310, Section 310.7) during their attendance at the academies. The Federal regulations clearly indicate that "The Administration will notify an academy of the number of students of their entering class that may start to receive financial benefit allotments of allowances for uniforms, textbooks and subsistence in a given fiscal year." Further, the regulations specify that there can be no substitution for students removed from the list of those receiving allowances. The number of students paid reflect attrition estimates. We are currently in the process of updating the regulations and will also include in Section 310.7 the subsidy numbers for each academy or college heretofore only referenced in the regulations but contained in separate letters.

We are still of the opinion that the phrase "in a fair and equitable manner" on page 15, line 17 of the bill should be revised to read "in a fair and equitable manner as determined by the Secretary". It is necessary to keep some element of control on the total number of loans provided from the standpoint of precluding the uncontrollable outflow of funds, and the language of the bill should be clear regarding who has the authority to exercise this control. Our proposed additional language "as determined by the Secretary" is intended to make this clear. We have no objection to the phrase "in a fair and equitable manner" if it is so qualified.

Question No. 15. With respect to the supplemental training authorized by Section 1305. Would you please submit for the record a concise explanation of where this training is conducted, the facilities involved, the courses offered, the number of people trained, the cost of such training, the benefits to the United States, and any other information you think appropriate. What we require is a clear, concise statement as to supplemental training that is currently provided.

- (a.) In addition, what plans do you have for future expansions of course offerings?
 (b.) What criteria do you use in deciding what courses to offer?

Response. (See attachment.)

SUPPLEMENTAL TRAINING COURSES CURRENTLY OFFERED, NUMBER OF PEOPLE TRAINED AND LOCATIONS

["X" means course is currently available]

Courses	New York	New Orleans	San Francisco	Seattle	Toledo	Kings Point
Radar:						
8-day basic (all waters)	X	X	X	X	X	
1979 students	132	185	211	191	64	
5-day basic (inland)	X	X	X	X	X	
1979 students	40	79	3	8	1	
3-day refresher	X	X	X	X	X	
1979 students	275	309	77	31	139	
1-day recertification	X	X	X	X	X	
1979 students	413	154			22	
LORAN	X	X	X	X	X	
1979 students	56	142	29		31	
Gyrocompass	X	X	X		X	
1979 students	39	12	7			
LORAN/Gyro						X
1979 students						
ADF/fathometer						X
1979 students						
Basic firefighting	X	(1)	X		(*)	
1979 Students	*3,208		*303			
Diesel						
5-week comprehensive						X
1979 students						57
1-week fundamentals						X
1980 start						
1-week chief mates/masters						X
1980 start						

1 Under construction
 *Earle, NJ
 *Treasure Island

MAJOR TRAINING EQUIPMENT AND LOCATIONS

Equipment	New York	New Orleans	San Francisco	Seattle	Toledo	Kings Point
Electronic navigation:						
Radar training simulator	2	1	1	1	1	
Radar display unit (simulated)	6	6	7	6	4	
Radar display unit (live)		1	2		1	
Radar display unit (simulated and live)	5					
LORAN training simulator	1	1	1	1	1	
LORAN receiver (simulated)			2			
LORAN receiver (live)		3			1	
LORAN receiver (simulated and live)	2	1		2	1	
OMEGA receiver	1					
Radio direction finders						1
Gyropilot						1
Gyrocompass	3	1	1		2	
Fathometer						2
Course recorder	2	1				
Video tape system		2	1	1		
Individual instruction trainer	1	1	1	1	1	
Firefighting:						
Ship trainer	1	1	1		1	
Smoke locker	1	1	1		1	
Flange fire trainer	1	1	1		1	
Ullage fire trainer	1	1	1		1	
Open pit	1	1	1		1	
LNG unit	1	1	1		1	

MAJOR TRAINING EQUIPMENT AND LOCATIONS—Continued

Equipment	New York	New Orleans	San Francisco	Seattle	Toledo	Kings Point
Diesel-2						
Slow speed diesel engine						
Control console simulator						
Medium speed diesel						
Auxiliary diesel engine						
Slow speed engine model						
Diesel sub-assembly sets						
Self-cleaning oil separator						
Turbocharger						

¹ In fiscal year 1980, the radar training simulators in San Francisco and Toledo will be replaced and radar display unit (simulated) capability will be expanded to 9 and 6 units respectively.

² New Orleans and Toledo are presently under construction.

³ Courses are conducted using USNMA equipment on a not-to-interfere basis with normal Academy training requirements.

MARITIME ADMINISTRATION DIRECT OPERATING COSTS FOR FISCAL YEAR 1979

Courses	New York	New Orleans	San Francisco and Seattle	Toledo	Kings Point
Radar, LORAN, Gyro, etc	\$115,000	\$63,000	\$70,000	\$22,000	
Firefighting ¹	\$84,580		\$3,420		
Diesel					\$70,000

¹ Includes \$38,000 payment to Military Seaift Command (MSC), Department of Navy, for the operation of the Earle and Treasure Island facilities in accordance with a joint agreement and prorated by 1979 students, accordingly. Additional funds are incurred by MSC and US Coast Guard in support of the operation of these facilities which are needed to meet the training requirements of a number of Federal agencies.

² Earle, NJ

³ Treasure Island.

RECEIPTS TO TREASURY FOR TUITION FEES COLLECTED FOR FISCAL YEAR 1979

Courses	New York	New Orleans	San Francisco and Seattle	Toledo	Kings Point
Radar courses	\$39,790	\$37,550	\$30,950	\$9,850	
Diesel					\$45,600

The following are descriptions of the courses that are offered in the Supplemental Training Program:

1. **Basic Radar Observer Course.**—The length of the course for Any Waters is eight (8) consecutive working days and the length of the course for Inland Waters is five (5) consecutive working days. Course delivery locations are New York, New Orleans, Toledo, San Francisco and Seattle. Topics include radar theory, operation and capabilities of marine radar systems, radar plotting and interpretation (Any Waters or Inland Waters, as appropriate), collision avoidance and navigational exercises. Practical training is conducted on marine radar display units utilizing an electronically simulated visual display. Prior to course completion students will be required to satisfactorily demonstrate their ability to operate a marine radar display unit, plot radar contacts and determine actions to avoid collision by utilizing motion rapid interpretation techniques learned during the course. The subjects required for U.S. Coast Guard radar observer endorsement for U.S. deck officer licenses, listed in Title 46 Code of Federal Regulations, subsection 10.05(b), are covered in each course.

2. **Radar Observer Refresher Course.**—The length of the course is three (3) consecutive working days. Course delivery locations are New York, New Orleans, Toledo, San Francisco and Seattle. Refresher topics include radar plotting and interpretation, collision avoidance and navigational exercises. Practical training is conducted on marine radar display units utilizing an electronically simulated visual display. Prior to course completion students will be required to operate a marine radar display unit, plot radar contacts, and determine actions to avoid collision by utilizing relative motion rapid interpretation techniques reviewed during the course. The subjects required for U.S. Coast Guard radar observer endorsements for U.S. deck

officer licenses, listed in Title 46 Code of Federal Regulations, subsection 10 05-46(b)(3) and (4), are covered in this course.

3 *Radar Observer Recertification Exercise Course.*—The length of the course is one (1) day Course delivery locations are New York, New Orleans, Toledo, San Francisco and Seattle. Topics include radar plotting and interpretation, collision avoidance and navigational exercises. The recertification exercise is conducted on marine radar display units utilizing an electronically simulated visual display Prior to course completion students will be required to operate a marine radar display unit. Plot radar contacts and determine actions to avoid collision by utilizing relative motion rapid interpretation. The subjects required for US Coast Guard radar observer endorsements for US deck officer licenses, listed in Title 46 Code of Federal Regulations, subsection 10 05-46(b)(3) and (4), are covered in this course.

4 *LORAN*—The length of the course is five (5) consecutive working days Course delivery locations are New York, New Orleans, Toledo, San Francisco and Seattle. The course in New York is conducted by the Seamen's Church Institute Merchant Marine School for Administration applicants and other persons, and is taught by an approved Instructor. Courses in the other cities are conducted by the Administration. (Note: The LORAN and Gyrocompass course are combined into a single, five (5) day course in Toledo to reflect special requirements of Great Lakes navigation.) Topics include LORAN theory, operation and capabilities of LORAN A and C navigational equipment and LORAN interpretation and plotting. Practical training is given on LORAN receiving equipment utilizing and electronically simulated LORAN read-out. Prior to course completion students will be required to satisfactorily demonstrate their ability to operate a LORAN receiver, interpret ground waves versus sky waves and plot LORAN A and C lines of position using tables and charts.

5. *Gyrocompass.*—The length of the course is five (5) consecutive working days Course delivery locations are New York, New Orleans, Toledo and San Francisco. The course in New York is conducted by the Seamen's Church Institute Merchant Marine School for Administration applicants and other persons, and is taught by an approved Instructor. Courses in the other cities are conducted by the Administration. (Note: The Gyrocompass and LORAN courses are combined into a single, five (5) day course in Toledo to reflect special requirements of Great Lakes navigation.) Topics include gyrocompass theory, operating principles, start-up and basic maintenance. Practical training is given on an operational gyrocompass. Prior to course completion students will be required to satisfactorily demonstrate their ability to start-up and orient a marine gyrocompass to the desired heading, complete assigned maintenance tasks according to schedule, and perform troubleshooting and emergency evolutions.

6 *ADF/Fathometer*—The length of the course is one (1) working day and is only conducted in Toledo. Topics include automated direction finding, radio direction finding and fathometer operation. Practical training is given on a fathometer and on operational radio direction finders. Prior to course completion students will be required to satisfactorily describe equipment capability, demonstrate ability to operate same and interpret data from these navigational aids.

7 *Basic Fire Fighting.*—The practical marine fire fighting field exercise training course is available in Earle, New Jersey and Treasure Island, California. Similar programs will be available at New Orleans and Toledo in late 1980. The course is designed to equip US licensed and unlicensed merchant marine personnel and others engaged in waterborne commerce with an awareness of the causes of fire in ships and the precautions which should be taken to prevent its outbreak, a knowledge of the features, maintenance and operational procedures associated with fire fighting equipment and breathing apparatus aboard ship, an experience in the physical and psychological effects caused by the elements of the environment associated with fire situations, particularly when wearing breathing apparatus; and, practical skills in the use of fire fighting appliances to extinguish fires in ships, including the use of breathing apparatus, fixed and stationary fire fighting equipment, survival, and basic search, rescue and first aid techniques.

8 *Diesel Propulsion Systems for Marine Engineers*—The length of the course is five (5) weeks. The only location at which the course is offered is the US Merchant Marine Academy, Kings Point, New York. The course brings to the marine engineer fundamentals and modern practices in the field of marine diesel engineering, operation, repair and control. The latest state of the art methodologies and equipment are used. The course combines theoretical foundations of engine design and construction information with considerable practical training. Control systems, engine maintenance, operation and trouble-shooting are emphasized. The course was developed with the seagoing steam marine engineer in mind. The course will blend the steam experience with pertinent diesel engine practice to help make the steam

marine engineer a competent diesel marine engineer. The course also intended for those desiring to upgrade their motor licenses to first and chief engineer.

9. *Fundamentals of Marine Diesel Systems.*—This one week course includes topics on diesel engine construction, basic cycles, two (2) and four (4) stroke engine considerations, combustion systems, fuel systems, cooling and lubrication systems, purification systems and the pneumatic, electronics control systems as they apply to medium and slow speed plants. This course is intended for managers, ship's superintendents, port engineers and others who need a basic overview of marine diesel operation.

10. *Diesel Ship Operation and Control for Chief Mates and Masters.*—This one week course gives deck personnel the necessary engineering information required to operate diesel powered vessels. Topics include an introduction to the diesel engine, discussion of fuel and lubricating oils, preparations for arrival in port and getting underway, operating speed ranges, methods of securing diesel plants, routine maintenance and times required, engine casualties, pollution, vessel maneuvering, personnel considerations and predictions of vessel performance.

Benefits of Supplemental Training.—The benefits of this training can be summed up by saying that the program is designed to produce Radar certified deck officers who can safely operate ships in order to avoid collisions at sea, damage to their ship/cargo, loss of the lives of the crew or harm to environment. This also applies to those personnel who have completed the Firefighting Training Program and received the appropriate endorsement. The estimated cost of the loss of one ship would be more than the operational costs of the entire Supplemental Training Program for years to come. The diesel training program supports a national program for increased fuel efficiency and encouragement of use of fuel efficient diesel plants in an industry traditionally oriented to steam turbine propulsion systems. The Supplemental Training Program is available to all qualified U.S. seafarers.

Additional response items:

Future courses under consideration

Automatic Radar Plotting Aids.—At present this training is being offered at the Eastern Region Radar Observer Training Center as part of the overall Collision Avoidance Navigation Training. It is being evaluated for its use in all region schools.

Satellite Navigation.—To familiarize deck officers with the theory and operation of the equipment, operating principles and limitations. It would become part of the LORAN course.

Omega Navigation.—To familiarize deck officers with the theory and operation of the equipment, operating principles and limitations. This would also become part of the LORAN course.

Advanced Firefighting Course.—To train deck officers and certain unlicensed seafarers in fire party leadership and management.

Marine Chemist Program.—A formal course of instruction to be conducted at the U.S. Merchant Marine Academy for the purpose of upgrading the professional qualifications of practicing marine chemists. A marine chemist is a person qualified to determine whether construction, alteration, repair and shipbreaking of vessels can be undertaken with safety in accordance with the provisions of National Fire Protection Association No. 306 Standard for the Control of Gas Hazards on Vessels. The U.S. Coast Guard Regulation 46 CFR 35.01-1 requires that the provisions of NFPA No. 306 shall be followed in conducting the inspections on such vessels and for the issuances of certification. This project holds great promise of benefit to the maritime industry and its work force and one that is needed to upgrade and improve the training of present and future marine chemists. It may be extended to include other populations such as cadet/midshipmen, current ship officers, USCG inspectors, Navy personnel, shipyard "competent persons" and others concerned with marine safety.

The criteria used in deciding what courses to offer are as follows First and foremost is the contribution of a proposed course to safety of the ship, its crew, cargo and the environment. Secondly, courses that are in the national interest; that are not currently offered by existing facilities; and that must be available to all industry personnel. Thirdly, courses that will result in improved engineering efficiency and economy to the operation of the U.S. Merchant Fleet.

Question No. 16. On March 11, 1977, Secretary Blackwell testified that "in addition to the training provided at Federal and State academies, the Maritime Administration has for a number of years provided safety related training, consisting of courses in radar, loran, gyro-compass and fire-fighting which are available to all active and entry rating merchant seamen and inland waterway personnel, at our regional training centers".

(a) Am I correct that your statutory authority for this is set forth in section 216(c) of the Merchant Marine Act, 1936, as amended (46 U.S.C. 1126(c)), which has been incorporated as section 1305 of the bill?

(b) If this is correct, then it would seem to me that the current statutory language could be rewritten to clearly set forth the mandate of the Congress in this regard. For example, where is your statutory authority to pay for the operation of your regional training centers?

Response. You are correct in that the statutory authority to operate the regional training centers under what we currently call Supplementary Training, comes from Section 216(c) of the Act. In addition our supplementary training activities are specifically set out in the detail of our authorization and appropriation submittals to the Congress.

We agree that the language could be improved to make it explicit that this authority includes supplementary training for merchant marine personnel in areas of safety, the protection of the environment and improved efficiency of operation when the offering of such courses is considered in the national interest.

Question 17. Section 1306 pertaining to the U.S. Maritime Service I have always been mystified by this service, and the explanation on page 14 of your statement is far from complete. Therefore please furnish a clear, concise explanation of the history, current status (including the numbers and titles of the people who are currently enrolled), and function of the U.S. Maritime Service in times of peace and national emergency.

Response. The formation of the United States Maritime Service as a voluntary training organization began with extensive hearings held prior to the enactment of the Merchant Marine Act of 1936, which set forth in its Section 101 the declaration of policy "that the United States shall have a merchant marine manned with a trained and efficient citizen personnel." The hearings reflected the necessity for maritime training as a national policy. The major problem at that time was concern that many untrained and undisciplined personnel with little appreciation for safety at sea were crewing our ships and jeopardizing vessel, passengers, crew and cargo. The disasters of the *Morro Castle*, *Mohawk* and *Vestris* demonstrated the effects of lack of proper training, order and discipline and were highlighted in Senate hearings during the 74th and 75th Congresses.

The Maritime Commission was directed by the Congress to submit a survey for further clarification of crew problems. The "Economic Survey of the American Merchant Marine" was submitted to the Congress in November 1937. The magnitude of the problem of crew discipline, inter-union rivalry and lack of training was so severe, that hearings were renewed. Although the Commission recognized that Section 101 of the Merchant Marine Act stated the basic authority for the establishment of shipboard personnel training programs, the Commission was of the opinion that direct Congressional approval should be obtained to clarify the authority before such programs were established which would require substantial expenditures.

House and Senate hearings were held during 1938 which led to the passage of 52 Stat. 953, June 23, 1938, creating the United States Maritime Service, and directing the Maritime Commission to report to Congress on the training of merchant marine personnel by January 1, 1939.

It should be noted that the concept of a uniformed maritime service was not new in 1938. A major training and recruiting effort was initiated in 1918 for the recruiting of officers, training personnel and trainees both for licensed and unlicensed positions in the merchant marine, to instill leadership, discipline and seafaring skills aboard merchant vessels to meet the World War I emergency personnel demands. Training facilities were established across the country producing 4,000 persons a month to meet the manning levels required for the war efforts. This training effort was of short duration and the extent of training was minimal.

Factors considered in formulating the World War I uniformed maritime training program were the concerns for instilling leadership in officers, discipline for ships' crews, and improved skill levels for all shipboard personnel. The concern for improving officer leadership and crew discipline was the basis for creation of a uniformed service. To encourage improvement of skills, personnel in training were provided pay and allowances.

Consequently, the basic approach reflected in the creation of the Maritime Service took these historical factors into consideration. When the Maritime Commission issued General Order 25, July 14, 1938, establishing the Maritime Service, the pay and allowance factors were specified for personnel in accordance with ranks and rates of pay equivalent of the U.S. Coast Guard. The Maritime Service was to be operated initially by the Coast Guard until the Maritime Service was able through the training program to provide qualified merchant personnel who could operate

the program. The Coast Guard operated the Maritime Service Training Program until 1942.

The "Report to Congress on Training of Merchant Marine Personnel," submitted in 1939 clearly indicated the significance of crew training to efficient vessel operations in time of peace as well as a national emergency. The extent of any training programs clearly was to be correlated with the supply and demand for shipboard personnel.

When the Maritime Service was formed, three shore-side training stations were to be opened and one training ship was supplied. The plan was to be able to train annually 300 licensed and 3,000 unlicensed personnel. The new Maritime Service would be in addition to the existing cadet system of the state nautical schools and the program for cadet training aboard subsidized ships.

As the ship construction program expanded to provide the sealift capacity for military logistics support for World War II, the training programs of the Maritime Service expanded to meet the new manning requirements.

A military service deferment policy, through the War Powers Act, went into effect as had been done during WWI to ensure sufficient civilian manning for the sealift requirements.

The Maritime Service established approximately 40 enrolling offices throughout the country to bring in new recruits, for both licensed and unlicensed training and to encourage up-grading in skill and rank.

The Maritime Service enrolled persons meeting the qualifications as defined by the Commandant. These included certain physical requirements, and specific course requirements for up-grading or an increase in rank.

The Maritime Service defined its personnel as active or inactive. Personnel not involved in formal training at a training site but who were serving on ships, who applied and enrolled, were designated inactive and were permitted to wear the Maritime Service uniform.

The active category divided into two parts. First, the students participating in the formal training programs were considered active and remained in active status with pay allowances which encouraged their returning to USMS training sites for up-grading in order to receive a higher rank and rate of pay. Secondly, training and support personnel were described as administrative enrollees. (Further discussion of administrative enrollees is contained in the response to question 18.) The Maritime Service, from its inception in 1938 through 1953, when most of the training stations were closed, trained over 300,000 persons.

The Congress appropriated as much as \$76,000,000 in 1943 in support of the training effort to meet the emergency requirements. The appropriation and enrollee levels corresponded to the war effort with major reductions following the war.

The U.S. Maritime Service was initially developed to meet peace-time requirements. The historical profile of the Service demonstrates its capacity to meet emergency requirements. Because of the magnitude of the Maritime Service training program as it expanded to meet the WWII requirements, a body of personnel was available to face the needs met in the Korean and Vietnam sealift operations.

In 1953 the appropriation level for all training was under \$3,000,000. Shipping companies and the maritime unions were requested to cost-share the training programs. There was a general unwillingness on the part of the industry to do this. Consequently, the Maritime Service training facilities were deactivated with the last school, in Sheepshead Bay, N.Y., closing in 1954. The training staff was correspondingly reduced.

The only parts of the Maritime Service that remained after 1954 were the administrative enrollees staffing the United States Merchant Marine Academy, who were formally converted to Civil Service status in 1962, and the cadets enrolled at the state maritime schools. We currently also enroll the Superintendents/Presidents of the state schools and the masters of the training ships.

At present our officer training programs are meeting the demand requirements. However, if a new emergency occurred or a major shipbuilding program was undertaken, there would again be a need to undertake additional training programs. The existing enrollment of presently subsidized cadets at the state schools could be increased. Modifications could be made to produce officers in less than four years at the Merchant Marine Academy as well as the state schools. However, if a major emergency requirement for both licensed and unlicensed personnel were to occur, it is clear that the Maritime Administration would need the existing statutory authority, which is subject to Congressional funding authorization and appropriation, in order to produce the personnel that might be required.

Current Enrollment—U.S. Maritime Service

Title	Number
(1) U.S. Merchant Marine Academy	
Acting Superintendent	1
Academic Dean	1
Associate Dean	1
Registrar	1
Assistant Registrar	1
Director Office of External Affairs	1
Director of Admissions	1
Assistant Director of Admissions	1
Director of Candidate Recruiting	1
Placement Officer	1
Commandant of Midshipmen	1
Assistant Commandant of Midshipmen	1
Director of Music	1
Battalion Officers	3
Training Administrator	1
Regimental Affairs Officers	2
Operations Officer	1
Midshipmen Personnel Specialist	1
Clerk-typist (Commandant's staff)	1
Faculty and Heads of Departments	68
Chief Librarian	1
Coordinator Shipboard Training	1
Academy Training Representatives	3
Security Force Members	10
Total	105
(2) State Maritime Academies:	
Cadets	3,111
Rear Admiral—Superintendent/President	6
Master, Training Vessels	5
(3) Honorary enrollees:	
Admiral	1
Vice Admiral	4
Rear Admiral	2
Captain	1
Commander	1
(4) Other enrollees	...

Note We cannot calculate how many could technically be considered currently "enrolled" in inactive status based on approved enrollments of persons who were actively sailing and made application for this status. Since the reduction in the organization was so abrupt and our records of this period incomplete, it would appear that many of these persons could assume they are still enrolled. We have failed to find any record that a general notification of disenrollment was ever sent to individuals who were inactive enrollees as of 1954 when the USMS schools were abruptly closed. It is important to note that no obligation was imposed on persons granted inactive status.

Question 18: On pages 14 and 16 of your statement, you discuss a proposed amendment to Section 1307, concerning so-called Administrative Enrollees.

(a) Just what is an Administrative Enrollee?
 (b) Why were such Administrative Enrollees converted to Civil Service status?
 (c) How many Administrative Enrollees that were converted to Civil Service status are currently covered by the statute, and what positions do they hold at the present time?

(d) On page 15 of your statement, you say that Section 1307 appears to provide that the U.S. Merchant Marine Academy faculty members would be subject to the General Schedule or wage systems. I don't understand how you reach this conclusion.

(e) Please furnish for the record a clear, concise explanation of the history, current status (including the numbers and titles of the people involved), and the need for your proposed amendments. Upon receipt of this information, I will have the staff work with you and your staff to develop suitable language.

Response. (a) Administrative Enrollees as defined by the U.S. Maritime Service were such persons enrolled to perform duties of staff, instructional or operational nature on behalf of the Maritime Service. Administrative enrollees included instructors at the training sites or the crew complement operating training vessels on



behalf of the Service, recruitment staff at the enrolling offices and the respective support staffs. The Administrative enrollees had ranks and rates of pay the same as those prescribed for the U.S. Coast Guard and received corresponding allowances as may have been prescribed for U.S. Coast Guard personnel. Administrative enrollees were designated as "active" in the Maritime Service. The "active" designator for administrative enrollees later changed to "inactive" after the closing of all U.S.M.S. training sites. Consequently the designator for staff persons currently enrolled in the Maritime Service is "inactive."

(b) Administrative enrollees in the U.S. Maritime Service were converted to Civil Service status as they were determined to be Federal civilian employees. Legislation was needed to effect the change in order to "avoid undue personal hardship or inequity to the employees" and "to avoid any adverse effect upon the efficiency of the Academy." (Senate Report No. 177, 87th Congress, 1st Session of April 20, 1961) Public Law 87-93 was enacted to clarify their status and to establish suitable personnel policies for such personnel. The Attorney General, in an unpublished opinion, April 24, 1952, had ruled that administrative enrollees were civilian employees for the purpose of the Civil Service Retirement Act. At that time, Civil Service regulations were not being applied to them. However, the Department of Commerce and the then U.S. Civil Service Commission subsequently agreed that appointment to vacancies at the Merchant Marine Academy beginning September 1, 1957 would be made in accordance with Civil Service rules, regulations and procedures, and that employees would be compensated under the General Schedule or Wage Schedule, with the exception of the faculty.

(c) Appointments of administrative enrollees at the U.S. Merchant Marine Academy were converted to Civil Service appointments on January 1, 1962, pursuant to Public Law 87-93. It is estimated that less than 40 former administrative enrollees are currently employed at the U.S. Merchant Marine Academy. Those who are still employed at the Merchant Marine Academy hold faculty, General Schedule or Wage Grade positions. Some may be employed by other Federal activities, under any pay system such agencies have. The only way to determine the exact number of former administrative enrollees who are currently covered by the statute would be through a comprehensive search through personnel files of all current civil service employees to determine who may have been employed by the U.S. Maritime Service prior to the conversion to Civil Service status in 1962.

(d) On reviewing again the draft bill, it appears that line 13 of Section 1307, page 21, does recognize in general language (i.e., "except as otherwise authorized by law") the statutory exception for the compensation of faculty members.

(e) The administrative enrollees, as has been noted, were entitled to the ranks, rates of pay and allowances of that of the U.S. Coast Guard. However, the U.S. Maritime Service statutory authority Sec. 216(c) made no reference to retirement benefits or to other such benefits as may have been prescribed for U.S. Coast Guard personnel. Subsequently, the 1952 Attorney General ruling stated that the administrative enrollees were civilian employees for purposes of the Civil Service Retirement Act.

There were bills introduced from time to time after World War II that recommended Maritime Service personnel be uniformed personnel in the same manner as the Armed Service personnel, U.S. Coast Guard and NOAA. These bills had been defeated, which meant that administrative enrollees had no protection or benefits similar to military or civil service personnel, especially in regard to retirement.

The passage of Public Law 87-93 clarified the position of the Administrative enrollees with respect to their status in the Civil Service.

Presently employed persons who had formerly been administrative enrollees are Civil Service employees and are subject to the rules, regulations and benefits as are others employed in the Federal system.

Without exhaustive research into personnel jackets of the Maritime Service which are not available in Washington, we are not able to state how many persons were actually administrative enrollees. There are less than 40 individuals who were converted and are presently at the Academy.

We will be pleased to work with your staff on the technical issues of this portion of the bill.

Question No. 19. On page 18 of your statement, you recommend an amendment to subsection 1308(h) so that vessels of the Department of Commerce would be included rather than excluded from the provisions of the Civilian Nautical School section. What is the rationale for this proposed amendment?

Response. Our recommendation regarding subsection 1308(h) restores the original language of the Civilian Nautical School Act. If the Department of Commerce were to lend a vessel to a school as defined in Section 1308, we would want it subject to inspection by the Coast Guard for safety purposes.

Question No. 20. On page 13 of your statement you recommended that subsection 1304(f)(9) on page 19 be amended by generally substituting the word "personnel" for the words "proper officers" and "officers or instructors".

(a) Is the purpose of this amendment to conform the statute to existing practice?

(b) Your rationale for this amendment is "to provide for the assignment of either officers or enlisted persons as appropriate to the function and agreeable to the parties". As a practical matter, if we accept this amendment, "agreeable to the parties" would have nothing to do with it, would it?

Response. The change which we have recommended to subsection 1304(f)(9) is not for the purpose of conforming the statute to existing practice. We know of no exercise of this authority at the present time. We recommend the change solely to remove a statutory restriction which might hamper effective use of this authority if only officers of the Navy or Coast Guard could be detailed and the function to be performed could be satisfied by enlisted personnel. Certainly there would have to be agreement by the parties if effective use is to be made of this authority.

Question No. 21. During the 1977 hearings, Secretary Blackwell submitted for the record your most recent projection with respect to future needs for deck and engineering officers. This study, entitled "Deck and Engineering Officers in the U.S. Merchant Marine, Supply and Demand, 1976-1985," found that "An overall shortage of deck and engine officers beginning at the turn of the decade is a distinct possibility. For the deep-sea section . . . shortages beginning in 1981 may occur even if all Calhoun MEBA Engineering School and all hawsepipe officers and 80 percent of all academy graduates (other than Great-Lakes Maritime Academy) accept deep-sea employment on graduation. The project shortage is more pronounced for deck officers than for engine officers."

(a) Have you updated this study since then? If so, please submit it for the record?

(b) What is your current best estimate of the supply/demand situation for deck and engineering officers in the U.S.-flag merchant marine?

(c) Why are we encountering problems crewing vessels on the Great Lakes and what can be done about it?

(d) Why are we encountering problems in the offshore oil industry in the U.S. Gulf, and what can we do about it?

Response. (a) We have recently updated our "Deck and Engineering Officer Supply and Demand Study" and are herewith submitting a copy for the record.

(b) Our best estimate with regard to the current and projected supply/demand situation for unlimited license deck and engine officers is that an overall shortage remains definitely possible with the impact on the several sectors of the industry varying as they compete for officers. Crucial to our projections is the rate of retention in sailing status of graduates from the academies since the academies collectively represent the largest source of deck and engineering officers. Our conclusions are set out in detail in pages iii and iv of the study.

(c) The Great Lakes officer problem arose from a combination of factors including a low rate of upgrading unlicensed personnel to officer status, slow growth of the Great Lakes Maritime Academy, and an increase in vacation time off taken during the shipping season. Within the past two years there has been a positive reaction by the Great Lakes operators to recruit aggressively at the salt water academies and the Great Lakes Maritime Academy has increased its enrollment. If this effort continues and new officers can be retained in the workforce, the situation on the Lakes should improve considerably.

Our "Great Lakes Manpower Requirements Study," produced in late 1978, covers the situation on the Great Lakes. A copy is enclosed. Since that study there has been significant action by the industry on the Lakes, and the section on the Great Lakes in our most recent "Deck and Engineering Officer Supply Demand Study" provides a brief update which takes into account these recent industry actions.

(d) The situation in the offshore oil industry is discussed in our recent study entitled "Workforce Supply and Demand Study, 1979-1988 for the Offshore Oil and Gas Exploration Support Craft Industry." A copy of the study is enclosed for your information.

The growth rate of this maritime sector, the low retention rates for lower level personnel such as deck hands and ordinary seamen, and difficulties in upgrading these personnel to higher ratings and licenses, are the basic reasons for the problem in this sector of the industry. The offshore oil support craft industry workforce is characterized by on-the-job training, heavily dependent on upgrading through the ranks. Both the seetime requirements and the lack of vocational training programs to prepare candidates for examination are major contributors to the upgrading difficulties being experienced.

Question No. 22. (a) How many loans do you propose to provide to the state academies?

(b) Will this be any increase over the number of subsistence allowances currently provided?

(c) How will the loans be allocated among the state academies?

(d) If a loan is repaid, where will the funds go?

Response. Our starting point for the number of loans provided to the State academies would be the number of freshman subsistence allowances we are currently providing. Since 1971 we have been providing 673 allowances for each year's entering classes. The initial allocation of these allowances has remained unchanged since 1971, however, the actual allocation has varied from year to year as some academies (mainly New York) have not utilized their allocations and other schools (mainly Massachusetts) have had freshman enrollments in excess of their allocation. We have annually redistributed any unused allowances. The following table shows the initial allocation and the final actual distribution of entering class subsistence allowances since 1975:

State academy	Initial allocation	Actual allocation				
		1975	1976	1977	1978	1979
California	110	114	114	113	112	113
Maine	150	156	151	150	152	152
Massachusetts	77	103	86	90	90	89
Michigan	50	50	48	50	46	51
New York	251	211	237	233	235	229
Texas	35	39	37	37	38	39
Total	673	673	673	673	673	673

This allocation procedure has been a regular subject of discussion with the academies in our annual meetings. Unfortunately, there has not been any consensus among the academies on a change in method which would be satisfactory to all of the schools within the existing total number of allowances we are providing.

We would want to maintain some element of control on the total number of loans provided and this would occur through the normal budget process, subject to authorization and appropriation actions by Congress. We would continue our attempts to work out the distribution of the loans in consultation with the academies and colleges, and endeavor to provide, if approved, a limited number of additional subsidies which would assist in accommodating the views of the academies. Loans that are repaid would be general receipts to the Treasury.

Question No. 23. The shoreside option presently stands on an equal basis with the seagoing maritime service and active duty options.

(a) Please comment on why this option should be on an equal basis rather than as an option which may be exercised only if employment in the other two categories is not possible.

(b) What is the rationale for your recommendation that the Secretary may suspend this option "if circumstances require this in the national interest?"

Response. We do not feel that the shoreside service option should stand on an equal basis with seagoing service and for this reason we have recommended as part of our Statement at the December 6, 1979 hearings, that at least two years of afloat employment or active duty in a uniformed service be required even as part of this option. The rationale for having a shoreside service option, limited to maritime related employment, is to recognize that the industry has a need for personnel in its shore establishments with the type of education and training provided by the academies and further, that there will always be instances in which some graduates, due to their special talents or inclinations, can better serve the national purpose of support of this industry and repay the Federal benefits they have received through this type of employment. We would expect the number in any class at the time of graduation to be in the minority, particularly if seafaring motivation, which should be actively promoted at these schools as part of their program, is effective.

If it is the intent to provide some level of option for shoreside maritime-related employment, we consider that the best approach is along the lines we have recommended, namely, the incorporation of at least two years of afloat employment, and the ability of the Secretary to suspend this option completely "if circumstances require this in the national interest." A major surge in demand for actively sailing merchant marine officers, for instance, such as occurred during Vietnam, would warrant the Secretary having the authority to completely suspend the shoreside service option. Our rationale for providing a suspension of this option is that seafaring service is the primary objective of the Federal support for the academies

and in the case of a critical need, the shoreside service option should not interfere with that primary objective

The alternative of making shoreside maritime employment acceptable for even one graduate, only if a finding can be made that seafaring service or uniformed service is not possible, would require a very far-reaching finding which would be possible only under very infrequent or unusual circumstances. This would make the acceptability of any shoreside service by any graduate in the five years after graduation, extremely rare and exceptional. Our proposed wording limits this type of finding only to the possibility of waiving the remaining two year sea service requirement within this option as we propose it. At the same time, our proposed wording for Kings Point graduates would permit the Secretary to suspend the option entirely when the Secretary considers it "in the national interest." This provides a much broader basis for the Secretary's decision.

The major point at issue appears to be the method by which shoreside maritime employment can be recognized in the bill. We have taken the approach of limited recognition incorporating at least two years of seafaring service or uniformed service under any normal circumstance. Further, if large numbers of graduates begin to avail themselves of this option to the detriment of the primary objective and national interest, the Secretary would be in a position to close this option entirely.

There are problems in constructing a workable statute which would give proper balance to this option and we would welcome further discussion of any alternative language.

Hon. DAVID F. EMERY,
House of Representatives,
Washington, D.C.

DEAR MR. EMERY: Your letter of December 12, 1979, requested the Maritime Administration's response to nine questions related to matters currently before the Ad Hoc Select Subcommittee on Maritime Education and Training.

Enclosed are our responses. If we can be of further assistance to you, please let us know.

Sincerely,

SAMUEL B. NEMIROV,
Assistant Secretary for Maritime Affairs.

Question 1. Please provide your updated projections for the supply and demand of deck and engineering officers during the next five years. Include projections demonstrating the impact of enactment of the: (a) Omnibus Maritime bill with its 40 percent cargo carriage goal; (b) Administration's bulk package; and (c) Deep Seabed Mining bill as presently before the Senate.

Response. We are providing for your information a preliminary draft of our latest officer supply and demand study entitled, "U.S. Merchant Marine Workforce Supply and Demand Analysis, 1979-1988, for unlimited License Deck and Engine Officers." The study does not consider the impact of passage of the Omnibus Maritime Bill, the Bulk Package of the Deep Seabed Mining Bill.

Workforce estimates have been developed for the Administration's Bulk Package. If enacted immediately, it is estimated that approximately five new bulk vessels will be delivered each year beginning in 1982. However, due to accelerated retirements over the forecasted levels within the study, the fleet would gain approximately two vessels in both 1982 and 1983, three vessels in 1984 and five vessels in 1985 for a total of twelve vessels by the end of this period. This would lead to an increase in officer demand, over the levels forecasted in the study, by the following amounts:

	Additional deck officers (cumulative)	Additional engine officers (cumulative)
1981	0	0
1982	+16	+16
1983	+32	+32
1984	+56	+56
1985	+96	+96

Workforce estimates have not been developed for the Omnibus Maritime Bill or for the Deep Seabed Mining bill. The uncertainties concerning their final form, economic conditions at time of enactment and thereafter, impact of potential international agreements, industry response and other variables preclude the possibility of reasonable projections. Any estimates would be so highly speculative at this time.

as to be unusable and potentially misleading in the context of current decisions affecting maritime training programs

Question 2 Has MarAd done any similar projections of supply and demand for unlicensed personnel? If so, please provide your projections for the record

What would be the impact on the supply of unlicensed personnel of enactment of the (a) Omnibus Maritime bill with its 40 percent cargo carriage goal, (b) Administration's bulk package, and (c) Deep Seabed Mining bill as presently before the Senate?

Response In 1978 the Maritime Administration jointly with the Military Sealift Command produced a study which included a short range projection of supply and demand for unlicensed personnel. The study was titled "Civilian Seafaring Manpower Requirements in Peace and War, 1978-1984". The study covers only the deep-sea and defense reserve fleet requirements. The study shows a continued surplus of unlicensed personnel against peacetime deep sea fleet demand through this period.

For the same reasons as listed in question 1, manpower estimates have not been made for the Omnibus Maritime Bill or the Deep Seabed Mining bill. However, estimates have been developed for the Administration's Bulk Package. Currently it is estimated that if this package is implemented, the manpower demand will increase by the following

	Unlicensed Deck (cumulative)	Unlicensed engine (cumulative)	Stewards department (cumulative)
1981	0	0	0
1982	+32	+20	+16
1983	+64	+40	+32
1984	+112	+70	+56
1985	+192	+120	+96

Question 3 Please provide estimates of the amount of funds flowing annually to each of the training trust funds established by the various union collective bargaining agreements. Please include totals for subsidized vessels and unsubsidized vessels.

Response Payments to each of the various training trusts established by union collective bargaining agreements vary from year to year. For subsidized operations, a Maritime Administration review of operator costs indicates the following actual payments for calendar year 1978:

SUBSIDIZED OPERATOR TRAINING FUND CONTRIBUTIONS, CALENDAR YEAR 1978

Union	Contribution basis Per man day	Per vessel	Other	Total
MMP	\$1,263,211.12	\$154,000		\$1,417,211.12
MEBA	1,174,462.64	169,000	\$1,206,131.37	2,549,594.01
NMU	1,140,161.06			1,140,161.06
STU	1,681,219.96			1,681,219.96
MFU	164,750.40			164,750.40
MCS/STU	72,373.45			72,373.45
SUP	15,085.00			15,085.00
Total	5,511,263.63	323,000	1,206,131.37	7,040,305.05

* When an MEBA Apprentice Engineer is carried for training in lieu of a normally assigned 3rd Assistant Engineer, the wage difference and 3rd fringe benefit contributions which would have been paid if the 3rd Assistant were on board are paid to the MEBA training trust.

Note: In 1978 no specific contribution rates were in effect for training programs of the American Radio Association (ARA) or the Radio Officers Union (ROU).

The Maritime Administration does not have actual payment figures for non-subsidized operations. The following are our latest estimates for calendar year 1979:

Estimated nonsubsidized operator training fund contributions, calendar year 1979

Union	Total
MMP	1,650,600

	Total
MEBA, D.1	3,819,000
MEBA, D.2-AMO	1,266,100
NMU	2,300,100
STU	4,706,700
MFU	107,100
MCS/SIU	175,900
SUP	33,100

Question 4. As indicated during the hearings, it has come to the Committee's attention that transfers of funds have been made between the various trust funds established by union collective bargaining agreements. Specifically, the Transportation Institute has been transferring funds to the Harry Lundeberg School. In compiling your answer to the previous question, please identify and include all funds which have been transferred to training trust funds or the operating budgets of the various training institutions. In this regard, what is your legal opinion regarding the propriety of transferring funds between trust funds?

Response: At this time we have no information on such fund transfers other than the instance cited by a minority counsel involving payments by the Transportation Institute to the Harry Lundeberg School in 1977-78 for expenses in connection with use of the *Dauntless* by the Transportation Institute.

The Department of Labor and the Internal Revenue Service have been requested to provide copies of the latest public inspection reports of the Transportation Institute, the Joint Maritime Congress and the various industry training trusts. These reports will be forwarded immediately upon arrival. With regard to our opinion concerning the propriety of transferring funds between the trusts, the Maritime Administration considers the Department of Labor and the Internal Revenue Service as the appropriate Federal agencies authorized by the Congress to oversee these trusts.

A main goal of the Merchant Marine Act of 1970 was removal of the Maritime Administration/Maritime Subsidy Board from the collective bargaining arrangements of operating differential subsidy contractors. We have no authority to oversee contractor arrangements under collective bargaining agreements, much less administrative arrangements between trust funds established by such agreements.

Question 5. Proposed section 1308 recodifies the Civilian Nautical School Act. How many Civilian Nautical Schools are currently in business? Should this law be reenacted? Why?

Response: There are currently no Civilian Nautical Schools as defined in Public Law 76-606. The legislative history of the Act makes it clear that the Act was passed to eliminate the condition of students being quartered on board unsafe vessels that were not subject to U.S. Coast Guard inspection and defined safety standards. Failure to reenact this law would reopen the door to the use of vessels to quarter on board students for nautical training under circumstances in which no safety inspection or safety standards would apply.

Question 6. What is the Administration's position on classifying training ships as "Public Vessels of the United States"?

Response: The five federally owned training ships provided to the State schools have been classified as Public Vessels as far back as our records disclose. Each of these ships is provided with the following statement, sealed and attested by the Secretary, Maritime Administration:

"To Whom It May Concern:

"The training vessel is an undocumented vessel owned by the United States of America, on loan to the State of by the United States Department of Commerce, Maritime Administration, for the purpose of training, young men and women to become officers in the Merchant Marine of the United States and, while operated by the State of under the jurisdiction of the Department of Commerce, Maritime Administration, for such purposes, is a public vessel of the United States."

Notwithstanding any benefits afforded to these vessels by other Federal agencies or foreign governments, the Maritime Administration will always insist that Coast Guard inspection, use of pilots, and other safe operating practices will continue to be used by the Academies in the interest of safety, especially the safety of the students on board, even though Public Vessels may be considered exempt from certain requirements such as the use of pilots.

The Maritime Administration, in approving the voyage itinerary of a training ship, notifies the Department of State which in turn notifies each host country of the intended port call. At our request, the Department of State requests host

countries to extend the courtesies of a Public Vessel of the United States to the training ship.

Question 7. What is the Administration's position on allowing State maritime academy students to train on subsidized U.S.-flag vessels? On U.S. military vessels? On Jones Act vessels?

What problems would be encountered if each option were implemented? How many students could be trained under each option? Have these options been considered when evaluating the IMCO sea time/training vessel problem? If not, why not?

Response: We do not object to State academy cadets sailing on subsidized or non-subsidized (including Jones Act) vessels or for that matter on Military Sealift Command vessels when berths are available. As a matter of fact our regulations permit a maximum of 2 months of training on board commercial vessels as a substitute for 2 months of the specified schoolship time which currently is 6 months for the saltwater academies. Arrangements are made by the State academies directly with steamship companies on a voluntary basis.

We only have control over cadet berths on subsidized vessels. Availability of these berths is not even sufficient to accommodate the Kings Point cadets for whom they are reserved by agreement with the subsidized operators. The Federal Academy finds it necessary to place a considerable number of its cadets also on board non-subsidized vessels.

The full commercial sailing option for State academy cadets has been reviewed in the context of the IMCO sea time/training vessel problem and determined not to be a viable solution at this time. Legislation would be required to enable the government to place State academy cadets on all vessels benefiting from the provisions of the Merchant Marine Act of 1936, as amended. Additional berthing would have to be provided in all new construction and in the existing fleet. The Operating-Differential Subsidy Agreements would have to be reopened to permit the carriage of State Academy cadets. And even then sufficient berthing could not be provided to cover the needs of the present program levels of the Federal, State and industry schools prior to the phase out of the last of the schoolships. We are of the opinion that the long term solution to the schoolship problem for the State schools lies in construction of new replacement training ships.

Question 8: Has MarAd evaluated the option of using training simulators to satisfy a portion of the anticipated IMCO requirements for sea time? Has the Coast Guard been involved in these discussions? Do you believe simulator time will be considered an acceptable substitute? If so, do you anticipate that a simulator would be required at each major training facility? If simulators are to be used, do you anticipate that the Federal Government would subsidize the purchase of these simulators? If so, to what extent? Has this option been considered in your evaluation of requirements for new training vessels?

Response: We have been carefully exploring the concept of bridge simulator training both to raise the standards of training for deck officer candidates and to serve as an equivalent for a substantial portion of the increased sea time required by IMCO. Coast Guard has given us tentative approval for training on bridge simulators as a substitute for at least three or four months of the twelve month seetime requirement.

Our plans call for the installation of bridge simulators at all of the academies during the 1982-1985 time period and their use as part of a carefully developed training program. It is important for all of the academies to have simulators since this type of training must be fully integrated into the curriculum and this cannot be achieved if cadets have to travel a considerable distance to another academy or institution for such training. Considering the geographic dispersion of the academies it would be quite time consuming and expensive to have cadets travel repeatedly to another institution that has a simulator.

Because of their operating cost and complexity we would envision that the Federal Government would procure the simulators and turn them over to the schools to operate. We would of course need the legislative authorization to do this. The academies would be expected to provide the site and operate them.

The program of exercises offered to cadets would be approved and monitored by MarAd and Coast Guard to insure the quality of the program and its seetime equivalency.

The initiatives of bridge simulators and constructing two new training vessels are distinct from each other and are both essential to our continued ability to meet our responsibilities of insuring an adequate supply of well-trained merchant marine officers. The provision of simulators to the State academies (a) makes it economically feasible for the academies to meet the increased sea training requirement, (b) significantly enhances the quality of the training provided, (c) assists in the implementation of the Ports and Waterways Safety Act of 1978 which calls for simulator

based training; and (d) avoids disruption of the academic schedules at the academies.

The provision of simulators will in no way affect the continued need for training vessels. Full commercial sailing, as discussed in our response to Question No. 7, is not a viable solution to the schoolship replacement issue. The long term solution to the schoolship issue is in construction of replacements.

Question 9 What is the Administration's position on the appropriate inspection standards for training vessels?

Are all training vessels subjected to the same standards, e.g., state training ships (both major training ships and smaller training ships), commercial vessels used for training, Coast Guard training vessels (USCGC EAGLE and smaller training vessels)? If not, why not?

Response: It is the Administration's policy that all training vessels owned by the Department of Commerce should be inspected. Inspection is in fact required by 46 USC 363. The large State Academy training vessels currently fall within this category and are inspected by the Coast Guard. With regard to smaller state-owned training vessels, the Maritime Administration feels strongly that these vessels should be required to meet some inspection standard. The problem that arises is that the US Coast Guard regulations established for Public Nautical School Ships do not apply to these small vessels since they are not owned by the Department of Commerce. Due to the lack of specific applicable regulations, the States are left with the situation where any small vessels they acquire must meet some form of passenger vessel regulations, a difficult if not impossible circumstance. The Maritime Administration and Coast Guard are jointly addressing this problem and are endeavoring to find a solution whereby vessels in this category will be required to meet appropriate safety standards.

Commercial vessels that train limited numbers of students coincidental with their commercial service are required to meet the inspection standards applicable to vessels in their particular commercial service. US Coast Guard and other military training vessels meet safety and inspection standards established by the respective military service. Military vessels are not specifically required to meet the standards promulgated for Public Nautical School Ships or commercial vessels.

This apparent incongruity, where a variety of vessels with a common purpose are subject to different regulations and inspection requirements, is the result of the various laws which authorize their examination. Inspection of military training vessels is the responsibility of the respective military service and inspection standards for these vessels are not specified in federal regulations. Inspection standards for Civilian Nautical School Ships are adequately covered in current regulations as are those for Public Nautical School Ships owned by the Department of Commerce. The one problem area that remains is the inspection standard applicable to training vessels that are State owned. Without specific authorization to establish standards for these vessels the Coast Guard applies passenger vessel regulations to these vessels. A partial solution to this problem would be to include specific authorization in HR 5451 for the creation of regulations by the US Coast Guard applicable to State owned training vessels. Any such authorization should include the guidance that regulations developed under this authorization should take into account the size of the vessel and the conditions under which it is to be operated. We will be pleased to assist the Subcommittee staff in developing language on this if desired.

DEPARTMENT OF COMMERCE, MARITIME ADMINISTRATION,
U. S. MERCHANT MARINE ACADEMY,
Kings Point, N. Y., January 4, 1980

HON LES AUCOIN,
Chairman, Ad Hoc Select Subcommittee on Maritime Education and Training,
Washington, DC

DEAR MR CHAIRMAN: This is in response to your letter of December 18th regarding the recommendation of a series of amendments to HR 5451, the "Maritime Education and Training Act of 1979," to implement the Merchant Marine Reserve, US Naval Reserve (MMR, USNR) Program, made by the witnesses for the Maritime Administration and the Department of the Navy before your Subcommittee.

These amendments were closely coordinated with me and my staff prior to their submission. If incorporated, they will serve to more clearly define certain aspects of the MMR, USNR Program, emphasize that the Program is designed to train officers for the merchant marine who are knowledgeable in naval matters, enhance the already close relationship of the Academy with the Navy, and clarify certain technical language.

The amendments will have no effect on the Naval Science courses provided at the US Merchant Marine Academy, however, they serve to ensure a continued empha-

sis on developing skills needed by officers sailing merchant ships which will permit effective operations with the Navy in time of peace, national emergency, or war.

The Naval Science curriculum at the Academy, recently revised to more appropriately support the MMR, USNR Program, consists of four courses which are taught to all midshipmen: Fundamentals of Naval Science, Naval Weapons Systems and two courses in Naval Operations (I and II). All of these courses are designed to equip the merchant marine officer to more effectively operate merchant ships in a naval environment and to understand wartime operations. As an example, the Naval Weapons Systems course includes a thorough examination of the problems posed by nuclear, air and subsurface threats to fleet and merchant shipping. One elective course, the Advanced Naval Science Seminar, is taught only to students who have elected to serve on active duty with the Navy. It is designed to better prepare the candidates for active naval service. Currently, 175 graduates of the U.S. Merchant Marine Academy are serving on active duty with the Navy in all ranks from ensign to rear admiral.

The proposed amendments will ensure that H.R. 5451 and the recently instituted MMR, USNR Program are in consonance. One important aspect of the new MMR, USNR Program is that an option is included which permits participants to volunteer for and, if accepted, serve on full-time active duty with the Navy for three consecutive years. Clearly, just as there is a need for merchant marine officers knowledgeable in naval operations, there is, similarly, a need within the Navy for naval officers familiar with operations within the maritime industry. This option provides for a means of establishing such a base. Other improvements to the naval reserve program are the requirement for two weeks of active duty for training annually and the provisions that each U.S. Merchant Marine Academy graduate sail on his license at sea for at least four months during each two consecutive anniversary years for a period of six years after being commissioned. The former requirement ensures at least two weeks exposure to active duty naval personnel and operations annually throughout the six year reserve commitment, while the latter ensures that the graduate will continue to sail in the merchant marine on his license. It may be noted that, while four months at sea over a two year period is a minimal requirement, it has the practical effect of keeping the graduate at sea, it permits participation in graduate study programs if desired, and it provides a certain amount of leeway to the individual if seagoing employment is difficult to obtain.

In summary, the proposed amendments support and reinforce the intent of H.R. 5451 and, if adopted, will materially assist in retaining highly talented and skilled merchant marine officers in the profession for which they were trained as well as improve the vital Navy-Merchant Marine relationship.

It is hoped that the foregoing satisfactorily responds to your request.

Sincerely,

HOWARD F. CASEY,
Acting Superintendent.

Mr. AuCOIN, Vice Admiral Scarborough, Vice Commandant of the U.S. Coast Guard.

STATEMENT OF VICE ADM. ROBERT H. SCARBOROUGH, VICE COMMANDANT, U.S. COAST GUARD, ACCOMPANIED BY COMDR. LEONARD ALCANTARA, CHIEF, MARITIME AND INTERNATIONAL LAW DIVISION; COMDR. SCOTT D. MCCOWAN, CHIEF, MANNING BRANCH, MERCHANT VESSEL PERSONNEL DIVISION.

Mr. AuCOIN, Welcome, Admiral Scarborough.

Admiral SCARBOROUGH: Thank you, Mr. Chairman.

I have with me here today on my left, Comdr. Leonard F. Alcantara, who is the Chief of our Maritime and International Law Division, and on my right, Comdr. Scott D. McCowan, who is Chief of the Manning Branch, Merchant Vessel Personnel Division, previously in the Office of Merchant Marine Safety.

I am Vice Adm. Robert H. Scarborough, Vice Commandant of the U.S. Coast Guard.

I am pleased to appear before you today to discuss H.R. 5451, a bill to provide for education and training in maritime subjects.

The Coast Guard has no overall objection to this bill; however, I appreciate this opportunity to express several of our concerns and recommendations pertaining to the following areas in the proposed legislation:

In section 1303 of the bill provides that candidates to the Academy shall not be entitled to any office or position in the U.S. merchant marine by reason of their graduation from the Academy.

I am assuming that the phrase "office or position in the U.S. merchant marine" means a Coast Guard license to sail as an officer in the merchant marine.

In my statement I propose more precise wording.

I suggest that the purpose of this section is best served by a simple requirement for the possession of a current valid certificate of inspection issued in accordance with regulations prescribed by the Secretary of the Department in which the Coast Guard is operating.

Sections 1303 and 1304 contain requirements for appointees to the Academy and students receiving Federal loans to remain in the Naval Reserve until the sixth anniversary of graduation. This effectively precludes them from participating in a Coast Guard Reserve Inactive commission program.

The Coast Guard Reserve does have occasion to acquire a small number of Maritime Academy graduates for commissioned service on inactive duty through interservice transfers from the Navy.

There is a desire to eliminate the associated administrative burden of such transfers by amending this legislation to allow for direct commissioning into the inactive Coast Guard Reserve.

Section 1304 lists conditions for the provision of training vessels to State maritime academies or colleges by the Secretary of Commerce. I strongly recommend that a specific requirement for Coast Guard inspection and certification be contained in this section. The wording of this requirement should be identical to that which I am recommending for vessels operated by civilian nautical schools.

Section 1308 also states that the provisions shall not apply to vessels of the Department of Commerce use by or in connection with civilian nautical schools. This removes in effect Coast Guard authority to inspect school ships furnished by the Maritime Administration. The exemption should be restricted to subsections (c), (d), (e), (f) and (g) of 1308 which all deal with inspection of nautical school vessels.

Mr. Chairman, as you have heard, the thrust of my testimony has been rather technical in nature but I trust the points I have covered will be of assistance to you and your committee in addressing the maritime education and training question.

I would be happy to answer any questions you may have.

Mr. AuCoin, Admiral, thank you very much for your statement, also for your suggestions, and we will consider them.

Let me lead off with a question having to do with information I requested from your service. For these hearings I asked through my staff for two different sets of statistics. One of them had to do with the statistics concerning pass-fail rates at various Maritime State Academies as well as the Federal Academy.

The other set of statistics I asked of your service was for a base period of 1974 to 1979 and in that base period I asked for the

number of graduates from the U.S. Merchant Marine Academy who took sea duty and stayed in such duty.

I was given the statistics for the first part of my question last night prior to these hearings. But I have not yet received an answer to the second part of my question. I want to stress my need for the sea-duty information, and trust that the Coast Guard will work with my staff to provide it as soon as possible.

Admiral SCARBOROUGH: All I can say, Mr. Chairman, is that I apologize. I was unaware until this morning that you had asked for that second category of information. The only defense I have is that I can agree that it is difficult to obtain.

We will, of course, have to furnish it to you not on a name-by-name basis but rather in terms of totals or by class or some other category that would protect the privacy.

Mr. AU COIN. Exactly. I don't want the names. The committee has no interest in invasion of privacy. The committee has an interest in knowing what the figures really are. We have an interest in knowing what the at-sea figures are; we have an interest in knowing what the duration of that at-sea experience is.

I think you understand completely the thrust of my inquiry.

Admiral SCARBOROUGH. I do, indeed, and I am sure it can be obtained from our records but will have to be massaged more or less individually because we don't have computers keyed to simply spit out this sort of information.

I can only apologize. It must have been a misunderstanding.

Mr. AU COIN. Your assurance the information will be provided to the subcommittee as rapidly as possible is an acceptable apology to me.

Admiral SCARBOROUGH. I certainly will. As far as the initial information, I do have that in front of me. I assume it is self-explanatory.

Mr. AU COIN. I have that as well and that information does deal with pass-fail rates at State academies and the Federal Academy and I think at this point I will, without objection, have that inserted in the record:

[The information follows:]

LICENSE EXAMINATION RESULTS

NOTES

1. Almost all academy graduates take the combined steam and motor examination. Therefore, these are the results presented in the attached tables.
2. The numbers shown are numbers of examinations taken not numbers of people. That is, a given person could be included more than once in a single year if he or she partially or totally failed the examination the first time.

THIRD ASSISTANT ENGINEER LICENSE EXAMINATION RESULTS, 1974-79

Source	Original steam and motor				Retest			Re-exam			
	Pass	Fail	Par- tial	Total	Pass	Fail	Total	Pass	Fail	Par- tial	Total
1974											
USMMA	38	37	12	87	11	1	12	25	19	3	41
Maine Maritime	14	63	5	82	3		3	6	16		22
Massachusetts Maritime	2	36	1	39				4	3		7
New York Maritime	33	20		53				12	8		20
Texas A. & M.	1			1							

THIRD ASSISTANT ENGINEER LICENSE EXAMINATION RESULTS, 1974-79—Continued

Source	Original exam and notes				Retest			Re-exam			
	Pass	Fail	Par tial	Total	Pass	Fail	Total	Pass	Fail	Par tial	Total
California Maritime	24	2		26							
Great Lakes Maritime											
Calhoun NEBA Engineering School	56	18	2	76	2		2	13	3	3	19
1975											
USMMA	85	5	15	105	14	1	15	5	2	1	8
Maine Maritime	18	39		57	2	1	3	28	9	5	42
Massachusetts Maritime	23	39	8	70	10		10	25	17	2	44
New York Maritime		6	1	7	2	1	3		7	9	16
Texas A. & M.											1
California Maritime	19		5	24	1		1				
Great Lakes Maritime											
Calhoun NEBA Engineering School	52	1	2	55							
1976											
USMMA	80		18	98	18	1	19			1	1
Maine Maritime	41	10	12	63	10	4	14	3			3
Massachusetts Maritime	43	7	18	68	17	6	23	5	4	7	16
New York Maritime	20	12	13	45	6	3	9	3	6	2	11
Texas A. & M.											
California Maritime	33	2	11	46	7		7		1		2
Great Lakes Maritime	3		2	5	1		1				
Calhoun NEBA Engineering School	66		2	68							
1977											
USMMA	52	2	56	110	37	11	48	3	1	3	7
Maine Maritime	16	2	48	66	38	6	44		1	3	4
Massachusetts Maritime	85	2	17	104	19	2	21	3			3
New York Maritime	8	13	34	55	6	18	24	4	2	1	4
Texas A. & M.	7			7							
California Maritime	1			1							
Great Lakes Maritime											
Calhoun NEBA Engineering School	43	1	30	74	4	2	6	1			1
1978											
USMMA	45	5	49	99	42	13	55	12	1	5	18
Maine Maritime	77		20	97	9	19	28			2	4
Massachusetts Maritime	96		16	112	6	3	9	11		2	13
New York Maritime	34	10	39	83	11	27	38	1	10	12	23
Texas A. & M.	1			1							
California Maritime	22		12	34	10	2	12	1	1		2
Great Lakes Maritime	17		1	18	1		1				
Calhoun NEBA Engineering School	59		14	73	8	1	9				
1979											
USMMA	108		10	118	10		10			1	
Maine Maritime	85	1	6	92		5	5				
Massachusetts Maritime	116		6	122		4	4	1			1
New York Maritime	78	2	23	103							
Texas A. & M.	8			8							
California Maritime	39		5	44		5	5	2			2
Great Lakes Maritime	7			7	1		1			1	1
Calhoun NEBA Engineering School	124		2	126		3	3				

Retest = Partial Failure Re-exam = Failure of entire test

1974 was the transition year from essay exams to multiple choice. Those individuals not satisfactorily completing the original exam had the option of taking an essay exam rewrite. Essay results are not available for 1974.

In 1977, California Maritime underwent transition from a 3-year to a 4-year program. For this reason only 1 individual from California took the 3d Assistant Engineer Exam that year.

Mr. AUCOIN. Admiral, how many Kings Point graduates are currently on active duty with the Coast Guard?

Admiral SCARBOROUGH. I believe in the year 1978, which is the last full year, we had 56 Merchant Marine Academy graduates.

Mr. AUCOIN. That is the Federal Academy?

Admiral SCARBOROUGH. No, sir. That would only be the U.S. Merchant Marine Academy figure.

Mr. AUCOIN. That is the Federal Academy?

Admiral SCARBOROUGH. Yes, sir.

Mr. AUCOIN. How many State academy graduates?

Admiral SCARBOROUGH. I understand that involved in the merchant marine safety and ports and waterway safety programs, our two programs most nearly related to merchant marine activities, we have about 76 from the combined State institutions, 49 from the Merchant Marine Academy in these particular programs, which would obviously contain the bulk of those from the Merchant Marine Academy, for a total of about 125.

Mr. AUCOIN. What I am asking here is how many active duty personnel you have in the Coast Guard who come from State academies as opposed to the U.S. Merchant Marine Academy.

Admiral SCARBOROUGH. I don't have the exact figure. I can furnish that for the record. I have it broken down in two different ways at the present time. Most of the graduates of both Kings Point and the State academies are involved in these 2 programs that I mentioned and that total in those 2 programs is 125 plus an additional 30 officers from other sources that I don't have identified but quite probably could include some such graduates.

We can research our records and furnish you for the record the precise figures by exact source in any way that you desire but it will take hand massaging of our records.

The approximate figure in total would be on the order of 165 to 175 officers currently on active duty in all Coast Guard programs.

Mr. AUCOIN. In all programs?

Admiral SCARBOROUGH. Yes, sir.

Mr. AUCOIN. Does that include your merchant marine safety and ports and waterways?

Admiral SCARBOROUGH. It would.

Mr. AUCOIN. If you would provide that information, Admiral, I would appreciate it.

[Refer to questions 30 and 31 submitted in writing by Mr. AuCoin on page 122.]

Mr. AUCOIN. As you know, the Maritime Administration has recommended that section 1302 of the bill be amended by the addition of the defined term "merchant marine officer" to read as follows: "Any master, mate, pilot, engineer, radio officer or operator licensed by the U.S. Coast Guard, to serve aboard merchant vessels of over 100 gross tons."

My question to you: Does the Coast Guard have any problems with that definition?

Admiral SCARBOROUGH. Mr. Chairman, our only problem would be including the word "operator" in that. I think, in our traditional interpretation of the word, we use the word "operator" in a different sense when we are issuing documents or licenses. We would generally not include that term as being a "merchant marine officer."

As far as being a master, mate, pilot or engineer or radio officer, these are terms that I believe we traditionally would consider as being "Merchant Marine officers."

Mr. AUCOIN. Does the inclusion of the term "operator" cause you some specific problem?

Admiral SCARBOROUGH. It is largely semantic, but we do issue a license that is called a motorboat operator's license. I will admit here to some extent we have a contradiction in our own terminology in that usually a license is issued to an officer, a licensed officer, there being an exemption where we listed it for motorboat operators carrying passengers for hire.

It perhaps is a legally semantic question and I am sure if you desire to word it in any way, we could accommodate it.

Mr. AUCOIN. As you know, the State maritime academies generally use training ships for their at sea training. What is the responsibility of the Coast Guard with respect to those training ships?

Admiral SCARBOROUGH. We provide regular annual material inspections for the ships, and similar matters, for certificate of inspection for operating the ship.

Mr. AUCOIN. In those inspections, what standards are applied by the Coast Guard to judge whether a vessel is seaworthy?

Admiral SCARBOROUGH. We apply the standard requirements that we would apply to passenger ships of the same category, modified somewhat. I am certain.

Mr. AUCOIN. U.S. cargo vessels?

Admiral SCARBOROUGH. U.S. flag passenger vessels; yes, sir.

If I may go back to your previous question, sir, if you do include the language recommended by MarAd to include operator in the phrase "Merchant Marine officer" it would probably be helpful to us in other areas in the future to specify that the definition applies only for the purpose of this act.

Mr. AUCOIN. Coming back to the last question I asked you, the standards that you apply are similar to those of U.S. flag passenger vessels. Are those the same standards you apply to your own training vessels?

Admiral SCARBOROUGH. Mr. Chairman, you obviously are on a very sensitive point with us. We do not inspect our own ships using the same people or the same procedures which we use to inspect merchant vessels or training vessels or vessels belonging to other government agencies which we handle through our merchant marine inspection program.

I say it is sensitive to us. I am sure you are aware we did lose a training vessel this year with loss of life.

This has been thoroughly investigated and remedial action is in progress.

A simple answer to your question is no, we do not inspect our own training vessels by the same standards and have not traditionally done so and will not do so in the future for a variety of very practical reasons. We will attempt to make them safe by other means.

The basic reason, therefore, is that they are not designed by merchant vessel standards. They are not compatible with merchant vessels, whereas, the training vessels generally used by the State maritime academies, by private training organizations are compatible or were constructed under laws relating to marine inspection and this sort of thing.

Mr. AUCOIN. Admiral, I am a little bit at a loss to understand why that is such a major distinction in the application of the standards when you are dealing with training of midshipmen in one case and the training of your own personnel in another.

I think that strikes me as a very academic distinction.

Admiral SCARBOROUGH. Yes, sir; I can see how it might be difficult to understand.

Mr. AUCOIN. Is it difficult for you to understand?

Admiral SCARBOROUGH. No, sir; not at all. The net result is, yes, we are both training people.

Mr. AUCOIN. You think it would be difficult for the State academies to understand?

Admiral SCARBOROUGH. I don't think so; no, sir. You will have to ask them.

Mr. AUCOIN. I intend to.

Admiral SCARBOROUGH. But I wouldn't think it would be difficult, because we don't inspect Navy ships. Our ships relate more to Navy ships than they do to the commercial type hulls that are used by the State maritime academies. That is the difference. The difference is in the way the ship is brought along. To some extent we have traditionally inspected at the request of other government agencies ships that are not normally subject to inspection because they ask us to do it as a service to them.

I am thinking now about the Military Sealift Command ships, Army transport ships, this sort of thing. We provide a service for them because the hulls are similar to the merchant vessel hulls for which we have an expertise and a responsibility both in the construction, setting safety standards, and inspection in accordance with international standards.

There are no international standards per se for military vessel construction. There are naval engineering and naval architectural principles which are followed and built in.

For example, our primary training vessel is a sailing ship that was built in Germany and Adolph Hitler was present at the commissioning—the Coast Guard training barque *Eagle*. To attempt to apply commercial vessel standards to that ship at this point would be inappropriate. We do try to install good safety practices and procedures.

Mr. AUCOIN. Are you applying U.S.-flag vessel standards as opposed to cargo vessel standards to the training ships of the State academies?

Admiral SCARBOROUGH. Yes, sir; because I think essentially in the early stages they are considered along that line. They are carrying large numbers of people, much larger numbers than they would have normally carried in the service for which they are designed if originally designed as a cargo ship.

Mr. AUCOIN. Admiral, I think we will visit at greater length about this. I completely fail to understand the distinction.

Admiral SCARBOROUGH. Let me try it a different way.

Mr. AUCOIN. Let it go at that because there are people waiting to testify. Let it rest with the observation of the Chair that I am just not satisfied with that response or that distinction.

With regard to the Coast Guard licensing examination for deck and engineering officers in the U.S.-flag merchant marine, who has

the responsibility for preparing those examinations? Where is that within your service?

Admiral SCARBOROUGH. Within our organization it is done out at our Coast Guard Institute at Oklahoma City.

Mr. AUCOIN. What are the criteria that you use in formulating the questions asked on the examination? This is a whole subject of examination itself that came up as an issue at our hearings earlier today.

Admiral SCARBOROUGH. They are based on the published requirements for the document being issued.

Mr. AUCOIN. How often have you had a change of form of the examination?

Admiral SCARBOROUGH. Of the licensed exams? If I understand your question correctly, I think you are asking when we shifted from essay type to objective-subjective to objective.

Mr. AUCOIN. Yes.

Admiral SCARBOROUGH. Basically, it has been one time in the whole history with the possible exception of one time they shifted from completely oral interview type exams which when I started the business were given to the unlicensed people from an essay type to an objective or multiple choice type exam and that occurred in the early seventies.

Mr. AUCOIN. Can the Coast Guard account for the training failure rate of U.S. Merchant Marine Academy midshipmen in 1974 when you made the change, as opposed to State academy midshipmen who were tested at the same time?

Admiral SCARBOROUGH. The system was new and quite frankly, I can't explain the difference between Kings Point and the other schools if indeed there was one.

Mr. AUCOIN. Was there a difference?

Admiral SCARBOROUGH. I don't have it in those terms right here. I have a 5-year period here which doesn't show what your question implies, that suddenly in 1974 there were a larger number of failures at Kings Point proportionately than there were at the other schools—if that is what I understand your question to be.

These figures I have are for a 5-year period, 1974 to 1979.

I can understand why perhaps the failure rate increased when we shifted the general type of examination. I think it is common knowledge in the industry and perhaps in any other professional examination that there are people who help prepare people for examinations based on experience of typical types of questions, sample questions and so forth.

I think this is probably true in the CPA exams, State bar exams, medical exams and so forth. When you change completely the type of question, the cramming, if you will, for those exams changes form and content. So I think that probably explains it. If there was a difference in Kings Point and the State maritime academies, I can't explain it except perhaps it could be—and I am hypothesizing—at one school or the other the instructors or the system or cadets anticipated a change and concentrated their studies in a little different format or perhaps rehearsed people in taking multiple choice exams.

I can remember many years ago in a civilian college I happened to have a friend who was a psychology professor who tested exams

and he asked me to take his exams and thereafter I could traditionally do better on a multiple choice exam than my own knowledge of the subject indicated because I knew how exams were structured and knew what to look for.

It has been a little thing that has helped me through the years. Mr. AU COIN. Thank you for your testimony. I have some additional questions which I will submit to you and I will appreciate your responding in writing for the record.

Admiral SCARBOROUGH. I would be happy to do so.
[The information follows:]

DEPARTMENT OF TRANSPORTATION,
U.S. COAST GUARD,
Washington, D.C., March 11, 1980.

HON. LES AU COIN,
Chairman, Ad Hoc Select Committee on Maritime Education and Training, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: In response to your letter of 18 December 1979, I am forwarding responses to your questions concerning HR 5451, the Maritime Education and Training Act of 1979.

I hope this information is responsive to your needs.

Sincerely,

J. M. FOURNIER,
Captain, U.S. Coast Guard,
Chief, Congressional Affairs Staff.

Enclosure.

Question 1. On the first page of your testimony, you say that the Coast Guard has no overall objection to the bill. That's rather a negative statement. Subject to your proposed amendments, do you generally favor the legislation? Why?

Answer. Yes, the Coast Guard does favor the legislation. In particular we find that the general tone of the bill clearly emphasizes the maritime professional aspects of the institutions rather than the academic consideration. With regard to our proposed amendments, these are technical in nature and could be subject to discussion by a meeting of the Committee staff and Coast Guard representatives.

Question 2. As you know, on August 10, 1979, the President transmitted to the Senate the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers, with Annex, 1978, done at London, July 7, 1978.

What role did the Coast Guard play in the formulation of the Convention?

Answer. The Coast Guard was an active participant in the subcommittee established by the Intergovernmental Maritime Consultative Organization (IMCO) in 1971. Its objective was to develop standards to improve the training and strengthen the professional qualifications of seafarers as a means to enhance safety at sea and protection of the marine environment. Members of the Coast Guard headed the U.S. Delegations to the preparatory meetings and to the 1978 Conference. Support for developing the U.S. positions was obtained through national working group meetings with the U.S. Maritime Administration, the Federal Communications Commission, labor unions and the maritime industry. The U.S. delegations also were composed of representatives from those segments of the government and the private sector.

Question 3. What role will the Coast Guard play in the implementation of the Convention?

Answer. The Coast Guard, as the licensing authority of the government, will implement the specific provisions of the Convention when it enters into force by publishing proposed rules in accordance with the appropriate administrative procedure. In preparation, the Coast Guard will review its present requirements to ascertain the need for changes in light of the international standards. Any such changes will be worked out in consultation with all affected interests.

Question 4. What is the current status of the Convention?

Answer. At present, the Convention has a long way to go before it enters into force. During the open period for signature, (12/1/78 to 11/30/79) representatives of nineteen countries have signed the convention on behalf of their governments. Only one of these signatures is not subject to ratification, acceptance or approval.

* A list of countries that have ratified the convention has been placed in the subcommittee files.

Twenty-five states, with not less than fifty percent of the gross tonnage of the world's merchant shipping, must ratify, accept, approve or accede in order for the Convention to enter into force. The IMCO organization is undertaking a strong effort to encourage States to deposit the necessary instruments.

The Convention was signed, subject to ratification, by Rear Admiral Henry H. Bell, U.S. Coast Guard on behalf of the United States on 25 January 1979.

Question 5. What effect will the Convention have on the training provided by the U.S. Merchant Marine Academy?

Answer. Regulation II/4 of the Convention will require that a training course for a license as Third Mate must include 12 months sea service training. The U.S. Merchant Marine Academy will be affected by this requirement in that at the present time the 12 months sea service training provided for its cadets, in the last half of the second and third years, can be shortened a few weeks due to travel time to and from available ships, unscheduled changes in the ships' voyages, or cadet illness during these periods.

Question 6. What effect will the Convention have on the training provided by the state maritime academies? If there is a difference among academies, please specify.

Answer. The 12 months sea service training requirement of Regulation II/4 of the Convention will also affect the Third Mate training programs at all of the state maritime academies in that the state maritime academies presently provide only 6 months sea service training for their cadets.

Question 7. What effect will the Convention have on the training provided by maritime union schools?

Answer. The Convention will have no effect on the training provided by the maritime union schools.

Question 8. Will the Convention require a substantial revision of the Curriculum offered by any or all of these schools?

Answer. The Convention will not require a substantial revision of the curriculum offered by any of these schools. Only minor changes in certain subject areas will be needed to comply with the provisions of the Convention.

Question 9. Does the Coast Guard believe that the United States should ratify the Convention with the least disruption to existing training programs, or should existing training programs be modified to accommodate the Convention? Why?

Answer. The Coast Guard believes that the United States should ratify the Convention. Whether, or to what extent this action will disrupt existing training programs is subject to further evaluation. The principal divergence from existing training programs are in the length of sea service included in the training courses as indicated above. However, the Convention contains provisions which allow Administrations latitude to introduce other educational and training arrangements, provided these ensure a degree of safety and pollution prevention effect equivalent to the convention requirements.

Question 10. In either event, what initiatives is the Coast Guard taking with the federal, state, and union schools to carry out its conclusions in this regard?

Answer. The Coast Guard has consulted with the Maritime Administration and the affected maritime academies and will review any newly developed educational and training arrangements which may be substituted for all or part of the required additional sea time. We are aware of proposals for bridge simulator training and proposals for a structured training program which includes service aboard small training vessels. We anticipate that these, and others not yet developed, will be approved well in advance of any date the Convention will be fully applied.

Question 11. In the event the Coast Guard believes that existing training programs should be modified to accommodate the Convention, why are such programs currently deficient, and why hasn't the Coast Guard done something about it before?

Answer. The Coast Guard considers that the existing training programs at the U.S. Merchant Marine Academy and the state maritime academies are basically satisfactory. The Coast Guard has assigned a Coast Guard liaison officer to the Maritime Administration whose duties include working with the Maritime Administration toward improving the training provided at the U.S. Merchant Marine Academy and the state maritime academies. Even though our existing training programs need to be modified to comply with the provisions of the Convention, most other countries do not have the minimum standards as presently provided by our maritime academies. The practical aspects of existing training programs have lagged behind the ship technology that has produced larger ships and more congestion in coastal waters and harbor approaches. This became evident in the rash of tanker accidents in U.S. waters during the winter of 1976-77. In the U.S. initiatives of March 1977, President Carter called for improved standards for training and qualification of seafarers. This was considered to be one of the global problems which

required international solution. Coast Guard, and U.S. Maritime Administration efforts were directed toward such agreement. The Convention requirements are the result of negotiation with the traditional maritime nations.

Question 12. How serious does the Coast Guard perceive the training problems generated by the Convention to be? Will they require minor modifications to existing training programs, or a complete restructuring of the federal role in maritime education and training?

Answer. The Coast Guard believes that adjustments to existing training programs can be achieved without a complete restructuring of the federal role in maritime education and training. As indicated above, some adjustment is necessary to provide additional sea time either before, during, or after the academic calendar or develop such training equipment or aids which gives equivalent experience.

Question 13. What are the recommendations of the Coast Guard as to how these minor modifications or major changes to existing training programs should be implemented. Would legislation be required? If so, is the Coast Guard in a position to submit draft language for the consideration of the Committee?

Answer. The Coast Guard believes that with the cooperation of the U.S. Maritime Administration and the state maritime academies an accommodation can be reached which will meet the intent of the Convention with respect to providing properly trained and qualified seafarers. The dual provisions of the Convention, i.e., the "equivalent" and the five year "transitional" period after the entry into force, will permit orderly accomplishment without undue impact. Additional legislation is not necessary for these purposes.

Question 14. On page 2 of your statement, you recommend that the wording of Section 1303(d) and Section 1304(d)(1)(c) be changed to require passing a satisfactory examination for the highest level merchant marine officer's license for which the applicant is qualified. Why should such language preclude application for a more restricted license? What is the problem that you are attempting to avoid?

Answer. The present wording of the two referenced Sections requires passage prior to graduation from such academy or college of the examination for an entry-level merchant marine officer's license. Unless an "entry-level merchant marine officer's license" is defined (which it is not) this wording is considered to be loose and posing a potential for mischief. For instance, a cadet could technically comply with the provisions of the bill by electing to be examined for a lesser limited license rather than the unlimited license for which he was trained. One suggested reason for this election may be to stay close to home and avoid prolonged absences from a family during the pay back period proposed by this bill. Should this be successful and large numbers of cadets take this apparent loophole, U.S. taxpayers would not be getting full value from their tax dollar. The loophole could also have an adverse effect on the manning of ships on international voyages as well as a deleterious effect on the U.S. Navy/Coast Guard Programs. If we are training for, paying for, and expecting 3rd mate and 3rd assistant engineer unlimited licensed merchant marine officers, from these academies, it is suggested that we so state in this bill or at least in its legislative history remove any doubt.

Question 15. On the top of page 2 of your statement, you would appear to propose an amendment to Section 1303(d)(1)(B) and Section 1303(d)(2). If this is correct, would you be more precise, and furnish specific language with respect to each subsection.

Answer. The Coast Guard recommends that Section 1303(d)(1)(B) be changed to: "(B) A candidate nominated by the Governor of American Samoa shall not be denied admission by reason of his being a national but not a citizen of the United States. A candidate so appointed does not thereby become a citizen of the United States" for the purposes of qualification for a license issued under Title 52 of the Revised Statutes of the United States or Acts supplementary thereto. "and Section 1303(d)(2) page 5, line 17-20, be changed to: "...ed from the United States but such a person does not thereby become a citizen of the United States for the purpose of qualification for a license issued under Title 52 of the Revised Statutes or Acts supplementary thereto."

Question 16. Please briefly describe the Coast Guard Reserve. How many people are now enrolled in it?

Answer. The Coast Guard Reserve's primary mission is the maintenance of a trained manpower to augment the regular forces in peacetime, in domestic emergencies, and in wartime. All program management efforts are directed toward enhancing the ability of the Reserve forces quickly and competently supplement the regular Coast Guard forces in these instances. Mobilization plans, for tasks assigned by the Department of the Navy, establish wartime personnel requirements across a wide spectrum of mission areas. Present plans call for utilization of early response Reserve personnel in the following mission areas: 74 percent port security, 17

percent staff support, 5 percent vessel augmentation, 3 percent search and rescue and 1 percent merchant vessel safety. Augmentation training, peacetime support of regular service activities, is the principal mobilization training mode for our reservists.

The table below lists the personnel strength for each category of the Coast Guard Reserve as of 31 October 1979:

Selected Reserve (drill-pay status).....	11,717
Individual Ready Reserve (non-drill).....	8,072
Standby Reserve (non-drill).....	858
Retired Reserve.....	2,263
Extended Active Duty.....	911
Total	23,821

Question 17: You go on to say: "There is a desire to eliminate the associated administrative burden of such transfers by amending this legislation to allow for direct commissioning into the inactive Coast Guard Reserve." Please furnish specific language that would amend the bill in the way you want, and a concise written rationale in support of it.

Answer. The Coast Guard recommends that Section 1303(f) be changed to: "Citizens of the United States appointed to the Academy may be appointed by the Secretary of the Navy as Reserve Midshipmen in the United States Navy, and as Reserve officers in the United States Navy or the United States Coast Guard upon graduation from the Academy." Likewise, change Section 1303(h)(1)(C) line 21 "States Naval Reserve and remain therein until the . . ." Section 1303(h)(1)(D)(iii) page 8, line 15, " . . . law, in lieu of the Naval Reserve or Coast Guard Reserve obligation set . . ." and Section 1304(e) line 8 " . . . sioned as Reserve ensigns in the United States Navy or the United States Coast Guard, upon . . ."

Presently, maritime graduates can transfer to the Coast Guard Reserve after entering the Naval Reserve. The suggested amendments would eliminate the administrative burden of joining the Naval Reserve and then obtaining an inter-service transfer for those desiring to enter the Coast Guard Reserve.

Question 18: I think the final page of your statement leaves a little to be desired. In plain English, what are you trying to say here?

Answer. Section 1308 greatly alters the present statutes (46 U.S.C. 1331-1334) dealing with the "civilian-nautical schools" and the inspection of their vessels. Subsection (e) requires that some undesignated agency or person determine that all of the requirements of this Section have been complied with prior to the issuance of a Certificate of Inspection to the vessel. The Coast Guard's only duty under the present statutory arrangement is to inspect and approve the vessel. I believe this is a proper arrangement, and precludes potential interagency jurisdictional problems. Moreover, Subsection (h) removes any civilian nautical school utilizing a Coast Guard, Navy, or Department of Commerce owned vessel from jurisdiction of either the Secretary of Commerce or the Secretary of Transportation (Coast Guard.) I am sure this is unintended.

Question 19: With respect to the Coast Guard licensing examination for deck and engineering officers in the U.S.-flag merchant marine:

Who has the responsibility for preparing the license examinations for deck and engineering officers in the U.S.-flag merchant marine?

Answer. The examinations are prepared, distributed and scored by the officers attached to the Merchant Vessel Personnel Division at the U.S. Coast Guard Institute. The majority of these Coast Guard officers themselves hold merchant marine licenses. They also have appropriate civilian support personnel including educational specialists.

Question 20: What criteria are used in formulating the questions asked in the examinations?

Answer. The examinations of all licensed officers take into consideration the specific duties, experience and overall responsibility of each licensed position or capacity. The subjects for each deck officer license are outlined in 46 CFR 10.05-45(b) and subjects for each engineer license are outlined in 46 CFR 10.10-4(b).

The officers assigned to the licensing functions whenever time permits, make short seagoing voyages as observers aboard the various types of U.S.-flag merchant vessels.

Question 21: Do these criteria include recognition of rapidly changing technology in the maritime industry? For example, if an applicant passed the examination for third mate, would the Coast Guard consider him qualified to serve as third mate on a passenger vessel? If not, what additional training would be required by the Coast Guard?

Answer. The examinations for all grades of licenses are under continual review and new questions are added to the bank of questions for each examination on a daily basis. This review and addition of questions takes into consideration the modernization of the entire marine industry, including new types of vessels, cargo handling, machinery and electronic navigation equipment and methods. Textbooks from which any material is extracted are those which are published in the United States and can be readily obtained or purchased by a licensee applicant.

When a third mate completes and passes the license examination he is considered qualified to serve in that capacity on steam and motor vessels of any gross tons upon oceans. He is considered qualified to serve in that capacity on any vessel, including passenger vessels.

Question 22. What curriculum guidance, if any, does the Coast Guard provide the various training institutions for third mate and third assistant engineer with respect to the technical competence required in those areas deemed essential by the Coast Guard in order to qualify?

Answer. The officers assigned to the preparation of the examinations frequently visit the various maritime educational institutions to obtain the faculty viewpoint on examination content. The officer has in his possession sample blocks of questions of the type found in the examination. These questions are examined with the faculty to determine the validity in relation to a particular subject.

The Coast Guard also publishes Specimen Examination for merchant marine officers, both deck and engineering. These booklets contain examination specifications, sample questions and general information. This publication also contains the study bibliography for license candidates.

The Coast Guard also publishes monthly the "Proceeding of the Marine Safety Council" in which appear sample questions both deck and engineering and on occasion articles on the license and examination process.

Question 23. As you know, the State Maritime Academies generally use training ships for at-sea training. What is the responsibility of the Coast Guard with respect to these training ships?

Answer. These training ships are currently inspected by the Coast Guard, and issued Certificates of Inspection under the authority of 46 U.S.C. 363; and are required to be manned and operated in accordance with Coast Guard regulations.

Question 24. With respect to vessel inspection, what standards are applied by the Coast Guard to determine if the vessel is seaworthy? Are they the same as applied for U.S. flag passenger vessels? Should they be unique to training vessels?

Answer. The standards applied by the Coast Guard are contained in 46 CFR Part 167—Public Nautical School Ships. The school ship regulations are not the same as those applied to U.S. flag passenger vessels, though the passenger vessel standards are used as a basis. The Coast Guard believes that the regulations must be unique to recognize the unusual character and missions of these vessels. The passenger vessel standards contemplate a great degree of safety designed to protect a person having no knowledge of the sea, while the cargo vessels standards are designed to provide a professional seafarer with a reasonable degree of safety. Blending these two standards yields a degree of safety which recognizes the capabilities of the persons manning the school ships.

Question 25. What responsibility, if any, does the Coast Guard have in determining whether the design of a vessel is suitable for use as a training ship?

Answer. In accordance with 46 CFR 167.15-15, the owner or agent of a new nautical school ship or of a vessel intended to be converted to a nautical school ship must make application to the Coast Guard for the approval of contract plans and specifications. Before a vessel may be used as a nautical school ship, it must be inspected by the Coast Guard to determine that the hull, boilers, machinery, equipment, and safety appliances comply with appropriate regulations. The suitability of a vessel to serve as a training ship, as distinct from safety, is a matter subject to determination by the Maritime Administration and/or the individual school. The Coast Guard will, and has, provided advice on the question of suitability upon request. The Coast Guard liaison officer assigned to the Maritime Administration provides assistance in these determinations.

Question 26. What responsibility, if any, does the Coast Guard have concerning the at-sea training actually received by students on training ships? How is this training monitored?

Answer. The Coast Guard has at-sea experience requirements as a prerequisite to obtaining a license to sail as an officer in merchant marine. There are no particular responsibilities on the part of the Coast Guard concerning the actual content of at-sea training. The time spent in the at-sea training periods are not curricular specific. This period is primarily to expose the cadets to the marine environment with qualified instructors assisting in the overall program.

Question 27. As you know, the Maritime Administration has recommended that Section 1302 of the bill be amended by the addition of the defined term "Merchant Marine Officer" means any master, mate, pilot, engineer, radio officer, or operator licensed by the U.S. Coast Guard to serve aboard merchant vessels of over 100 gross tons;

Does the Coast Guard have any problems with this definition?

Answer. Only to the extent that the Coast Guard does not consider an "operator" to be a "Merchant Marine Officer" in the sense of a master, mate, pilot, engineer, or radio officer. This is not meant to demean the status of the operator, but to reflect the unique statutory treatment for an "operator" under RS 4427 (46 U.S.C. 405) as opposed to licensed officers.

Question 28. Could it be improved upon in any way?

Answer. Placing the definition in Section 1302 as subsection (5) will be satisfactory as the entire section is limited to "the purpose of this title."

Question 29. If a cadet at the Coast Guard Academy leaves prior to graduation, what actual duty obligations does he or she incur?

Answer. According to a recent policy change, Coast Guard Academy cadets do not incur any active duty obligation until after he or she has completed final examinations at the end of the First Class year. If a cadet declines a commission after completion of all academic requirements he or she shall be transferred to the Coast Guard Reserve as a QM2 with a four year active duty obligation.

Question 30. How many Kings Point graduates are currently on active duty in the Coast Guard?

Answer. There are fifty-five graduates from Kings Point on active duty in the Coast Guard.

Question 31. How many state academy graduates are currently on active duty in the Coast Guard?

Answer. There are eighty-two graduates from state academies currently on active duty in the Coast Guard.

Question 32. How many federal and state academy graduates serve in your merchant marine safety and ports and waterways programs?

Answer. There are one hundred thirty-two federal and state graduates in the merchant marine safety and ports and waterways programs.

Question 33. In what other Coast Guard programs do maritime academy graduates serve?

Answer. Maritime Academy graduates serve in any Coast Guard program for which they have or acquire the necessary qualifications. Presently there are maritime graduates serving in almost all programs, line and staff, throughout the Coast Guard.

Question 34. How well qualified are maritime academy graduates for Coast Guard service?

Answer. Maritime Academy graduates, in general, are very well qualified for Coast Guard service and particularly well suited for duty in the Commercial Vessel Safety Program, by virtue of their specific background.

Mr. AuCOIN. I would appreciate it if you would take another look at your standards on training vessels.

Admiral SCARBOROUGH. Thank you very much.

Mr. AuCOIN. I would like to call Admiral Kinney of the New York State Academy.

Admiral, I would like to ask you to summarize your testimony in the interest of time.

**STATEMENT OF REAR ADM. S. H. KINNEY, USN (RETIRED),
PRESIDENT, STATE UNIVERSITY OF NEW YORK MARITIME
COLLEGE, FORT SCHUYLER, BRONX, N.Y.**

Admiral KINNEY. Mr. Chairman, I will be pleased to do so. Thank you for letting us appear.

Your committee has the full testimony and I will be very glad to just point out those items of particular concern to the State University Maritime College at Fort Schuyler.

Mr. AuCOIN. Your full testimony will appear in its complete form in the record.

[The information follows:]

PREPARED STATEMENT OF REAR ADM. S. H. KINNEY, PRESIDENT OF THE STATE
UNIVERSITY OF NEW YORK MARITIME COLLEGE

Mr. Chairman and members of the subcommittee, I am Sheldon Kinney, President of the Maritime College of the State University of New York, located at Fort Schuyler, where the East River joins Long Island Sound. The State University appreciates the opportunity to appear before your Committee to testify on H.R. 5451.

The Maritime College is dedicated to the preparation of Cadets to serve in the Merchant Marine and the Maritime Industry. We are here today to testify because the Bill in its present form impacts both favorably and, unfortunately, unfavorably on the United States Maritime Services Cadets who are our students, and on the taxpayers of the State of New York who provide the great majority of the funds to educate these students.

New York has a long tradition of educating for this profession. One hundred and five years ago, the first formal schooling to prepare personnel for competence in the Merchant Marine had its inception with our school, when the Congress and New York initiated this joint venture with the Act of 20 June 1874, "to encourage the establishment of Public Marine Schools." That Act remains a Federal Statute, but would be repealed by the legislation you are now considering.

With your permission, Mr. Chairman, I will identify the specific provisions of the Bill which we believe merit comment.

Sec. 1301 (page 2, line 8)—Policy . . . to assure that NROTC programs for training future naval officers . . ." (emphasis added).

This proposed policy speaks to a particular naval officer procurement program which has its own selection process and schedule of payments to or in behalf of the participant. Nowhere in the proposed legislation is there a statement of policy which confirms and continues the previously stated intent of the Congress that the Federal government be a party to encouragement in various ways of the education and training of Merchant Marine officers.

The several State schools now operate under former policies of the Congress that encourage those interested to establish and maintain specialized maritime colleges or academies, with special support from the Federal government. Indeed, after enabling legislation in this spirit, the naval sloop ST. MARY'S reported to New York in 1874 to establish this first "schoolship" program. The ship was federally manned and U.S. Naval personnel conducted the educational program. That schoolship today is the Maritime College, a specialized College of the State University of New York.

Fort Schuyler, as we are usually called, has a specific mission: to educate and train its students for service in the U.S. Merchant Marine and the American Maritime Industry. This is a clear New York State response to a Congressional policy and a perceived need. The College has an NROTC program and hosts an assigned officer contingent "for training future naval officers." We are proud of our NROTC, and graduates do well in the Navy. But this training is not our primary purpose. It is a significant oversight, in our opinion, not to enunciate clearly the policy of the Congress with respect to "Maritime Education and Training" (Title XIII) of Merchant Marine officers, and, under that policy, to delineate specifics that will encourage the several states that support academies to continue their tradition of cooperation.

For completeness, I must add that a concurrent program element in the Merchant Marine officer sequence is qualification for a naval reserve (inactive) officer commission. In fact, the Federal and State schools are the primary source of college-level educated Merchant Marine officers holding reserve officer commissions. It is of mutual benefit to the U.S. Navy and the private Merchant Marine that some of these Federal and State graduates volunteer for active service in the Navy, and numbers have served and are serving with distinction in every rank from Ensign to Olig Grade. Equally important, those commissioned but not on active duty are well-qualified to also serve when the nation faces an emergency.

Sec. 1302—Definitions.

No comment.

Sec. 1303—Maintain a Federal Academy.

We do not support the enlargement of the enablements proposed that would authorize the intrusion of the Federal Academy into expanded areas of purpose.

For example, in paragraph (b) expenditures are authorized for instructional purposes "in shipyards, (industrial) plants, and industrial and educational organizations." Under similar omnibus authority, the Naval Academy could educate and train shipyard managers and defense contractors; the Air Force Academy could educate and train the aerospace leaders who might be needed in emergency or for

current defense contractors; and the Military Academy could educate and train for all civil engineer and municipal city engineer positions. We do not believe that this authorization is consistent with the purpose stated in paragraph (a), and is, instead, an inappropriate expansion of the mission of a Federal school in preparation for private industry.

Sec. 1304 (page 11, line 3)—“policy . . . to promote . . . Sec. 1301 . . .” “by assisting and cooperating with any states or territories in the operation and maintenance of maritime academies or colleges for the training of merchant marine officers.”

This statement of policy to assist and cooperate with states for *Merchant Marine officer* schools is to promote the national policy of the proposed Sec. 1301. This seems an inversion of the proper priorities for maritime schools. Sec. 1301 relates to NROTC training of naval officers which is to be promoted by a Sec. 1304 policy for assistance in training *Merchant Marine* officers.

(Page 12, line 1) authorizes that a training ship be equipped (including . . . instruments of navigation), while page 12, line 17 allows loan of “any vessel (including equipment)” —and so line (3) should include “instruments and equipment).”

(Page 12, line 21)—“(3) The Secretary may pay additional amounts to assist in paying for the cost of fuel oil consumed during training cruises.”

We would hope that continuing this existing authority would lead to actual appropriation and financial assistance as clearly intended. The authorizing legislation to assist has so far led to increasing burdens on the states and scarce evidence of a determination to effect the will of Congress. One might suggest that the Governors of the assisted states be invited annually to report their taxpayers' contribution for fuel oil consumed during training cruises, and the amount received in accordance with this paragraph, and that the appropriate administration of the Secretary report over the Secretary's signature his five-year planned level of support. To date the support has been zero.

(Page 12, line 24)—(4) authorizes the Secretary to provide for training on ships.

This paragraph should include authorization for reimbursement of travel expenses while traveling as a Cadet under orders, the same as page 7, lines 6-7.

(Page 13, line 3) enables the Secretary to enter into agreements for State schools, and authorizes payments “to be used for the maintenance and support” of the schools, and “shall be equal to the amount furnished . . . by the State . . .” —except that the payment shall not exceed \$100,000.

It would seem, to read these words, that someone thinks \$100,000 might be commensurate with the extra state costs for operating a maritime school. It would be more, appropriate to remove the brave words or to increase the \$100,000 to perhaps \$100,000,000.

What does \$100,000 of aid offset?

Fort Schuyler would perhaps be required to enroll 300 out-of-state students (page 15, line 2). The out-of-state tuition differential of \$600 per year (*not collected*) would mean that the state was contributing \$180,000 of tuition differential only partially offset by \$100,000 grant.

The minimum permanent crew and minimum augmented crew for training cruises cannot be hired for \$100,000.

The fuel oil consumed during the training cruise costs more than \$100,000.

The cost of as few as four full-time professionals to coordinate and teach license preparation, for example, two licensed engine and tow licensed deck officers, would require at least a \$100,000 budget line.

And so it goes: The \$100,000 limit is not realistic compared to the state contribution for the particular expense attributed to this specialized education. The State of New York appropriates about \$5½ million annually for this, or on the ratio of 55 to 1 to the Federal government. This is not a partnership, the limitation should be lifted and the Federal portion governed by the term “shall be equal to the amount furnished by the state.” If the Congress believes that the Merchant Marine serves a national purpose, then it should recognize that the State academies serve a national need far beyond the state borders and shorelines, and support the purpose financially in this light. The cost per graduate to the Federal government will still prove its most economical source for educated Merchant Marine officers.

(Page 13, line 23) which directs the Secretary to provide guidance and assistance in developing courses, would be most welcome if it includes supplying equipment, models, simulators, training aids, and similar tangible assets that have not been provided.

(Page 14, line 17) is a proposed condition for assistance that each school require passage of a license examination prior to graduation. This is objectionable in the

strongest possible terms as being discriminatory, an intrusion on States Rights, and impractical of impartial enforcement.

Lawyers, doctors, nurses, public accountants, engineers, and many others graduate without a specific requirement to pass a test by an outside agency. Why should the rules of this profession be discriminatory? Does a law school condition graduation on passing the bar?

The various states establish degree requirements and enforce one kind or another of program registration. The authority to grant an academic degree in a state is a matter of State Education Law, not Federal Statute. There is a different jurisdiction between a State school and the Federal Academy whose degree authority is based in Federal Statute.

The U.S. Coast Guard currently requires that candidates must have graduated before they may be licensed. The proposal that this sequence be reversed confronts us with the dilemma of the "chicken and the egg."

The U.S. Coast Guard examinations are multi-part national examinations subject to all the vagaries of standardized tests and shifts of emphasis likely in a regulatory authority. While we prepare a student to understand and to pass a typical test, there is no sure way to prepare a student to pass the test. Furthermore, the prerequisites to even taking the test vary from time to time and, on occasion, the prescriptions have changed abruptly. If our state system and our educational judgment cannot control the graduation requirements, we cannot administer the process, nor enforce it.

It should be noted, however, that the Maritime College certainly expects its graduates to obtain the license (if they are U.S. citizens). It is rare when one does not so qualify. The College requires each Cadet in the senior year to pass "license seminar"—successful completion of which is the school's seal of approval that the Cadet is fully qualified to sit for license.

(Page 15, line 2) limits the number of out-of-state students prescribed by the Secretary to one-third capacity of the school, and is taken from current legislation (M.A. Act 1958, Sec. 5(b)). Fortunately, no Secretary has yet prescribed any factor approaching one-third; currently General Order 87 stipulates ten percent. The students should be identified as "qualified" for admission as they are in General Order 87.

(Page 15, line 10, paragraph (D)(1)) enables the Secretary to make loans of up to \$1,200 per academic year to an allocated selection of students.

The shift to loans from the present allowance is a very significant change. The proposed legislation does not provide any reasoning for the change from an incentive allowance to just one more complicated system of government-controlled student financial aid. Under the allowance system, Cadets are, in effect, "paid" a modest \$1,200 per year (calendar, not academic) to help defray the extra costs of a maritime education that they would not bear otherwise. Our students are required to wear uniforms, to undertake certain instruction with costs, to be residents in a structured academy, and to forego many of the student employment opportunities otherwise available. The "pay" of \$1,200 is certainly less than one-third the total costs. In fact, a student who would otherwise commute as a nonuniformed day student is penalized well over \$1,200 for the privilege of undertaking this special form of education that the Congress is trying to encourage. Now this stipend is proposed to become just one more student loan fund.

Student loan funds of various kinds exist already. Loan funds are costly to administer, and are perceived in different ways. To add one more loan fund without some compelling purpose is an administrative bureaucratic creation without a persuasive intent. How will the Congress propose to recruit and assist the student who elects, instead, a different government loan program, and consequently is free of the proposed Act and the encumbrance of all those Rules the Secretary is to generate? The purpose of the proposed Title XIII is to assist the State schools and, through them, to recruit and encourage young Americans to become highly qualified, entry-level Merchant Marine officers. The proposed loan system is a deterrent to recruiting and a step backward. The incentive subsidy allowance should be retained.

Why are the State school students singled out to receive loans of up to \$4,800 for four years, while the Federal government underwrites the cost of the Federal Academy at far more than \$4,800 per student in one year, and the Federal subsidy money paid to training funds is only vaguely identified in the Subcommittee report?

Why should a loan system be limited to only \$1,200 per academic year? What about the costs of summer sea training cruises? Paragraph (A), line 21, says to defray "the cost of uniforms, books, and subsistence." What about tuition, mandatory fees, room rent, and incidental expenses allowed in other loan programs? The National Defense Student Loan and Guaranteed Student Loan programs, which are not

exclusive, between them allow \$12,500 for four years. Is \$1,200 per academic year a reasonable incentive?

Administering loan programs will be costly to the government. It should be clear that the Federal program cannot impose another burden on the State schools. Who will collect the loans? Who will make the judgments about the forgiveness? Who will maintain the address file? Who will pursue the delinquent? The States cannot uniformly perform this service, and there is a legitimate claim for administrative charges to support any clerical effort at all, as in other financial aid programs. Incidentally, would repaid loans, with interest, revert to capitalize the loan fund, or is that somehow a significant general revenue offsetting administrative costs?

We have federally sponsored NROTC Scholarship Midshipmen at Fort Schuyler. They receive \$1,200 per calendar year and uniforms and books and tuition and mandatory fee allowance. This is an incentive. But, even so, the Navy periodically reviews the perception to the student of the "value" of that "scholarship" as seen in comparison to other "scholarships," to keep the Navy program competitive.

The concept of the proposed \$1,200 per academic year loan as an incentive to sign the articles is destroyed by Paragraph (B), page 15, line 23—"the loan shall commence to accrue on the day the student begins his first term of work." Neither the NROTC nor the Service Academies expects any repayment or obligation for the first two incentive-building years. Exacting this obligation of a 17- or 18-year old high school graduate for entering a program in support of national policy, is unreasonable. The first two years of the incentives are free in similar programs. Yes, it is true, as you say, that other loan programs accrue as the proceeds of the loan are expended. But that is my point: they are identified as loan programs and not designed as incentives for special recruitment. If it is the intent of Congress to assist the states in preparing Merchant Marine officers, then transfer of the subsidy "payment" to a student loan service is a mistake. If the concern of Congress is to respond to criticism about obligation, then we suggest that the answer lies in establishing appropriate obligations, not destroying incentives.

The loan will be perceived by students, parents, and observers as a heavy burden. The "escape" to forgiveness is something that the Federal Maritime Administrators cannot in fact legally offer as a condition of the loan agreement: The loan recipient will carry the burden of the loan and be subject to the uncertainties of employment policies and contracts, and at the mercy of strikes, or under penalty when the economy turns down. Just when the student graduates and walks toward "forgiveness" the possibility of the avenues closing will be brutally evident, and the bill collector will remind him regularly.

(Page 16, line 1) continues the unrealistic conditions of the loan, "to complete the course of instruction." This statement totally ignores the overwhelming evidence from every post-secondary institution about their attrition. College curricula are designed as nearly as possible to be general for the first two years. It is not in the Federal or state or school interest to ask a 17- or 18-year old boy or girl from high school to sign a statement that agrees "to complete the course of instruction." In the words of an academic counselor, this is an invitation to lie and to cheat.

(Page 16, paragraph (D)) expresses a six-year requirement to hold a license whose term is five years. The Bill proposes (page 16, line 15) that forgiveness of a maximum of \$4,800 or an unspecified minimum loan, can be earned by five years of obligated service. The exact same five-year obligation (page 8, line 1) is required of a graduate from the Federal Academy. We are conscious of the gross inequity of financial help received for Federal vs. State school graduates. It seems this would lay on the maximum burden and with minimum reward.

On a rational basis of costs, we estimate that if it is the will of Congress to exact five years' obligated service to repay Federal Academy costs, then the state citizen should in all fairness be required to serve about two months. Perhaps, if the ratio of costs is as low as ten-to-one, then the obligation should be as great as one-half year. We need to see on the record some compelling rationale for terminating the Cadet payment as an incentive, and to overcome the obvious inequity in obligated service.

The need for highly qualified Merchant Marine officers varies from time to time. You cannot write a job order to create them after the need is clearly evident. It appears that the proposed legislation includes several provisions that will work inexorably to reduce any expectations the nation may safely retain about future reserves of qualified officers.

(Page 18, line 7) addresses an inconsistency: a graduate who failed to obtain a license would not be a graduate, according to the proposal of page 14, line 17.

Sec. 1305 (Page 19)—The Secretary is authorized to intrude into continuing education as "deemed necessary" for both licensed and unlicensed personnel. And he is authorized to spend money to print and publish and to purchase textbooks, equip-

ment, and supplies, and to employ persons and make contracts (without regard to certain law) to prepare and supervise and administer these courses.

This is a generous authorization for the Federal government to do as it pleases, while continuing to avoid specific significant actions that would materially support the State schools or encourage private initiatives. Continuing education for an industry is not a Federal function.

Sec. 1306 (Page 20)—Reestablishes the Maritime Service, and besides the reestablishment opens the authority for the Secretary to spend Federal money in support of this "voluntary organization" for training of licensed and unlicensed personnel. Rates of pay, allowances, and furnishing of uniforms (page 21, line 5), together with the preceding section, suggests that the Federal government could nationalize the Merchant Marine, with licensed and unlicensed officers trained and upgraded in Federal establishments of the U.S. Maritime Service.

Sec. 1307 (Page 21). No comment.

Sec. 1308 (Page 22). No comment.

Sec. 1309 (Page 224, line 22)—The authority of the Secretary to lend surplus equipment should extend to excess equipment as well; i.e., "surplus and excess shipboard equipment."

Mr. Chairman, Members of the Committee, thank you for the privilege of commenting. The Maritime College of the State University of New York recognizes that HR 5451 would have far-reaching effect on education and training for the Merchant Marine, if enacted. Since the State academies are the largest source of new officers, we hope that serious consideration will be given to the flaws that have been pointed out, in order that the Act may accomplish improvement rather than inflict harm on the recruiting and education of young Americans for this vital profession.

Mr. Chairman and members of the committee, thank you for the privilege of commenting. The Maritime College of the State University of New York recognizes that H.R. 5451 would have a far-reaching effect on education and training for the merchant marine, if enacted.

Since the State academies are the largest source of new officers, we hope that serious consideration will be given to the flaws that have been pointed out, in order that the act may accomplish improvement rather than inflict harm on the recruiting and education of young Americans for this vital profession.

There are many excellent features of this bill. I apologize for taking the time only to point out those specific items that we believe can be improved.

Mr. AuCOIN. Thank you for your testimony.

Let me ask you a few questions in rapid fire order so we can get back to our regular sequence of witnesses.

What is the impact of fuel oil on your training at your academy?

Admiral KINNEY. The impact is to become a severe financial burden to the State University of New York.

Mr. AuCOIN. What does "severe" mean? Can you quantify the problem?

Admiral KINNEY. We have a minimum sea time which we must meet for the Coast Guard license so there is no question of shortening the cruise. We also have a requirement that this be true underway training; it can't be swinging around the hook at anchor. While we can economize in fuel speeds, we can only save a specific amount of fuel. The net result is devastating financially, as the cost per barrel goes up. We were talking not many years ago about \$100,000 for the summer cruise and we are over \$200,000 now.

Mr. AuCOIN. We know that the price of fuel oil has gone up. I am just curious as to how that is affecting your operational capacity as an educational institution?

Admiral KINNEY. We believe the time will come when the State will be unable to meet the fuel costs, particularly if the IMCO regulation is effected by our Government and the sea time doubled.

The net result is that the State University of New York would not be able to qualify its graduates for the minimum sea time required for license.

Mr. AUCOIN. Turning to your statement on the proposed requirement that there be a passage of a license as a prerequisite to graduation, you couldn't be clearer as to how you feel about that proposal. I am wondering if you draw any distinctions between students who receive Federal assistance and those who do not.

Do you oppose any such requirement in either of those two cases?

Admiral KINNEY. No, sir, I cannot draw such a distinction simply because the degree granting authority will not by a State be delegated to an outside licensing agency. I don't mean that we don't make every effort to see that our graduates receive their license and it is rare when one is not licensed, but I don't believe the faculties nor universities will tolerate that provision as a Federal requirement.

This is quite different from the Federal Academy whose degree is granted not by its faculty and university, but by the Congress.

Mr. AUCOIN. You have indicated that the Federal Government should not be in the business of offering continuing education courses. That means, I assume, that it is the responsibility of the State academies.

Admiral KINNEY. New York Maritime College's participation in this area is quite limited, Mr. Chairman. In general we are in the business of preparing students for their initial license. We do have a graduate program. It is not a uniformed program. It relates in effect to the business administration of the sea.

It is a master's degree in transportation management.

Mr. AUCOIN. If you don't do it and the Government doesn't, who will do it?

Admiral KINNEY. We are not in the business of upgrading licenses which is done primarily by the unions.

Mr. AUCOIN. So you think that is a function that ought to be shared by the unions?

Admiral KINNEY. Those who receive that instruction are members of the unions and the unions take the responsibility to educate them for their advancement.

Mr. AUCOIN. I am asking you whether the State academies or the Federal Government or the union academies should have a role in this.

Admiral KINNEY. Our particular college does not aspire to a role in it at the present time.

Mr. AUCOIN. As an administrator in one of the institutions, you have some sense of overall maritime education in the United States. How do you feel about it?

Admiral KINNEY. With respect to the Federal Academy or State schools?

Mr. AUCOIN. With respect to both. You have indicated the Federal Government should not be involved. Is that a burden that should be picked up by the States or do you think this is something that

should be left to what we have now in the union with the labor union academy?

Admiral KINNEY. I think a State academy that wishes to undertake this instruction has every right to do so.

Mr. AuCoin. Do you see a public responsibility for trying to assess where continuing education is happening in the United States and that public assessment would have to come to you from the Federal Government or State governments, and if a shortcoming is found, to move in and make sure that continuing education is provided?

Admiral KINNEY. Continuing education and graduate education is certainly a very vital part of the lifeblood of public and private education in the United States.

Mr. AuCoin. How can the States do that better than the Federal Government? The Federal Government would have a better opportunity to review the state of the art on a national basis, would it not?

Admiral KINNEY. Mr. Chairman, the history of the United States with respect to education has been that this matter is left to industry and the States unless there is a clearcut national need that only the Federal Government can fulfill. For example, the graduate school of the Navy, the service academies, a specific education that is required by the Government for a specific purpose.

I do not believe that is the case when we are talking about the industry called the merchant marine.

Mr. AuCoin. The International Convention on Standards Training, Certification and Watchkeeping for Seafarers has been discussed in the hearing by a number of witnesses. Do you anticipate this having a major impact on your institution and on other State institutions?

Admiral KINNEY. Very much so. If it were enacted fully and soon I think it could mean the end of some State maritime schools, perhaps ours included. The requirement to sandwich 6 additional months into a 4-year curriculum that is jam-packed and really amounts to 5 years, the costs of maintaining, provisioning and fueling the ships for the double time is impractical.

Some other means will have to be obtained to achieve that sea time.

Mr. AuCoin. Are you opposed to the convention?

Admiral KINNEY. I am opposed to it because I believe something is being forced on the United States against its better judgment and contrary to the national interest. We have very excellent regulation of our safety at sea and prior to IMCO's involvement in this the U.S. Coast Guard, which was the judgment authority, concluded that 6 months sea time in school ships produced an adequate and safe third mate.

There is nothing in the history of collisions and groundings to indicate our graduates have been other than safe. There are no statistics to show we are running an operation that doesn't provide a qualified officer. If this is forced on our training program, I think it is adopting an unnecessary requirement that will impair our U.S. merchant marine capability.

I believe that we are quite conscious of safety at sea and I don't believe our Nation has to apologize to anybody. The conditions

under which we train and the standards that we meet are, so far different from those of foreign nations that I see no reason why we should try to meet a standard imposed by other nations that has relatively little bearing on our own operation.

Mr. AU COIN. Admiral Kinney, your time is getting very close to your plane departure. I appreciate your testimony and, as I indicated, the full text of the testimony will be in the record. Thank you for coming today.

Admiral KINNEY. Thank you, sir.

[The following was received for the record:]

STATE UNIVERSITY OF NEW YORK,
MARITIME COLLEGE,
Fort Schuyler, Bronx, N. Y., February 8, 1980.

Hon. LES AU COIN,
Chairman, Ad Hoc Select Subcommittee on Maritime Education and Training, Congress of the United States, House of Representatives, Washington, D.C.

DEAR CONGRESSMAN AU COIN: Following my testimony in Washington, D.C. concerning H.R. 5451, you forwarded to me the testimony of a U.S. Navy spokesman with a request for comment. I appreciate your giving us the opportunity to contribute further to the hearing record. Our comment on the testimony of Captain Leopold is enclosed.

Sincerely,

SHELDON KINNEY.

*Enclosure.

As you know, both these witnesses recommended a series of amendments to implement the Merchant Marine Reserve, U.S. Navy Reserve, and I would appreciate receiving your comments with respect to this proposal.

For example, what effect, if any, would these amendments have on the Naval Science courses currently provided at your school? What effect, if any, would these amendments have on the active duty and reserve service options of your graduates as officers in the U.S. Navy? What I am attempting to determine is the broad effect of these amendments on the federal and state maritime academies.

The referenced statements seem to be the current state of the evolution which began in late 1976. A Mission Statement for Departments of Naval Science at Merchant Marine and State Maritime Academies was developed by the Maritime Administration and the Navy and forwarded to the schools in December 1976. Subsequently a two-semester curriculum was developed and forwarded to the schools in 1977. It is our understanding that the two-semester curriculum was adopted at all the State Schools, including New York of course, but not adopted at the Federal Academy.

The mission statement, with emphasis added, is:

"To teach Naval Science courses to young men and women at the United States Merchant Marine Academy and at the several State Maritime Academies and Colleges. This instruction is to provide to officers who will actively sail aboard merchant ships or who will be associated with the maritime industry the specific skills which will permit effective operations with the Navy or in some cases in the Navy in time of peace, national emergency, or war."

Objectives were included with the mission statement, and the MarAd-Navy joint Memorandum stated, with emphasis added:

"It is our judgment that successful achievement of these objectives, when coupled with the successful completion of the core course of instruction at the maritime institutions, meets the basic professional educational requirements for a Reserve Commission."

With this background, I can respond to your questions as follows:

The proposed amendments would have no effect on the Naval Science courses currently provided at Maritime.

The proposed amendments, by being specific to the Merchant Marine Reserve are much more restrictive than is our interpretation of the Mission statement, and the judgment of the objectives and core courses as meeting requirements "for a Reserve commission." The mission, the judgment of the objectives and core courses, plus our historical perspective, lead us to believe "in the Navy" with a "Reserve commission" should be interpreted as broadly as possible. We understand that the Navy current thinking is Merchant Marine Reserve. It has not always been so. Constraint to the MMR should not be enforced for all graduates; to do so would differentiate gradu-

ates who volunteer for active duty from other active duty officers, and could restrict the Navy's own initiatives in times of greater need.

STATE UNIVERSITY OF NEW YORK,
MARITIME COLLEGE,
Fort Schuyler, Bronx, N.Y., February 8, 1980.

Hon. LES AU COIN,
Chairman, Ad Hoc Select Subcommittee on Maritime Education and Training, Congress of the United States, House of Representatives, Washington, D.C.

DEAR CONGRESSMAN AU COIN: I appreciate the opportunity afforded me to testify at the hearings concerning H.R. 5451.

The questions sent to us on 18 December ask for further clarification and exchange of views on the proposed legislation, and we welcome this opportunity to contribute to the hearing record. Our responses to the questions are enclosed.

Sincerely,

SHELDON KINNEY.

Enclosure.

Question 1(a). What is the primary function of the (State University of) New York Maritime College?

Answer. The Maritime College is a specialized College of the State University of New York dedicated to its Mission—To educate and train qualified young people to become licensed officers in the American Merchant Marine.

While licensure alone does not require a college education, it is the specialized nature of the Maritime College—To provide a sound undergraduate and graduate background by combining a nautical education with the courses of a college curriculum to prepare the Cadets for successful careers in the maritime industry, afloat and ashore.

The unique combination of a fully accredited baccalaureate curriculum and the licensing professional education is conducted in a structured organization—To educate and train the Cadets in leadership and to instill in them an abiding sense of honor, discipline, responsibility, and mature citizenship.

The traditions of the College and the traditions of the sea service are not ends themselves, but drawn upon—To develop in the Cadets a pride in their profession, and a determination to uphold its finest traditions.

Graduates are qualified and encouraged to pursue the opportunities and personal regards of the seagoing profession. They are prepared to become leaders in the broad industry afloat and ashore, as the College curriculums are developed—To provide a sound academic program so that graduates may take their places in the business and professional world.

Question 1(b). Overall, do you believe that you have been successful in implementing this primary function?

Answer. Yes.

Question 2(a). What service obligations do your graduates now have?

Answer. Cadets who receive the federal subsidy are required to complete two courses in Naval Science which lead to eligibility for commission in the Navy Reserve (Inactive Duty). They are required to apply for the commission prior to graduation and to accept it if offered by the Navy. Those commissioned incur an obligation which may be fulfilled in one of the following ways:

1. Participation in the Merchant Marine component of the Ready Reserve (USNR-R) specifically for the Merchant Marine Officer who follows the sea as a profession. Members must: a) sail on their license for at least four months during each two anniversary years following the acceptance of the commission, unless waived by the Chief of Naval Personnel, and b) serve two weeks of Active Duty for Training during each anniversary year following the acceptance of the commission, unless waived by the Chief of Naval Reserve.

2. Participate in the Ready Reserve as an unrestricted line officer—for those not meeting the professional requirements of No. 1. Members generally attend reserve meetings one weekend each month and perform two weeks of Active Duty for Training each year.

3. Request active duty for (generally) three years.

Alternatively, graduates may fulfill their obligations by active duty as commissioned officers in the Coast Guard or the Commissioned Corps of the National Oceanic and Atmospheric Administration.

Question 2(b). What would you suggest in the way of an appropriate obligation?

Answer. For the small subsidy now received by Cadets, the existing obligation seems appropriate. If the subsidy were substantially increased, the obligation could be proportionately increased.

Question 2(c). Would such obligations be enforceable?

Answer. Enforcement of an employment obligation in the maritime industry afloat and ashore would be difficult. As a diverse segment of an independent economy, the maritime industry does not have a constant or controllable demand for professional employees. An industry presents a far different circumstance than the Armed Forces.

Question 3. What are you reaching for with respect to your remarks concerning Section 1301?

Answer. I am reaching for a more explicit statement of policy regarding the intent of Congress that the federal government encourage the education and training of merchant marine officers and in particular to assist and cooperate with the States in operation and maintenance of academies or colleges for training of merchant marine officers. Following this it would then be appropriate to define the naval interaction.

Let me illustrate: The Merchant Marine Act of 1936, Title I, Section 101, is a clear Declaration of Policy 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 . . ."

That Act of 1936 does not now state policy regarding cooperation with and assistance to States. There is such a clear statement in the Maritime Academy Act of 1958, Declaration of Policy, Section 2. That section declares policy to promote the Act of 1936, Section 101 (to have a merchant marine) "by assisting and cooperating with the States . . . for the training of merchant marine officers."

That clear statement in the Act of 1958 to assist and cooperate would be repealed by the proposed legislation being considered by your Committee, page 27, line 6.

The proposed legislation would bring into the Act of 1936 the new Title XIII entitled "Maritime Education and Training." Naturally we would hope for affirmation of the existing policy, and we are making the point that it is not there. It is not in the present wording of Section 1301 or Section 1304.

Section 1301 addresses Navy-Merchant Marine cooperation and NROTC officer programs. Whatever merits that section has, it is not in the same spirit as the policy of the Act of 1958.

Section 1304 addresses support of Sections 101 and 1301 (Navy-Merchant Marine cooperation and NROTC officer programs) by assisting and cooperating with States. That section again fails to convey a policy equal to that of the Act of 1958, that the Congress wants to promote 101 (having a merchant marine) by being a partner with the States in education and training of merchant marine officers.

Other witnesses (Assistant Secretary Nemirow and Captain Leopold) have presented recommended changes that are not inconsistent with our view. I do not believe, however, they go quite far enough.

I suggest that the first section of the new title on maritime education and training put first things first. NROTC is not first, nor is the Merchant Marine Reserve.

It is the policy of the Congress (I hope) to support Section 101 (having a Merchant Marine) by active support and participation in maritime education and training of merchant marine officers—

- (a) by establishment and operation of a federal Merchant Marine Academy,
- (b) by assisting and cooperating with States and territories in the operation and maintenance of maritime academies or colleges,
- (c) by establishing jurisdiction of designated Civilian Nautical Schools, and
- (d) by assigning to the Secretary certain authorities as may be necessary or desirable to carry out the provisions of this title.

Further it is the policy of the Congress (I hope) that the United States Navy and the Merchant Marine of the United States work closely together to promote the maximum integration of the total seapower of the Nation. In furtherance of this policy, special steps are necessary and desirable in integration of United States Navy training programs and Maritime Education and Training programs, under the provisions of this title—

- (a) by maintaining naval training programs appropriate to future merchant marine officers at Federal and State merchant marine schools,
- (b) by maintaining Naval Reserve Officer Training Corps programs at selected merchant marine schools,
- (c) by providing access to the Merchant Marine Reserve component of the U.S. Naval Reserve for qualified graduates of the merchant marine schools, and
- (d) by close cooperation of the Secretary of the Navy, the Assistant Secretary of Commerce for Maritime Affairs, and Administrators of the academies and colleges to assure training available at the schools is consistent with Navy and Merchant Marine standards and needs in peacetime and in preparation for emergency demands on the total seapower forces.

(a) Your statement on the bottom of page one that "Nowhere in the proposed legislation is there a statement of policy which confirms and continues the previously stated intent of the Congress that the federal government be a party to encouragement in various ways of the education and training of merchant marine officers." Do you believe that the language contained in Section 1304(a)(1) is inadequate? Why?

I hope you see from my statement above that I would not say that the language of 1304(a)(1) is "inadequate." For example, it would be restored to the original wording and intent of Congress as expressed in the Declaration of Policy of the Maritime Academy Act of 1958 if the words "and 1301" were stricken from line 6, page 11 of the proposed section.

The effect of striking "and 1301" would be that we are told it is Policy to have a Merchant Marine (Section 101) and to promote that by assisting and cooperating with the States to train merchant marine officers (Section 1304 as modified). That plain and simple primary policy is what we strive to implant in the Bill now, and would prefer not to see it diluted.

I would also recommend that the amended paragraph be moved to the first section under Title XIII. "Maritime Education and Training."

(b) On page two of your statement, you say, "It is a significant oversight, in your opinion, not to enunciate clearly the policy of the Congress with respect to 'Maritime Education and Training', etc." What sort of amendment, if any, are you recommending with respect to Section 1301?

My statements above intend to make clear that in my opinion the present wording of Section 1301 and the implied emphasis it commands as the first section of the new Title, "Maritime Education and Training" are a significant departure from the present sequence of Policy in the first sections of the Acts of 1936 and 1958.

From the viewpoint of the States, it is vital to have set forth in statute the United States' policy on having a merchant marine (Section 101, 1936) and, to assist the States to train merchant marine officers (Section 2, 1958). After that can come further policy on Navy-Merchant Marine cooperation, which is not our primary concern, and the place of naval training in the merchant marine curriculum, which we can do; and the access of our graduates to the U.S. Navy or Naval Reserve, which changes from time to time as peace and emergencies come and go.

The training of qualified, competent officers for our merchant marine is an enduring need. The curriculum of naval training of merchant marine officers is subject to fashion. The recruitment and assignment of merchant marine officers to warships or auxiliaries, or whatever, history tells us is nearly unpredictable. Thus we urge a clear, enduring, and primary policy on the first, and a more flexible approach to the latter.

Section 1301 should be amended by inserting as a prior paragraph, wording of the Policy from the Act of 1958; that is, the proposed section 1304 as amended above. Then the present language of Section 1301 could be amended as proposed by the Navy: strike "Reserve Officer" and "Corps" from lines 8 and 9, page 2, and replace "naval" with "merchant marine" in line 9.

After this amendment, some additional words about NROTC units and Merchant Marine Reserve training, and access to the U.S. Naval Reserve are appropriate as I outlined above.

(c) Then on the bottom of page 2 of your statement, you say "For completeness, I must add that a concurrent program element in the Merchant Marine officer sequence is qualification for a naval reserve (inactive) officer commission." Just what are you recommending here; another amendment to Section 1301?

After the primary statement of policy on training merchant marine officers, and assisting the States to do that, it is appropriate, I believe, to give some policy guidance on naval training for future merchant marine officers. One reason is because we are doing it now in the curriculum, and our graduates are doing it: going into active duty in the Navy, or to inactive duty in the U.S. Naval Reserve. Further, I don't believe history would support a policy which restricts all our students to only the Merchant Marine Reserve. Just ask the Navy about their activation and assignment of our students as Reserve Officers during the Korea action.

I harbor some doubt that we know the future of volunteerism, the future of manpower registration, or the draft, or of the manpower needs of the Navy. Korea reminds us that wholesale numbers of Cadets and Midshipmen were called to active duty and assigned to other than merchant ships. Navy testimony tells now "Navy policy is that these merchant marine reserve officers will not be recalled involuntarily to active duty during a national emergency or in time of war." That may have been policy the day before Korean action started. Thus I do not support any

restrictive wording in a policy implied by limitations to commission only in the Merchant Marine Reserve. The needs of the Nation may dictate otherwise.

I have suggested in my response above that policy might include:

- maintaining naval training programs at schools,
- maintaining NROTC programs at selected schools,
- providing access to (but not limited to) Merchant Marine Reserve,
- directing cooperation to assure training consistent with standards and needs in peacetime and in preparation for emergency demands on the total seapower forces.

Question 4. The Maritime Administration has recommended tying the upper limit of the prescribed number of out-of-state students to the number enrolled at any academy rather than the school's capacity.

a. What would be the effect of this amendment on the New York Maritime College?

The State University of New York Maritime College is fully enrolled and the amendment would, therefore, not affect the number of out-of-state students we would be required to accept.

b. Do you favor or oppose this amendment? Why?

This amendment accomplishes the purpose of allowing a state college or academy to maintain the in-state enrollment character that is appropriate for a state institution. New York has testified that, fortunately, the Maritime Administration has never set a requirement approaching the legal limit. It is unrealistic considering the millions of state dollars involved in annual support of the College by the citizens of New York.

Question 5. The Maritime Administration has proposed that Section 1302 be amended by inserting a defined term for "Merchant Marine Officer," which would include the term "radio officer." Do you have any comments?

Since the State University of New York Maritime College does not offer radio officer license preparation, it has no comment on this amendment.

Question 6. As you know, the Maritime Administration has recommended that Section 1302 of the bill be amended by inserting a definition for "Maritime Academies or Colleges." Do you believe that this is suitable definition, or could it be improved upon?

We understand the intent of the definition as applicable to Section 1304. It might be convenient to borrow a shorthand from General Order 87, paragraph 310.3(b) where maritime academies and colleges are "hereinafter called the 'Schools'."

Perhaps "called the Schools in section 1304."

Question 7. I don't understand what you mean on page 8 of your statement where you say "The students should be identified as 'qualified' for admission as they are in General Order #87."

To a sensitive faculty, the present wording of Section 1304(d)(2), page 14, line 20, says that the price of a grant of more than \$25,000 is to admit students residing in other States without regard to normal admissions procedures or qualifications.

General order 87, paragraph 310.3(b)(2), after similar wording, protects the academic standards by adding a "provided, however" that the students apply and are qualified for admission.

I suggest substituting on page 14, line 23, "qualified applicants" for the word "students." Then qualified applicants residing in other States can be admitted as students in routine fashion.

Question 8. What effect, if any, will the International Convention of Training Certification and Watchkeeping for Seafarers have on the training provided by the New York Maritime College?

A doubling of the supervised sea-time required for licensure would preclude the possibility of completing the academic and licensing requirements within four calendar years. Such a requirement would, in all probability, increase the sea training program costs beyond the level supportable by the State University of New York.

What initiatives has the New York Maritime College taken to accommodate this convention?

None. The U.S. Coast Guard has not yet informed the Maritime training community what their rule-making will be.

Mr. AuCOIN, Captain Leopold, U.S. Navy, head of the Sealift Mobility and Maritime Affairs Section, Office of the Chief of Naval Operations, Department of the Navy.

STATEMENT OF CAPT. ROBERT K. LEOPOLD, USN, HEAD, SEALIFT MOBILITY AND MARITIME AFFAIRS SECTION, OFFICE OF THE CHIEF OF NAVAL OPERATIONS, DEPARTMENT OF THE NAVY, ACCOMPANIED BY MICHELLE LEWIS, CIVILIAN PERSONNEL OFFICER, MILITARY SEALIFT COMMAND

Mr. AuCOIN. Captain Leopold, I understand you are accompanied by Michelle Lewis, Civilian Personnel Officer.

Captain LEOPOLD. That is correct, Mr. Chairman. She is here for the purpose of responding to any questions concerning the manning of Military Sealift Command.

Mr. AuCOIN. We welcome you to the committee.

Captain LEOPOLD. Thank you, sir.

Mr. Chairman, we have submitted in writing specific comments on the proposed legislation to your subcommittee. With your permission, I will summarize these comments and explain some of the points I know are of interest to yourself and your subcommittee.

Mr. AuCOIN. That would be fine.

Captain LEOPOLD. As you know, Mr. Chairman, the men and women of the U.S. merchant marine and of the U.S. Navy have navigated together across the world oceans in support of our national interests since the first days of our country.

The Merchant Marine Act of 1936 provides "That the United States shall have a merchant marine capable of serving as a naval and military auxiliary in time of war or national emergency."

The Navy strongly supports the intent of the proposed legislation H.R. 5451; we consider it essential that the U.S. Navy and U.S. merchant marine work closely together to promote the maximum integration of the total seapower forces of our country. The statement presented by Mr. Samuel Nemirow has been fully coordinated with the Department of the Navy. The Navy concurs in that statement and stands ready to assist the subcommittee in providing for education and training in maritime subjects.

As by now you know the Navy, in cooperation with the Maritime Administration, provides for naval science training at all 4-year State and Federal maritime academies. In a recent initiative we have reached an agreement with MarAd and the Maritime Engineers Beneficial Association; District 1 engineering school to provide naval science training to the cadets of that school, the Calhoun School. We welcome similar initiatives at other industry schools.

The Merchant Marine Reserve, U.S. Naval Reserve program was reinstated last spring. This reserve program is designed to increase mutual support and interface between the U.S. merchant marine and the Navy by providing specialized naval training for qualified merchant marine officers.

All merchant marine deck, engineering, and radio officers sailing on their license who presently hold Naval Reserve commissions in an active status are eligible for participation in the program.

Additionally, a reserve commission in this program can be obtained upon graduation from the 4-year Federal and State maritime academies, or for those already sailing, through direct appointment. Graduates of industry and union supported schools are eligible for direct appointment to the program upon receipt of their licenses. Navy policy is that these merchant marine reserve officers

will not be recalled involuntarily to active duty in the Navy during a national emergency or in time of war. Instead, they will continue to serve aboard merchant ships in their regular licensed employment and use their Navy training in coordination with the fleet.

The one exception to this policy would be in the event that merchant ships were to be inducted into Navy service as a commissioned ship. Naval Reserve officers serving on board would be mobilized with their ship; 43 ships were so inducted during World War II.

With your permission, sir, if I might anticipate a couple of questions, I would like to digress momentarily and explain the difference between the old program for merchant marine officers as it was run and the new program as we are proceeding now.

The Merchant Marine Reserve program has had a number of off and on false starts during the years. Primarily what has occurred has been that it has been absorbed into the overall Naval Reserve program. The Naval Reserve program requires that individual reserve officers drill monthly, a little bit difficult when you are in the Persian Gulf for 6 months at the time, and meet other fairly rigid performance and attendance standards.

We have not had, up until recently, a good functioning central point of contact with the Merchant Marine Reserve, and there was no ability for the merchant marine officers to logically participate in any kind of reserve program as long as they were competing with the shore-based officers.

The difference today is that we have structured within the present naval reserve a special program which recognizes the distinct requirements placed upon a merchant marine officer. It does not require monthly performance in drills per se. It provides three openings for participating and getting retirement points and drill credits, one of which is a 2-week active duty training period each year; the second of which is their correspondence courses; the third of which is drilling ashore with Naval Reserve units.

We are also planning within the near future to implement a fourth provision for drill credit for ship board projects such as surveys of ships and harbors in farflung places of the world which could benefit both the country and the Navy.

Perhaps this key difference between the old program and the new program is that we have provided a structure configured within the Naval Reserve to support these merchant marine officers. This structure consists of selected reserve units, one on each coast, the east and the west coast, and the gulf, which will handle such functions as recruiting and training for the individual ready reservists. We have established a merchant marine desk at the Chief of Naval Reserve Headquarters with a toll-free number whereby officers may call in at any time and inquire about the program.

We have placed the program sponsorship under the Deputy Chief of Naval Operations for Logistics within the Office of the Chief of Naval Operations.

I think Mr. Friedberg covered in detail the means by which officers are commissioned as an ensign, Merchant Marine Reserve, U.S. Naval Reserve upon completion of their training at the schools.

Unless you would like, I don't feel any need to go into that detail.

I have dwelt on our Navy and MarAd recent initiatives in this area to set the stage for my discussion of H.R. 5451. The Navy views the primary goal of the Federal and State maritime academies as being that of turning out licensed merchant marine officers who will man and operate the ships of the U.S. merchant marine.

In order to further the intent of the 1936 act, that the United States shall have a merchant marine capable of serving as a naval and military auxiliary, we, as mentioned previously, provide naval science training at the maritime academies. This naval science training is designed to train cadets who can be commissioned as ensigns in the Merchant Marine Reserve, U.S. Naval Reserve, upon graduation and receipt of their merchant marine license.

There is also some input into the Active Navy from Kings Point and the NROTC units at Maine Maritime Academy and the State University of New York Maritime College; graduates from these sources are commissioned as ensigns, U.S. Navy or U.S. Naval Reserve, and serve on active duty upon graduation. An agreement between Navy and MarAd limits active duty accessions into the Navy to 12.5 percent of the total graduates of the 4-year Federal and State schools, with an additional limit of 10 percent from any one school.

As mentioned earlier, we fully support H.R. 5451. We have recommended procedural changes in the legislation which would direct the majority of the subsidized graduates of the maritime schools into the Merchant Marine Reserve. We have also recommended changes which would expand the options for subsidized graduates to serve the national defense or the foreign and domestic commerce of the United States for at least 5 years following graduation.

These changes are designed to permit service on the ships of the Navy's Military Sealift Command and aboard other vessels owned and operated by the United States, and to encourage service in seagoing rather than shoreside employment.

As I just mentioned, specific changes have been discussed and provided to your subcommittee in writing and I am prepared to answer any questions you might have.

Mr. AuCoin. Captain, the Merchant Marine Reserve has been instituted by regulation. Is it correct that the Navy and MarAd is asking this committee to put that in statutory form using this bill as the vehicle?

Captain LEOPOLD. Yes, sir, that is correct.

We would like to have the Merchant Marine Reserve statutorily implemented and we feel that this will serve both the best interests of the Navy and our country.

Mr. AuCoin. Your statement says the Merchant Marine Reserve was reinstated. Had it ever been in existence?

Captain LEOPOLD. It had been in existence but, as I tried to explain earlier, under a different configuration. It was sort of a thing whereby any Reserve officer could serve.

"Yes, here I am. I am in the Merchant Marine Reserve and I sail on ships and I want to be a merchant marine reservist."

In truth, they were not treated any differently than any other naval reservist.

Mr. AUCOIN. Are all the graduates of the academies inducted into the Naval Reserve?

Captain LEOPOLD. We are in a transition period right now. With the entering class this fall of 1984, our plan is to—and this is a plan we have worked out in conjunction with MarAd—to insist that all qualified cadets be signed on as members of a Naval Reserve component and commissioned as midshipmen, U.S. Naval Reserve, with an eye to graduation and commissioning. I say qualified cadets because the physical standards for the Naval Reserve are somewhat different from Coast Guard and it is conceivable that some of the cadets may not be able to qualify.

Mr. AUCOIN. When you say "qualified," you are talking about physical qualifications?

Captain LEOPOLD. I am, essentially, because a college degree is not a prerequisite for a commission as an ensign in the merchant marine, U.S. Naval Reserve.

Mr. AUCOIN. You indicated that Navy policy is such that while merchant marine officers will not be recalled involuntarily to active duty in the Navy during a national emergency or in time of war; they will continue to serve aboard merchant ships in their regular licensed employment and use their Navy training in coordination with the fleet. That, of course, speaks to those who are in a seagoing capacity. How does the Merchant Marine Reserve and the Navy Reserve affect in this sense those graduates of the academies who are not engaged in at-sea activity?

Captain LEOPOLD. A slightly complicated answer. I will tick it off in three points.

First, the Reserve obligation only goes on for 6 years. After that it is voluntary.

During the 6-year period shoreside personnel are required or obligated to continue with this Reserve activity.

Mr. AUCOIN. I am talking about a callup situation.

Captain LEOPOLD. In a call-up situation, the shoreside types who are called up we would prefer to assign to merchant ships. What is perhaps of more interest is the large body of people who graduated from the academies and who sailed for a while and who are now out as brokers and bankers or whatever, and yet have seagoing experience.

The question is, can we utilize these people in time of emergency. If they have continued as an active Naval Reservist, they will not be part of the Merchant Marine Reserve; they will be part of the regular Naval Reserve and can be called up and placed on either merchant marine or Navy ships depending on their experience.

Mr. AUCOIN. Your statement indicates that in a callup period you would deal only with those graduates who are at sea. There is no reference to what happens to those graduates who are in the Merchant Marine Reserve who are not at sea.

Captain LEOPOLD. That is perhaps more oversight than intent.

Mr. AUCOIN. Again, what do you intend to do with those people?

Captain LEOPOLD. The ones who are ashore?

Mr. AUCOIN. Yes.

Captain LEOPOLD. As long as they are physically capable we would call them up in times of callup. To continue in the Merchant Marine Reserve and to meet the requirements of this bill, they must be licensed officers and be sailing, and one of our recommendations is that the shoreside option be acceptable only when there are no seagoing jobs, so we are talking about a very small number of people; those that could not sail or did not sail would not be part of the Merchant Marine Reserve. They would be part of the other.

Mr. AUCOIN. Those who could not and those who did not sail?

Captain LEOPOLD. Yes, sir, that is correct.

Assume a man can't get a job at sea. He is working for Waterman and he has been ashore for 4½ years. He is not a member of the Merchant Marine Naval Reserve, but he is a member of the overall Naval Reserve, and is subject to callup.

Since he was trained at the Academy, he could conceivably be assigned at sea. However, he would need to be licensed if in fact he ever had been licensed in the first place. If he was not licensed, he would be called up just like any other naval reservist.

Mr. AUCOIN. How many Kings Point graduates are currently on active duty in the Navy?

Captain LEOPOLD. 175.

Mr. AUCOIN. How many State academy graduates?

Captain LEOPOLD. 211.

Mr. AUCOIN. What are the Navy's plans for maritime academy graduates?

Captain LEOPOLD. If I understood your question, it is how are these graduates that are on active duty with the Navy utilized?

They are treated just like any other unrestricted line officer. They command ships at sea; they serve ashore, and they go into the same rotation as the graduate of the Naval Academy or NROTC program would go into.

Mr. AUCOIN. What is your judgment as to the standard qualifications of maritime academy graduates in the U.S. Navy?

Captain LEOPOLD. As compared to what, Mr. Chairman?

Mr. AUCOIN. As compared to all other sources of officers, all other programs that produce officers for the Navy.

Captain LEOPOLD. Pretty much equivalent. I say pretty much because I would have to add that we have found that the quality of these graduates has improved considerably over the past several years.

I think you could level your question at the State superintendents, but I think there are few people in these schools who could qualify physically who would not also be qualified academically for a naval commission.

Mr. AUCOIN. One of the State academies has recommended to the committee that seetime aboard a U.S.-owned but foreign-flag vessel should count for satisfying the 5-year-at-sea obligation.

Do you have a comment to make on that?

Captain LEOPOLD. Yes, sir, I do.

The Navy views the effective U.S. control fleet, that is, that fleet owned by U.S. companies but operated under foreign flags as important to the United States in a strategic sense.

It hauls a lot of the oil and bulk cargo that comes into this country these days. While we would prefer that graduates sail on

U.S.-flag ships, we consider it perfectly appropriate that licensed officers serving aboard U.S.-owned, foreign-flag ships could satisfy their obligation in that manner, particularly if employment on U.S. ships were not available.

Mr. AU COIN. What plans does the Navy have for establishing NROTC units in those State academies that don't now have such programs?

Captain LEOPOLD. Right now, Mr. Chairman, the Navy has no plans for establishing NROTC units at any school. There is pending before the Secretary of the Navy a study of the overall NROTC situation; do we have enough, do we have too many, what is the caliber, and where should they be?

Until such time as that study reports out and the Secretary makes a decision on the recommendations of that study, there is no action contemplated.

Mr. AU COIN. Captain, we thank you for your testimony. I appreciate your responsiveness to the questions. If we have additional questions, we will be back in touch with you.

Thank you again.

Captain LEOPOLD. Thank you for the opportunity to appear.

[The following was received for the record:]

DEPARTMENT OF THE NAVY,
OFFICE OF THE CHIEF OF NAVAL OPERATIONS,
Washington, D.C., February 4, 1980.

Mr. LES AU COIN,
Chairman, Ad Hoc Select Subcommittee on Maritime Education and Training.

DEAR MR. AU COIN: Your letter of December 18, 1979 forwarded questions for written response and insertion in the printed hearing record on H.R. 5451, the Maritime Education and Training Act of 1979.

Answers to these questions are attached.

Please let me know if I can be of any further assistance.

Sincerely,

ROBERT K. LEOPOLD,
Captain, U.S. Navy.

Attachment.

QUESTIONS OF MR. AU COIN AND ANSWERED BY NAVY DEPARTMENT

1. As you know, Section 1301 is the policy section of the Maritime Education and Training Act. This section would restate the language enacted as part of the Department of Defense Authorization of Appropriations Act of 1977, that is currently set forth in 46 U.S.C. 1126-1.

(a) Does the Navy Department support this policy section of the Act?

(b) If not, please give your specific objections.

2. In your statement, you say that the Navy "provides for naval science training at all 4-year state and federal maritime academies".

(a) Just what is naval science training?

(b) Is such training different for a student who is a Reserve Midshipman in the U.S. Navy, and one who is not?

(c) What sort of naval science training is required for a student to be commissioned as a Reserve ensign in the U.S. Navy upon graduation? Where is such training currently provided?

3. In your testimony you repeatedly refer to the Merchant Marine Reserve, U.S. Naval Reserve.

(a) What is the present Naval Reserve program at Kings Point?

(b) What is the present Naval Reserve program at the state academies?

(c) How does the proposed Merchant Marine Reserve program differ from the existing programs?

(d) Under the proposed program would graduates of Kings Point and the state academies be eligible for commissions in the Navy other than in the Merchant Marine Reserve?

(a) How will the new Merchant Marine Reserve affect the Naval Science programs at the federal and state academies?

4. Just how many Naval Reserve programs do you offer? Would you give us a brief description of each? Would the Merchant Marine Reserve, U.S. Naval Reserve, be in addition to, or in substitution for, other Naval Reserve Programs?

5. As you know, the Studts Committee Report made a number of recommendations concerning the U.S. Navy.

(a) The first is that legislation authorizing the Secretary of the Navy to appoint cadets at State Maritime Academies as Reserve Midshipmen in the U.S. Navy should be acted upon in the early days of the 96th Congress.

As you know, the legislation referred to in this recommendation is H.R. 1091—95th Congress. The provisions in this bill have been incorporated into the bill as section 1304(e) which provides: "(e) Students appointed to any maritime academy or college which is assisted under any provisions of this section may be appointed by the Secretary of the Navy as Reserve Midshipmen in the United States Navy and may be commissioned as reserve ensigns in the United States Navy upon graduation from the Academy or college."

Would you inform the Committee as to the difference between the language implementing the Studts Committee recommendation, and the language of subsection (e) as amended by the Navy; and the reasons for your position?

(b) The second Studts Committee Report recommendation I would like you to comment on is the one which provides that the so-called service obligations legislation to be proposed by the Administration is expected to be submitted to the Congress before the end of 1978, and it should be acted upon in the early days of the 96th Congress.

As you know, the legislation referred to is H.R. 603 and H.R. 604. Pursuant to the Studts Committee recommendation, the provisions contained in these bills have been incorporated into H.R. 5451. In this regard: U.S. Merchant Marine Academy. Section 1303(h)(1)(C) of the bill requires candidates: "(C) to apply for, and if tendered, accept an appointment as a commissioned officer in the United States Naval Reserve."

As you know, the Secretary of the Navy is currently authorized to appoint cadets at the Academy as Reserve Midshipmen in the Naval Reserve (section 1303(f) of the bill).

State Maritime Academies. Section 1304(f)(1)(E) of the bill requires student loan recipients: "(E) to apply for, and if tendered, accept an appointment as a commissioned officer in the United States Naval Reserve."

The Navy has seen fit to propose an amendment to both of these provisions of law. What would be the effect of your proposed amendment, and the rationale for it?

(c) The next Studts Committee recommendation that I would like you to comment on follows: "In addition to the new redefined naval science courses at the Maritime Academies and the reinstatement of its '1600' Naval Reserve Program for merchant marine officers, consideration should be given to the further step of establishment of a Naval Reserve program for currently licensed merchant officers who are no longer actively sailing."

In this regard, what is the state of establishment of this Naval Reserve program?

(d) The Studts Committee also recommended that "Some limit on Navy recruiting of maritime academy graduates is necessary to permit the academies to meet their primary purpose of training officers of merchant vessels. However, consideration might be given to raising the recruiting limits temporarily during any future period of job shortages for merchant marine officers." What has been done in this regard?

6. If a midshipman at the Naval Academy leaves prior to graduation, what active duty obligations does he or she incur?

7. Please describe the Military Sealift Command:

(a) How many vessels do you own?

(b) How many additional vessels, if any, do you charter?

(c) What is the employment status of the crews on these vessels?

(d) How many federal and state academy graduates do you employ and in what capacities?

ANSWERS TO FOREGOING QUESTIONS

1 (a) The Navy supports Section 1301 subject to modification of lines 8 and 9 as follows:

... that special steps be taken to assure that naval training programs for training future merchant marine officers ..."

Reason: The policy section should reflect the primary mission of the maritime schools.

2 (a) Naval science training is training in selected Navy subjects such as naval administration, operations and engineering. It is designed to provide prospective merchant marine officers with a general familiarity and competence with Navy procedures and operations in order that they be capable of operating with the Navy when and as required.

2 (b) All 4-year maritime academy cadets—both those who are reserve midshipmen and those who are not—receive such training.

2 (c) NROTC training or naval science training as presently offered at the 4-year maritime schools are prerequisites for commissioning as an ensign, U.S. Naval Reserve upon graduation. This training is offered at the 55 NROTC schools and the six 4-year maritime schools.

3 (a) Four naval science courses are given at the U.S. Merchant Marine Academy. Cadets may either accept inactive duty commissions in the naval reserve, or go on active duty in the Navy:

3 (b) Two or three naval science courses are taught at the state academies. The options upon graduation are the same as at Kings Point. Graduates can decline to accept a naval reserve commission.

3 (c) Under the new Merchant Marine Reserve Program, 4-year maritime school graduates who did not pursue the active duty option would receive inactive duty commissions in the Merchant Marine Reserve, U.S. Naval Reserve instead of in the normal Naval Reserve. The Merchant Marine Reserve Program is a reserve program specifically tailored to meet the unique requirements and special situation of actively sailing merchant marine officers. In this program officers have less restrictive requirements for drills, will be able to complete correspondence courses and shipboard projects while sailing, will go on annual active duty for training, and will compete for promotion only with their merchant marine counterparts rather than with the entire spectrum of reserve officers based ashore. During mobilization or times of national emergency these officers will continue to sail on their license rather than being recalled to active duty aboard Navy ships and stations.

3 (d) Qualified graduates of Kings Point and the state schools will be eligible for active duty commissions as ensigns, U.S. Naval Reserve or with another Service or government agency.

3 (e) The new Merchant Marine Reserve Program will not alter or affect the naval science programs at state and federal maritime schools.

4. There are 37 different programs within the Naval Reserve. These are:

- Submarine Forces
- Mine Forces
- Mobile Logistic Forces
- Surface Combatant Forces
- Air Forces
- Cargo Handling Forces
- Construction Forces
- Amphibious Forces
- Marine Corps Forces
- Special Warfare Forces
- Major Fleet/Force Command
- Major Unified/Joint Shore Command
- Support of Allies
- Telecommunications
- Security Group
- Intelligence
- Naval Weather Service
- Oceanography
- Military Sealift
- Naval Control of Shipping
- Bases and Stations
- Naval Material Command
- Air Systems Command
- Electronics Systems Command
- Facilities Engineering Command
- Civil Defense
- Sea Systems Command
- Supply Systems Command
- Merchant Marine
- Medical/Dental
- Training
- Personnel Systems
- Public Affairs

150

22

Law
Chaplains
Research
Selective Service

The Merchant Marine Reserve, U.S. Naval Reserve Program, while a part of the overall Naval Reserve, is distinctive from the other aforementioned programs.

5 (a) Midshipmen (regular and reserve) at the Naval Academy and in NROTC units meet the qualifications (less the degree) to be commissioned as active duty ensigns (regular or reserve) upon graduation. Some of the maritime school graduates cannot qualify to be commissioned ensign. U.S. Naval Reserve. The primary goal of the Merchant Marine Reserve, U.S. Naval Reserve Program is to produce merchant marine officers who will also be naval reservists in order to enhance the capabilities of the U.S. Merchant Marine to operate with the Navy in time of war or national emergency. The present language of H.R. 5451 would not differentiate between NROTC contract midshipmen and cadets at the maritime schools. The language recommended by Navy would create a special type of midshipmen and reserve naval officer to achieve the aims of the Merchant Marine Reserve Program.

5 (b) The Navy recommendation to modify Sections 1303(h)(1)(C) and 1304(f)(1)(E) of H.R. 5451 is made for the reasons detailed in paragraph 5(a) above. This amendment would set up a specialized reserve program as detailed above, rather than incorporate maritime school graduates into existing reserve programs.

5 (c) There is no need to establish a Naval Reserve program for currently licensed merchant marine officers who are no longer actively sailing. Under the provisions of the Merchant Marine Reserve Program, such officers automatically revert to an existing reserve program, the Surface Combatant Forces Program.

5 (d) If it should become desirable or necessary to raise the Navy recruiting limits at maritime schools, such action can be easily and routinely accomplished by memorandum of agreement between Navy and MARAD. The currently effective memorandum of agreement now permits Navy to take up to 12½ percent of maritime school graduates who request active duty with the Navy, however, this limit has not even been closely approached in recent history.

6 The active duty obligation for U.S. Naval Academy midshipmen who leave prior to graduation is as follows:

(a) Active duty source (must have two years obligated service to report to the Academy)

After two years—two years enlisted service

After three years—three years enlisted service

After four years (complete year but not commissioned)—four years enlisted service.

(b) Civilian source. Same as above.

(c) All entering midshipment have a six year total obligation, the remainder of which is as a Naval Reservist.

7 Military Sealift Command¹

(a) 71 ships owned

(b) 42 ships chartered

(c) 53 ships are manned by civil service crews. Commercial contract mariners man and operate 60 ships.

(d) Employment sources:

Deck officers

Kings Point 32

State schools 78

Other sources (including union schools and ex-Navy) 233

Total 343

Engineering officers

Kings Point 13

State schools 50

Other sources (including union schools and ex-Navy) 397

Total 460

Mr. AuCoin, Rear Admiral Rizza of the California Maritime Academy.

Admiral Rizza, welcome.

¹ Figures will change slightly from month to month—data as of January 11, 1980

STATEMENT OF REAR ADM. J. P. RIZZA, USMS, PRESIDENT.
CALIFORNIA MARITIME ACADEMY, VALLEJO, CALIF.

Admiral Rizza: Thank you, Mr. Chairman, and thank you for inviting me to testify from the west coast. I will address the particular points of the bill.

We at the California Maritime Academy strongly urge that the House of Representatives support this legislation for the improvement of the merchant marine officer programs at the State maritime academies.

Section 1304(b)(3) of H.R. 5451 provides that the Secretary "may pay additional amounts to assist in paying for the cost of fuel oil consumed."

I feel very strongly, we all do at the academy, that the entire amount of the fuel oil cost for the annual training cruises should be paid by the Maritime Administration as a fair-share contribution to the cost of educating officers for the U.S. merchant marine, our recognized fourth arm of defense.

The State academy training vessels are U.S. public vessels conducting officer's training for young men and women who will be licensed officers of the U.S. merchant marine. Most of them also will be officers of the U.S. Naval Reserve.

The individual States are encountering increasing difficulty in financing the rapidly escalating cost of fuel oil. The committee also must be aware that U.S. support of the International Maritime Consultative Organization agreement doubling the existing U.S. Coast Guard sea training time requirement poses even more severe financial problems for our State academies in the immediate future.

Along with some of my other colleagues, I would like to see our training ships designated in the law as U.S. public vessels. This designation would be of tangible assistance in facilitating our access to the services of both U.S. and foreign ports. This addition should be made to paragraph (b)(1)(E), section 1304.

Mr. AuCoin: Let me interrupt just long enough to jump ahead in your testimony and ask you if you have commented in your testimony on the proposed provision in which there would be, as a criterion or requirement for graduation, the passage of the license examination.

How do you feel about that?

Admiral Rizza: Yes, we have commented on that.

Mr. AuCoin: What is your feeling?

Admiral Rizza: In our case, we feel that our midshipmen should take the examination before they graduate. We consider it part of our academic program. These people go into a license seminar as part of the curriculum. The examination for that license seminar is the Coast Guard license examination. If they don't pass that, they don't graduate. That is part of the academic program.

Mr. AuCoin: Is that the way it is working in the California academy?

Admiral Rizza: That is the way it is working right now. We want to continue it that way as far as California is concerned.

Mr. AuCoin: Why is that?

Admiral Rizza: It works very well for us. I think this is the way it should work, myself.

Mr. AUCOIN. I want to be clear on that. You think that is good policy?

Admiral RIZZA. Yes, I think that is an essential policy. Continuing with my testimony, in a financial vein, I would like to point out that the annual Maritime Administration contribution of \$100,000 to the operation of the State academies. Section 1304(c)(1) is woefully inadequate to offset the cost of accepting out-of-State students. The amount should be raised at once to \$200,000 if it is intended to fairly recompense our States expenditures for these students. Furthermore, it should be raised annually, based on an appropriate inflationary formula.

Fortunately, to date we have been able to meet a Maritime Administration quota of 10 percent out-of-State students for our incoming classes. This has been accomplished through a best-qualified selection process without recourse to an inherently discriminatory quota selection system. The State legislature so far has not objected to this mandated out-of-State quota despite the economic inequity of the Federal contribution (section 1304(d)(2)).

We also support the provision under paragraph (d)(1)(C), section 1304, which would require passage of the U.S. Coast Guard entry level examination. I have addressed that so I will not talk about it further.

The provision to change the current \$100 per month subsistence allowance for U.S. Maritime Service cadets from the status of an unqualified grant to that of a loan (section 1304(f)(1)) meets our approval as a basically fair provision.

Those graduates who sail on their license or accept positions with the U.S. maritime industry will have the repayment of their loans waived. Those who do not meet their service commitment will pay the loan back upon graduation or upon separation from the program.

However, the amount should be increased annually to reflect the current costs of subsistence, uniforms, and books. The text should read as follows:

The Secretary may enter into agreements to make loans for not more than 4 academic years, at a rate sufficient to defray the current cost of subsistence, uniforms, and books, to any student, et cetera.

In view of inflation costs and the change from stipends to loans, the academy feels that the permissive amount should be adjusted annually.

Following the above line of reasoning, the California Maritime Academy would like to see these subsidies made available to all midshipmen. Practically all students in other colleges are now eligible for federally insured student loans at no interest until graduation.

In the case of education majors, the loans are forgivable if the individuals fulfill certain teaching requirements over a span of years. This policy is similar to the forgiveness provision for maritime officers in H.R. 5451. It recognizes the need for financial assistance but imposes an obligation for service.

We also believe that the punitive provisions relating to early separation from the program, section 1304(f)(2) must be modified. As constituted, H.R. 5451 provides that within the first 2 years

only academic failure will provide release from repayment of the loan.

We recommend deletion of the words "because of academic failure." The paragraph will then read:

The loan is forgiven if the student carries out all the terms of the loan agreement, or if the student is separated by reason of academic failure or voluntary resignation from the student's academy or college during the first 2 years of the student's course of study or—

As written, the paragraph encourages a student to flunk just to have his loan forgiven. We do not think this is proper motivation. If a student doesn't adjust to maritime life, we don't think he should be encouraged to deliberately fail academically.

The California Maritime Academy strongly supports the provision of the bill, section 1304(e), which provides our Maritime Service cadets with the status of Reserve Midshipmen, U.S. Navy. This provision is extremely important in the event of a national emergency, as our source of officers to man the ships of our merchant marine should not be impaired by the actions of individual draft boards acting within the Selective Service System.

In this connection, we support the U.S. Maritime Administration's recommended change to section 1304(a)(1) which would encourage the Secretary of the Navy to establish NROTC units at the various State academies. Since a U.S. Navy instructor group already is assigned to each campus, the cost of this program would be negligible. Entering students would then be eligible for NROTC scholarships and commissioning as regular officers of the U.S. Navy upon graduation.

I would also like to take this opportunity to support other changes which, I believe, have been recommended by the U.S. Maritime Administration:

The addition of paragraphs (5) and (6) to section 1302 providing expanded descriptions for the terms "merchant marine officer" and "Merchant Marine Academy" respectively.

(5) the term 'merchant marine officer' means masters, mates, pilots, and engineers licensed to serve aboard vessels more than 1,000 gross tons.

(6) the term 'Merchant Marine Academy' means State, territorial, regional academies, colleges and institutions or vocational or technical programs funded by any State or territory and operating under the authority of any State or territory for the purpose of instructing citizens for the purpose of becoming merchant marine officers.

The addition of additional qualifying merchant marine positions and maritime-related industries to paragraphs (h)(2)(D) (i) and (ii) of section 1303.

(i) . . . U.S.-documented vessel or as an officer on a vessel owned and operated by the United States or any State or territory."

(ii) . . . or marine sciences, as an employee in private or public U.S. maritime-related industry programs (as defined by the Secretary): *Provided, however*, That this option will be accepted to fulfill the service obligation for only 3 years of the 5-year obligation unless the Secretary determines that service as an officer in vessels of the United States is not available.

We also recommend the addition of graduate school status in paragraph (h)(2) of section 1303 as a basis for waiver of action by the Secretary for a period of 2 years and the expansion of authorization for the Secretary to make excess or surplus Government property available to approved institutions under the provisions of section 1309(b).

Mr. Chairman and distinguished members of the Ad Hoc Select Committee, I thank you for the opportunity to present our views on this important legislation. Realizing that my remarks may not have touched on your specific areas of interest, I will be pleased to respond to any of your questions.

Mr. AuCOIN. Admiral Rizza, I want to thank you for your testimony. It is thoughtful and interesting in a number of respects.

I could not help but notice, of course, that you have not only differed with your colleagues on the license examination passage requirement for graduation, but also that on page 3 of your testimony you indicated that you approve of, as a fair provision, the transference of the subsidies going to students from subsidies to loans. You note that the bill waives the payback of the loans if the service obligation has been met.

You go on to say that you would like to see the subsidies available under those terms available to all midshipmen in all academies. That may be a large order.

I wonder if your support for that provision is contingent upon that subsidy indeed extending to all midshipmen?

Admiral RIZZA. Yes. If it is changed from a subsidy to a loan, we feel it should be given to all midshipmen.

Mr. AuCOIN. Would you support the provision that does make the change in the absence of it being extended to all midshipmen? That is what I am trying to find out.

Admiral RIZZA. In the absence of a loan being extended to all midshipmen, I would not support the loan.

Mr. AuCOIN. A subsidy in the way of a loan or what?

Admiral RIZZA. If it is not a loan, I think midshipmen should get a subsidy. However, I recognize that there is a need for limiting the number of people in these schools. We can't just continue to increase the numbers and then increase the subsidies. There must be a limitation somewhere.

Mr. AuCOIN. Let me see if I understand what you are saying.

You would like to see subsidies transferred into loans and the repayment can be waived as provided by the bill, but you would also like to see that new form of financial aid extended to all midshipmen?

Admiral RIZZA. Yes to all midshipmen at the Academy.

Mr. AuCOIN. If it cannot be, do you still support that provision of the bill that changes the subsidies to loans?

Admiral RIZZA. No. I would like to see the loan extended to all entering midshipmen.

Mr. AuCOIN. What is your evaluation of the current allocation of the subsidies? You were here, I believe, when I went through the figures comparing the number of subsidies to the number of eligible freshmen.

According to the oversight report that Congressman Studds and his committee put together in 1977-78, California had 119 students receiving grants out of an eligible population of 161.

The other end of the spectrum, the high end of the spectrum is the New York academy which has 251 out of a total of 252 midshipmen receiving the subsidies.

I don't know what that one fellow feels like who doesn't have the subsidy at the New York academy, but every midshipman but one

in that academy receives a subsidy. You heard all the other figures in between.

What is your opinion of the allocation system?

Admiral RIZZA. I feel that all cadets should get a subsidy, but at the same time I recognize that there must be a limit set on this or the academies may expand to proportions that are not reasonable.

The California Maritime Academy has always had 110 subsidies. We have gone over in the number of people coming in. We do get a few subsidies that are left over from, say, New York when they can't fill them all.

If we rearrange these subsidies, I feel the California Maritime Academy will hurt because I think we will get less, unless the subsidies are of a greater number.

Mr. AUCOIN. You would agree basically with Marad's testimony that the result of what might appear to be disparities here really represents a management decision in the case of each of these institutions a decision to expand rather than some other form of discrimination or unfairness?

Admiral RIZZA. That is the problem.

Mr. AUCOIN. Well, now, answer my question, is it because the academies have expanded or because Marad is not distributing these subsidies fairly?

Admiral RIZZA. I think Marad at the time they distributed the subsidies distributed them fairly. Since that time there have been academies that have grown in population.

Mr. AUCOIN. So is that what you feel, the result of what appears to be a disparity?

Admiral RIZZA. Yes.

Mr. AUCOIN. I have a couple of other quick questions and then I will yield to my friend from Maine.

Who presently pays for the cost of fuel oil for your training ship at your academy?

Admiral RIZZA. The State of California pays for the cost of fuel oil.

Mr. AUCOIN. What is the cost annually?

Admiral RIZZA. Right now, with the price the way it is, it is around \$300,000.

Mr. AUCOIN. What has been the cost to your institution in the last 5 years?

Admiral RIZZA. It has been rising gradually, depending on the cost of fuel oil.

When I first came to the academy in 1972, fuel oil was about \$3 or \$3½ a barrel. Today it is \$22 a barrel. We consume about 14,000 barrels of fuel oil for a cruise. That is the difference in the past 5 or 6 years. The price of oil continues to go up and it is raising very serious questions in the State of California as to the continued existence of the academy.

It is unfortunate if that happens. I think it is too much for the States to fund. The States are funding a major proportion of the education of these students now. The Federal proportion has not gone up in ratio with the State proportion and therefore as it rises in the State eyes they are looking at why isn't the Federal portion rising at the same time.

The burden is getting heavy and the burden on fuel oil is extremely heavy. If they force us to go into the provision of 1 year at sea, I seriously question the existence of our academy at California, although I do not agree with that consultive organization decision that we made.

Mr. AUCOIN. Do you support the convention?

Admiral RIZZA. No, sir, I definitely do not. I think the convention is inappropriate and wrong. I think they have the emphasis in the wrong area. You don't improve quality by time at sea. If anybody has had experience in training, that should be obvious.

Mr. AUCOIN. Doesn't the California academy have a fairly well known program of continuing education?

Admiral RIZZA. Yes.

Mr. AUCOIN. In your opinion, is continuing education a proper activity for the Federal Government?

Admiral RIZZA. Our continuing education program funds itself. We are providing a vital service to the industry at little or no expense to the State or Federal Government. There is no need for the Federal Government to become directly involved in providing such a service in direct competition with established institutions of maritime education and training.

Mr. AUCOIN. Do you see a Federal responsibility here?

Admiral RIZZA. Well, I think the Federal Government could enter into something like that if the courses were not available from other educational or training sources. However, that is not the case on the west coast where we can continue to meet this need at little or no expense to the taxpayer by using the facilities of the Maritime Academy.

Mr. AUCOIN. If the Federal Government does take that responsibility, do you see that as a proper function for Marad?

Admiral RIZZA. I think it is a proper function for Marad, but we are in the training business and we can also do it. As long as it doesn't cost the State or the taxpayer any funds, I think we should continue to do it. That is the only way we could do it anyway.

Mr. AUCOIN. Are you a graduate of a maritime academy?

Admiral RIZZA. Yes, I am a graduate of a maritime academy. I have served in the merchant marine and I am a licensed master mariner.

Mr. AUCOIN. Mr. Emery?

Mr. EMERY. Thank you very much, Mr. Chairman.

I wonder if you could tell us a little bit about the condition of the training vessel that you use in California. Is it in pretty good condition? Do you have any problems with financing ordinary maintenance of the ship? Do you think you will be needing major improvements in that vessel?

Admiral RIZZA. Our training ship is an old World War II attack transport. Unlike the other academies, the midshipmen live in the cargo hold with bunks in tiers. What we need, and Marad is working on it, are improvements in the habitability of the training ship.

I think it is a good training ship for training purposes. It does not have to be luxurious because, after all, the people go on the cruise only 10 weeks—3 months. But what we need on our training ship is a program to improve the habitability of the training ship.

to make life for midshipmen reasonable in this modern day and age for midshipmen.

On the training ship at the California Maritime Academy, the bulk of that work has been done by cadets and faculty. Now, our cadets and faculty should not continue to do the amount of work that we are doing now because we need to spend more time in classes, but in the absence of adequate funding, that is the only way we can keep the maintenance up.

I note that Marad has increased our money to improve the habitability of the program, the living conditions onboard the training ship. But I must say that that training ship has been put into excellent condition today primarily through the efforts of students and faculty.

Mr. EMERY. Habitability is important to moral and a worthwhile improvement. One of the things I am interested in, though, is whether or not these older training ships were built before 1940, that is a pretty old vessel. At some point in time sooner or later that ship is going to run out of useful life.

At some point in time it will need major renovations in order to remain safe and seaworthy. Also, at some point in time I would imagine that modern technology is going to leave that ship somewhere behind the times.

The question that I am really getting at is whether you see that it will be necessary to provide these State academies with more modern vessels which are more like those that young merchant marine officers are likely to serve on, or whether you think because of the increased oil costs and the expense of maintaining these ships, et cetera, that at some point in time it might be necessary for a change of policy and maybe rely to a greater extent on commercial vessels in merchant marine service through private industry or depend on the U.S. Navy for some of the onboard training.

Do you have any particular thoughts on that?

Admiral RIZZA. Yes, I have feelings about that. Some time in the future the training ships will have to be replaced by other training ships. I don't think the training aboard a merchant ship the way it is today can come near the training that these people get on a school ship supervised by a maritime academy.

The training is very intensive in all phases. You cannot do that aboard the merchant ship when you put a cadet on board. He is an observer. Their mission is to go from point A to B and carry cargo. They cannot go through all types of training. You cannot stop the ship, break down engines. You cannot go through casualties on a merchant ship as you do on a training ship where they are going through this continuously.

So the best training in my view is aboard a training ship supervised by the school itself. Then the program is attached to the academic program. The faculty is also part of the ship crew and staff. They go with the midshipmen. They are tied in and measured in very well.

But there is no comparison between the type of training that one gets on a training ship under a school vis-a-vis the training on a merchant ship as other cadets do.

Mr. EMERY. Well, if you follow that line of reasoning, and I think I agree with you for the reasons that you pointed out, is it advantageous or disadvantageous to modify an old military vessel of some kind or should there be maybe a specially designated and constructed ship for training purposes?

Do you have any particular thoughts?

Admiral RIZZA. What you are saying is very desirable. It would be nice to have, but I can't see spending all that money. It would be nice to have. If we had unlimited resources, I would say we should have a brand new training ship built for training, but the cost is just tremendous.

Mr. EMERY. What are the costs usually associated with the modifying of a military vessel for merchant marine training?

Admiral RIZZA. Well, our ship was a military cargo-transport ship. However, I don't think you could modify a military combatant ship into a training ship for merchant marine officers.

A training ship must be a merchant-type hull. A Navy ship will not satisfy the training for a merchant marine officer. It is a combatant ship. It is a totally different mission and different systems.

Mr. EMERY. What do you think it would cost to replace your ship with one that would be—

Admiral RIZZA. A brand new ship?

Mr. EMERY. No, a modified military transport or some vessel like you were describing.

Admiral RIZZA. I think it would cost to convert one, at least \$3 million. If you are going to do that, I would say put the \$1 million on our ship and modernize it and it will be good for another 7 years. Of course, that only applies to our training ship, the *Golden Bear*. The other academies have different types of vessels.

Mr. EMERY. What do you see as a desirable policy for requirements for service in the merchant marine after graduation in exchange for the Federal loan or Federal subsidy?

Admiral RIZZA. I agree with what we have in the bill here now as far as service. Yes, they should serve in the merchant marine or the maritime industries for the length of time that this bill provides for, which I think is reasonable.

Mr. EMERY. Do you see any opposition maybe among graduates or do you think they are generally interested in doing exactly what the requirement says? Have you had any feedback?

Admiral RIZZA. As long as they are getting a subsidy and assistance from the Federal Government, I think they should. I think that since our mission is to provide merchant marine officers, we should adhere to that. Our graduates at our academy all go to sea. They wouldn't take shore jobs. They have shore jobs offered to them but they are motivated to go to sea and they are very disappointed if they can't get a ship and have to take a shore job.

We don't have that problem. In my experience we have not had that problem. They go to sea. They like going to sea. They are highly motivated. They pay to go to this school. Their objective is to come out and become a merchant marine officer.

Mr. EMERY. You commented in your testimony relative to out-of-state students attending the California academy.

Do you have any foreign nationals?

Admiral RIZZA. No. We have one person from the trust territories, but now that they are territories of the United States he is not a foreign national. We are thinking about admitting a couple of foreign nationals, if it does not interfere with our program or our needs.

Mr. EMERY. Do you have any thoughts about foreign nationals at the State academies?

Admiral RIZZA. I don't think the legislature of the State of California would look kindly on us taking in foreign nationals in any number when we are denying California and west coast students the opportunity to go to school because we are unable to take all the applicants that want to come to school.

I think two or three or four or five should be, in our case, the limit if we take any at all. But we would run into trouble, I think, with our taxpayers. We would be denying people from California and we get 4, 5, or 600 applicants that are qualified. We can only take 150. We cannot justify taking a larger number of foreign nationals, particularly when they don't pay the full cost. They pay out-of-State tuition, but that doesn't cover the full cost.

If we took foreign students out, I would suggest to the State legislature that we charge them the full cost.

Mr. EMERY. I personally agree with that. Earlier today representatives of the Maritime Administration indicated, according to manpower studies that have been done and that they expect may be updated, hopefully the passage of some legislation. There may be a shortfall in the number of graduating merchant marine officers.

Do you anticipate that if that happens, you would be able to or you would desire to increase the enrollment of the California academy, and if so, by how much?

Admiral RIZZA. If that happens, we can and we have provisions to increase enrollment at the academy.

Mr. EMERY. What is your enrollment now?

Admiral RIZZA. 485 students. Temporarily, we could take in other students and house them onboard the training ship because we have no more facilities at the shore. But we could take them on a temporary basis to fulfill a requirement like that, yes.

We do have two and three job offers for each graduate. I think that the officer shortage is getting sort of worse each year here, and the shortage will be particularly bad if we ever have an accelerated departure of people that are at a retirement age.

Mr. EMERY. I thank you very much for your testimony, Admiral. I appreciate your coming to share your views with us.

I have no further questions at this time, Mr. Chairman.

Mr. AU COIN. Thank you, Mr. Emery.

One final question: You may have heard my colloquy with Admiral Scarborough of the Coast Guard with regard to vessel inspection on training vessels. We found that the Coast Guard doesn't apply the same standards to its training vessels as it does to your training vessels. You also heard his explanation.

Do you have anything to state to the committee in response to what you heard?

Admiral RIZZA. I can only state my own experience. We are not having any trouble passing the Coast Guard inspection for our

training ship. I don't know what the other problems are so I cannot comment on them. They probably are valid, but I don't know what they are. We pass the Coast Guard examination every year before the ship goes on a cruise and we have no problem.

Mr. AuCOIN. Do you have any advice for the Coast Guard, regarding standards that might apply to its own training vessel?

Admiral RIZZA. On the IMCO requirement, yes. I think that the requirement to make our people go to sea for 1 year to improve standards or quality, as I understand is the purpose, is totally wrong. You don't improve quality by punching a time clock at sea. It is the quality of the program.

If we want to improve quality, we can make our examinations more comprehensive and tougher. If we cannot, then not only should we have written examinations, but I think we can put people through problems on simulators of all kinds and make them very realistic to supplement the written program.

That would do a great deal to improve quality because then they would really know their business, but not 1 year at sea.

As indicated by the IMCO agreement, you put a man on a merchant ship for 1 year. We think we can do more in 6 months in our type of training than you can do aboard a merchant ship for 10 or 11 months.

Mr. AuCOIN. In 1974 when your graduates took the new Coast Guard examination, what was the pass-failure ratio on the first examination?

Admiral RIZZA. I think it was about 96 or 97 percent passage.

Mr. AuCOIN. Thank you very much for your testimony.

Admiral RIZZA. You are very welcome, sir. Thank you for inviting me.

[The following was received for the record:]

CALIFORNIA MARITIME ACADEMY,
Vallejo, Calif., January 8, 1980.

Congressman Les AuCOIN,

Chairman, Ad Hoc Select Subcommittee on Maritime Education and Training,
Cannon House Office, Washington, D.C.

DEAR CONGRESSMAN AuCOIN. Thank you for your letter of December 18, 1979. In reply to the questions you posed on the amendments contained in H.R. 5451 which were intended to improve the Merchant Marine Reserve and U.S. Navy Reserve, we do support these amendments. However, allow me to address your questions individually.

The California Maritime Academy strongly supports the provision of the Bill (Section 1304(e)) which provides our Maritime Service Cadets with the status of Reserve Midshipmen, U.S. Navy. This provision is extremely important in the event of a national emergency, as our source of officers to man the ships of our Merchant Marine should not be impaired by the actions of individual Draft Boards acting within the Selective Service System. In this connection, we support the U.S. Maritime Administration's recommended change to Section 1304(a)(1) which would encourage the Secretary of the Navy to establish NROTC Units at the various State Academies. Since a U.S. Navy Instructor Group already is assigned to each campus, the cost of this program would be negligible: Entering students would then be eligible for NROTC scholarships and commissioning as regular officers of the U.S. Navy upon graduation.

We also support the amendments to H.R. 5451 which were proposed to the Committee by the Assistant Secretary for Maritime Affairs for the purpose of clarifying the U.S. Navy Reserve Component status of U.S. Merchant Marine Officers. These changes to Subsections 1303(f) and 1303(h) appropriately identify the programs as "Merchant Marine Reserve and U.S. Naval Reserve."

Neither H.R. 5451 nor the amendments proposed thereto would have any effect on the Naval Science Courses taught at this Academy. Only two Naval Science Courses are required: NS-100 and NS-200, Naval Science for the Merchant Marine Officer. I

and II, three credits each. Five additional option courses are offered by our Naval Science Department (Enclosure 1)

Section 1304(f)(1)(F) (i thru iii) of H.R. 5451 deals with the Active Duty and Reserve Service options available to State Maritime Academy graduates. The Maritime Administration has proposed some changes in these options which are designed to more accurately reflect the variety of positions in the U.S. Merchant Marine and the U.S. Maritime Industry in which our graduates now serve. We support both H.R. Bill 5451 and Marad's proposed changes.

For your information, I have summarized the minimum requirements of these Service Options into three categories; (1) Current Requirements, (2) H.R. Bill 5451, and (3) Marad Proposed Changes.

Current Requirement	H.R. 5451	Marad changes
1 Sail on license for 6 months each year for 3 consecutive years	Serve US for five years	
2 Sail on license for 4 months each year for 4 consecutive years	(i) As a Merchant Marine Officer on a US documented vessel.	(i) Same, plus or as an officer on a vessel owned and operated by the US or any State or Territory
3 Go on active duty, US Naval Reserve for 3 consecutive years	(ii) As an employee in a private or public US maritime related industries, professions of marine sciences (as defined by the Secretary), or	(ii) Same, plus provided, however that this option will be accepted to fulfill the service obligation for only three years of the five year obligation unless the Secretary determines that service as an officer in vessels of the US is not available
4 Serve Active Duty for training on board a US Navy Ship for 30 consecutive days each year for 3 consecutive years	(iii) As a commissioned officer on active duty in an armed force of the US or NOAA Provided	(iii) Same

The net impact of H.R. Bill 5451 is to extend the normal required period of US Merchant Marine Service from the current three years to five years. The changes proposed by Marad would broaden the base of the service option to include those positions which we regard as integral parts of the industry itself. I, therefore, support both the original language of H.R. Bill 5451 and the changes proposed by Marad. Likewise, I support the clarifying language of the amendment proposed by the U.S. Navy.

These amendments will not pose any problems for the State Academies in terms of alterations to our curricula or in terms of future recruiting for students.

Sincerely,

J. P. RIZZA,

Rear Admiral, USMS, President

Note. All enclosures with this letter have been placed in the subcommittee files

CALIFORNIA MARITIME ACADEMY,

Vallejo, Calif., January 22, 1980.

Hon. LES AUCOIN,

Chairman, Ad Hoc Select Subcommittee on Maritime Education and Training, Washington, D.C.

DEAR CONGRESSMAN AUCOIN: This letter contains my responses to the questions posed in your letter of December 18, 1979. I appreciate the opportunity to develop our thoughts on these important topics for the printed hearing record.

1. "What is the primary function of the California Maritime Academy? Overall, do you believe that you have been successful in implementing this primary function? Would the Bill as introduced generally assist you in carrying out your primary function?"

Response: Our primary function is clearly defined in the Education Code of the State of California, Section 7000 "to provide instruction on the nautical sciences, marine engineering and related fields, including all those necessary for providing the highest quality licensed officers for the American Merchant Marine and California Maritime Industries." Inherent in this mission are the following objectives:

To educate each Midshipman in an accredited college program in Nautical Industrial Technology, Marine Engineering Technology and related fields.

To train each Midshipman in the skills and knowledge essential to licensing in the Merchant Marine of the United States, and as commissioned Naval Reserve officers.

To develop in each Midshipman a strong sense of duty, honor and service to country and instill a pride in the profession; and

To develop in each Midshipman a sound body and the physical attributes necessary to successfully meet the rigors of the sea.

I believe that our modernized program of instruction and training together with a wide range of specialized Maritime options has produced a quality graduate who will meet the present and future demands of the highly sophisticated and technologically advanced U.S. Merchant Marine standards and who will be able to keep abreast of the rapidly changing Maritime technology. However, all California Maritime graduates go to sea and are sought after by the Maritime Industry. We suffer heavily from the recent upward spiral of costs. The Bill as introduced has our enthusiastic support. As I stated in my personal testimony, there are features, such as the level of federal financial support, which should be further improved in support of our programs.

2. "You have heard the testimony of the witnesses from the Navy, Coast Guard, and Maritime Administration. Do you have any comments to make with respect to their testimony?"

Response: As I stated in my letter of 3 January 1980, the California Maritime Academy supports the recommendations on the sections of H.R. Bill 5451 which relate to the State Academies presented by both the Maritime Administration and the U.S. Navy.

3. "As you know, the Maritime Administration has recommended an amendment to Section 1304(d)(2) that would tie the upper limit of the prescribed number of out-of-state students at any one state maritime academy to the number of students enrolled rather than to such school's total student capacity; which may or may not be fully utilized.

a. What would be the effect of this amendment on the California Maritime Academy,

b. Do you favor or oppose this amendment? Why?"

Response: The net effect of this Amendment on the California Maritime Academy would be insignificant, as we are now enrolling each year the number of students required to meet our current capacity of 468. Essentially, we favor the amendment because it ties the quota to the realities of current enrollment. If we had excess capacity under the present law, Marad conceivably could require us to enroll a higher quota of out-of-state students than in-state students. However, we would have serious objections to any move by the U.S. Maritime Administration to impose an out-of-state enrollment quota higher than the current ten percent target.

Fortunately, to date, we have been able to meet the Maritime Administration quota of ten percent out-of-state students for our incoming classes. This has been accomplished through a best-qualified selection process without recourse to an inherently discriminatory quota selection system. The State Legislature so far has not objected to this mandated out-of-state quota despite the economic inequity of the Federal contribution. If the out-of-state quota were increased above 10 percent and we were then forced to enroll out-of-state students less qualified than in-state students, I would expect serious objections to be made by the State of California. The minimum federal subsidy to cover costs of out-of-state students in 1980-81 would be \$6,600 per student per year or \$300,000 total per year.

4. "What effect, if any, will the International Convention on Standards of Training, Certification, and Watchkeeping have on the training provided by the California Maritime Academy? What initiatives, if any, has the California Maritime Academy taken to accommodate this Convention?"

Response: We are not pleased that the U.S. Coast Guard is imposing the IMCO requirement that State Academy cadets must spend one year at sea training rather than the six months which have always been considered adequate in the past. The Coast Guard, in my opinion, has not given adequate weight to the vast experience in maritime education and training which is available for the asking from the State Maritime Academies. This failure to consult the State Academies has, in my opinion, got us into the potential position of possibly having to double our at-sea time, and, consequently, doubling our fuel oil consumption to meet the new IMCO requirements creating an impossible financial burden on the State Academies. The California Maritime Academy feels that if the International Convention on Standards of Training Certification and Watchkeeping are properly interpreted by the Coast Guard to allow a variety of training on simulators, training on schoolships in

port, and training on smaller vessels, the result can be an improved quality of U S Merchant Marine Officer. For instance, there is no doubt that six month's intensive training underway aboard a training ship is equivalent in training at least to one year as a cadet observer aboard a commercial vessel. In the past, the Coast Guard always has recognized that six months' sea time for a Cadet aboard a training schoolship was equivalent of a year's sea time as an observer aboard a merchant ship. On board a training school ship, the Cadet actually performs functions, rather than only observing them. He can maneuver the ship, anchor the ship, and moor the ship. A training ship can spend time stopped, conducting boat drills and ship-handling drills, while a ship making money cannot afford to stop. Casualty drills, disassembly of equipment, and maneuvers can not safely or practicably be performed on a merchant ship whose mission is cargo port to port. There is no comparison between the time spent in an organized and intensive instructional program aboard a training school ship and time spent merely observing watch routine aboard a commercial vessel.

Aboard a schoolship, there is a 24 hour per day program dedicated to intensive and comprehensive training and instruction, all under the critical eyes of competent licensed instructors. In the course of the three cruises a cadet goes on, he or she moves through the ratings from seaman to watch stander. This training provided at sea includes a preliminary period of intensive shakedown training and subsequent advanced underway training. Various schoolship training activities, such as emergency and boat drills, man overboard, deck damage control drills, abandon ship, Williamson turns, radar navigation, engine maneuvering, engine change over from maneuvering to cruising and vice versa, rubber docking, anchoring and getting underway, towing, linehandling, signaling, steering, piloting and celestial navigation, lookout watch, electronic navigation, various casualty exercises, and a host of other training operations which are conducted with the objective of achieving mastery of those subjects and tasks, rather than merely satisfying operational or inspection requirements.

The long ocean legs are filled with a daily routine of supervised watch standing drills, simulated crises situations, and a full schedule of professional instruction. Seniors serve as watch officers with a licensed faculty member in the background for safety purposes. Other cadet responsibilities include operation and maintenance of the vessel and its power plant repairs when necessary, and the supervision and training of underclassmen.

Our midshipmen are assigned by division daily to do maintenance and repair on the ship. Underclassmen perform the routine tasks and seniors plan, coordinate, supervise, and otherwise act in a management role. While a division is on watch, the students are learning the proper way to stand a watch and all it entails, keeping track of their position, speed, course made good, set and drift, traffic, communications, weather, lookout, azimuth, and compass checks.

Every effort is made to insure that midshipmen develop the competencies required to be a competent merchant marine officer. An indication of the thoroughness of the program may be gained from the following list of subjects and tasks which are taken up and in which students get hands-on training.

- Explain watches and duties;
- Demonstrate ability to light off or secure the gyro compass;
- Explanation of noon slips, dispatch reports and voyage abstracts.
- Explanation of CO₂ smothering system on ships;
- Classes of fire and gear utilized in containment and extinguishing techniques, Firefighting films;
- Supervise under the direction of a designated ship's officer the duties of utility personnel engaged at forward or after docking stations while the vessel is docking or undocking.
- Demonstrate a working knowledge of all bridge electronic equipment;
- Demonstrate a thorough working knowledge of the rules of the road.
- Take a turn at conning the ship for a Williamson turn, raising, spotting, using and lowering the cargo booms;
- Lecture on the lifeboat radio and how to use it,
- Demonstrate ability to take charge of launch, serve as boat officer/coxswain underway, and recover a lifeboat under existing weather conditions;
- Detail lifeboat nomenclature and commands;
- Drop and raise the anchor;
- Take turn at each mooring station;
- Demonstrate proficiency in piloting by performing as a member of the training navigation detail;
- Steer by the various means, both on the bridge and aft and switch from one to another;

Demonstrate a thorough knowledge of visual and electronic signaling procedures applicable to merchant ships;

Use flares, smoke bombs, and line throwing apparatus;

Tour cargo spaces, point out items of ship's structure and how cargo is stowed;

Prepare comprehensive stability project, including theory of moments, trim and rolling period;

Demonstrate a working knowledge of tank sounding procedures and tables;

Conduct blinker classes;

Lecture on watertight doors integrity, including hatches, sideports, watertight doors and fire screen doors;

Demonstrate weather map making ability;

Lecture and film on AMVER and USMER—with students required to prepare messages;

Demonstrate working knowledge of line handling and marine spike seamanship.

A careful evaluation of the facts will show that the training experiences on board a schoolship dedicated to training far exceed those arising in the same time on a commercial vessel dedicated to uninterrupted trade. And, therefore, the conclusion is inescapable that the six (6) months of schoolship time is worth much more than six (6) months on board a commercial vessel. In our view, six (6) months on a schoolship equates to at the very least nine (9) months on board a commercial vessel.

The California Maritime Academy has proposed to the U.S. Maritime Administration and the U.S. Coast Guard a compromise solution—a comprehensive program of "equivalency" which would satisfy the IMCO Regulations. We intend to use our current 30 weeks (7 months) of sea time in conjunction with a period of intense simulator training, practical training on smaller, more economical vessels and laboratory periods aboard the training ship and other ships to meet the requirement. We are convinced that the above approach will produce a far more skilled and experienced officer than one who merely rides and observes. Furthermore, doubling our sea time would result in an inefficient increase in our consumption of fuel oil resulting in an impossible financial burden on the State and making it impossible to include the extension within the four year program.

Several types of simulators and models will be used to accomplish the one-year sea time equivalency. A radar simulator will be used to give the students training and experience in collision avoidance, coastal piloting and rules of the road. A computerized tanker loading simulator will be used to train and give experience in the loading, discharging, stability, trim and stress of the liquid cargo. Models and ship's cargo gear will be used to aid training in cargo handling aboard dry cargo, container, lash, and Ro-Ro ships. A low-speed Diesel Engine Room Simulator will provide qualification training for Engineers and orientation for the Deck midshipmen. The use of the above simulators and models will allow the student much more opportunity for real cost effective and efficient time training and experience than many times the same period of routine exposure aboard a ship. In addition, no environmental dangers exist, so the student will be totally responsible for the activity.

Training and experience aboard smaller vessels and tugboats is the most efficient way to develop seamanship skills and shiphandling ability. Vessels from 30 to 90 feet in length are excellent for the training of young officers. With smaller vessels, skills and techniques can be developed over a period of time by repeating various maneuvers, while building up in vessel size. The student can be completely in control as there is no danger of significant damage, as is the case with a large ship.

The California Maritime Academy already has taken initiative to add the required simulators, lengthen its training cruise to the aforementioned 7 months and improve the quality of practical training. We have no doubt that this program meets the intent of the one year or equivalent provisions of the International Convention. The California Maritime Academy, therefore, concludes that much more effective and cost effective training can be accomplished in the combination of activities described above rather than maintaining a strict adherence to the stated requirement of one year at sea.

It has been apparent for several years to the California Maritime Academy that changes in educational and training requirements would be initiated by the United States and by IMCO. We also recognize that the maritime industry has achieved rapid technological advances. Our Department of Adult Maritime Education was established in 1974 to accomplish our fundamental goal of developing a complete program of continuing maritime education and technical training. Dynamic growth

has been experienced in the first five years of this program, building up to a total of 43 classes presented in 1979.

Early in 1979, with the assistance of the California Maritime Academy Foundation, the shipping companies, and a neighboring electronics firm, the Academy developed its computerized tanker loading/discharging/ballasting simulator. This unique device is a computer driven cargo and ballast console designed to reproduce tanker cargo handling operations. It effectively conveys a comprehensive understanding of tanker operations on board an automated 70,000 DWT tanker.

The tanker simulator is used in training our midshipmen in tanker operations. We also have developed a 5-day seminar for junior officers of the tanker companies. Additional computer capacity is being added to the tanker simulator to make possible the development of an advanced, sophisticated, tanker senior-officer course, which will be offered to the maritime industry early in 1980.

Also nearing completion, is the installation of a radar simulator laboratory. By mid 1980, a Radar Observer Certification course will be offered to the maritime public.

A Diesel Engine Operation and Maintenance course is currently offered two to three times a year. This course will be improved by the completion of a Marine Diesel Engine Room Simulator in 1981.

Two popular courses presented several times a year are the "Lifeboatman Certification Course," which is approved by the U.S. Coast Guard, and "Emergency Medical Training for Seagoing Personnel," which is approved by the U.S. Public Health Service. Graduates receive the certification, respectively, of those two federal agencies.

Another course which is presented several times a year is "Tankerman Training," which is designed to prepare maritime personnel to successfully pass the U.S. Coast Guard examination for "Tankerman" endorsement on their seaman's papers.

"Maritime/Admiralty Law," "Marine Terminal and Stevedoring Operations," "Marine Machine Shop Practice," and "Marine Welding and Burning" are a few of the other classes offered. A sample brochure of the program for 1979 is enclosed.

5. "With respect to the training ships used by the state maritime academies for at-sea training:

a. In lieu of the provision set forth in section 1304(b)(3), you recommend that the federal government pay the entire amount of the fuel oil cost for the annual training cruises. About how much would this additional cost amount to?"

Response: At the current price of \$21.00 per barrel in San Francisco (plus barging and 6 percent state sales tax), the cost of an optimal 13,000 mile cruise is \$296,270 for our training cruise. For the last three years, we have found it virtually impossible to estimate the increase in fuel cost a year in advance. Past experience would indicate a 15 percent increase could be expected.

b. "What would be the practical advantage of designating the various training ships as public vessels of the United States?"

Response: The training ships are currently operated, de facto, as public vessels of the United States. Including a public vessel clause in the law, and having MARAD accept full responsibility (less crew) for the cost of operation of the training ship would have several advantages to the individual State Maritime Academies. All ship maintenance and support items, consumable or otherwise, would be purchased by the Federal Government. Cost of services, clearance and dockage in foreign ports will be reduced and facilitated as a result of legalizing our status as public vessels of the United States. The primary result of this type of legislation would be to shift the cost of the training ship operation from the individual states to the Federal Government. We feel that the Federal Government should finance all operational costs of the training ships, with the exception of the crews, which are provided by the States.

c. "What are your views with respect to sharing a training ship with one or more other state maritime academies? Why?"

Response: The California Maritime Academy uses its training ship on a year round basis for the practical laboratory training of our Cadets. If we did not have the use of a training ship as a dockside laboratory, the Academy would have to build on shore at exorbitant costs the marine plant, and ship's machinery and equipment equivalent to a shipboard laboratory. The use of the ship in this fashion on a daily basis is one of the primary means which we will utilize in order to meet the IMCO requirement for one year at sea. Sharing of ships causes divided responsibility, which would reduce both the life, the reliability, and the safety of the vessels. Therefore, we do not favor the sharing of ships.

However, should training ships be constructed from the keel up designed for the purpose of training and the current training ships be left alongside at campus for the use of the Academies as laboratories, the California Maritime Academy would

be willing to accept the sharing of this concept. We must point out that several problems will exist in the execution of the sharing concept. A small permanent Federal crew would have to be augmented by State Academy personnel for each training cruise. Also, additional operating costs will be incurred in moving an empty ship between Academy home ports or, alternatively, in transporting state crews and cadets to the vessel.

6. "On page 3 of your statement, you recommend that the amount of the loan authorized by Section 1304(f) 'should be increased annually to reflect the current cost of subsistence, uniforms, and books,' and that such subsidies be made available to all midshipmen.

a. What is the current cost of subsistence, uniforms and books per student per academic year?"

Response: The cost of subsistence, uniforms, and books per student per academic year is as follows:

	Actual 1979-80	Estimated 1980-81
Subsistence ¹	\$1,395	\$1,605
Uniform	270	300
Books	150	165
Total	1,815	2,070

¹ Subsistence cost does not include vacation periods.

b. "About how much additional cost would be involved if such loans were extended to all qualified students?"

Response: Subsistence Allowance—\$1,200 per year, additional cost to include all (60 more) eligible cadets—\$72,000/yr. subsistence Allowance—\$2,000 per year, additional cost to include all (60 more) eligible cadets—\$120,000/yr.

7. "On pages 3 and 4 of your statement, you recommend that Section 1304(f)(2) be modified so as not to encourage students to flunk out just to have the loan forgiven.

a. Am I correct that you are recommending an amendment that would permit a student to voluntarily resign within the first two years without penalty?"

Response: You are correct. We do recommend that students be permitted to voluntarily resign without penalty during the first two years. However, if the stipend is changed to a loan, the loan should remain an obligation due. Encouraging students to flunk for any reason is not acceptable pedagogical philosophy. Some students find, after a year or two, that they are not suited to a nautical career, and they should be permitted to withdraw without stigma for their own good and for the good of the profession.

b. "Why wouldn't such a provision be the subject of abuse by students who resign, and transfer to another school?"

Response: Abuse of the above privilege is a possibility, but not a likely one. Even with stipend, a student must pay approximately \$2500 per year for room, board, tuition and uniforms. A student seeking only general education courses at CMA for transfer could do so much more economically at other state colleges and with many fewer disciplinary restrictions. As you know, generous federal financial support is available to students who can show financial need.

As an accredited college, CMA courses will transfer to all other colleges, but the maritime technical courses do not fit well in most other academic majors, hence only the general education courses would fit degree requirements at other colleges. Thus, intentionally enrolling at CMA specifically to transfer to another college in another discipline is not a viable economic or academic option.

I hope our answers to your questions have been helpful to your analysis of this important legislation. Please contact me if I can be of any further assistance.

Sincerely,

J. P. RIZZA,

Rear Admiral, USMS, President.

Note: All enclosures with this letter have been placed in the subcommittee files.

Mr. AuCoin, Rear Admiral Rodgers of the Maine Maritime Academy.

STATEMENT OF REAR ADM. E. A. RODGERS, USMS, SUPERINTENDENT, MAINE MARITIME ACADEMY, CASTINE, MAINE

Admiral RODGERS. Good afternoon, Mr. Chairman and Congressman Emery.

Mr. AUCOIN. We are pleased to have you, Admiral. We look forward to your testimony.

Because we are running late, I would appreciate it if you would summarize your testimony and help accommodate the other witnesses. Your testimony will be printed in its entirety in the record. [The prepared statement follows:]

STATEMENT OF REAR ADM E. A. RODGERS, USMS, SUPERINTENDENT, MAINE MARITIME ACADEMY

Mr Chairman, distinguished members of the Ad Hoc Select Subcommittee on Maritime Education and Training, May I express my appreciation at being invited to present my thoughts to you regarding H R 3451, the proposed Maritime Education and Training Act of 1979. In general, I applaud the efforts of the committee and staff in drafting this legislation and recognize that the draft represents a significant improvement over the present legislation which governs this important area of national concern. I trust that you will consider the comments, suggestions and questions herein presented in the spirit of constructive clarification of problems experienced or perceived, which otherwise may continue to interfere with our mission in the years to come.

At the outset, I would like to state that I have no objection to the concept of linking the monetary assistance granted to maritime cadets through the provisions of this act to requirements for future service in the merchant marine or armed services. I do not believe that society owes higher education to any individual, despite the existence of many programs today which in effect do exactly that. It seems justifiable that some service to country or society in return is only proper. I do question, however, whether it is practical to create the new-bureaucratic establishment in the agency of the Secretary of Commerce for the purpose of collecting reimbursable loans in those instances in which the individual fails to comply with the service requirement. Neither do I want to see the individual academies obliged at some future time to become the agents for such collection. Furthermore, adoption of a loan concept would jeopardize very seriously existing effective disciplinary measures now in use at the academies.

While I heartily endorse the concept of a service obligation, I have great difficulty in equating a high paying civilian position in the maritime industry with an obligation to society. I consider that those students who are assisted financially to qualify for such positions are privileged and that anything done to detract from the sense of appreciation and responsibility they should feel, would amount to further and unnecessary erosion of our society. I have no quarrel with accepting a broadened mission for federal and state academies to include management positions in the maritime industry ashore, but I do not believe that under normal peacetime conditions we should instill in the minds of young people a correlation between this type of employment and obligation. What is the problem the proposed obligation is attempting to correct? The problem stems from the fact that we have not had and do not have a merchant marine reserve program that can be called upon to provide manpower during a national emergency or lesser incident of critical need.

This was the situation during the Vietnam buildup, when for political reasons the maritime industry was not declared a critical industry. This being the case, men who might have responded to the call for licensed officers were not afforded the Job Protection they should have had in their employment to return to after the emergency ended. The present concern over imposing an obligation on academy graduates has grown from the criticism directed to academy graduates for not responding in greater numbers to the call for officers during the Vietnam conflict. A merchant marine reserve would have solved that problem and could solve it in the future. This basic problem seems to have been lost sight of in the process of determining the forms of obligation repayment proposed in this bill. The US Merchant Marine Naval Reserve has been reestablished recently and I believe a satisfactory method of utilizing that reserve can be incorporated within the framework of the bill in a way that would broaden and strengthen the reserve significantly.

I would propose that all eligible students at both the federal and state academies be given the status simultaneously of Cadet, USMS and Midshipman USNR after signing an agreement along the following lines:

1. To take and pass successfully the required naval science program designed to qualify for a commission in the naval-merchant marine reserve and to apply for and accept, if offered, a commission.

2. To attempt to obtain and to maintain for at least six years following graduation an officer's license in the U.S. Merchant Marine.

3. As a condition of remaining in the program, at the beginning of the junior year of training to enlist in the naval reserve and to qualify for seaman's papers in the merchant marine.

4. To accept one of the following service requirements to discharge the obligation created by acceptance of the financial assistance under this bill:

(a) Active service in whatever qualified category achieved (officer, enlisted or unlicensed) aboard a U.S. documented vessel or in the armed forces for a specified period of time to be determined by a formula based on the amount of financial support received, but with a minimum of two years in any case.

(b) Inactive status in the U.S. Naval-Merchant Naval Marine Reserve in whatever category qualified (officer, enlisted or unlicensed) for a specified period, based on a ratio of three to one for inactive status as compared with active.

(c) A combination of the above.

The seagoing option would provide an incentive to sail on the license and the enlisted or unlicensed service possibility would assure an incentive to qualify for the license and commission. Considering the differential in financial support given to cadets at the federal and at the state academies, it would appear reasonable to impose a two year active service (six year reserve) obligation on state academy students and a four year active service (12 year reserve) obligation on Kings Point graduates. This change would provide for a merchant marine reserve component that would be available in case of future need and would resolve most of the problems with the present law and the potential problems envisioned in the proposed legislation.

I believe, also, that this concept would simplify the proposed legislation by eliminating the loan provision for state academy students and the requirement to pass the license examination as a requirement for graduation. The legislation should give the Secretary of Commerce or the Secretary of the Navy the means to call up the merchant marine reserve component in times of need short of declaring a national emergency.

My specific comments on other aspects of the text, keyed to the sections as written, are as follows:

Ad Hoc Select Subcommittee on Maritime Education and Training

Sec. 1303(h)(1)(c) and Sec. 1303(h)(2). It would appear that a specific provision be made here to insure that anyone not given a commission be required to fulfill the obligation in an enlisted status.

Sec. 1304(b)(1)(E). I would recommend that the training ships supplied not only remain the property of the United States, but that they be designated specifically in the law as Public Vessels of the United States in order to facilitate their operation both in U.S. ports and foreign ports with a minimum of red tape and bureaucratic paperwork.

Sec. 1304(b)(4) and Sec. 1308 (c) and (d). Somewhere or other in the provisions for the training on such other vessels as may be supplied or otherwise become available to the several state institutions, provision should be made to authorize the academies to operate those vessels not ordinarily characterized as passenger vessels under Coast Guard regulations, such as small Navy escort vessels or tugs, without having to subject them to expensive and often self-defeating retrofitting in order to comply with the existing Coast Guard regulations governing passenger vessels. The potential training benefit from operating these craft in a training mode far outweighs any minor risk involved, but it is totally impossible to expose cadets to this type of experience if the outmoded regulations of the Coast Guard continue to be enforced without regard to the proper mission or purpose of the type of vessel involved.

Sec. 1304(d)(1)(C). I recommend that the requirement for prior passage of the maritime license before graduation be stricken from the law. Very bluntly, I do not consider it serves any useful purpose. It imposes an arbitrary federal rule over academic freedom of the institution without in any material way guaranteeing fulfillment of the personal obligations of the graduates. The granting of an academic degree should be ultimately dependent on the criteria of the institution, cognizant of its responsibility to maintain its academic standing amongst its peers. It should

not be the province of the federal government to dictate what those criteria should be

Sec. 1304(f)(1) Instead of expressing the cadet subsidy as a fixed sum of money (\$1,200), might it be possible to stipulate that the loan shall be the same amount as the monthly allowance provided reserve officer training cadets under the NROTC or ROTC programs. This would make unnecessary the separate legislative efforts the academies have had to undertake in the past when they sought to have the amount of student subsidy raised to match that given other student cadets. In addition, it would be desirable for the powers of the secretary to allocate loans to the various schools and academies to be more clearly spelled out than the expression, "in a fair and equitable manner," so as to protect the interests of the institutions and students from abrupt cuts in supported positions due to short term cyclical fluctuations in demand. Experience has shown that in order to preserve a viable institution, it must be able to count on a stable student body and not be subjected to sudden variations in numbers. Furthermore, we have seen in the last ten years two contradictory projections of long range forecasts for manpower needs in the maritime industry, which if the former had been acted upon precipitously, would have disastrously affected the availability of manpower for the industry today, and might well have spelled the demise of one or more of the existing institutions.

Sec. 1304(f)(3) I am unable to understand the import of the exception expressed in the first line of this paragraph, i.e., "Except as provided in paragraph (1)(A)."

Sec. 1304(f)(3), (4), (5), and (6) These sections fall under the strictures expressed in my opening remarks. If it were not possible through no fault of the graduate to fulfill his service requirements, and he thereby faced a requirement of mandatory service in the armed services, instead of being required to repay the loan, it would not necessarily eliminate the possibility that he might be excused on hardship grounds by the secretary.

As an additional aside, in Section 1304(f)(1)(F)(i), the service obligation as merchant marine officer is limited to a United States documented vessel. I believe that this stipulation is unduly restrictive. In the recent past, graduates have been unable to obtain positions on American flag vessels, because of economic and, in some cases, political problems, yet have gone to sea on U.S. owned foreign flag vessels. These individuals can gain the time and experience necessary to raise their license and then sail on U.S. flag ships where there is a perpetual shortage of higher licensed officers. If this circumstance occurs in the future, there should be no penalty attached to the graduate who is willing to accept such employment.

Sec. 1309(b) It is recommended that this section be rewritten as follows:

"The Secretary is authorized to lend surplus and excess shipboard equipment, small vessels and floating equipment to the Academy, any maritime academy or college, or any other approved merchant marine training school for use in instructional programs."

It would appear that Chapter 40, United States Code, Section 483 should be amended accordingly.

Once again, Mr. Chairman and distinguished members of the Ad Hoc Select Subcommittee, I thank you for having given me this opportunity to appear before you today to put my remarks on the record. I trust that you will find them to be constructive and helpful in your future deliberations on this important matter.

Admiral RODGERS. I would like to do that. I would like to make a general comment on the State maritime academies and call to your attention that it is the oldest form of formal training for maritime officers. It goes back to the New York school which started well over 100 years ago.

Throughout the century there has been a tradition developed of a partnership between the Federal Government, the States and the students. That partnership was formalized in 1958 when at that time the sharing of costs was pretty much one-third and one-third and one-third.

As you know, the Federal share has deteriorated. I would like to bring that out for the record.

The first point I would like to make is on the financial side, along with my colleagues here, to say that our most critical need right now is additional Federal support and certainly getting the Federal Government to pick up the cost of fuel oil for our training ships.

I note that it is in the authorization bill and it is in H.R. 5451. I hope appropriations will follow shortly. It is extremely critical. I also agree that we need to get an increase—

Mr. AuCOIN. You are aware, too, are you not, Admiral, of the work that Congressman Emery has been doing in trying to secure that?

Admiral RODGERS. I certainly am. We have an excellent relationship and I appreciate what he is doing for us.

Mr. EMERY. The Admiral is welcome to make those comments at any time.

Admiral RODGERS. I let the people back home know that, too.

Mr. AuCOIN. Moving right along.

Admiral RODGERS. We also need an increase in the annual grant from the present \$100,000. Incidentally, at the Maine Maritime Academy it is costing out of our budget roughly three-quarters of a million dollars to operate the training ship for salaries, fuel, consumables, et cetera. *

The third thing in my statement is the cadet's subsidy. I recommended that the \$100 per month or \$1,200 per year be pegged to the ROTC. I say that simply because it took us 10 years to get from \$50 to \$100 after the Defense Department increased it for the ROTC program.

Coming down to the next item here, I would like to philosophize a little bit on the concept of the obligation.

In the first place, I am pleased to see the concept included here—in other words, I am all in favor of an obligation in return for Federal support. As a matter of fact, I will go so far as to say I hope it catches fire with of the HEW programs, BEOG's, and SEOG's, and all the other free programs. It would not be a bad idea to have some public service obligation.

Beyond that, I question the concept of linking a service obligation to the opportunity for a high-paying civilian job. I have no objection to the academy missions, whether Kings Point or the State academies, being broadened in order to serve the maritime industry, but I don't think we have to tie that mission to the obligation.

I would have a hard time to stand up in front of students saying, you have an obligation to take this high-paying job in a civilian shoreside capacity and stay there for 5 years.

It is my understanding that the reason we subsidize the maritime industry is for national defense reasons. I would like to see obligations on our people tied into some sort of a national defense. I don't believe that the so-called service obligation in the maritime industry as is proposed in this bill remedies the problem that I think we are trying to remedy.

If you will give me the time, I would like to indulge in 2 or 3 minutes of a historical perspective here.

It just so happens that I arrived in the Academy in 1964. I have been there for 15 years. I went through the Vietnam period when I came down to hearings here. At that time—I may have been in this very room—I came to a hearing in which they were trying to get through a bill to declare the maritime industry a critical industry because for political reasons we did not want to declare a national

emergency. For political reasons they didn't declare the maritime industry a critical industry either.

The purpose of that was because they were having a difficult time getting previous graduates of the academies to come back to meet the demand for the ships coming out of the Reserve Fleet.

The problem really was that they were trying to get job security. In other words, if the maritime industry had been declared a critical industry then someone from General Electric who came and served on the ship would have had job security to protect him. Well the Federal Government didn't provide that job security and I therefore fault the Government for some of the problems.

Looking into the future it seems to me, and even back then if there had been a Merchant Marine Reserve and the Secretary of Commerce had the authority to call on these people in the Merchant Marine Reserve during a period of critical need but not necessarily a national emergency—I think that is the kind of thing that can come up more often than not when for political or other reasons we may not want to declare a national emergency. That time did come up during Vietnam and that could be solved in the future if we tie it into the Merchant Marine Reserve.

Mr. AU COIN. Are you referring to the kind of Reserve that was proposed by the Navy witness?

Admiral RODGERS. There is a difference. I am in favor of what they are doing. I don't think it goes far enough. As you have heard today their concept is in case of a national emergency. I am only saying I think we need some authority short of a national emergency where the Secretary of Commerce, looking at a critical need in the maritime industry to serve—a flare-up in some part of the world—would have to get ships out but for reasons you and I may not have any control over, may not want to say national emergency.

A Reserve with some authority on the part of the Secretary of Commerce could solve these problems.

Further, I feel that I don't like to see the Federal Government grow any more than it should and the type of obligations you are proposing in this bill as well as with loans, as well as service, just keeping track of all that is going to require a staff of people over and above what is normally required for the Navy-Merchant Marine Reserve.

I prefer to see it tied in with the other.

Mr. AU COIN. You would not want to see the Federal Government grow?

Admiral RODGERS. That is correct.

Mr. AU COIN. But you are willing to come to us and ask for more than \$100,000.

Admiral RODGERS. I hope I am not adding anybody to your payroll by doing that. If it is in the interest of the Government to have a merchant marine and we have a partnership, then I think the Federal Government should carry its share in that partnership.

Mr. AU COIN. This is the second warning on a record vote on the House floor. We are going to have to stand in recess long enough for Mr. Emery and me to go to the floor, vote, and come right back.

[Brief recess.]

Mr. AU COIN. The committee will reconvene.

Admiral Rodgers, you had not completed your statement.

Admiral RODGERS. Yes, sir. I can't resist the temptation to add one more comment to a question you asked a moment ago about my coming down asking for increased support.

I would like to call to your attention that the State academy program is the oldest and is the most cost effective from the standpoint of the Federal Government.

In other words, it costs a lot less per graduate than any other industry school or Federal academy. It is worthy of note.

Mr. AUCOIN. Your comments will go into the record.

Admiral RODGERS. I have a few comments on some of the questions. Perhaps I am anticipating. First, you have asked several questions on allocations, and I would simply like to say since I was there that in 1965 the studies of the Maritime Administration indicated a growing shortage of merchant marine officers. They were encouraging us to graduate early, they were anticipating the bill which finally came out as the Merchant Marine Act of 1970.

In other words, the State maritime academies were encouraged during that period of time to actually increase their enrollments to meet this anticipated demand.

By 1970, a couple of things had happened. New studies came out which showed the supply was going to exceed the demand. The industry school had started up, and they were supplying a number of people. So the Maritime Administrator at that time in 1970, in an effort to hold down the enrollments—they had increased, in other words, from 1965 to 1970 at the encouragement of the Federal authorities—in 1970 word came out that they were going to curtail them by withholding all subsidies from freshmen.

We fought back on that and a change was made and the Maritime Administrator then said we will roll back the allocations to the 1965 level. That is how those odd numbers came in. That happened in 1971.

I think if there is any reallocation at least it ought to be on the basis of the 1971 numbers and not 1965.

Mr. AUCOIN. I would like you to pinpoint the major points you would like to bring out in your testimony at this point noting that we have three other witnesses from Texas, Michigan, and Massachusetts. I know Mr. Emery has a number of questions he wants to ask you. Perhaps the data will come out in the questions.

Admiral RODGERS. Yes, sir.

One other thing during the seventies, there were a lot of U.S.-owned ships sailing foreign flag. U.S. officers serving on these ships could raise their license, that is the reason it is in my statement, not to try to subsidize foreign vessels.

I have some comments with regard to training vessels, particularly the smaller training vessels. I was pleased to hear your question of Admiral Scarborough on the standards. I would like to give you a little experience at Maine Maritime Academy. We had a Navy tug for 3 years, a YTM, that operated around the world. After 3 years we gave up because we could not get the Coast Guard to certify it as a training vessel. They said since students at maritime academies pay tuition to go to school they must be considered as a passenger for hire.

They have only one standard for training vessels, passenger-type, and particularly on small vessels I think it is ridiculous.

With regard to continuing education you asked some questions on that. I am pleased to say that Maine Maritime Academy is deeply in that field. As a matter of fact, I am in the process of raising money for the creation of a center for advanced maritime studies. We think that is a very legitimate role for the State academies. I think wherever it can be done at a local level it is better.

With regard to the IMCO agreement I think the basic agreement with the exception of the 6-month sea time for deck cadets on training standards is good but that sea time is absolutely unwarranted.

I find no evidence in 15 years of reading accident reports to indicate recent graduates are contributing to the casualties at sea. Most of the casualties are attributed to someone with 15 years sea time.

I think the money would be much better spent to have some kind of refresher training.

Those are the highlights of my testimony, sir, if you would like to ask some questions.

Mr. AUCOIN. Thank you.

Mr. Emery.

Mr. EMERY. Thank you very much, Mr. Chairman:

Admiral Rodgers, can you give us an idea of how your dependence on oil has varied over the last few years? Have you had any significant increase or decrease in the amount of oil consumed? What has the cost factor been? Have you had curtailing of your training mission for that reason?

Admiral RODGERS. The cost of fuel has increased roughly five times since I have been there. It used to be that our budget was around \$50,000 10 years ago. Now it is over \$250,000. I should say that Maine Maritime Academy is different than the other State academies in that we operate somewhat independently. We are State assisted. The State of Maine just doesn't automatically pay the bills.

If we have to go on a training cruise for 2 months, which we have to do to meet the Coast Guard requirements, and get the fuel, then the State of Maine doesn't automatically provide that fuel, we have to raise tuition money and do whatever we can.

What we have done is to cut down the speed, we have cut down the distances and things of that sort to cut every corner we could and still give a legitimate training. But the overall cost is killing us.

I would say again if they increase that time to 1 year, I doubt very much Maine Maritime Academy could survive.

Mr. EMERY. Have you had problems obtaining the oil or merely raising the money to pay for it?

Admiral RODGERS. Strictly money.

Mr. EMERY. You go into some detail on what you consider to be an equitable program for service in the merchant marine in exchange for the Federal assistance. I think you have made some very good points with respect to service in exchange for the Federal assistance.

I wonder if you might give us a bit more detail about the proposal that you have presented in your testimony and elaborate a bit on your comments relative to the loan program as opposed to the present subsidy program. Those points are very good.

Admiral RODGERS. In the first place, I am not opposed to the obligation. I do think the loan program is more trouble to administer than it is worth. Most of the students, I am sure, are going to complete their obligation. That is why they go to school and pay the money so you set up a whole bureaucracy for a few pennies you collect.

But I think the obligation would be better tied into a Merchant Marine Reserve. I made a recommendation, and I suggest perhaps at the level of the junior year that if the students were brought into the Naval Reserve, similar to the platoon leader program in the Marine Corps where they enlist during college years in the Reserve, then they get a commission.

I see a few loopholes. At the Federal academy obligation which is tied into the Reserves, if the individual doesn't get a commission there doesn't seem to be any provision for service.

I think that we ought to look at either the unlicensed or the enlisted type service there. I do think that if we could tie that in at the junior year level they would then incur an obligation and therefore we would not need to worry about whether he passes the license exam before graduation because he would automatically have a service obligation in an Active or Reserve status. The Government doesn't have to get in and regulate some of those things.

Mr. EMERY. As I understand your proposal, this would merely be a proposal whereby you could call up any Merchant Marine Academy graduate who was qualified to serve for any emergency operation that might be required.

Would you explain how you think that would work?

Admiral RODGERS. My concept is that it should be a Merchant Marine Reserve and the Secretary of Commerce would be authorized to call them up as contrasted with the Secretary of the Navy so it isn't going to Navy duty unless he doesn't get a license or doesn't respond to the call.

The point I was trying to make is that I envision more incidents where there would be a critical need short of a national emergency, and I really believe that is why we are even talking about this subject here today. The problem came up during the Vietnam period, and there has been a lot of criticism directed against the academies about the number of graduates that didn't come back on service. The fact of life is that if there had been a Merchant Marine Reserve we wouldn't have had that problem.

Mr. EMERY. I remember a couple of years ago we had a particular problem with the Maine Maritime Academy in that the Navy was trying to deemphasize the naval NROTC program and trying to indicate that they wanted a greater number of their Reserve officers to come from nonengineering or nonmerchant marine oriented academic backgrounds which was a decision I could not begin to understand.

Could you comment a little bit on that and comment on the relationship the Maine Maritime Academy has with the Navy and

comment on whether or not you think the Navy would be receptive to this kind of compensatory service that you recommend?

Admiral RODGERS. As an ex-naval officer, I often find it difficult to understand why the Navy doesn't grab the opportunity because we graduate a lot of well-qualified people and I read in the newspapers about the All-Volunteer Forces and the difficulty of keeping people. I have never understood why they don't take advantage of that.

As far as the NROTC program, Maine was the first maritime academy to get a unit. Two years later the Navy, very arbitrarily, discontinued the program. Without any forewarning we got a letter saying it had been discontinued for the reasons such as geographical location and things which when you look at them didn't make any sense because they used a form letter. Basically they were going on a Department of Defense criteria that required something like 17 in the junior year.

We had only had the program for 2 years, but thanks to the Maine delegation, New York and Maine got the naval ROTC program back.

I am happy to report both this year and last year we had better than 25 percent of our freshman class enrolled in the NROTC program so it seems to be thriving.

Mr. EMERY. I have only one final question—I know we have a time problem with three more witnesses—I am interested in the advanced studies program at Maine Maritime and programs that may exist at some of the other academies.

What do you envision as a future for advanced studies? Do you see a need for the operation or purchase of simulators such as loading and unloading tankers and other vessels, a future for nuclear reactor programs and satellite navigation?

What do you see as the scope of the advanced programs and how deeply into such programs can a State academy like Maine Maritime Academy expect to go with the financial constraints that you have?

Admiral RODGERS. I see a continuing growth in these programs. I think the IMCO agreement on Standards of Training and Watch Keeping is going to dictate that. Many things have already been put into operation. Today at Maine Maritime Academy we have 11 officers going through an advanced ships medicine program. Last weekend we had one company with five officers going through a special program in radar and rules of the road, et cetera. These are growing.

I have in front of me two little pamphlets I am using for fund raising for this very purpose.

At Maine Maritime Academy we are engaged in the creation of a center for advanced maritime studies. When it comes to equipment like a simulator, we want to use them, but when you get into a bridge simulator as I think you are talking about for equivalency for seetime, then you are talking about \$4 or \$5 million, that is out of our ball park.

The only way we can do it is for the Federal Government to do it. Whether or not it is necessary, I think we could argue for a while.

Mr. EMERY. I am not going to take any more time since we do have three more witnesses. I very much appreciate your coming to Washington and giving us your views. I am sure the committee will take your recommendations to heart and hopefully most of them will be incorporated in the legislation that the subcommittee reports out.

Thank you very much.

Mr. AU COIN. We appreciate your testimony.

Admiral RODGERS. Thank you, Mr. Chairman.

[The following was received for the record:]

ANSWERS TO QUESTIONS CONTAINED IN CONGRESSMAN AU COIN'S LETTER DATED
DECEMBER 18, 1979

Question 1. What is the primary function of the Maine Maritime Academy? Overall do you believe that you have been successful in implementing this primary function?

Answer. The primary function of the Maine Maritime Academy is as set forth in the statement of mission as follows:

The mission of the Maine Maritime Academy is to carry on Maine's heritage of the sea by providing for young men and women, as U.S. Maritime Service cadets, a comprehensive course of instruction and training in a professional, intellectual and military environment, which will qualify them for leadership as officers in the U.S. Merchant Marine and in the U.S. Naval reserve and as responsible citizens in society.

The rules, regulations and routine at Maine Maritime Academy are totally dedicated to the preparation of young men and women to become officers in the merchant marine. In addition, we go beyond those minimum requirements in order to prepare students for a naval or Coast Guard commission. This later objective dictates a degree program which is consistent with the interests of the state and of students who together pay 75 percent of the operating costs of the institution.

With regard to naval service, I am enclosing as Exhibit A a copy of a letter recently received from the Navy Recruiting Command. In my opinion the Navy would be well advised to establish an NROTC Unit at all degree granting maritime academies/colleges.

The success of Maine Maritime Academy in implementing these functions is well established both by statistical records and reputation. Surveys have consistently shown that a higher percentage of Maine graduates continues in sea going professions than do graduates of other academies and professional schools.

Question 2. On the first page of your statement, you say that the bill "represents a significant improvement over the present legislation which governs this important area of national concern." Why is this?

Answer. The significant improvement referred to in this statement is twofold: The significant improvement referred to in this statement is twofold:

- a. It incorporates the concept of an obligation which is long overdue.
- b. It provides recognition of the financial plight of the state academies by making provision for the federal government to furnish fuel oil for the training ships.

These are important steps in the right direction, but actually do not go far enough. With regard to the obligation I have recommended the establishment of a merchant marine reserve that would be available in time of need short of a declared national emergency. With regard to the fuel, I would like eventually to see the federal government enter into a more formal partnership with the state wherein the federal government would assume the cost of the training mission with the states and students carrying the cost of the education program. Enclosed as Exhibit B is a breakdown of the direct costs of maintaining and operating the training ship for fiscal year 1979.

Aside from the positive aspects of the proposed legislation, there is another related issue which should be investigated by your committee for consideration as future legislation. This matter will be set forth at the end of this questionnaire.

Question 3. As you know, on August 10, 1979, the President transmitted to the Senate the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers, with Annex, 1978, done at London, July 7, 1978.

* All exhibits included with this testimony have been placed in the subcommittee files

a What effect, if any, will the Convention have on the training provided by the Maine Maritime Academy?

b What initiatives, if any, have the Maine Maritime Academy taken to accommodate this Convention?

Answer a It is difficult to provide a firm answer to this question at this time. Because the Coast Guard has not translated the provisions of the International Convention into specific requirements. However, it appears that the only major problem is the pending requirement to increase sea time for deck cadets from six to twelve months. In the first place it would be virtually impossible to maintain and operate a training ship and include this extra time within the four-year program. Secondly, it would be financially impossible for this Academy to assume the extra costs involved.

I see absolutely no justification for this increase in time, since there is not a shred of evidence that the academy graduates are not qualified presently and performing well in service. Actually the Coast Guard long ago recognized an additional sea time equivalency for cadets aboard training ships, when the six months sea time was authorized as the equivalent of the year's sea time requirement for license candidates who gained their experience as an observer aboard merchant ships. I recommend that your committee have the Coast Guard provide a record of ship casualties, where human error was involved, along with the sea experience time of the person(s) contributing to the casualty. I contend that this will show clearly that there is not a direct relationship between safety and sea time, but rather there is a need for periodic refresher training for officers. Time and money would be spent more wisely in this area.

b Maine Maritime Academy has taken initiatives in two areas: (a) our undergraduate cadet program and (b) the creation of a Center for advanced Maritime Studies for refresher and upgrade training for ships' officers.

With regard to our undergraduate program, the following programs are in effect at this time:

(1) The Academy has a radar simulator, a collision avoidance radar system, and all modern electronic navigation equipment. The Coast Guard has certified our course and all deck students are required to complete satisfactorily the requirements.

(2) All students complete the firefighting course. For several years the Navy has extended this privilege to us and we use the facility at the Naval Base Norfolk, Virginia.

(3) We have upgraded our medical course so that all students now qualify in cardiopulmonary resuscitation.

(4) Acquisition of a diesel simulator training aid to improve abilities to handle increasing numbers of motor vessels.

With regard to refresher and upgrade programs Maine Maritime Academy started a few years ago, in anticipation of the IMCO convention, to offer such programs for ships' officers. We are now committed to expanding that effort through the construction of year-round facilities and an administrative organization to support a Center for Advanced Maritime Studies. During 1980 the following programs will be offered:

- (a) License upgrade
- (b) Radar Observer Recertification.
- (c) Ship's Medicine
- (d) Oil Spill Prevention Seminar
- (e) Shipboard Management

Literature on a few of these programs is offered as Exhibit C.

Question 4 With respect to the training ships used by the state maritime academies, you have two recommendations both on page 4 of your statement:

a The first would amend section 1304(b)(1)(E) to designate such vessels as Public Vessels of the United States. What would be the net effect of this and how would it assist you?

b The second recommendation would generally relax Coast Guard inspection of such training vessels. What is your problem in this regard and why should it be resolved legislatively?

Answer a Customs officials in various US and foreign ports treat our training ships in different ways and frequently we are required to enter and clear the port as a commercial vessel. In one instance, when we carried a couple of crates of portions of an old wrecked sailing vessel as a favor for the Maine State Museum, the US Customs officials in Portland, Maine levied a tonnage fee on the vessel. Efforts to resolve the public status of the training vessels have been unsuccessful as can be seen from Exhibit D, a letter from the Customs Division of the US Treasury Department.

b. This recommendation refers not to the training ship per se, but to small vessels which can be used for training purposes. For the sake of better definition, let us say vessels under 300 gross tons. Coast Guard inspection standards do not distinguish adequately between the larger ships and smaller vessels such as a tug boat. Since our students pay tuition for their training, they are considered by Coast Guard regulations as passengers for hire and as a result inspection standards for all training vessels, regardless of size, are required to conform to those for passenger vessels. For instance, one requirement is for single compartment subdivision and tug boats with large engines are not constructed so as to meet this requirement. Maine Maritime Academy attempted for three years to have an ex-Navy YTM (100 feet) with 30 years of proven seaworthiness certified for training in restricted waters, but finally abandoned the attempt, because of the inflexibility of Coast Guard regulations.

If there were more flexibility on the part of the Coast Guard authorities, it should not be necessary to resolve this problem through legislation, but all other efforts, including congressional assistance have failed.

Question 5. How many of your students receive federal financial assistance? How many do not? What type of federal support do your NROTC students receive?

Answer. Only 150 members of the incoming freshman class are eligible for the maritime subsidy. Since entering classes number more than 130 students, there are initially 30 or more who do not benefit from this form of assistance.

Of our present student body of 643, there are 89 who do not receive subsidy. These include all eleven NROTC students and five foreign students who are ineligible.

With reference to the various forms of federal student assistance, such as BEOG, SEOG, NDSL and College Work Study, eligibility is based on federal guidelines common to all higher educational institutions. Approximately 270 of our students or 42 percent receive aid from one or more of these programs. The maritime subsidy is included in the computation for eligibility for aid from these programs.

NROTC students receive the standard program packages of tuition and fees, uniform and book allowance and \$100 per month. They are not eligible for maritime cadet subsidy and their eligibility for additional federal aid from the various programs listed above is determined by federal guidelines taking the NROTC benefits into account.

Question 6. You take exception to the student loan provision set forth in section 1304(f) for a variety of reasons. In this regard:

a. It is not clear to me what you mean on the first page of your statement where you state: "Furthermore, adoption of a loan concept would jeopardize very seriously existing effective disciplinary measures now in use at the academies." Why is this?

b. If you are a maritime academy that trains students to become merchant marine officers, how can you recommend that the required passage of the Coast Guard exam prior to graduation be stricken from the bill as serving no useful purpose?

c. On page 5 of your statement, you indicate that "In addition, it would be desirable for the power of the secretary to allocate loans to the various schools and academies to be more clearly spelled out than the expression; 'in a fair and equitable manner,' so as to protect the interests of the institutions and students from abrupt cuts in supported positions due to short term cyclical fluctuations in demand." What is your problem here, and what sort of language would you suggest to remedy it?

d. I understand that there is currently a shortage of merchant marine officers on the Great Lakes and in the offshore marine industry. Therefore, I don't understand how you can recommend that the service obligation as a merchant marine officer not be limited to U.S. documented vessels?

Answer. a. At the present time General Order 87 authorizes the withholding of up to six months of cadet subsidy as a disciplinary measure. If the subsidy is converted to a loan, we believe that it would detract from its effectiveness as a disciplinary tool.

b. In the first place instances wherein a student fails to pass the license examination, if not on the first then on subsequent attempts, are very isolated. Secondly, as a matter of principle, we do not feel that the federal government should dictate fundamental academic policy, matters at state or private institutions and particularly not as a legally binding mandate. As stated in my testimony, we are strongly in favor of the government imposing a service obligation on students who accept federal assistance and my recommendation is that students be required to join the naval reserve at the beginning of the junior year, with the agreement that those who get a commission and/or license, serve their obligation as an officer in the merchant marine, U.S. Naval Reserve and those who fail to get a license or commission serve their obligation in the naval reserve in an enlisted status.

c This statement is conditioned by the way that the present allocation of cadet subsidies came about in 1970. In the mid 1960's, the academies were encouraged to expand enrollments based upon a manpower study that predicted a shortage of officers through the following decade.

In 1970, a new study indicated a surplus of officers and the Maritime Administrator arbitrarily rolled back the number of cadet subsidies allocated to each state academy to the level of their freshman class in the fall of 1965. This has created severe hardships on some of the State academies. Such effort was made to absorb some of the burden by reducing the support (enrollment) at the federal academy. Furthermore, the government has been providing extensive financial support indirectly through the operating differential subsidy program to so-called industry schools with no control over enrollments or obligations. In other words the state academies became the political pawns and there was nothing fair or equitable in the way we were treated. I recommend that as an administrative matter the allowances should be adjusted to the level of the entering freshmen in 1970, the year in which we were told that a limit was to be placed on the number of cadet subsidy allowances. With regard to legislation, I recommend that the following statement (predicated on the readjustment to the 1970 freshman enrollment) be included:

"Except by mutual agreement between the state academy/college and federal government any reduction in the number of cadet subsidy (loan) allowances will provide at least three years advance notice in order to give such schools adequate time to adjust to the change. Furthermore, reductions will be effected equitably between the state and federal academies"

d Service on a foreign flag vessel is not normally an attractive alternative when jobs are available on U.S. flag vessels. Therefore, except in possibly some isolated instances, we will not find U.S. licensed officers serving on foreign flag vessels. Except as noted below, this is the case today; but in the early 1970's, when the major maritime unions either closed their books or through the manipulation of shipping rules made it virtually impossible for academy graduates to find employment aboard vessels under their contracts, some graduates did elect to sail on foreign flag vessels. Those who elected this alternative obviously were dedicated to the maritime profession and were able to raise their licenses and bring that experience back to U.S. flag ships, when opportunity permitted. The most serious shortage of officers is usually in the higher licenses, so legislation should encourage graduates to take advantage of opportunities to gain experience and raise the license. Since all eventualities cannot be foreseen, it would be better not to close doors to opportunities through the legislative process.

An example of a current situation in which American licensed personnel are serving on foreign flag vessels is the El Paso LNG carriers manned by members of the Marine Engineers Beneficial Association union. See Exhibit E.

Question 7 As you know, the Maritime Administration has recommended an amendment to Subsection 1304(d)(2) that would tie the upper limit of the prescribed number of out-of-state students at any one state maritime academy to the number of students enrolled rather than to such school's total student capacity, which may or may not be fully utilized.

a What would be the effect of this amendment on Maine Maritime Academy?

b. Do you favor or oppose this amendment? Why?

Answer a As a matter of policy, Maine Maritime Academy annually enrolls approximately 25 percent out-of-state students, so the amendment would have no serious effect on us.

b. We are neutral toward this amendment.

Question 8 With regard to the last amendment you propose, what is the difference between "surplus" and "excess"?

Answer The terms "surplus" and "excess" as applied to federal property are federal government terms expressed in federal regulations. The Maritime Administration can make surplus property available to the various academies and should be encouraged to play a more active role in this process. By extending to the academies eligibility for receipt of excess property through the Maritime Administration, eligibility of these institutions would be raised above other non-profit institutions among which on a national basis they must compete now.

Additional unsolicited comment

Although not directly related to H R 5451, I would like to take the opportunity to express my views on an area of federal involvement in maritime training, that is a matter of concern to me.

Indirect Federal Support to So-Called Industry Schools—Several millions of federal dollars are included in operating differential subsidies to shipping companies to reimburse them for payments made to maritime labor for training as a result of negotiated contracts. It appears ironical that these large sums are dispersed with no

control over the schools or obligations placed upon their graduates. This is inconsistent with the position held toward the state maritime academies. While this is disconcerting, my primary concern is with the monopoly power that this fosters in the hands of maritime labor. I am not opposed to maritime labor operating schools for their members, but I question the wisdom of providing government subsidies, even indirectly, which makes it possible for a union with closed shop contracts and control over pension funds to also conduct the education program for an initial license, and then be able to formulate job eligibility rules which favor their graduates. For several years, during the 1970's graduates of the federal and state academies were effectively blocked from jobs aboard a major portion of the ships of our merchant marine through the exercise of the union monopoly power. To add insult to injury, the labor officials, who managed to block the employment of these graduates, then were quick to produce statistics and criticize them for not going to sea.

Although the job market is open equitably to licensed officers at this time, the power to unilaterally close it remains intact. Anti-trust laws applied to industry are designed to prevent concentrations of power, because such concentrations are not considered in the best interests of our country. Is it in the best interest of our country or our merchant marine for the government to support financially a system which is contrary to our basic concepts of open competition?

MAINE MARITIME ACADEMY,
Castine, Maine, January 2, 1980

Hon. LES AUCOIN,

Chairman, Ad Hoc Select Subcommittee on Maritime Education and Training, Congress of the United States, Washington, D.C.

DEAR CONGRESSMAN AUCOIN: As requested in your letter of December 18, 1979, I have reviewed the proposed amendments to H.R. 5451 submitted by witnesses for the Maritime Administration and the Department of the Navy and do not foresee that they will have any appreciable negative effect upon the program or students at Maine Maritime Academy.

By virtue of having an NROTC unit, at this campus, all possible options are available to our students. That is, those who are interested in active duty in the Navy can join the NROTC unit. Actually, a student who did not join the NROTC unit can still request active duty in the Navy upon graduation. All students are required to take and pass the naval science courses as a condition of graduation and under the proposed new regulations those who do not go on active duty in one of the armed services or NOAA Corps will receive the Merchant Marine Reserve, U.S. Naval Reserve Commission.

Aside from the lack of any effects on the Academy, I question very seriously whether the proposed role of the Merchant Marine, U.S. Naval Reserve component to serve in time of need would adequately meet the problems we face. Witnesses state that these reserve officers will not be called to active naval duty in time of emergency, but rather can be called for service as merchant marine officers aboard merchant ships. Therefore, the purpose of this reserve is simply to have officers aboard merchant ships who have some familiarity with naval procedures, so that the ships they serve on can more effectively operate with the Navy during emergencies. One MARAD witness at the 6 December hearings stated that the only time that these officers holding such reserve commissions, but employed ashore, would be ordered to an active sea going duty status would be to serve aboard ships that were painted gray and brought under the Navy.

Who would man ships brought into service from the Ready Reserve Fleet in time of need short of a declared national emergency? This is the situation that we faced during the Viet Nam build-up and in my opinion it is the type of situation that is most likely to occur in the future. This is why I recommend that the legislation provide the Secretary of Commerce with authority to activate members of the Merchant Marine U.S. Naval Reserve for up to two years' service in a sea going capacity (with job security provisions), during periods of national need short of a declared emergency. This provision in the law would not only solve the basic problem, but it could also eliminate the need for the administratively complicated systems of obligations as proposed. It would also eliminate the need to convert the state academy student subsidy to a loan, since the graduates would be required to fulfill this reserve obligation. Graduates of the federal or state academies who fail to maintain the necessary qualified reserve status should lose their commissions and be subject to enlisted service in the navy.

Finally, this reserve concept would provide a pool of officers readily available to man ships owned by U.S. corporations but sailing under a foreign flag (referred to as the Effective Control Fleet) in the event of emergency needs. At the present time

there is serious doubt as to the dependability of foreign crews to serve U.S. interests. In sum, all of these potential needs and problems can be met more efficiently by the obligation to maintain a qualified status in the Merchant Marine, U.S. Naval Reserve for a specified period of time.

Sincerely,

E. A. RODGERS,
 RADM, USMS, Superintendent

Mr. AUCOIN, Admiral Harrington of the Massachusetts Maritime Academy.

Welcome, Admiral. Would you identify your colleague?

STATEMENT OF REAR ADM. LEE HARRINGTON, USMS, MASSACHUSETTS MARITIME ACADEMY, BUZZARDS BAY, MASS., ACCOMPANIED BY CAPT. WALTER ENO, ADMINISTRATIVE STAFF

[The prepared statement follows:]

STATEMENT OF PRESIDENT LEE HARRINGTON, MASSACHUSETTS MARITIME ACADEMY

Mr. Chairman and Members of the Subcommittee, I am Lee Harrington, President of the Massachusetts Maritime Academy. It has been my privilege to offer testimony before the House Committee on Merchant Marine and Fisheries concerning maritime officer education on two previous occasions, in November 1975 and in April 1978. My predecessor, A. Sanford Limouze, also offered testimony on the subject of maritime officer education before the Committee on Merchant Marine and Fisheries in 1966. I am pleased and honored that you have again given me the opportunity to address this vital topic, especially since the significant legislation under consideration today (H.R. 5451) embodies the recommendations of a comprehensive two-year study of the Federal role in maritime education and training prepared and submitted by our esteemed Representative, the Honorable Gerry E. Studds, in whose Congressional district the Massachusetts Maritime Academy is located.

Before presenting the highlights of my testimony I should like to take this opportunity to give you a few facts and figures concerning the present condition of the school over which I preside. Two important indicators of an institution of higher education's state of general health—applicants for admission and graduates finding employment—have never looked better in the case of the Massachusetts Maritime Academy. Approximately 1,800 young men and women applied for the 250 or so openings in the class which recently entered, and virtually all of the 190 members of the Class of 1979 are gainfully employed, most of them aboard deep-draft ships of the U.S. Merchant Marine. With an enrollment of 875 students our school has been for the past several years the largest single non-Federal source of new Merchant Marine officers in this country. Construction as well underway on a new \$5.5 million classroom building, the final link in the \$20 million facilities master plan started in 1965. This building will have a radar simulator, itself costing half a million dollars, which incorporates the latest technological innovations. The quality of our students is on the upswing despite a drop in the national SAT score averages, their motivation is strong, and their esprit is encouraging in these difficult times. Finally, I am extremely pleased that we will be acquiring a new training ship, the former USNS GEIGER, in the early summer of 1980 as a direct result of the interest and support of the House Committee on Merchant Marine and Fisheries. It would be most ungrateful of me were I not to acknowledge their efforts in our behalf.

I am encouraged to note that the opening paragraph of H.R. 5451 (Section 1301) calls for the maintenance of Naval Reserve Officer Training Corps programs at the State academies as well as the Federal academy. The U.S. Navy was spawned from the American Merchant Marine. Our maritime history, illustrating the nation's dependence on the Merchant Marine as a naval and military auxiliary in time of war or national emergency. Since this school's establishment in 1891 hundreds of graduates of the Massachusetts Maritime Academy have served with distinction in the maritime components of our armed forces. Despite their contributions the status of the Merchant Marine Naval Reservist has deteriorated in the face of all common sense and experience and despite the statutory provisions of the Merchant Marine Act of 1936. In a paper prepared several years ago Rear Admiral G. H. Miller, U.S. Navy, observed that "The maxim that everybody's business is nobody's business seems to have particular application to the present state of readiness of the American Merchant Marine for sea warfare contingencies." As one positive step towards

remedying a major deficiency in our present defense posture, I urge that NROTC units be established at the State maritime academies and that students at State academies be accorded Midshipman, USNR, Status.

Sections 1304(a)(1), Sections 1304(c)(1), of this bill reaffirm the policy of the Federal government with respect to assisting and cooperating with the States and Territories in the operation and maintenance of maritime academies for the training of merchant marine officers. Although I applaud this language, it is worth noting so that a nearly identical provision in Public Law 85-672 (the "Maritime Academy Act of 1958") did not have the practical effect of the Federal Government contributing a fair and reasonable share towards the operation and maintenance of the individual schools during times of skyrocketing inflation, the demands of an increasingly sophisticated maritime industry, and students' changing expectations and life-styles. Our small corner of maritime education has been increasingly aided by the States concerned while Federal contributions have declined dramatically, as evidenced by the following tabulation:

MASSACHUSETTS MARITIME ACADEMY

Year	Federal contribution	Total State Budget	Percentage A of B
	A	B	
1945	\$25,000	\$122,820	20.4
1950	25,000	266,769	6.8
1955	25,000	348,900	7.2
1960	35,000	452,894	16.5
1965	75,000	550,523	13.6
1970	75,000	835,159	8.98
1975	75,000	2,684,306	2.79
1979	100,000	3,620,000	2.76

Since 1966 the Commonwealth of Massachusetts has also invested about \$23.5 million in capital construction for this school to comply with directives of the Maritime Administration that each State maritime school have adequate shoreside facilities. Inasmuch as the primary educational mission of the State maritime academies is to prepare young men and women for careers in an industry which is frequently referred to as our "fourth arm of defense," it is ironic—if not comforting—to compare this level of Federal support with that enjoyed by our oldest and most prestigious university, whose mission is in no wise constrained by national interest considerations. The hallowed institution is currently funded by the Federal government to the extent of 25 percent of its annual \$345 million budget, or more than three times the corresponding amount in the fifties. The question of Federal commitment goes to the very heart of the existence of the State academies. The training ships, the paramilitary regimen, the specialized curriculum, the license, the commission, and to a large extent the job opportunities after graduation—everything stands like an inverted pyramid on the pinpoint of Federal support. If the support is too little, or if there is none at all, the academies fall. If the relationship between the Federal government and the State academies is to be sustained on an equal partnership basis, it is paramount that the financial arrangements be shared more evenly. To this end I advocate that the current annual maintenance payment of \$100,000 be increased to a matching minimum equivalent to ten percent of the annual state-appropriated funds.

Section 1304(b)(3) provides that "The Secretary may pay additional amounts to assist in paying for the cost of fuel oil consumed during training cruises." As I have stated previously, the administrative and fiscal policies of the Maritime Administration have not been responsive to the rapidly escalating costs of operating a maritime college. A technical college costs more to operate than a liberal arts college, and a maritime college (with a ship) costs more to operate than most technical colleges. Although the administrative and fiscal policies of the Maritime Administration have been defended under the shield of budgetary constraint, I have frequently questioned the logic—as well as the motivation—for such policies in the light of increased Federal support for other segments of maritime education and research. The cost of providing fuel oil for training cruises imposes an increasing hardship of the State academies. This is an area where the vaunted partnership arrangement between the Federal government and the State academies can be given tangible expression. I concur in the recommendation of my chief executive

officer colleagues of the other State maritime academies that the costs of fuel oil for annual training cruises should be borne by the Maritime Administration as a fair-share contribution to the costs of educating future officers for the American Merchant Marine.

Section 1304(b)(4) provides authorization for training of students from State maritime academies on Government-owned and subsidized vessels and abroad other vessels under certain conditions. Although expenses incident to such training are authorized for cadets at the Federal Academy, similar financial support may not be extended to cadets at the State academies as this bill is written. On the premise that both the Federal and the State academies produce licensed officers with identical qualifications, I suggest that this bill be amended to include authorization for the Secretary to defray expenses incident to such training for cadets at State maritime academies. The expenses attendant to such training will be offset in future years by reduced repair and overhaul costs as the schoolships on loan to the State academies are selectively retired from active service. The need for more extensive use of commercial ship training will become more critical with the implementation of the IMCO convention regulations increasing the sea time requirement for deck officer candidates.

Section 1304(c)(2) of this bill refers to the responsibility of the Secretary in furnishing assistance to State maritime academies in developing training courses on new vessels and technology. The language of this section should be broadened to assure Federal support in the purchase and installation of automated information display equipment at the State schools. The State maritime academies are presently grappling with the problem of how to incorporate an additional sea time requirement for deck cadets in accordance with the new IMCO treaty. One of the options proposed is to substitute equivalent training on full-mission shiphandling simulators for part of the additional sea time. This approach has been discussed with the Commandant of the U.S. Coast Guard, who is disposed to consider this type of equivalent training provided it results in increasing the skills and competencies of deck officer candidates. The Maritime Administration has prepared a detailed training program for cadets using this sophisticated equipment. This proposal contemplates installing simulators at one or more of the State academies during the 1980-85 period. The cost of purchasing and installing a single shiphandling simulator has been conservatively estimated at \$4.5 million. My close reading of this bill does not disclose any language authorizing the expenditure of funds by the Maritime Administration for such purposes. The State academies have expressed grave concern as to the operational and financial turmoil that would impact on their schools as the result of any abrupt imposition of the doubling of the sea time requirement. To preclude the need for eleventh-hour legislation to authorize Maritime Administration purchase of costly and intricate full-mission ship simulators at State academies, I propose that enabling language be inserted in this bill at this time.

Section 1304(d)(1)(C) of this legislation proposes that each student at a State maritime academy pass the examination for original license prior to graduation. In the light of the "service obligation" features of this bill—with which I am in complete agreement—I view this provision as redundant. In testimony submitted to the House Merchant Marine and Fisheries Committee on 20 November 1975 I indicated that cadets at the Massachusetts Maritime Academy are not required to sit for the license prior to graduation, although 100 percent of the graduating class of the past several years had in fact done so. The goal of a license continues to be the strongest motivating factor in each student's educational program. I also stated at that time that a prior requirement to sit for the license before graduation had been dropped as the result of successful court challenge of this issue by two cadets who had been dismissed for disciplinary reasons after successful completion of the academic program. This provision in the bill also raises questions concerning the academic freedom and integrity of the State academies as institutions of higher learning. It is my considered opinion that this requirement represents an arbitrary and unnecessary intrusion into areas of institutional control which are the proper domain of the State authorities and the individual academic communities. I urge that this clause be deleted from the legislation.

Section 1304(d)(2) of this bill stipulates that each State maritime academy shall agree to enroll out-of-state students to a maximum of one-third of the school's capacity as a condition to receiving an annual maintenance payment in excess of \$25,000. Until such time as the Federal government is willing to make a more substantial financial commitment to the operation of the Massachusetts Maritime Academy, I believe that the one-third figure is unreasonably high. Applications to this school are currently running at the rate of 5 to 6 applicants for each opening in the freshman class. The overwhelming majority of these applications are from students whose sponsors are taxpaying residents of the Commonwealth. The phras-

ing of this bill also implies that the State schools would not have control over the standards for admitting such out-of-state students. Although I agree with the concept that each State academy should strive to promote national as well as regional interests, I am of the opinion that there should be a balancing of interests in proportion to the financial burden assumed by the respective parties. Accordingly, I suggest that the percentage figure be reduced to not more than 20 percent and that the language be amended to insure that each school determines its own admissions criteria.

As many of you on this committee already know, the 1971 decision of the Assistant Secretary of Commerce for Maritime Affairs to invoke the so-called "1965 level of enrollment rule" with regard to cadet subsistence allowances impacted most gravely on the Massachusetts Maritime Academy. For the past eight years this school has been allocated only seventy-seven \$600 cadet subsidies annually, despite the fact that for each of the past three years we have produced more than two new licensed officers for each subsidy received. The 1978 Oversight Report of the Ad Hoc Select Subcommittee on Maritime Education and Training commented that the "Distribution of student subsistence allowance quotas among academies was arbitrary, their imposition was not permitted by the wording of the law, and the quota policy has not been properly incorporated into agency regulations." For these reasons I am especially interested in Section 1304(f)(1) as it affects students at our school. I share the views of my predecessor, A. Sanford Limouze, who in a hearing before this committee in 1966 first proposed that cadet subsidies be offered as scholarships and that the recipient agree to sail on his/her license for a period of time as a guarantee of return to the Federal government. I would much prefer that this financial assistance be continued as scholarships rather than changed to loans, as proposed in this legislation, with an updated and equitable formula for the distribution of such scholarships. Should the loan concept be retained, I earnestly request that each student in attendance at the State academies be eligible for the full annual loan of \$1,200. An overall ceiling on the number of such loans should be determined on the basis of current enrollments at the State academies. Students enrolled in a number of professional programs in colleges and universities throughout the country enjoy across-the-board entitlement to Federal education loans having forgiveness features for post-graduation service.

H.R. 5451 represents a significant step forward in clarifying and redefining the vital role of the Federal and State academies in raising the quality of the merchant service by improving the education available to the people who will man the ships. The enactment of this legislation will provide a measure of sadly needed stability to the industry. May I take this opportunity to extend my congratulations to this committee and their staff for their fine and constructive work.

Admiral HARRINGTON. Yes, I will.

I am Lee Harrington of the Massachusetts Maritime Academy, and with me is Capt. Walter Eno, a member of my administrative staff, who played a key role in the acquisition of our new training vessel this past year.

Mr. AuCOIN. You are the academy that has the least number of subsidies versus the population of eligible freshmen.

Admiral HARRINGTON. You are absolutely correct. You have made my day, you have made my week, and you have made my year. You have made the decade in which I have served as president of the maritime academy.

The last reference in my statement is to this subsidy distribution. I should like to make some comments at that time on it. If my comments do not cover the questions you asked of Admiral Rizza, I hope you will ask me the same questions.

Mr. AuCOIN. Good. We still do have the time problem I mentioned with the other witnesses. I assure you that your complete statement will be in the record and you can emphasize major points that you would like to bring forward for discussion.

Admiral HARRINGTON. I will do this. My statement is relatively brief, but I will attempt to condense it as I move along.

I am pleased and honored that you have given me the opportunity to address this vital topic, especially since the significant legisla-

tion under consideration today, H.R. 5451, embodies the recommendations of a comprehensive 2-year study of the Federal role in maritime education and training prepared and submitted by our esteemed representative, the Honorable Gerry E. Studds, in whose congressional district the Massachusetts Maritime Academy is located.

Before presenting the highlights of my testimony, I should like to take this opportunity to give you a few facts and figures concerning the present condition of the school over which I preside.

Two important indicators of an institution of higher education's state of general health, applicants for admission and graduates finding employment, has never looked better in the case of the Massachusetts Maritime Academy.

Approximately 1,800 young men and women applied for the 250 or so openings in the class which recently entered, and virtually all of the 190 members of the class of 1979 are gainfully employed, most of them aboard deep-draft ships of the U.S. merchant marine.

With an enrollment of 875 students, our school has been for the past several years the largest single non-Federal source of new merchant marine officers in this country. Construction is well underway on a new \$5.5 million classroom building, the final link in the \$20 million facility master plan started in 1965.

This building will have a radar simulator, itself costing half a million dollars, which incorporates the latest technological innovations. The quality of our students is on the upswing despite a drop in the national SAT score averages, their motivation is strong, and their esprit is encouraging in these difficult times.

Finally, I am extremely pleased that we will be acquiring a new training ship, the former USNS *Geiger*, in the early summer of 1980 as a direct result of the interest and support of the House Committee on Merchant Marine and Fisheries. It would be most ungrateful of me were I not to acknowledge their efforts in our behalf.

I am encouraged to note that the opening paragraph of H.R. 5451, section 1301, calls for the maintenance of Naval Reserve Officer Training Corps programs at the State academies as well as at the Federal academy.

I would tell the chairman and the members of the committee that in an effort to bridge the gap between the Navy and the merchant marine, I spent the first 3 years of my tenure as president attempting to bring in an NROTC unit to our State maritime academy in Massachusetts. That is 3 years effort failed.

I still to this day cannot understand, as a product of an NROTC unit from Holy Cross, why the Navy chooses to establish NROTC units at liberal arts colleges and denies the opportunity for an NROTC unit to be established at a school whose mission is not only to train merchant marine officers, but whose secondary mission is to prepare naval officers in time of emergency.

Sections 1304(a)(1), sections 1304(c)(1), of this bill reaffirm the policy of the Federal Government with respect to assisting and cooperating with the States and territories in the operation and maintenance of maritime academies for the training of merchant marine officers.

Although I applaud this language, it is worth noting that a nearly identical provision in Public Law 85-672, the Maritime Academy Act of 1958, did not have the practical effect of the Federal Government contributing a fair and reasonable share toward the operation and maintenance of the individual schools during times of skyrocketing inflation, the demands of an increasingly sophisticated marine industry, and students' changing expectations and life styles.

Our small corner of maritime education has been increasingly aided by the States concerned while Federal contributions have declined dramatically, as evidenced by the following tabulation.

I will not read the chart except to point out that the cash that finds its way into the general treasury of Massachusetts was \$25,000. The total State budget to operate Massachusetts Maritime Academy that year was \$122,000.

Mr. AuCOIN. Admiral, for the record we can see that from 1945 the percentage of the Federal contribution has gone from 20.4 percent to 2.76 percent, so I understand what you are saying.

Admiral HARRINGTON. Section 1304(b)(3) provides that, "The Secretary may pay additional amounts to assist in paying for the cost of fuel oil consumed during training cruises * * *"

As I have stated previously, the administrative and fiscal policies of the Maritime Administration have not been responsive to the rapidly escalating costs of operating a maritime college. A technical college costs more to operate than a liberal arts college, and a maritime college, with a ship, costs more to operate than most technical colleges.

Although the administrative and fiscal policies of the Maritime Administration has been defended under the shield of budgetary constraint, I have frequently questioned the logic, as well as the motivation, for such policies in the light of increased Federal support for other segments of maritime education and research.

The cost of providing fuel oil for training cruises imposes an increasing hardship on the State academies. This is an area where the vaunted partnership arrangement between the Federal Government and the State academies can be given tangible expression.

I concur in the recommendation of my chief executive officer colleagues of the other State maritime academies that the costs of fuel oil for annual training cruises should be borne by the Maritime Administration as a fair-share contribution to the costs of educating future officers for the American merchant marine.

Section 1304(b)(4) provides authorization for training of students from State maritime academies on Government-owned and subsidized vessels and aboard other vessels under certain conditions.

Although expenses incident to such training are authorized for cadets at the Federal Academy, similar financial support may not be extended to cadets at the State academies as this bill is written.

On the premise that both the Federal and the State academies produce licensed officers with identical qualifications, I suggest that this bill be amended to include authorization for the Secretary to defray expenses incident to such training for cadets at State maritime academies.

The expenses attendant to such training will be offset in future years by reduced repair and overhaul costs as the school ships on

loan to the State academies are selectively retired from active service. The need for more extensive use of commercial ship training will become more critical with the implementation of the IMCO convention regulations increasing the sea time requirement for deck officer candidates.

Section 1304(c)(2) of this bill refers to the responsibility of the Secretary in furnishing assistance to State maritime academies in developing training courses on new vessels and technology.

I would like to turn to the subsidy distribution. As many of you on the committee know, the 1971 decision of the Assistant Secretary of Commerce for Maritime Affairs to invoke the so-called 1965 level of enrollment rule with regard to cadet subsistence allowances impacted most gravely on the Massachusetts Maritime Academy.

For the past 8 years this school has been allocated only 77 \$600 cadet subsidies annually, despite the fact that for each of the past 3 years we have produced more than two new licensed officers for each subsidy received.

You read some figures today which spotlighted that fact. While I have been president of the Massachusetts Maritime Academy, the New York Academy has been receiving 250 subsidies, and Maine has received 100 subsidies and Massachusetts has received 77 subsidies. These are the figures you accurately reported.

You could have gone a step further and multiplied the 250 subsidies by \$1,200 and then multiplied that by 4. If you did that, you would see New York get 1,200,000 dollars' worth of Federal subsidy. If you do the same for the Massachusetts Maritime Academy, you will come out with a figure of \$369,600.

So over a 4-year period of time, some \$830,400 more of Federal taxpayer dollars are going into the pockets of New York cadets.

You heard Mr. Nemirow in answer to your question this morning as to why the Maritime Administration does not take a current look, they are talking about a 1965 level of enrollment. We are almost in 1980.

He told you that the reason that that distribution subsidy was put into effect was that in 1970 a manpower study indicated that there was going to be an oversupply of officers during the decade of the seventies and that there was an attempt on the part of the Maritime Administration to limit the number of graduates coming out of the State academies.

What he didn't tell you and what I have been trying to tell people in all the time that I have come down here talking about this unfair distribution formula is, that the State of Massachusetts, the leaders of the legislative and executive branch, made the decision to invest \$20 million 4 years prior to the 1970 instructions from MarAd to limit the number of graduates coming out of the school.

Massachusetts decided in 1966 to invest \$20 million to build a school that would accommodate 850 cadets. That was in light of the 1965 study which you just heard Admiral Rodgers talk about that predicted a shortage of officers. It is a good thing that we didn't pay any attention to the 1970 manpower study of MarAd because every subsequent study has indicated that there will be a shortage of officers.

So the investment was made by the time that the MarAd gave the word to the academies to limit the enrollment. We could not very well in Massachusetts build a \$20 million school that was designed for a maritime academy and then limit it to 250 cadets rather than the 850 cadets. The per capita costs would have been astronomical.

It was not possible for us to have a school of 250 and a liberal arts college of 600 because the whole concept of the design of the buildings, the spartan dormitories, the technological laboratories in our science building, were all designed for a maritime academy.

So I submit to you, Mr. Chairman, that the subsidy distribution is terribly unfair. Fifteen years after the enrollment level, you are right, it is time for the Maritime Administration to take a look at the subsidy distribution formula.

Now, the problem is, of course, that there is a ceiling on the number of subsidies which Congress gives MarAd. I can well understand the attitudes of my fellow presidents, Admiral Rodgers and Admiral Kinney, in not wishing to release any of the subsidies that they have over the years since the distribution formula has been put into effect, have been able to award their cadets.

I probably would be taking the same position if I were president of those academies. What I don't understand is the failure of the leaders of the Maritime Administration to effect a change in that distribution formula.

Mr. Chairman, I will be only too glad to answer any questions on other parts of my statement.

Mr. AUCOIN. Thank you, Admiral. I think you have certainly made clear your view about the allocation system of MarAd and I am going to ask the majority counsel to pose some questions on that subject and some others as well.

I would like to ask you a couple of questions, on a somewhat different subject.

In 1974, during this period of time in which the Coast Guard changed its examinations, what was the pass-fail ratio in your academy?

Admiral HARRINGTON. Up until 1974?

Mr. AUCOIN. In the year 1974 when the new Coast Guard licensing examination was applied—

Admiral HARRINGTON. Right. I think it was in 1975.

Mr. AUCOIN. I might be incorrect.

Admiral HARRINGTON. I am sorry, I think it was 1975. Even in that year I think they gave the cadets an option of taking the regular essay type in addition to the objective. It was a year of trial. But let me tell you that the performance on the part of the cadets at Massachusetts was very poor.

Mr. AUCOIN. How poor?

Admiral HARRINGTON. In the first year, in the very first taking of the examination, and mind you, up until that year there was 100 percent passing, but in that year when they changed it, it was very poor with an average of 30 percent passing it on their first try.

Although you heard testimony from Mr. Friedberg in an opposite position, I tell you that it was the change in format of the license examination that caused that dramatic turnaround in the rate of passing the examination.

Mr. AU COIN. A change in the format?

Admiral HARRINGTON. Yes.

Mr. AU COIN. The change in format would dictate the amount of difference in the amount of knowledge a graduate had?

Admiral HARRINGTON. Indeed it did.

Mr. AU COIN. That is hard for me as a former college administrator to understand. You either know something or you don't. A change in form may possibly throw you, but to have a change for pass-fail of that magnitude is rather remarkable.

Admiral HARRINGTON. The license examination is really a comprehensive examination over the 4 years that the cadet is at the academy. Just before the examination is conducted, an intensive seminar is carried out by the professional licensed instructors at the academy.

For years they went over the questions traditionally asked year in and year out in the essay type examination. Now the Coast Guard changed the examination to an objective type examination. I would like to give credit to the Coast Guard for changing the style of an examination to keep the graduates of the academy on their toes.

I don't think this is the reason that prompted the change. I think what prompted the change was that it is much cheaper to conduct an objective type examination and the people that correct an objective type examination really don't have to have any knowledge at all.

But where it might surprise you, that that change in format, that I claim that that change in format did cause the dramatic drop in the passing rate, nonetheless that was the fact of the matter.

Mr. AU COIN. Are you training midshipmen to be responsive to the form of an exam or are you training midshipmen to equip them with knowledge to hold a job?

Admiral HARRINGTON. The latter, of course, Mr. Chairman. But, nonetheless, you fall into the trap when you are prepared for the type of standard examination just as young high school students all over the country take courses in how to get by the SAT tests and the achievement tests, the structure and the type of examination enters into it very importantly.

Mr. AU COIN. It certainly entered into it as extremely important in the case you cite. I don't know what that means in terms of what kind of instruction that has been given.

Admiral HARRINGTON. Now, of course, the pendulum has gone the other way. We are now back at 100 percent passing of that license examination in the last 2 or 3 years.

Mr. AU COIN. One hundred percent?

Admiral HARRINGTON. Yes, 100 percent.

Mr. AU COIN. That probably suggests something, too, doesn't it? You have a zero failure rate?

Admiral HARRINGTON. We have a zero failure rate.

Mr. AU COIN. I would say that probably suggests something as well. That probably means they are intimately familiar with the kinds of questions.

Admiral HARRINGTON. Or that we have done what you suggested, turned out a very fine professional product.

I might add that another problem—

Mr. AUCOIN. If no one fails, that says something for the—

Admiral HARRINGTON. They should not fail the comprehensive examination given for the licenses. After 4 years at an academy such as ours there should not be a failure.

Mr. AUCOIN. People graduate from law school and fail three times to pass the bar exam.

Admiral HARRINGTON. It is not analogous at all. The school at one point in our history, we were an 18-month school. We were preparing cadets to pass the license examination and had 10 percent passing rates when we were an 18-month school. We are now a 4-year school. All of our cadets should get by that comprehensive examination.

I might add one other component to why that change in format that first year. There was a great deal of questioning as to the validity of the questions that were in that examination. My professional people insisted that the Coast Guard were using incorrect, nonvalid questions or incorrect answers to certain questions.

Mr. AUCOIN. I think your midshipmen were using the wrong answers. They are the ones that failed the exam.

How do you feel about the proposal in the bill to change the subsidy to a loan, the repayment of which can be forgiven if there is a service obligation?

Admiral HARRINGTON. Mr. Chairman, I would prefer to have it remain as a subsidy and the subsidy presents quite an attraction. It comes under the heading of a scholarship.

However, if the loan part would put together an unfair subsidy, if the loan arrangement will present loans to everybody under current enrollment coming into the academy, I would support it.

The most attractive phrase in the bill to me was the words "fair and equitable" on page 15 with regard to that loan provision. You will note that the Maritime Administration testified this morning that it is their current system and feeling and current position that they are going to stay with that distribution formula pending a meeting with leaders of the various State congressional delegations with regard to this academy.

But I would prefer to have it a subsidy. If it is going to be a loan, I would support the loan provision if it means an equitable distribution of the loan.

Mr. AUCOIN. Majority counsel has a couple of questions to ask.

Mr. PANSIN. Returning to the subject of the allocations, in what ways would you propose that a revised national reallocation system be established?

Admiral HARRINGTON. The decision first has to be made that that is proper with manpower studies as to how many graduates coming out of the State academies and Federal Academy the merchant marine can absorb. That is the starting point, to find out how many cadets we should be admitting.

In the case of Massachusetts when the \$20 million investment was made and the accompanying master plan of enrollment was drawn up it was drawn up with the feeling that 850 was the saturation point for graduates going into the merchant marine.

I have been approached because of the great placement record we have had in the past 3 years by State leaders in Massachusetts

with the possibility of increasing our enrollment and I have said, no; 850 should be our maximum enrollment. This is where I intend to stay. Once the enrollments at the academies are fixed as to what we think the merchant marine in a particular decade could absorb, I would simply add up the enrollments, take the number of subsidies that you in your wisdom decide, or loans to give to the academies, and have them apportioned in accordance with the proportion of enrollments of the State academies to the total enrollments in the system.

Mr. PANSHIN. Thank you. I believe the current number of MarAd subsidies is 673 on a national basis. Based on the information you have on manpower requirements, do you feel that is an adequate number or do you think it should be increased or decreased?

Admiral HARRINGTON. I think it is an adequate number but I don't have the manpower study at my disposal to make that judgment at this moment. What I do say is you should take the 673, you should take the total enrollments of the State academies as of the moment, total them up and then set a fraction of each enrollment in each academy over the total enrollment times 673.

I think they should be apportioned in the light of current enrollments.

Mr. PANSHIN. Have you made that calculation for Massachusetts?

Admiral HARRINGTON. I have many times.

Mr. PANSHIN. What would that number be?

Admiral HARRINGTON. It would increase our subsidies from at present 77 to up to 150.

Mr. PANSHIN. I do have questions in other areas.

On page 4 of your statement you recommend that the current annual Federal maintenance payment of \$100,000 be increased to a matching minimum equivalent of 10 percent of annual State appropriated funds.

If I read your table correctly, in 1979 for Massachusetts that would amount to \$362,000. Is that correct?

Admiral HARRINGTON. Yes.

Mr. PANSHIN. Wouldn't such a procedure, if adopted, then mean that different amounts, different levels of Federal support, would be provided to the six different State academies?

Admiral HARRINGTON. Yes.

Mr. PANSHIN. Is that fair and equitable?

Admiral HARRINGTON. I don't think it is unfair. It is in relationship to what this State is contributing to that particular Maritime Academy.

Mr. PANSHIN. It would end up with different amounts for different State academies and it would compel the Federal Government to follow the lead of State government. Does that seem a reasonable basis on which to proceed?

Admiral HARRINGTON. I hadn't thought of that aspect of it but it might well be that would be a complication, that would be a deterrent.

Mr. PANSHIN. I also have a question for you on the proposed IMCO standards.

Admiral HARRINGTON. Yes.

Mr. PANSHIN. What effect, if any, do you see this having on Massachusetts Maritime Academy?

Admiral HARRINGTON. If, again repeating the testimony of both Admiral Rizza and Admiral Rodgers, a year required sea time goes into effect for our deck cadets—maybe down the road for our engineering cadets—the chances of getting the amount of money from our State government to sail a ship for that period of time within 4 years would be, in my opinion, impossible to obtain.

I think it would carry with it the destruction of the State academies.

As of the moment currently in my fiscal 1979 operating budget I have \$500,000 in my fuel account. Exactly \$250,000 went for fuel for our last summer cruise which was in this fiscal year.

We have two campuses in effect, unlike the other colleges in Massachusetts. We have a land campus and we have a sea campus with our ship. Two years ago oil was costing us \$13 a barrel. Now it is costing us approximately twice that.

If I may make a comment on the IMCO regulation increasing this sea time from 180 days to 360 days, I simply don't understand why the Coast Guard doesn't reinforce its position when they originally approved the 6 months for the State academies. They did so on the ground the intensive training provided by the State academies resulted in 6 months being the equivalent of a full year served on a merchant vessel.

It would seem to me they have already established that policy. It seems to me that all they have to do is repeat what they are saying in the area of equivalency that 6 months is in fact the equivalent of a year which is what the IMCO treaty is calling for.

Mr. PANSHIN. Your comments are very clear and well taken.

I have one final question. On the bottom of page 2 you urge that NROTC units be established at the State maritime academies and that students at the State Academies be accorded midshipmen USNR status. Are you urging that NROTC units be mandatorily established at all State academies?

Admiral HARRINGTON. The word mandatorily bothers me a bit. I would say yes to that, assuming that all academy leadership, as in the case of Massachusetts, very much desires a naval ROTC unit. The primary reason that I would love to have an NROTC unit is that I think there is a need for cadets in an NROTC program who are going to be naval officers having an understanding of the merchant marine and vice versa.

I can think of no better place to bring the merchant marine and the Navy, which for the 40 years of my adult life have been apart in their philosophy, closer together.

Mr. PANSHIN. If such a unit were established at your school, would you foresee that all of your students would belong to that unit or just some?

Admiral HARRINGTON. Oh, no, just some.

Mr. PANSHIN. On a similar basis to that presently in effect at Maine and New York?

Admiral HARRINGTON. Yes.

Mr. PANSHIN. Thank you.

Mr. AUCOIN. Thank you for your testimony, Admiral. We appreciate your coming and we certainly appreciate your patience in waiting to get to the witness table.

[The following was received for the record:]

RESPONSES OF MASSACHUSETTS MARITIME ACADEMY TO QUESTIONS OF MR. AUCOIN

Question 1. What is the primary function of the Massachusetts Maritime Academy? Overall, do you believe that you have been successful in implementing this primary function?

Answer. As stated in the current catalogue, the primary mission of the Massachusetts Maritime Academy is "To offer a young man or woman of sincere ambition an education that will qualify him/her as an officer in the United States Merchant Marine." Secondary objectives, also stated in the catalogue, are "To provide him/her with an accredited academic background in order that he/she may be intellectually capable of acting as a representative of the United States throughout the world," and "To train him/her in naval procedures that will enable him/her to serve with the United States Navy whenever the need arises."

Consistent with this mission, this school offers only two courses of study: one leads to the baccalaureate degree in Marine Transportation and eligibility to sit for the Third Mate's license upon graduation; the other leads to a baccalaureate degree in Marine Engineering and eligibility to sit for the Third Assistant Engineer's license upon graduation.

The Massachusetts Maritime Academy has consistently aimed at producing merchant marine officers who meet the exacting standards proposed by Mr. Joseph P. Kennedy, architect of the Merchant Marine Act of 1936, and first chairman of the U.S. Maritime Commission, who declared that "You can have a merchant marine with first-class men even if they sail second-class ships, but second-class men can't be trusted on the best ships afloat." The true measure of this school's performance in this regard rests on its 81-year record of achievement and the continuing demand for the professional services of its graduates. Distinguished alumni include Captain Emery Rice of the U.S.S. Mongolia (Massachusetts Nautical Training School Class of 1897), who commanded the first American ship to sink a German U-Boat in World War I; Rear Admiral Richard McNulty (Massachusetts Nautical School Class of 1919), "father of the U.S. Merchant Marine Academy at Kings Point", and Mr. Andrew Gibson (Massachusetts Nautical School Class of 1942), first Assistant Secretary of Commerce for Maritime Affairs. Our graduates have established this school's excellent reputation aboard deep-sea merchant ships, in the seagoing components of the armed services, and in other maritime-related fields.

Mates and engineers can be turned out in crash programs. We aspire to produce an officer corps of skilled, disciplined and knowledgeable maritime leaders, capable of operating and managing today's complicated and expensive ships. We believe that our track record of producing the latter type of mariner over the many years that this school has been in existence speaks volumes as to our adequacy in fulfilling our mission.

Question 2. What effect, if any, will the International Convention of Training, Certification and Watchkeeping for Seafarers have on the training provided by the Massachusetts Maritime Academy? What initiatives has the Massachusetts Maritime Academy taken to accommodate this Convention? Why do you believe that now is the time to take this action, when no one is sure when this Convention will go into force, and what requirements the Coast Guard will implement pursuant to it?

Answer. Implementation of Regulation 11/4 of the International Convention of Training, Certification and Watchkeeping for Seafarers, 1979, as regards increasing the sea time requirement for deck officer candidates from six months to twelve months, would pose grave, possibly insurmountable, financial and programming problems for the Massachusetts Maritime Academy. A doubling of the present sea time requirement would probably double the cost of carrying out the present cruise training program, which is conservatively estimated at half a million dollars for 1980. Doubling of the sea time requirement may also increase the current four-year program to four and one-half years unless curriculum adjustments could be made which would not jeopardize educational quality or degree accreditation. In any event, additional expenses—probably to be borne by the student or the school—will almost inevitably ensue.

This administration of the Massachusetts Maritime Academy, in concert with the presidents' superintendents of the other state maritime academies, have had correspondence and meetings with representatives of the Maritime Administration and the U.S. Coast Guard looking towards a resolution of this problem. As you probably know, the Coast Guard is the "voice" of the United States in IMCO deliberations

and decision. In a meeting with Admiral Hayes, Commandant of the U.S. Coast Guard, in Washington, D.C., on 1 May 1979, the presidents/superintendents of the state maritime academies were unanimous in their position that the structured and closely monitored six months of sea time which has long been recognized by the Coast Guard and the maritime community as sufficient to produce competent watchstanders is equivalent to an unstructured and largely informal sea time requirement of twelve months. There has been no evidence presented to date which calls the quality of graduates of the academies in question, nor is there any available evidence which otherwise justifies an increase in the present sea time requirement. Our basic position is that the special mode of training at the state academies, including schoolship sea time, is significantly different from the training regimes of other maritime nations, which rely on simple sea-experience standards for certification of deck officers in charge of a navigational watch. These differences lend themselves to qualitative evaluation rather than quantitative measurement. If mere experience determined competency, grizzled corporals rather than West Point shavetails, would command soldiers in combat.

In the event that the Coast Guard will not accept the premise that existing schoolship training arrangements are sufficient to meet international maritime safety standards, alternative suggestions have been offered to satisfy all or part of the proposed increase in sea time. As indicated in my testimony of 6 December, one of the options proposed is to substitute equivalent training on full-mission ship handling simulators for part of the additional sea time. Another option is to substitute equivalent training on "auxiliary" schoolships, or small craft, suitable for coastal or local training. A combination of two or more of these options has been mentioned as an "equivalency package," to satisfy IMCO requirements.

The Massachusetts Maritime Academy is strongly opposed to imposition of Regulation 11/4 of the International Convention of Training, Certification and Watch-keeping for Seafarers, 1979, if this regulation has the practical effect of requiring that deck officer candidates acquire an additional six months of sea time.

Question 3. On the bottom of page 3 of your statement, you say that "Since 1966 the Commonwealth of Massachusetts has also invested about 23.5 million dollars in capital construction for this school to comply with directives of the Maritime Administration that each state maritime school have adequate shoreside facilities"

(a) What is the authority of the Maritime Administration to make you engage in this building program?

(b) Please give the Committee a brief history of what you are talking about here.

Answer: The Federal Register for 25 March 1967 contains a reprint of Order No. 87 which sets forth the nature of the contract between the Maritime Administration and the state academies. This directive apparently emanated from Public Law 85-672 "The Maritime Academy Act of 1958." Under Subpart A of General Order No. 87, "Regulations and Minimum Standards for State Maritime Academies and Colleges," Section 316.3(b) prescribes General Rules for operation of academies and colleges, as follows:

(1) The State Maritime Academies and Colleges, hereinafter called the "Schools" shall maintain adequate berthing, housing and classroom instruction facilities ashore, or have in preparation such plans and intention to establish same at the earliest possible time, unless prevented from doing so by acts of war, acts of God, fire, force majeure, or conditions beyond the control of the school: Provided, however, in such case the school shall be conducted on the training vessel.

The foregoing set of conditions, originated by the Federal government and administered by the Maritime Administration, is the basis for the construction at Massachusetts Maritime Academy of dormitories, classrooms, dining hall, library, power plant and sewerage system with a total capital investment of some 23.5 million dollars. This considerable investment was undertaken in good faith pursuant to the requirements expressed in the General Order, which is still in effect. Except for a temporary classroom building, which had been constructed for a waterfront passenger-freight shed, none of the shoreside facilities required by General Order No. 87 were in existence prior to 1969, the date of completion of the first building constructed in compliance with the directive.

General Order No. 87 further specified (1) a minimum period of training of three years, and (2) that certain courses be included in the curriculum. These requirements mean that the Commonwealth has been required to engage professional faculty, many of whom have acquired tenure, in order to comply with the requirements of the General Order.

Question 4. As you know, the Maritime Administration has recommended an amendment to Subsection 1304(d)(2) that would tie the upper limit of the prescribed number of out-of-state students at any one state maritime academy to the number

of students enrolled rather than to such school's total student capacity, which may or may not be fully utilized

(a) What would be the effect of this amendment on the Massachusetts Maritime Academy?

(b) Do you favor or oppose this amendment? Why?

Answer Whether Subsection 1304(d)(2) of H R 5451 is amended to tie the upper limit of the prescribed number of out-of-state students to the school's enrollment rather than to the school's capacity appears to be of little moment at this school as presently enrollment is virtually synonymous with capacity. My response to this question would be considerably different if the term "enrollment" were somehow or other retroactively related to the so-called 1965 "level of enrollment rule," which is the rationale for the present subsidy distribution formula.

Question 5 What are you proposing then, on pages 4 and 5 of your statement, is that Section 1304(b)(3) be amended to specifically provide that the Secretary shall pay for the cost of fuel oil consumed on training cruises

(a) Am I correct in this?

(b) Would a limit on the amount the Secretary is obligated to pay serve a useful purpose?

(c) What is your estimate of the additional annual cost if this amendment is enacted?

Answer My testimony does include a statement which proposes that the Secretary should pay for the costs of fuel oil consumed on training cruises to assist the state academies in keeping pace with the skyrocketing costs of maintaining and operating the schools and training vessels. An upper limit of the amount that the Secretary would be obligated to pay might properly be set on the basis of estimated fuel consumption for an annual training cruise not to exceed 10,000 miles for each training ship. Predicated on a fuel cost of \$30 per barrel, and a calculation of one barrel per mile efficiency factor, the present annual cost of fuel oil for each state academy is roughly estimated at three hundred thousand dollars. (The schoolships of the three East Coast state academies each consume something on the order of 1.2 or 1.3 barrels per mile.)

Question 6 With respect to the student loan provisions set forth in Section 1304(f)

(a) Why would you "much prefer that this financial assistance be continued as scholarships rather than changed to loans?"

(b) What would you consider to be "an updated and equitable formula for the distribution of such scholarships?"

Answer In testimony before the Ad Hoc Select Subcommittee on Maritime Education and Training the President of the State University of New York Maritime College presented cogent reasons why the present subsistence allowances should not be changed to loans. I agree with his statement that "the shift to loans from the present allowance is a very significant change," and that the proposed loan system will be a deterrent to recruiting. Although some may claim that the change is merely semantical, I am disposed to believe otherwise. An allowance, or scholarship, is perceived as a positive incentive, as a grant-in-aid, to motivate a student to undertake and complete a program. A loan on the other hand, has a pejorative connotation (in the dictionary sense of "money lent at interest"), which will be perceived as an encumbrance rather than as an encouragement. I support the concept of the so-called "service obligation" after graduation, but I have not heard any compelling reason to change the allowances to loans, particularly when the scholarship concept can be maintained without impairing the "service obligation" features of this bill. Briefly, I think that this is a case where "a rose called by another name is not as sweet."

An updated and equitable formula for the distribution of such scholarships (Mar Ad student subsistence allowances) should, in my view, (1) reflect current—1980, not 1965—enrollments at the state academies, (2) be allocated in proportion to current enrollments, (3) be tailored to the overall officer supply-demand requirements of the maritime industry as projected over a five to ten year period, (4) assure a reasonable degree of stability in the operation of the state academies by allocating scholarships over a minimum five-year period with a "no-cut" provision during this time.

With respect to points (2) and (3), above a Maritime Administration Manpower Study published in 1970 contained a recommendation that "Commencing with the next budget cycle Federal support and encouragement of training programs for merchant marine officers should be reduced from present levels and directly related to demand" (Emphasis supplied). Unfortunately for the Massachusetts Maritime Academy, the first part of that recommendation was abruptly implemented in 1971 reflecting the so-called "1965 level of enrollment", but the second part was apparently "rendered inoperative" to repeat a cynical expression of that era. My re-

sponse, incidentally, to your oral questions before the subcommittee on 8 December embodies points (1), (2), and (3) above

Question 7. With respect to the out-of-state student requirement set forth in Section 1304(d)(2)

(a.) Why do you feel that "The phrasing of this bill also implies that the State Schools would not have control over the standards for admitting such out-of-state students"

(b.) How did you arrive at the figure of 25 percent, rather than the one-third provided by the bill?

Answer. My conclusion that "The phrasing of this bill also implies that the state schools would not have control over the standards for admitting such out-of-state student" is predicated on a lack of specificity in the bill as to whether such students would have to meet entrance requirements established by the individual schools, e.g., secondary school grades, rank in graduating class, aptitude, SAT scores, and personal qualities. Inclusion of appropriate language in the bill to assure that students are qualified in accordance with each school's admissions criteria will satisfy this objection.

In my written testimony of 6 December I indicated a maximum figure of twenty percent, not twenty-five percent, as you question states I also indicated that a ceiling of twenty percent on out-of-state admissions would be more commensurate with the present level of Federal support than a ceiling of thirty-three and one-third percent.

Question 8. On page 5 of your statement, you recommend that Section 1304(b)(4) be amended "to include authorization for the Secretary to defray expenses incident to such training (on Government owned or subsidized vessels) for cadets at state maritime academies

(a.) What would be included in "expenses incident to such training"?

(b.) Do you have any idea how much this would cost the federal government?

Answer. Amendment of section 1304(b)(4) "to include authorization for the Secretary to defray expenses incident to such training (on Government owned or subsidized vessels) for cadets at state maritime academies" is intended to authorize reimbursement of travel expenses only as a cadet under orders to and from a commercial ship, the same as for cadets of the U.S. Merchant Marine Academy, as provided in Section 1303(g) of this bill. At the present time this school places approximately 100 cadets annually aboard ships of the American Merchant Marine, as part of our Commercial Ship Training Program. Using a \$300 travel cost for each cadet, the cost to the Federal government at this time would be about \$30,000 annually.

THE COMMONWEALTH OF MASSACHUSETTS,
MASSACHUSETTS MARITIME ACADEMY,
Buzzards Bay, Mass., December 10, 1979.

Hon. LES AU COIN,

Chairman, Ad Hoc Select Subcommittee on Maritime Education and Training, Congress of the United States, Washington, D.C.

DEAR CONGRESSMAN AU COIN: I appreciated the opportunity to appear before your subcommittee and to offer testimony on H.R. 5451 the "Maritime Education and Training Act of 1979" on 8 December 1979. Despite a serious reservation about proposed allocation of cadet loans, I am pleased with the overall thrust of this important and much-needed legislation, and I am encouraged by the atmosphere of candor and objectivity which characterized last Thursday's hearings.

Your questioning of several witnesses centered on the present allocation of Federal cadet subsidies (subsistence allowances) to the state academies. Since the Massachusetts Maritime Academy has been most seriously—and, in my judgment, unfairly—affected by the so-called "1965 level of enrollment rule," I was deeply disappointed in Mr. Nemirow's testimony to the effect that it is the Maritime Administration's present intention to continue application of the current subsidy formula despite a recommendation of the Ad Hoc Select Subcommittee on Maritime Education and Training that "The Maritime Administration should end its improperly adopted quota system" and the clear mandate of H.R. 5451 (Section 1304(f)(1) that "The loans shall be allocated among the various academies and colleges in a fair and equitable manner." I cannot fathom the logic by which the Maritime Administration seeks to perpetuate a fifteen-year-old formula which allocates subsidies to more than 90 percent to the freshmen class at one maritime academy while allocating less than 30 percent to the freshmen class at another academy, both academies having comparable enrollments.

The rationale for the imposition of the "1965 level of enrollment rule" was a Maritime Administration Manpower Study published in 1970. This study noted that

"With the advent of new ships built under the proposed new maritime program reaching the expected level of 30 ships a year by 1973, officer jobs should improve but present indications are that *there will be a continued surplus of men over jobs throughout the next decade*" (Emphasis supplied) This study went on to point out that "Even with the plan for a modernized and expanded U.S. Fleet . . . by the end of the next decade, there will still be about thirty percent more men than indicated jobs" (Emphasis supplied) Every Maritime Administration manpower study completed since has indicated a 180-degree reversal of that forecast. In fact, Mr. Robert Blackwell, Assistant Secretary of Commerce for Maritime Affairs testified before the House Merchant Marine and Fisheries Committee on 13 March 1973 that "I would think in a year or so it may be appropriate to do something to encourage increased attendance at these schools (State academies)" This study also included a recommendation that "Commencing with the next budget cycle Federal support and encouragement of training programs for merchant marine officers should be reduced from present levels and directly related to demand."

The letters sent to the five seacoast academies on 19 January 1971 implementing cadet subsidy quotas at the respective schools contain the identical statement in the second paragraph: "The enrollment in many state academies was substantially expanded over the past several years and certain academies are indicating continual major expansion plans regardless of whether industry demand can sustain this level of production." Since the onus of this pronouncement affected this Academy most severely, I should like to cite data from the 1970 Maritime Administration manpower study reflecting student enrollment at the State academies, as follows:

AVERAGE NUMBER OF STUDENTS

School	1960	1969
California	221	240
Maine	265	470
Massachusetts	190	194
New York	507	636
Texas	21	110

* First class not graduated until 1966

Although this data clearly indicates that enrollment at the Massachusetts Maritime Academy remained stable during the ten-year period, 1960-1969, this school was singled out and penalized as being the most flagrant example of "reckless expansion" during this period. The record shows otherwise.

I have enclosed other correspondence pertinent to this nagging problem for consideration by your committee. I would hope that the final draft of H.R. 5451 (Section 1304(f)(1)) would include clear and binding language to assure Maritime Administration allocation of these loans to the state academies in a truly fair and equitable manner.

Thank you for the opportunity to be heard on this very important matter.

Sincerely,

LEE HARRINGTON,
Rear Admiral, USMS, President

Note: All enclosures with this letter have been placed in the Subcommittee files

THE COMMONWEALTH OF MASSACHUSETTS,
MASSACHUSETTS MARITIME ACADEMY,
Buzzards Bay, Mass., December 10, 1979

Hon. LES AU COIN,
Chairman, Ad. Hoc Select Subcommittee on Maritime Education and Training, Congress of the United States, Washington, D.C.

DEAR CONGRESSMAN AU COIN: I am pleased to submit my comments herewith with respect to the amendments to H.R. 5451, "The Maritime Education and Training Act," as proposed by the witnesses for the Maritime Administration and the U.S. Navy.

Based on a careful reading of the proposed amendments in comparison with the bill, I believe that these amendments will not adversely affect the active duty and reserve service options of state academy graduates. It seems to me that both state and national interests will be served by implementation of these amendments.

which, broadly speaking, clarify and reinforce the long-standing relationship between the state academies and the Naval Reserve

Thank you for the opportunity to present my views on this legislation
Sincerely,

LEE HARRINGTON,
Rear Admiral, USMS, President

Mr. AUCOIN, Admiral Rector of the Great Lakes Maritime Academy.

Welcome, Admiral.

STATEMENT OF REAR ADM. GEORGE B. RECTOR, USMS, DIRECTOR, GREAT LAKES MARITIME ACADEMY, TRAVERSE CITY, MICH.

Admiral RECTOR, Mr. Chairman and members of the committee, I am George B. Rector, director of Great Lakes Maritime Academy in Traverse City, Mich. My comments today are a summary of the more comprehensive testimony that I submitted when this hearing was scheduled about 1 month earlier.

In a general way, the Great Lakes Maritime Academy endorses H.R. 5451 with only a few suggestions for change for your consideration.

Under section 1301 we support the concept of maximum integration of the total sea power forces of the Nation.

Because ours is a 3-year program with an associates degree, we question the Navy's interest in a NROTC program at the Great Lakes Maritime Academy. If it does exist, we would hope that participation would be voluntary and that requirements would not circumscribe our recruiting efforts.

Under section 1304(a)(2) the concept of a regional academy is new and viable. It effectively addresses the high cost of maritime training by discouraging unnecessary duplication, I applaud facilitating regionalization in this bill.

Under section 1304(a) and 1304(3) my academy asks your consideration for assistance in maintenance and fuel for small training vessels we have that were not provided by any Federal agency.

Under section 1304(d)(1)(c) it is noted that passage of the U.S. Coast Guard exam for entry level merchant marine officer's license is required before graduation. We believe this is unfair to the cadet and to the institution. Any cadet who has successfully met institutional degree requirements should not be deprived the degree so earned.

Section 1304(f)(1): It is now, and has been, a concern of mine that government student grants are allocated in limited numbers. This has created administrative and disciplinary problems. I am in agreement with requiring some control over cadets' performance during and after graduation.

I am in total agreement with that. It is my belief that the Government, the merchant marine and the Great Lakes Maritime Academy should be better served if the loan were offered to all cadets enrolled.

And, finally, no mention is made of ship handling simulators as a training device. It has been proven in merchant marine training that simulators are a superior aid in training. Great Lakes Maritime Academy strongly suggests specific provisions for simulation equipment and maintenance in lieu of training vessels, where appropriate.

With the changes recommended, H.R. 5451 has the endorsement and support of the Great Lakes Maritime Academy.

Mr. AUCOIN. Admiral Rector, on page 2 of your statement you support the concept of the regional maritime academy. That is a new concept to me. I would suspect it comes from your region of the country.

I would also appreciate some additional comments concerning it.

Just what do you envision by a regional maritime academy? How do you envision it would be funded and how do you envision, at this point, the applicants being selected from the several States involved?

Admiral Rector. Mr. Chairman, with regard to the funding I don't envision any change in current Federal participation in funding. I think under the 1958 act it might not be possible for the Federal Government to fund the Great Lakes Maritime Academy to the extent of \$100,000 as you do now if we were a regional academy and not a State academy.

Why I applaud this concept is because this would enable the Federal Government to continue to support the Great Lakes Maritime Academy at the current rate in spite of the fact that we may be designated as a regional academy.

With regard to enrollment and geographic distribution from which we would attract our students, there are some limitations now. We are talking up to a third at the moment, or 18 percent, of my people come from States other than Michigan. But the Great Lakes is a region. There are more States involved in it than Michigan, and we believe that cadets who come from those other States should be treated the same as if they came from the State of Michigan.

Mr. AUCOIN. Does the proposed language of the bill under section 1304(a)(2) give ample authority, in your judgment, to set up and operate a regional maritime academy of the type you endorse?

Admiral Rector. Yes, sir; I think so.

Mr. AUCOIN. You oppose requiring passage of a Coast Guard license in order to graduate. The oversight report issued by the Studds committee indicated that the Great Lakes Maritime Academy already requires passage of the Coast Guard licensing examination prior to graduation.

Why do you oppose such a requirement?

Admiral Rector. Actually, Mr. Chairman, we have a review of the efforts of the entire program shortly before the exam. As a matter of fact, it is the last term before graduation. We have made the taking of the exam a part of the requirement of passing that course. It is a little bit different than the way you stated it.

Mr. AUCOIN. You make them take it, but if they fail as long as they have taken it, they still graduate?

Admiral Rector. Yes, sir.

Mr. AUCOIN. I see.

Admiral Rector. What I am trying to avoid is cadets coming to this program and accepting the support of everybody that supports us under the guise of wanting to become a merchant marine officer when, in fact, their real goals are an academic education.

I don't want that to happen at Great Lakes Maritime Academy and for that reason we did that.

Mr. AU COIN. With regard to one of the other issues that is of interest to State academies, what is your feeling on changing the subsidy to a loan, the payment of which can be waived if there is a service obligation?

Admiral RECTOR. It is my belief that a high value is not placed on anything that is free and I would support the change to a loan. I would support an obligation placed on graduates of the Great Lakes Maritime Academy in recognition of the support that they have.

Mr. AU COIN. One final question. In the year the Coast Guard changed its licensing exam, what was the pass-fail ratio at your academy?

Admiral RECTOR. Mr. Chairman, I don't know how representative it would be because in that particular year I had six engineering students taking the exam. The six passed.

Mr. AU COIN. 100 percent?

Admiral RECTOR. 100 percent passed, but I want to hasten to say that they didn't pass the first time around.

Mr. AU COIN. That was my question.

Admiral RECTOR. The first time around? Four. I think you understand that there is a retake privilege there.

Mr. AU COIN. Yes.

Admiral RECTOR. I did not have any fail but I had two who had to take retakes.

Mr. AU COIN. Partial failure, two out of the six.

Admiral RECTOR. Yes, sir.

Mr. AU COIN. Four out of the six went through the first time?

Admiral RECTOR. Yes, sir. I am not sure about other places but I might add that change in examination format does not apply to my deck officers, only to engineers.

Mr. AU COIN. The change in format of the Coast Guard examination?

Admiral RECTOR. Yes. It applies to only engineers at my academy. I am not sure that it applies to deck officers at others. You see, we don't graduate and train mates.

Mr. AU COIN. I would like counsel to follow up on that.

Mr. SUTTER. Perhaps you would like to elaborate on that.

Admiral RECTOR. On the distinction I am making?

Mr. SUTTER. No. I don't think it is clear to the committee exactly what you are saying. Are you saying in that year you only had six engineering students who took the exam, period?

Admiral RECTOR. Yes.

Mr. SUTTER. Or did you have x students who took a separate exam because they were being trained for Great Lakes, for something else?

Admiral RECTOR. Yes. We had deck students, traditionally our deck officer classes are larger than our engineering classes.

Mr. SUTTER. In this particular year, if I understand the chairman's question correctly, did they take an exam that was not changed or was different than it would be for the deep sea segment of the merchant marine?

Admiral RECTOR. You see the reason we are having trouble with this question is because I don't know what they did on deep sea for

the deck officer. We train first class pilots and that exam did not and has not changed over what it has been for many years.

Mr. AUCOIN. I understand and appreciate your answer. I also appreciate the testimony and your willingness to come before the committee today and offer your thoughts and recommendations to us.

Thank you for your patience.

Admiral RECTOR. Thank you, Mr. Chairman.

[The following was submitted.]

DEPARTMENT OF MARITIME TRAINING,
THE GREAT LAKE MARITIME ACADEMY,
Traverse City, Mich., December 12, 1979

Hon. LES AUCOIN,

Chairman, Ad Hoc Select Subcommittee on Marine Education and Training, Washington, D.C.

DEAR CONGRESSMAN AUCOIN: Thank you for the opportunity to testify on HR 5451 on December 6, 1979.

I noted that there was a diversity of opinion among State Academy superintendents on whether passing a USCG merchant officer's licensing exam be a condition of graduation.

A simple resolution is available. I would like to submit it for your consideration. Let the matter be an option resolved as each Academy sees fit. Whichever choice they make has very little impact on the intent of H.R. 5451. The requirement to sail remains unaltered in that the loan becomes payable if a graduate does not sail.

The above suggestion would allow some flexibility for the young man or woman who successfully completes a program but simply can't face that arduous Coast Guard exam immediately. If he or she writes later, loan repayments can be halted as long as he or she continues to meet the sailing requirements.

I'm interested in a resolution that is satisfactory to all, as I know you are. This suggestion may be worth your consideration. This solution applies only if loans are made available to all cadets.

Sincerely,

GEORGE B. RECTOR,
RADM, USMS, Director.

1. What is the primary function of the Great Lakes Maritime Academy? Overall, do you believe that you have been successful in implementing this primary function? Would be proposed legislation, H.R. 5451, assist or hinder you in this regard?

a. The primary (and only) function of the Academy is to provide the Great Lakes shipping industry with the best qualified licensed ship officers to be found anywhere.

b. This question can be answered with a qualified yes. Direct feed back from Great Lakes shipping companies indicate that this Academy is the preferred source of new officers. We are presently in the process of expanding our program by a factor of three to meet the increased need for new officers on the Great Lakes.

c. The provision in H.R. 5451 to establish a regional Academy would assist us in meeting the expanding needs of the Great Lakes shipping industry. Please refer to our response to question No. 3 for more detail. Certain aspects of H.R. 5451 regarding Naval Reserve Commissions and N.R.O.T.C. programs would be inappropriate for this Academy. Please refer to our responses to questions No. 5 and No. 6.

2. You indicate that "it appears desirable that this legislation should additionally address the more economical option of simulators to provide some part of the 'sea time' required for an approved curriculum". As you know, on August 10, 1979, the President transmitted to the Senate the international Convention on Standards of Training, Certification, and Watchkeeping for Seafarers, with Annex, 1978, done at London July 7, 1978.

a. What effect, if any, will the Convention have on the training provided by the Great Lakes Maritime Academy?

It is our understanding that the Convention has no effect on training programs for engineering officers and first class pilots.

b. What initiatives, if any, has the Great Lakes Maritime Academy taken to accommodate this Convention?

Since it is our understanding that the Convention has no impact on us, we have taken no initiative to accommodate it.

Because our deck officer program is set up to train first class pilots whose major responsibility is shiphandling in restricted waters, a shiphandling simulator is even more appropriate than a training vessel. It must be understood that all of the Great Lakes and connecting tributaries are restricted water. Therefore, should you see fit to address the matter of shiphandling simulators in this legislation, this Academy would be an ideal location for an early installation. The pay back in terms of safety of life at sea would be greatest here since all of the Great Lakes are pilotage waters.

3 On page 2 of your statement, you support the concept of a regional maritime academy. As this concept is relatively new and would appear to have come from the Great Lakes, I would appreciate your comments concerning it.

a. Just what is a regional maritime academy?

Because of the unique geography of the great Lakes, the economy of states bordering them is more directly impacted by commerce on these waters than applies to salt water. Traditionally, persons who sail Great Lakes vessels are natives of Great Lakes Basin States. Therefore, it is appropriate that this Academy should not only serve Great Lakes commerce but should also draw applicants from all the Basin States. Regionalization of the academy would enable us to meet these goals.

b. How would it be funded?

H.R. 5451 would establish the basis for us to pursue direct financial support from other Great Lakes Basin States as well as to ensure the continued Federal support at the current rate.

c. How would the applicants be selected from the several states?

Applicants from the Basin States would be equivalent to "in-state students" according to current regulations. Applicants from all other states would be considered "out-state students."

d. It is our opinion the regionalization would have no impact on staffing.

e. Will our proposed language set forth in Section 1304(a)(2) give the authority required to set up and operate a regional maritime academy?

We believe that the language set forth in Section 1304(a)(2) of H.R. 5451 is adequate for us to pursue regionalization.

As you know, the Maritime Administration has recommended an amendment to Subsection 1304(d)(2) that would tie the upper limit of the prescribed number of out-of-state students at any one state maritime academy to the number of students enrolled rather than to such school's total student capacity—which may or may not be fully utilized.

a. What would be effect of this amendment on the Great Lakes Maritime Academy?

We have never had excess capacity, nor do we foresee the time when we will. Therefore, we have always addressed the question of out-state percentages in terms of enrollment. This amendment would have no effect on the Great Lakes Maritime Academy.

b. Do you favor or oppose this amendment? Why?

We favor it since it reflects our current practice.

5. On page 4 of your supplemental statement, you take strong exception to Section 1304(e) because you believe that "it places the burden of Navy recruiting and the requirements of an N.R.O.T.C. program on the Academy."

a. Have you discussed this with the Navy?

No. We have very little contact with the Navy. This lack of contact may be due to the fact that this Academy offers a three-year associate degree program rather than a four-year bachelor degree.

b. In view of the previous testimony by other witnesses, do you still take this position?

Yes. The strong exception taken in my written testimony is predicated on the lack of clarity as to whether N.R.O.T.C. and Reserve Officer requirements are mandatory. If N.R.O.T.C. requirements are mandatory, we feel that it will have a detrimental effect.

6. Why do you consider the establishment of a N.R.O.T.C. program at the academies is unnecessary, wasteful, and likely to cause a drop in desperately needed enrollment? From your experience, is this situation peculiar to your school, or do you think it generally applies to all state maritime academies?

My position is predicated on the unique program at the Great Lakes Maritime Academy. I do not mean to imply that it should cover all other state academies. I believe it would be restrictive at the Great Lakes Maritime Academy because more than half of our applicants are older "career change" persons with no interest in a naval career option. The proposed merchant marine reserve program would be enthusiastically embraced by this academy.

7 On page 2 of your supplemental statement, you indicate that Section 1304(b)(1) precludes you from acquiring suitable training ships from private sources. In this regard:

a Realistically, are private sources a viable source for the training ship or ships that you require?

Yes. The small vessels that we need for ship handling and pilotage training are available from private sources that we have cultivated.

b What would prevent a private source from donating a vessel that you wanted to the Secretary of Commerce so that it would fall under his jurisdiction? (Page 11, line 20) Would that solve your problem?

No. We believe that private sources donating vessels to the Secretary of Commerce does not serve our needs. As the training demands change we would like to have the flexibility of selling a vessel to acquire a more suitable one or other training equipment. The course you suggest does not allow us the flexibility to quickly address changing training requirements.

We believe that it would be easier for the legislation to contain language that would allow Marad to supply maintenance and fuel monies to designated training vessels without regard for original donor.

NORTHWESTERN MICHIGAN COLLEGE,
DEPARTMENT OF MARITIME TRAINING,
THE GREAT LAKES MARITIME ACADEMY,
Traverse City, Mich., February 19, 1980

Congressman LEE AU COIN,
Chairman, Ad Hoc Select Subcommittee on Maritime Education and Training,
Washington, DC

DEAR CONGRESSMAN AU COIN: Thank you for your letter of December 18, 1980, inviting comments with respect to a series of amendments to implement the Merchant Marine Reserve, US Navy Reserve that were put forth by representatives from the Maritime Administration and the Department of Navy. You asked what effect, if any, would these amendments have on the naval science courses currently provided at your school. At this Academy we offer no naval science courses. Possibly, the lack of interest in the Navy is due to the fact that ours is the only state academy that has a three year associate degree program rather than a four year baccalaureate program. With regard to the Merchant Marine Reserve, US Navy Reserve, it is my personal opinion that this arrangement makes a very viable option to fulfill mandatory requirements placed on graduates as a result of having received a government stipend during their years of training at an academy.

There does appear to be some inequity in imposing the same requirements on a graduate of a state maritime academy and on a graduate of the federal academy at King's Point. The reason, I think this, is the vast difference in the support that the state academy's cadet receives compared to the support received by a federal academy cadet. I think that the requirement should be commensurate with the federal assistance received by the cadet, whether he graduates from a state academy with a three year program, a state academy with a four year program, or the federal academy where the subsistence covers everything.

Thank you for the opportunity to comment with respect to this proposal.

Sincerely,

GEORGE B. RECTOR,
RADM, USMS, Director

Mr. AU COIN: Our final witness is Admiral Haynes of the Texas Maritime College.

STATEMENT OF REAR ADM. KENNETH G. HAYNES, USMS,
DEAN, TEXAS MARITIME COLLEGE, GALVESTON, TEX.

Mr. AU COIN: I understand you have already condensed your testimony and if you would like to read it, feel free to do so. [The prepared statement of Adm. Haynes follows:]

STATEMENT OF REAR ADMIRAL KENNETH G. HAYNES

Mr. Chairman, Distinguished Members of the Ad Hoc Select Subcommittee on Maritime Education and Training: I join with my colleagues in expressing appreciation for the opportunity to be heard by the Subcommittee on the very important subject of Maritime Education and Training. Copies of H.R. 5451 were distributed to

204

the faculty, staff and students of the Texas Maritime College and the responses have been highly supportive of the bill, with some exceptions. We wish to thank you for the excellent effort invested in drafting the bill and consider it to be a notable improvement over current legislation on the subject.

We at the Texas Maritime College are particularly displeased with the number of Maritime Service cadets to whom we may award the Uniform, Textbook and Subsistence allowance. As you may know, Texas is restricted to awarding no more than 35 per year to first term cadets. This selection will be made from a field of 74 cadets for the academic year 1979-1980. An additional number of cadets will enter in the spring semester, usually 20-25, which means that about one third of each year's first termers will receive the allowance. It is our view that this is both inequitable and unfair. H.R. 5451 appears to address the inequity, if the interpretation of "fair and equitable manner" as used with allocation of loans in Section 1304(f)(1) results in most, and possibly all, Maritime Service cadets being eligible to apply for the loan.

Section 1304(d)(1)(C) would require passage of the entry level merchant marine officer's license prior to graduation. The philosophy of the provision is understandable, but aside from issues of the rights of the States and their public institutions to define curricula, the provision is impractical. The individual may be required to sit for the examination, and may be expected to pass either on the first attempt or in subsequent re-examination. The student's graduation, i.e., awarding the degree will depend upon satisfaction of the degree requirements as defined by the State's educational authorities. It is my recommendation that this provision be stricken and the requirement included in the administrative details of the loan agreement.

Reference has been made to "fair and equitable" as used in Section 1304(f)(1) in the allocation of loans. I am less concerned about tightening repayment provisions than I am about making additional financial assistance available to prospective Maritime Service officers. It is my view that all Maritime Service cadets should have the opportunity during their first term to apply for the loan. Quotas, if established, should reflect not only current enrollment but the established goals of the institution. To do otherwise is to continue the currently unacceptable practice of developing two classes of students. For instance, there will be as of mid-January 1980, 112 Texas Maritime College cadets of a total of 240 receiving the Maritime Administration's Uniform, Textbook and Subsistence allowance. As of the same date, 50 percent of the Maritime Service cadets are from out-of-state.

The payback provisions as currently defined in the bill are supported with the conviction that cadets will honor their commitments, i.e., obtain and maintain their licenses, work in the industry and if required to "payback" for some reason or other, will do so. I continue to believe that it is appropriate to require Maritime Service cadets to apply for and accept a commission in the Merchant Marine Reserve, U.S. Naval Reserve, and I am not of the opinion that a call to active duty should be considered a form of punishment. Consequently it is not appropriate that it should be considered in lieu for those who fail to honor their commitments.

It has been a privilege to appear before the Subcommittee and I wish you much success in the endeavor to improve the state of maritime education and training in the United States.

Admiral HAYNES. First, it has been quite an education today and I appreciate that.

I could not add to the eloquence of Admiral Harrington on the subsidy so I shall not try. You know our views on that. We consider it inequitable and unfair. We understand the reasons but that is the way we perceive it.

We are very much in favor of an obligation of service but we do not believe it is appropriate to hold up a call to active duty as some sort of sentence, if you will, in the view of the all-voluntary nature of the Armed Forces.

We face the same fuel cost problems all other schools do. Our summer cruise will require the expenditure of 8,000 barrels of fuel which we have bought at \$20. We don't know the price at which we will buy the next 8,000 barrels.

The State of Texas at this time funds 66 percent of the annual cost of the Texas Maritime College. The Federal Government funds 21 percent and the remainder is made up by the students and private enterprises.

We are a part of Texas A. & M. University at Galveston. We are accredited by the Southern Association of Universities and Colleges as a regional institution, and we perceive that to mean that we offer an educational experience adaptable to the gulf coast regional environment.

We also would perceive that means if there were some intention to expand the role of Texas Maritime College it would not therefore be necessary to build a separate institution, say, in Louisiana, Mississippi, Alabama, Florida, or Georgia.

I would like to make note at this time 50 percent of the 240 cadets in the Texas Maritime College are from out of State. So I think that speaks very highly for the regional character of the institution.

We charge \$5 per semester hour to all maritime service cadets in or out of State.

We are adamantly opposed to making the successful passing of an entry level merchant marine officer examination a part of the graduation requirement. There are a number of, I would suppose, legal requirements, but a number of practical circumstances also. At the university the individual must be enrolled as a student in the semester in which he or she graduates. Obviously, if he or she takes the examination and fails one part, the flashing light or the rules of the road, then they must reregister—I am sure you are familiar with that problem.

So we think it highly impractical and we are very much opposed to it.

We are also opposed to simply changing the grant to a loan if in fact there is no significant increase in the numbers allocated. We don't think we would be any better off with an inequitable loan situation than we are with an inequitable grant situation.

I believe, sir, that constitutes the most essential points of my testimony.

Mr. AUCOIN. I can understand that setting a license requirement for graduation could pose some practical problems for your university. It would seem to me, however, that we could either amend the bill, put report language in the bill or give clear instructions to the agencies to take into consideration that special set of circumstances.

Setting aside the practical difficulty with your unique situation for a minute, are you opposed to the principle of requiring the passage of the license examination prior to graduation as a graduation requirement?

Admiral HAYNES. I am opposed to it as a graduation requirement. Our board of regents would not adopt it. We would award the degree whether or not the student passes the license examination because that is within the purview of the State to do so.

On principle, I recognize the need to require that the—you realize that there are a large number who do not draw a subsidy. In the case of those who are subsidized, I think it quite appropriate to require something in return for that subsidy.

I suggested in my testimony that that should be in the administrative details of the loan agreement. In other words, they make some sort of—I don't know how the loan agreement will be worded but is it not possible that they could simply sign the contract and

say, if I don't pass my license examination I owe you this money at 6 percent, and take it out of the realm of the State's responsibility in defining degree requirements?

It is a contract between the individual and the Federal Government.

Mr. AUCOIN. What is wrong with making the contract for subsidized students a requirement before graduation?

Admiral HAYNES. It simply would not be adopted by the board of regents.

Mr. AUCOIN. At your college?

Admiral HAYNES. Yes, sir.

Mr. AUCOIN. On what basis?

Admiral HAYNES. On the basis that the board of regents has the right to define the degree requirements.

Mr. AUCOIN. In other words, it is not the Federal Government's business?

Admiral HAYNES. I think that may be overstating the case slightly.

Mr. AUCOIN. But it comes pretty close to that?

Admiral HAYNES. Yes.

*Mr. AUCOIN. And the Federal Government can take its subsidies and give them perhaps to Massachusetts?

Admiral HAYNES. I think probably, Mr. Chairman, if it came down to the wire about whether or not we would require the individual to sit for a license as a part of that Texas A. & M. degree, I have an idea which way it would go.

Mr. AUCOIN. You have a better idea than I have. You are making it pretty clear for the record.

Admiral HAYNES. That is what I have in mind to do. We have checked this out with our board of regents and we know where they stand. We would be very disappointed if this should work to the disadvantage of our cadets. We don't want that to happen if that is at all possible.

Mr. AUCOIN. How did your cadet graduates do on the Coast Guard exam?

Admiral HAYNES. Fifty-five took the exam. All of them passed but 44 had to be reexamined on one part or another. The first time that means 55 less 44.

This is in Congressman Studd's subcommittee report, by the way. Did you know that? It is in there.

Mr. AUCOIN. That may have been one detail I missed.

Admiral HAYNES. It is on page 43.

Mr. AUCOIN. Why don't you just read it for me?

Admiral HAYNES. Fifty-five took the examination. Forty-four failed one or two parts. They all passed on the second try.

Mr. AUCOIN. How many elements of the examination are there?

Admiral HAYNES. I hope someone will correct me if I am wrong on this. I believe there are eight. The one that hangs up an awful lot of people is the rules of road section of the exam in which they must make a passing grade of 90. We had an instance last summer when 32 took the exam and 30 passed, 2 failed partially and each failed one rules of the road question, thereby failing that section of the examination.

There are some of us who think that 90 may not be realistic.

The other one that causes real problems is the flashing light test. If you have not seen the flashing light test it might be a good idea—I don't mean to be presumptuous—this is a little black box with flashing lights in it that bear little, if any, resemblance to the actual flashing light at sea. I have not yet found—that is an exaggeration; very few third mates have to send messages by flashing light but that is a part of the examination and until they pass that they may not get their license. They have 6 months in which to pass the flashing light test and if within that 6 months they have not passed that test they must take the entire examination over.

This has just happened to one of our cadets.

Mr. AU COIN. What is your feeling about the double standard in the training vessel inspections the Coast Guard applies in one case to the academies and in the other case to itself?

Admiral HAYNES. Double standard is your term.

Mr. AU COIN. That is right.

Admiral HAYNES. I am not sure that it is a double standard. I am very new on the block.

It is my perception that the inspection techniques used by the Coast Guard adequately reflect the needs of the merchant service. Having spent so many years in the Navy, the inspection standards of the Navy, fleet ships, if you will, are considerably different. I won't say they are any higher or lower, they are just different.

We have had no difficulty with Coast Guard marine inspectors in the inspections of the *Texas Clipper*, which is a 34-year-old training ship.

Mr. AU COIN. If they are good enough for you, do you think they might be good enough for the Coast Guard to apply to itself?

Admiral HAYNES. I go to sea every summer and you may be assured I don't go to sea in anything that is not safe. I have a very personal interest in the safety of that ship.

Mr. AU COIN. What is your response to my question. Should the same standards applied to your vessel inspection be applied to training ships of the Coast Guard, in your judgment?

Admiral HAYNES. In my judgment, should the Coast Guard apply the same inspection standards that—

Mr. AU COIN. You have indicated to the committee you have no difficulty in living with the standards it imposes on you.

Admiral HAYNES. That is correct.

Mr. AU COIN. You also know from the testimony that the standards are less for the Coast Guard's own training ships. As an impartial observer and an observer who is informed, would you offer the advice that perhaps the Coast Guard would do well to apply those same high standards you live with to its own training vessels? That is my question.

Admiral HAYNES. I am not trying to equivocate now, but I don't know that much about the tragedy in Chesapeake Bay. I would say that the standards that they have used for their training ships are obviously inadequate.

Now that was a 92-foot cutter or something. The *Texas Clipper* is 473 feet long and 14,500 tons. It is like comparing a row boat and a yacht. I don't think it is probably accurate to draw that compari-

son. It is obvious they need improved inspection training standards for their training ships.

Mr. AUCOIN. I would like your opinion about changing the subsidies from grants to loans.

Admiral HAYNES. My opinion is that it would be an improvement if thereby a larger number of Maritime Service cadets were eligible for financial assistance. If not, we would be opposed to changing it to a loan.

In other words, we receive 35 a year now, 35 subsidies. If we were to receive 35 loans, that would appear to be no improvement to us.

Mr. AUCOIN. Well, I am not talking in terms of enriching the amount of Federal assistance that comes to you. I am talking about the form of the Federal assistance. That is the question.

So my question is: Do you support the idea of having the funds come to students on the basis of loans the repayment of which can be waived, if there is a service obligation met?

Admiral HAYNES. Yes, sir, I do.

Mr. AUCOIN. I have no further questions.

Minority counsel has been sitting patiently. Do you have any questions at this time?

Mr. LOSCH. No, sir.

Mr. AUCOIN. Admiral, thank you for your testimony and we appreciate the thoughts that you have given us. We stand in adjournment.

[The following was submitted for the record.]

TEXAS A. & M. UNIVERSITY AT GALVESTON,
Galveston, Tex., January 3, 1980

Congressman LES AUCOIN,
Chairman, Ad Hoc Select Subcommittee on Maritime Education and Training,
Washington, D.C.

DEAR CONGRESSMAN AUCOIN: I am pleased to reply to your letters of 18 December and trust my response will be of use to your subcommittee.

The amendments to the Merchant Marine Reserve, U.S. Naval Reserve program, will be complementary to the changes incorporated in the Naval Science offerings at the Texas Maritime College, and reflect the goals of the Navy and the College. Specifically, courses relating to fields of endeavor in the fleet which the Merchant Marine Reserve Officer will not require in his career have been deleted from the inventory. "New" course offerings tailored to the needs of the merchant service officer and developed by the Navy in cooperation with the College will be offered at appropriate times in the prospective maritime service officer's undergraduate education.

We are very favorably impressed with the Merchant Reserve Program, and believe that it will have a positive influence. The program is considerably more relevant to the needs of the individual, and a great deal easier to explain than the poorly defined program replaced. There appears to be no significant effect on the active duty or reserve service options currently available to our graduates, and I expect considerably greater acceptance of the reserve program than has been our past experience.

My answers to your questions may be found in the attachment. Please let me know if I may be of further assistance.

Sincerely,

KENNETH G. HAYNES,
RADM, USMS; Dean.

Question 1. What is the primary function of the Texas Maritime College? Overall, do you believe that you have been successful implementing this primary function?

Answer. The primary function of the Texas Maritime College is the education and training of men and women for careers in the maritime industry. The Texas Maritime College administers degree programs in Marine Engineering, Marine Transportation, and Maritime Administration. The College plans and carries out the summer

training cruises conducted each summer in the Training Ship Texas Clipper. The majority of the licensed officers sailing in the Texas Clipper are on the faculty of the Texas Maritime College and the Dean, Texas Maritime College, embarks as the Senior University Representative. Deck and engine cadets complete the theory and practical application required by the deck and engine cadet cruise training manuals under the careful supervision of the embarked licensed officers. Senior cadets are given responsibilities ordinarily associated with those of the Third Mate or Third Assistant Engineer.

We have been successful in implementing the primary function of the College as attested to by the fine reputation gained by our graduates now working in the industry and by the significant increases in enrollment in our license option programs.

Question 2 What effect, if any, will the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers have on the training provided by the Texas Maritime College? What initiatives, if any, has the Texas Maritime College taken to accommodate this Convention?

Answer A change to Regulation II/4, paragraph 2(c) of the draft report of the 14 June-7 July 1978 International Conference on the Training and Certification of Seafarers resulted in a proposed requirement for 12 months seetime for certification of deck officers. With this significant exception, the IMCO standards would have little or no effect on the training provided by the Texas Maritime College. Should the 12 month seetime requirement be literally interpreted and implemented by the United States, the effect on the Texas Maritime College would be very serious and could result in the discontinuation of Maritime Service Cadet training at this institution. The doubling of seetime requirements, and the concomitant increase in operating costs borne by the State, and the license option students, would result in fewer applicants applying for admission to Maritime Service Cadet programs at significantly increased costs.

The Texas Maritime College, in consultation with our colleagues and the industry, has consistently upgraded curricular offerings in the degree programs offering the license option to reflect the needs of the industry and the individual. The training capabilities inherent in the Texas Clipper have been improved as time and money have permitted. The College, as an academic component of the Texas A&M University at Galveston, has pursued a vigorous recruitment program to seek out the best qualified, experienced licensed officers to serve on our faculty and the program has been successful to a notable degree. In that the Texas Maritime College, as well as our colleagues, has been much aware of the need to provide the resources for the adequate training and education of the professional mariner, IMCO generated initiatives have been unnecessary. Consequently, we have taken issue with the position that an extension of seetime is necessary to improve the capability of the graduate of United States' maritime service training and education institutions.

Ship handling and engine room simulators as well as cargo handling simulators would contribute to the improvement of maritime service training and should be made available to the State maritime academies and colleges as soon as possible. The Texas Maritime College will continue an active dialogue with responsible elements of the United States maritime industry in order to insure, in so far as possible, that our institution provides the prospective mariner with an education that will serve both the individual and the industry in the most effective manner. "Doubling" the seetime requirement for prospective mates is considered to accomplish little else for the Texas Maritime College than to double the costs of the summer training cruise.

Question 3 As you know, the Maritime Administration has recommended an amendment to Subsection 1304(d)(2) that would tie the upper limit of the prescribed number of out-of-state students at any one state maritime academy to the number of students enrolled rather than to such school's total student capacity which may or may not be fully utilized.

(a) What would be the effect of this amendment on the Texas Maritime College?

Answer. This would have no effect on the Texas Maritime College at the present time. As the College commences the Spring semester of the 1979-80 academic year, 120 of the 240 Maritime Service Cadets are registered as being out-of-state.

(b) Do you favor or oppose this amendment? Why?

Answer. The amendment is opposed as being restrictive and burdensome. There is no objection to a percentage being defined, using as a base the expected maximum enrollment of the institution. Ten percent, used in the current law, is considered to be an adequate guideline.

Question 4 I have read with interest your comments with respect to Section 1304 (d)(1)(C), that requires passage of the entry-level merchant marine officer license

exam prior to graduation. If I understand you correctly, you are recommending that this requirement should come under the student loan provision of Section 1304(f)

(a) Am I correct in this?

Answer. You are correct.

(b) In other words, this would be one of the conditions for a student to receive a loan?

Answer. That would be one of the conditions; however, it is to be noted that a student at this University will be granted a degree at such time as he or she has satisfied the degree requirements as defined in the catalog under which the student first enrolled.

Question 5. You say that you are "not of the opinion that a call to active duty should be considered a form of punishment. Consequently, it is not appropriate that it should be considered in lieu for those who fail to honor those commitments." Just what do you mean by this?

Answer. The proposal that the individual who fails to carry out the repayment provisions of a loan be "drafted" into the Armed Services of the United States places that in the same general category with other forms of redress for loan forfeitures, and implies that service in the Armed Forces is punitive in nature. Were the proposal to be implemented, it would place the culprit in the ranks of those who have chosen to serve their country by virtue of a personal commitment, and is in discord with the philosophy of an "all volunteer force." The payback provisions in the draft bill are considered to be appropriate, and adequate to cover foreseeable contingencies and involuntary orders to active duty, in the absence of a declared national emergency, are not necessary.

[Whereupon, at 5:35 p.m. the subcommittee adjourned.]

MARITIME EDUCATION AND TRAINING ACT

TUESDAY, DECEMBER 11, 1979

HOUSE OF REPRESENTATIVES, AD HOC SELECT SUBCOMMITTEE ON MARITIME EDUCATION AND TRAINING, COMMITTEE ON MERCHANT MARINE AND FISHERIES,

Washington, D.C.

The ad hoc select subcommittee met, pursuant to recess, at 9:55 a.m., in room 1334, Longworth House Office Building, Hon. Les AuCoin (chairman of the subcommittee) presiding.

Present: Representatives AuCoin and Evans from the Virgin Islands.

Also present: Dan Panshin, Leonard L. Sutter, Jr., Ron Losch, and Suzanne Bohn.

Mr. AuCoin. The Subcommittee on Maritime Education and Training will come to order.

Today we begin the second day of hearings on the Maritime Education and Training Act of 1979. The first witness is Mr. V. J. Gianelloni, director of the Louisiana Maritime and Petroleum Institute.

Sir, will you come forward. Welcome to the committee. We look forward to hearing your testimony.

STATEMENT OF V. J. GIANELLONI III, DIRECTOR, LOUISIANA MARINE AND PETROLEUM INSTITUTE

Mr. GIANELLONI. Thank you, Mr. AuCoin. I would like the record to show that the committee has a copy of a letter from the Governor's office verifying that I am speaking in behalf of the State of Louisiana.

Mr. AuCoin. Yes, it is noted.

Mr. GIANELLONI. Mr. AuCoin and other members of the select committee:

The State of Louisiana has a major maritime industry. Our State is unique in many ways, one of which is the diversity of its marine industry. We have large employment in all sectors of the marine industry. We have three major deep-sea ports. Two of these are on the Mississippi River, which provides water transportation for 40 percent of the continental United States. These two ports naturally serve as a transfer point from the domestic river fleet to deep draft vessels. I understand that New Orleans has just passed New York as the largest port in the Nation in terms of tonnage shipped. River and intracoastal canal towing tonnage is very significant in this regard.

We also have a large and vital fishery industry. In fact, Louisiana ranks first in tonnage of fish landed and third in value of catch—taken from "Fisheries of the United States," issued April

1979. This places our State ahead of many of the traditional fisheries States.

However, the most unique characteristic of the Louisiana marine industry is the marine operations in support of offshore energy exploration and production.

The U.S. Department of Commerce's Office of Maritime Labor and Training recently—September 1979—completed a work force supply and demand study, 1979-88, for the offshore support sector of the marine industry.

The study establishes the size of the fleet of this sector at 2,851 vessels. Even more importantly, however, it found that there is currently a 8,567-person shortage below the legal minimum manning levels.

It further states on page iii:

- If the US Coast Guard rigorously enforced its minimum staffing requirements for this marine sector, approximately 36 percent of the entire offshore M. & O. fleet—or 1,028 vessels—could be laid-up.

I do not believe that this Nation can tolerate the resulting decrease in our domestic energy production.

My point in reviewing the Louisiana marine industry and the results of that Federal study is to focus on the proposed new section 1301 of the Merchant Marine Act, 1936.

That proposed section contains the phrase "total seapower forces of the Nation." We in Louisiana interpret that phrase to mean all types of vessels, not just deep draft vessels.

This subcommittee should recognize that this phrase encompasses the vessels that operate in coastal waters, estuaries, wetlands and inland waters, such as canals and river systems. Training for the operation of these highly specialized and technically sophisticated vessels is not addressed in the present bill. The Riverine Forces and Operation Market Time in the Vietnam conflict, as well as the necessity of bringing large numbers of river personnel into active military service during World War II, to deliver vessels built along our extensive river systems, are evidence of this fact.

Much of the above was brought to the attention of this select committee during the hearings held during the last Congress. That testimony is to be found on pages 318 through 326 of the hearings testimony—serial No. 95-26.

We were very upset when not one word was mentioned in the subcommittee's oversight report concerning the unique marine training problems faced by the State of Louisiana. However, we concur with a number of the recommendations in that report. In addition, with some minor modifications, we can fully support the present bill.

The following will be our analysis of the various sections of the proposed title XIII of the Merchant Marine Act of 1936.

Section 1301—discussed above.

Section 1302—we believe that two definitions should be added. The term "merchant marine officer" needs defining and the term or phrase that is used to identify the schools covered by section 1304 should be specifically defined. We would prefer the term "maritime schools" rather than the phrase "maritime academies or colleges" as used in the bill. This is due to the fact that academy and/or college implies 4-year degree granting institutions.

We have been assured by personnel in the Maritime Administration that their interpretation of the bill's language would not exclude nondegree vocational-technical schools and/or programs. However, we would much prefer that the act establish, on its face, that a degree program is not required under the act. Therefore, we would like to recommend the following definitions be added to section 1302:

(5) the term *Maritime Schools* (or "maritime academies or colleges" if it is desired to retain that phrase) means any State or regional academy, college, institute, or vocational-technical school or program, whether degree granting or not, that it is approved under Section 1304 of this title;

(6) the term *Merchant Marine Officer* means any master, mate, pilot, engineer, radio officer, or operator licensed for service on Merchant Vessels of the United States.

Section 1303—Deals with Kings Point, not appropriate for our comments.

Section 1304—We believe use of the phrase "maritime academies or colleges" throughout this section has a connotation of a degree-granting institution and would exclude vocational-technical training programs. We have suggested solutions to this problem under section 1302.

Section 1304(a), (b) and (c)—No objection, except for the terminology "Maritime Academy or College" as discussed above.

Section 1304(d)(1)(A)—The requirement for training in steam is superfluous for persons seeking licenses of limited tonnage. No vessel of under 1,600-gross tons under U.S.-flag is steampowered, to my knowledge. Yet vessels in this class outnumber steam vessels by at least 10 to 1.

Section 1304(d)(1)(B)—No objections provided the standards are professional in nature, rather than academic, and have no relation to a requirement for an academic degree for an instructor, unless a professional requirement, such as a marine license is an alternative. The term "superintendent" should be amended to superintendent, or president or director, or defined as including such.

Section 1304(d)(1)(C)—Very necessary provision. Obtaining a license should be the end result of any "merchant marine officer" training. Anything less is evidence that the institution is stressing academics over professional training.

Section 1304(d)(2)—No objection.

Section 1304(e)—No objection provided this provision is not obligatory.

Section 1304(f)—No objection.

Section 1305 through 1307—No objection.

Section 1307—Unless the modifications suggested under section 1302 and 1304 are made, then State-operated, nondegree vocational-technical programs would be subject to this section. The State of Louisiana has obtained a surplus Navy vessel. I understand the State of Massachusetts also has such vessels. They are all but impossible, due to cost, to convert to the Coast Guard's commercial vessel standards. Yet presumably they were adequate for the Armed Forces and the possibility of operating in hostile environments, including combat.

Some provision should be made for the use of surplus military vessels by State-operated vocational-technical schools and/or programs without having to become a "State Maritime Academy or

College." The cost of converting surplus military vessels to commercial standards is prohibitive for the States. Reconditioning to the standards when built should be sufficient. If this is not done, then no State could afford to offer Marine training at a lower level than as a State maritime academy or college.

Section 1309—Modification needed to include excess equipment and also gear and supplies. Other legal actions such as donations, gifts, charters, et cetera, should be included in addition to loans.

Mr. Chairman, my testimony today was on behalf of the State of Louisiana. We are embarked upon a multimillion-dollar marine vocational training program. This is not because we do not recognize the need to train deep-sea personnel, we believe Kings Point and the State maritime academies are meeting that need.

However, no public institution is providing comprehensive professional training for the smaller diesel-powered vessels that ply our harbors, canals, and rivers and support activity on the Outer Continental Shelf, including fishing.

This is the void that Louisiana is attempting to fill with the Louisiana Marine and Petroleum Institute.

We hope that you will recognize this vital need and the national interest involved therein and modify H.R. 5451 so that Louisiana can obtain Federal assistance and recognition in its attempt to provide this training.

Thank you for the opportunity to testify today. I hope I have helped you understand the importance of this bill in developing the total seapower forces of this Nation, and certain modifications that must be made in the bill to accomplish this, in the opinion of the State of Louisiana.

Thank you. Any questions?

Mr. AU COIN. Thank you. Are you familiar with H.R. 5164?

Mr. GIANELLONI. Very much so.

Mr. AU COIN. Which has been considered by the Coast Guard Subcommittee of the full Committee on Merchant Marine?

Mr. GIANELLONI. I testified before that committee also.

Mr. AU COIN. Then you are aware that most of the problems, unique problems, that you have testified to really are the subject of that particular piece of legislation?

Mr. GIANELLONI. I do not agree, sir. That bill primarily addresses A B's. It does not go at all into the regulatory requirements for sea time to any of the licenses. In the committee's opinion, that was within the regulatory authority of the Coast Guard, and Coast Guard has indicated nothing to us that they intend to change any sea time requirements for limited licenses.

The main advantage, as we see it, in meeting the needs as outlined in the Department of Commerce study, is that as a State maritime school, and being approved, as such, we will be able to produce the mates that that study says we are about 3,000 short, in 2 years instead of the 4 to 6 years it takes under present Coast Guard service requirements, so we are talking about, No. 1, and I feel, being in the particular phase of the industry I am in, training, providing comprehensive training for the industry, which is totally lacking now.

It is not being met by Kings Point or the State maritime schools. Nobody is meeting it, so No. 1, providing comprehensive training

and, No. 2, providing these people in a shorter period of time to meet the needs of the industry. That bill addresses primarily A, B. That is the first step in the ladder, but we also have got a problem all the way up the whole ladder.

Mr. AUCOIN. I don't serve on the Coast Guard Subcommittee, and so I am not in a very strong position to discuss your impression of that bill with you today. Maybe majority counsel would like to do that.

Mr. SUTTER. Sir, I think one of two things should be clear for the hearing record at this point. Do you or do you not agree that the fundamental problem that you are faced with down in your area is so-called excessive manning and licensing requirements of existing laws, Coast Guard-implemented, which are written primarily for the deep-sea industry?

Mr. GIANELLONI. That primarily, but there is also the problem of IMCO training and watchkeeping which will increase, and I am sure the State maritime schools made you aware of that, of certain requirements even for their programs to get licenses.

Mr. SUTTER. Perhaps we can touch on IMCO just a little later.

At this point, did you or did you not when you testified before Chairman Biaggi's subcommittee, testify that these excessive manning and licensing requirements by the Coast Guard were the primary problem that you are faced with?

Mr. GIANELLONI. Primarily, yes, sir.

Mr. SUTTER. The bill that has been reported by the Coast Guard subcommittee, with the committee amendment, is a very complex piece of legislation. I do not have the technical expertise that the Coast Guard subcommittee has, but as I understand it, it does address the qualifications for licensed officers with restricted licenses, which you call vessel operators or masters on crew boats. This bill does address those problems, does it not, sir?

Mr. GIANELLONI. This bill solves the conflict between 396 and 404, which require engineers on all vessels over 15-gross tons, which is another problem Louisiana has in operating ferries.

Mr. SUTTER. The point the chairman is trying to make, is that he is very sympathetic to your problem, but he feels that you are in the wrong forum. If Chairman Biaggi is currently considering this bill, and it will be reported out, then that is really the proper forum, is it not, sir?

Mr. GIANELLONI. On that issue, but the reason I am here, is that we have proposals before both the Coast Guard and the Maritime Administration for approval as a State maritime academy. That is the reason I am here. We fear in the State of Louisiana that the language, primarily the use of the terminology Maritime Academy and College will lock in, will have a connotation of a 4-year granting institution or at least 2 years, like Great Lakes as opposed to vocational-technical training.

The State of Louisiana is seeking, and has been for the last 18 months, approval as a State maritime school. That is the reason we are at this committee, to make sure that the bill, or to let the committee know that we have concerns that language in this bill may preclude our acceptance and approval as a State maritime school, with the specific mission that needs to be done in the national interest. That is why we are here.

Mr. SUTTER. To that extent—and I cannot speak for the chairman—your testimony will be taken into consideration, but as a staff man we have to remind you that the chairman is attempting to implement legislatively the recommendations of the Studts committee report, and you very clearly set out:

We were very upset when not a word was mentioned in the subcommittee's oversight report concerning the unique maritime training problems faced by the State of Louisiana.

Mr. GIANELLONI. Yes, sir.

Mr. SUTTER. And so you can see the position that the chairman is in. You are really before the wrong forum, sir.

Mr. GIANELLONI. In that committee last year we made the committee also aware, sir, that we were seeking approval as a State maritime school, and that is my point in being here today. We are seeking, the State of Louisiana is seeking, approval as a State maritime school. All the other schools at various times in their history were not degree-granting institutions. We are not. We do not plan on being degree granting, and we are just trying to protect the interests of the State of Louisiana, that this bill does not preclude our school from getting that approval, by impliedly requiring a degree for State maritime academy approval.

Mr. AUCOIN. Mr. Gianelloni, I think you have made your point, and the committee appreciates it. We do have a jurisdictional problem, and I think you can be sensitive to that. I have to be sensitive to that.

Mr. GIANELLONI. I understand.

Mr. AUCOIN. I do appreciate your testimony. It is noted that you are delivering it in behalf of the Governor, and I want to thank you for being here. I hope that you will convey my best wishes to the Governor of Louisiana.

Mr. GIANELLONI. Thank you, Mr. AuCoin.

Mr. AUCOIN. I would like now to call Mr. Cannaliato, chairman of the advisory board of the U.S. Merchant Marine Academy.

STATEMENT OF VINCENT CANNALIATO, JR., CHAIRMAN, U.S.
MERCHANT MARINE ACADEMY ADVISORY BOARD

Mr. CANNALIATO. Mr. Chairman and members of the subcommittee: I am pleased to be here today at your request, to represent the views of the advisory board of the U.S. Merchant Marine Academy—the Academy—on H.R. 5451, a bill designed to provide for education and training in maritime subjects and to enact a number of amendments to existing legislation in key areas.

Since June of 1978 I have been chairman of the advisory board to the Academy. Prior to becoming chairman, I served for 4 years as a member of the advisory board. Professionally, I am employed as a vice president and stockholder of the investment banking firm of Kidder, Peabody & Co., Inc., headquartered in New York City where I am in charge of the firm's activity in asset and lease financing, including supervisory responsibilities for the firm's financing activity on behalf of the U.S. maritime industry.

In the course of my participation on the advisory board of the Academy and its chairman, as well as in my professional activity, I have had the opportunity to make regular visits to the Academy to review various aspects of the curriculum and have become ac-

quainted on a personal basis with a number of students at the Academy and recent graduates. Kidder, Peabody has also sponsored a number of 3d and 4th year students on an internship basis to work on special projects involving financial aspects of the shipping industry. As a result of these internships, my associates and I have developed a high regard for the mission of the Academy and for its ability to train graduates who are able to make significant contributions to the maritime industry shortly after they leave the Academy.

Accordingly, H.R. 5451 is of great interest to the advisory board, which considers the Academy graduates to be a very valuable resource. We wish the subcommittee to know that we support the aim of H.R. 5451. We also wish to state that we support those comments and recommendations presented in the statement of Samuel Nemirow, Assistant Secretary for Maritime Affairs, which the Maritime Administration has submitted for further consideration by the subcommittee. We will choose to focus our comments on selected aspects of the bill which are most germane to the experience of the advisory board.

In particular, we would like to provide additional support for, and perspectives on, changes proposed by the Maritime Administration with regard to definitions, selection criteria, and the 5-year service obligation of students in Federal and State maritime academies. In the balance of my testimony I will address these issues as they occur sequentially in the bill.

We support the Maritime Administration's suggestion that section 1302 define the term "merchant marine officer" to encompass "any master, mate, pilot, engineer, radio officer, or operator licensed by the U.S. Coast Guard to serve aboard merchant vessels of over 100 gross tons." We feel that a definition of this breadth will better recognize the wide variety of afloat services in which officer graduates at Kings Point and the State schools presently are employed and will prevent the mission of the schools being narrowly construed as a training ground for officers in predominately large ship service. In my contacts with the maritime industry, I see the growing importance of such specialized sectors as inland waterways transportation and offshore drilling and maritime construction.

While these may not have been traditionally the industry sectors emphasized by the schools, they should nonetheless be encompassed within the scope and intent of the authority contained in the bill for the mission of the Merchant Marine Academy at Kings Point and for the State academies.

In section 1303, we fully agree with the modification made to the existing statute, particularly with reference to a system of competitive admissions to Kings Point—page 3, lines 16-24. While the advisory board recognizes the need for certain minimal academic and physical standards uniformly applied to the applicant pool, we particularly endorse the subcommittee's position that the system of competition should include and give due weight to an assessment of such other qualitative factors considered to be effective indicators of motivation and probability of successful completion of training at the academy. The broadest possible assessment of the individual, we feel, is desirable to identify those qualified persons with natural

inclinations to certain sectors of the maritime industry who might otherwise be denied admission

The advisory board feels that the 5-year service obligation options could be strengthened in ways which will benefit the maritime industry.

We are in support of the view of the Maritime Administration that the shoreside service option of Kings Point graduates—page 8, lines 5-8—should be strengthened to require at least 2 years of afloat employment even as part of this particular option. Furthermore, we feel that the Secretary should be able to suspend this shoreside service option entirely, if circumstances require this in the national interest, whether in peacetime or declared emergency.

With regard to the strengthening of the requirement for afloat service, it is fair to note that within the advisory board, we have many members whose involvement in the maritime industry reflects the management and financial shoreside aspects of the business. All of us have been impressed with the number of highly competent graduates of Kings Point who have been able to rapidly assume significant positions of responsibility in the management function of shipping companies, and recognize that for graduates of Kings Point this is a particularly attractive career strategy for participating in the industry.

However, our board shares the concern of Assistant Secretary Nemirow, that in recent years, the graduates of Kings Point and the other academies have too often limited their afloat experience to their formal academy curriculum, thereby depriving the industry of much of the contribution of their perspective and education in seamanship.

Recognizing the need for graduate education and its importance in the technical or management function of the maritime industry, we would also want to support the Maritime Administration's proposal that the Secretary grant deferral of all or part of the service obligation for a period not to exceed 2 years for graduates for the purpose of engaging in a graduate course of study in an accredited graduate school. We think this maintains the most logical sequence for the highly motivated student of undergraduate education followed by an advanced degree—that is, masters in business administration, masters of science or even a law degree in admiralty law—and does serve to make the graduates of the academy better prepared when they ultimately discharge their afloat and shoreside obligations.

We would propose that these modifications in the service requirements be made for the State academies' cadets, as well as the U.S. Merchant Marine Academy graduates.

I would be glad to expand on any of the points which have been raised and am pleased to answer any questions which the subcommittee may wish to ask.

Mr. AUCOHN. Thank you, Mr. Cannaliato. I want to compliment you for a very constructive statement. It is very useful to this subcommittee, and I appreciate it very much. I have a series of questions to pursue, but prior to doing that, I wanted to make that observation.

First of all let me explore for the purposes of the record—and frankly for the subcommittee members and myself, the precise

function and purpose of the advisory board. Kings Point has a board of overseers. There is an alumni association at Kings Point. There is also an advisory board and maybe other entities as well. What is the precise function of the advisory board, as you understand it?

Mr. CANNALIATO. The advisory board is appointed by the Secretary of Commerce to advise the Secretary on the academic curriculum, mission of the academy, and all aspects of the academy. The members of the advisory board are usually industry leaders. We cover all the industry parts, and we rotate those positions from time to time by bringing new members on it. But our primary function is to advise the Secretary on changes to be made, points that should be strengthened, and problems that may arise at the school. It is a very active board. We get involved in academic and morale problems, as well as the admissions requirements and standards.

I personally am very concerned about the graduates of the academy and what functions they provide in the industry. One of the reasons that I originally went on the advisory board is I felt that the maritime area management needed better qualified executives in the senior levels, and I felt that you had to start that at the junior level, to develop those kinds of management that not only understood the problems of managing, but understood the industry—from sailing on ships right on up. I think that that is critical for the industry to survive and to be competitive in the world situation.

Mr. AU COIN. So you function principally as a resource to MarAd?

Mr. CANNALIATO. Yes.

Mr. AU COIN. Not as an advisory resource to the administration at Kings Point?

Mr. CANNALIATO. That is right.

Mr. AU COIN. To what extent are you a recommendation agency? Of course, you must serve two functions—you react to ideas, policy considerations, proposals from MarAd, but you must also initiate ideas as well, based on your experience with the institution and your members' own expertise. To what extent do you initiate policy recommendations to MarAd?

Mr. CANNALIATO. Over the 6 years that I have been on the board, our primary function has been to interface with the midshipmen, the faculty, and the administrators at the academy, to find out how we can improve the educational background of the midshipmen in the marine area, how we can improve the shipboard training that the midshipmen receive and also to better prepare the graduates for the industry.

We get input from the midshipmen, the faculty, the administrators, as well as the industry on what changes should be made, and we make these recommendations to the Secretary. Most of the recommendations we have made to the Secretary are very detailed, and a lot of them are implemented. I would think that a majority of our functions flow from the academy up to the Secretary as opposed to the other way around.

Mr. AU COIN. Who sets the agenda for the advisory board?

Mr. CANNALIATO. I do.

Mr. AU COIN. You as chairman set the agenda?

Mr. CANNALIATO. Yes.

Mr. AUCOIN. Is that in consultation with MarAd?

Mr. CANNALIATO. MarAd is advised of the agenda.

Mr. AUCOIN. It is an informational communication?

Mr. CANNALIATO. Yes. I set the agenda and send it up to MarAd for publication—it is sent by the chairman.

Mr. AUCOIN. Have there been any instances since you have been chairman in which MarAd has changed the agenda?

Mr. CANNALIATO. No.

Mr. AUCOIN. Has MarAd ever asked you to change the agenda?

Mr. CANNALIATO. No.

Mr. AUCOIN. Can you give the committee some specific examples of recommendations that you have made to MarAd, having gathered input from midshipmen, from the faculty and from the administration, examples that are of some consequence and that have gone into effect?

Mr. CANNALIATO. We have several recommendations that are being looked at at MarAd right now.

Mr. AUCOIN. How about ones that have been implemented in the past?

Mr. CANNALIATO. One of the things that we proposed in previous years was in the admissions area. One of the things we were concerned about was that there were some criteria that we felt prevented proper competition for admissions to the academy. For example, in the past students that applied whose fathers had graduated from the academy, had received extra credits in getting into the academy. That was one area that we strongly felt should be changed, because we wanted to get, not only the most academically qualified individuals, but the most motivated individuals.

We felt that the fact that his family was involved in the maritime area would help him in general, but we certainly should not make that a consequence, a fact that it should happen automatically. That should be obtained through interviews, when we interview the midshipmen, and those kinds of motivative input should go into the evaluation, but it should not be automatic.

Mr. AUCOIN. That was a recommendation you made to MarAd?

Mr. CANNALIATO. Yes. We made other recommendations.

Mr. AUCOIN. That were implemented?

Mr. CANNALIATO. Yes, about 1½ years ago.

Mr. AUCOIN. The advisory board supports that section of the bill before us that puts a similar dictum—

Mr. CANNALIATO. Yes.

Mr. AUCOIN [continuing]. Into the statute?

Mr. CANNALIATO. Our mission is to get the most qualified individuals into the schools, so we can produce the greatest graduates that will support the industry.

Mr. AUCOIN. Is it accurate to say that this was your proposal, or was this something that MarAd indicated that it was contemplating and wanted your advice on?

Mr. CANNALIATO. That was a proposal we supported. That was something that we had looked into. MarAd was also concerned about it. I would think that both parties supported that proposal. Who initiated it I could not say.

Mr. AUCOIN. Could you just think for a moment and give the committee an example on the part of the advisory committee that it brought to MarAd's attention on its own initiative, that has some consequence, that MarAd has implemented?

Mr. CANNALIATO. Three years ago we suggested to the Maritime Administration that we should consider getting accredited as an engineering school, which meant that we had to add a few engineering courses and beef up our engineering staff to get the accreditation in this area. We have worked in the last 3 years to do that. We hope that in 1983, the class of 1983 will qualify as an accredited engineering school. That was a proposal we supported about 3½ years ago, which is being implemented right now.

Mr. AUCOIN. That was an idea born within the advisory committee?

Mr. CANNALIATO. At the advisory board at the academy, right. Other things that we have suggested, a lot of times the suggestions that the advisory board comes up with are given to the administrators at the academy, and we hope to have those implemented at the academy level as opposed to going to the Secretary and having it come back down, if the Secretary agrees with it. A lot of the things that we have come up with, strengthening certain parts of the curriculum, have been implemented by the dean in the past.

Recommendations on plant expansion have been implemented, on updating a lot of the administrative parts of the academy for the midshipmen. That has been implemented by the academy, and we have gotten pretty good support in the past from the academy in implementing a lot of our recommendations.

Recently we had some of our recommendations over the last couple of years receive a lot of resistance from the academy administrators, and in those particular instances we have gone up to the Secretary to ask for his support in implementing them.

Mr. AUCOIN. What were the results of those?

Mr. CANNALIATO. It is a little early to tell. One of the areas that we discussed at the last board meeting and at several previous board meetings, is the establishment of the pub, located at the academy.

Mr. AUCOIN: A pub?

Mr. CANNALIATO. A pub; pubs are available at all the other Federal academies, and, in 1979, we lost two midshipmen in a car accident that hit a tree coming back to the academy. In 1977, we lost one midshipman in a car accident. That accident was caused by drinking by the midshipmen. We felt that if the academy had a pub located on campus, that might lower the probability that that would happen in the future. That is now being proposed to the Secretary, and I understand that the academy is now reviewing that, and may implement that in 1980.

We are also looking at the medical facilities at the academy. The board has received, over the last 2 years, complaints by the midshipmen that the medical facilities available to the midshipmen have not been adequate. At the last board meeting we went into great detail in reviewing the medical facilities, and we have asked the Public Health Department to also do an audit, and review it, and advise the board of the plant facilities as well as the medical facilities available to the midshipmen.

We feel that the review procedures that we set up will review the medical facilities, and if necessary—some of this may not be necessary—changes will be made, and that is again, we feel, a very important part of our function, of looking into the welfare of the midshipmen as well as the education of the midshipmen.

Mr. AUCOIN. So it is really more accurate to say that your advisory function is not exclusively to MarAd; you also advise and consult with the administration, and in some cases, when met with resistance on something which you feel strongly about, you then take it to the agency. Is that accurate?

Mr. CANNALIATO. That is correct, Mr. Chairman. We only go to the Secretary when we can't solve the problem.

Mr. AUCOIN. You have indicated some resistance on the part of the administration at Kings Point in the recent past. Can you elaborate on that a little bit more? How would you describe the receptivity that the advisory board has experienced on its recommendations to the academy itself and to the administration of the academy, in the last few years, overall? This really is a serious problem. It is not meant to be a hostile question, and I need as much candor as you can give the committee.

Mr. CANNALIATO. We have received, in the last couple of years, a lot of cooperation from the administration at the academy, in maintaining improvements and in reviewing recommendations. Some of the recommendations that we look at, we change our mind on after we get all the facts, but we want to get those inputs so we can make a logical and an educated recommendation to the Secretary, as opposed to making an observation that comes from one source.

We have gotten a lot of cooperation in the past. I have seen, since I joined the board, which is 6 years ago, a tremendous improvement in their cooperation. When I first joined the board, the board's primary function was to go and have a dog and a pony show. They would have presentations from each of the departments of the academy, have a nice lunch and go away.

Mr. AUCOIN. And full per diem and expenses at the same time?

Mr. CANNALIATO. Per diem and expenses were paid for the advisory board members. I have personally never put in for any expenses or per diem since I have been on the board.

Mr. AUCOIN. Per diem and expenses are there for a real reason?

Mr. CANNALIATO. Right.

Mr. AUCOIN. And if something is being accomplished, obviously that purpose is being served. You are indicating that you have seen an improvement in the substantive discussions of the advisory board, when they meet under those circumstances?

Mr. CANNALIATO. Right.

Mr. AUCOIN. And that has been over a period of what time?

Mr. CANNALIATO. I have been on the board for 6 years now.

Mr. AUCOIN. Are you a Kings Point graduate?

Mr. CANNALIATO. No, I am not.

Mr. AUCOIN. Are you a graduate of a State academy?

Mr. CANNALIATO. No, I am not.

Mr. AUCOIN. How many graduates of any academies are on the board?

Mr. CANNALIATO. We have one member, Joe Scroggins, who is a Kings Point graduate on the board. The previous chairman of the board, Ed Heine, is also a graduate. We would like to at least get one member of the board that is a graduate, not that that is a requirement.

Mr. AUCOIN. The statute states that the Secretary of Commerce may appoint an advisory board to the U.S. Merchant Marine Academy consisting of not more than seven persons of distinction in education, and other fields relating to the purposes of the academy.

Looking over the current membership of the board, I find one person in education, the rest from industry, if I am correct in the document I have before me. Is it your feeling that that is in keeping with the statute?

Mr. CANNALIATO. There are two members of the board that have education backgrounds. Peden is a professor of the University of Washington and was a recent appointee in 1977, I believe.

Mr. AUCOIN. That is the one individual that caught my eye.

Mr. CANNALIATO. Also in the education field I was an instructor at the University of Maryland and taught mathematics, and am on another advisory board for a privately held school in New Jersey.

Mr. AUCOIN. It would be your interpretation that that configuration is not in harmony and in keeping with the statutory language I read?

Mr. CANNALIATO. Yes. We plan on adding another generalist. We have one full-time person in English. We would like to get one in humanities.

Mr. AUCOIN. What would be the value of having someone from the humanities?

Mr. CANNALIATO. We feel that the school provides short-term as well as long-term leaders in the maritime area. Last year the graduates of the Merchant Marine Academy, 94 percent of them sailed, and we have found in the last—

Mr. AUCOIN. Last year's graduating class?

Mr. CANNALIATO. Kings Point.

Mr. AUCOIN. That would be the June graduates?

Mr. CANNALIATO. I think by September. A lot of the graduates take the summer off.

Mr. AUCOIN. They graduated in June and were sailing by September?

Mr. CANNALIATO. By September we had 94 percent actually sailing on vessels, and since I have been on the advisory board, and I cannot go back into history, when the jobs have available the midshipmen, both male and female, have sailed. We look at the function of the school short term as well as long term. We also look to some of these midshipmen filling senior management roles in shipping industries, in running shipping companies and serving the management role beyond just in sailing later on. I think that strengthening the academic background of the individuals is certainly one of the missions, certainly not the most important mission but one of the missions of the academy.

Mr. AUCOIN. Can it be argued that a person filling that kind of job could be educated just as well going to a standard college and paying his own rather than having somebody train for manage-

ment in an industry at taxpayer's expense? This is an issue, as you well know.

Mr. CANNALIATO. I agree in general, with that statement, but I would like to see senior management in the shipping industry be a person that has sailed for maybe 10 or 15 years, and has sailing ability as well as the academic background. I think that the management of shipping industries should have the experience of actually sailing on vessels and performing functions on that vessel, hopefully all the way up to being a captain on that vessel, so I would think that bringing a generalist who does not understand the particular nature of the maritime area would not serve that function very properly in the long run.

Mr. AUCOIN. As a spokesman for the advisory board, how vigorously committed are you to a very tight and strong service obligation?

Mr. CANNALIATO. Very much so. We feel that the midshipmen should sail. That is the purpose of the academy.

Mr. AUCOIN. The maximum possible extent?

Mr. CANNALIATO. Absolutely.

Mr. AUCOIN. And if it was possible to make that for 5 years at sea, as opposed to the maritime-related industries during that service obligation, would that suit your highest preference?

Mr. CANNALIATO. We would not totally object to that, yes.

Mr. AUCOIN. You would what?

Mr. CANNALIATO. We would not object to that.

Mr. AUCOIN. How vigorously do you endorse the idea?

Mr. CANNALIATO. We think that there should be some exceptions to that, but we endorse that. We think that there are certain circumstances that the Secretary should have discretionary powers with a particular individual.

Mr. AUCOIN. Then I would take it that, with few exceptions—

Mr. CANNALIATO. Yes.

Mr. AUCOIN [continuing]. You strongly advocate that?

Mr. CANNALIATO. We strongly advocate that position.

Mr. AUCOIN. A sea service obligation to the maximum possible extent?

Mr. CANNALIATO. Yes.

Mr. AUCOIN. If graduates, after meeting that obligation, choose as they do at the other Federal military academies, to go into management, business, law, or whatever, then obviously there is no objection on the part of the advisory committee board?

Mr. CANNALIATO. If I may comment—

Mr. AUCOIN. I must say there is no objection on my part either.

Mr. CANNALIATO. I think the correlation between Kings Point and the other military academies, such as West Point or Coast Guard Academy or Annapolis or the Air Force Academy, is slightly different. Once a West Point graduate gets out of the service and enters civilian life, and he can do that after 5 years, he is usually not in a related industry, as opposed to a graduate of Kings Point if he goes out and sails for 5 years or 10 years, he usually winds up in the industry in a management role. He does not totally get out of the military as a West Point graduate would. I think that is valuable asset that you really quantify as to what that is worth to the industry.

Mr. AU COIN. How often does the advisory board meet?

Mr. CANNALIATO. We meet four times a year officially.

Mr. AU COIN. Four times?

Mr. CANNALIATO. Four times a year, but we have other interfaces with the academy, with MarAd, and with other parts of the industry. I personally visit the academy probably on three or four other occasions at other than board meeting times.

Mr. AU COIN. Where are the formal meetings usually held?

Mr. CANNALIATO. The last meeting was held in Washington. We have held a meeting—

Mr. AU COIN. I don't need to have a complete list. Where are they usually held?

Mr. CANNALIATO. The majority of them are held at the academy. Some are held in Washington. Some are held in New York. We have held meetings in St. Louis.

Mr. AU COIN. Would there be any locations that are unusual for meetings of the advisory committee?

Mr. CANNALIATO. The only meeting that was unusual—

Mr. AU COIN. Offshore?

Mr. CANNALIATO. No.

Mr. AU COIN. Somewhere in the Sun Belt?

Mr. CANNALIATO. New York does not qualify. I wish it did.

Mr. AU COIN. Nor does Oregon.

On page 3 of your testimony, you indicate that the advisory board supports the proposed amendments submitted by the Maritime Administration. Do you support some or all of the proposed amendments? I am trying to figure out what you mean by that statement.

Mr. CANNALIATO. Some of the amendments that the Maritime Administration presented to the subcommittee were very technical, and we did not feel we were qualified to comment on these. We commented on the ones we felt that we had the ability to comment on, and make constructive criticism to support that particular position.

Mr. AU COIN. Do you support all of the nontechnical amendments?

Mr. CANNALIATO. That is a hard question to answer, because some of the technical amendments I am not that familiar with. They may not just be technical. They may have some other implications that I am not aware of. In general, we support the ones that we feel we are qualified to.

Mr. AU COIN. You have been on the board for 4 years?

Mr. CANNALIATO. Six years.

Mr. AU COIN. Six years. You are chairman?

Mr. CANNALIATO. Right.

Mr. AU COIN. And I am sure you recognize the implications or potential implications of long-range significance to what would appear to be a technical amendment. So of the amendments that you would judge to be non-technical, does the advisory board—

Mr. CANNALIATO. Yes.

Mr. AU COIN [continuing]. Support all of them—

Mr. CANNALIATO. Yes.

Mr. AU COIN [continuing]. Or some of them? And if so, which ones? All of them?

Mr. CANNALIATO. We support all of them that are not technical in nature.

Mr. AUCOIN. What input did the board have in developing the recommendations that the Maritime Administration brought forward with respect to this bill? Were you consulted ahead of time?

Mr. CANNALIATO. As far as the board was concerned, we have had input to the Maritime Administration on some of the points. For example, in several board meetings we supported having an obligation to sail on vessels, and that was stated in our minutes of those board meetings. That was submitted to MarAd at those times. We did not prepare anything to MarAd on the bill that they reviewed before submitting their position, but if you go back to our previous minutes, and our previous recommendations over the last couple of years, a lot of the points, like having a requirement to sail, have been positions of the board that were made to MarAd at that time. But we did not submit anything recently.

Mr. AUCOIN. Looking at the advisory board topics for what I believe to be the period 1977 through 1979, among the subjects that you considered were minors and electives, tuition, and midshipmen morale. I gather that the last category is the category in which you discussed the pub, admissions, placement of graduates in Merchant Marine Reserve. What is your opinion of midshipmen morale at this point at Kings Point?

Mr. CANNALIATO. Well, we—

Mr. AUCOIN. Is it a problem? Is it a crisis?

Mr. CANNALIATO. It is not a crisis. We have had problems with morale. Some of this was due to certain problems that developed at the Academy from time to time. The morale question is a question that I, as chairman, constantly look at and get input from the midshipmen. The morale, for example, was petty low in the medical area. Not being qualified in the medical area to comment on the validity of their complaints about the medical facilities, we initiated at the last board meeting a proper review from the medical superiors, which is the Public Health Department, as well as the Academy in coming up with reviewing that, to see if there was any justification in the complaints that we had received as a board. Morale has gone down from time to time, and has peaked from time to time. That depends on the problems that have come up.

Right now there are a few things that the midshipmen were upset about. One of them was the medical facilities. Another one was having the ability to have a pub on campus. There have been a lot of different kinds of things.

A couple of years ago one of the big morale problems was they could not find jobs sailing. There were no jobs available. They just couldn't sail. They were upset about that. They wanted to sail and they couldn't. The problems change each year, and it is something that I personally stay up on and try to maintain my rapport with the midshipmen so I can get that kind of feedback, and sort out what is real and what is just imaginary.

You have people complain as a habit. Young people have that ability more than older people.

Mr. AUCOIN. Have you ever recommended to the administration that it try to improve morale by taking whatever appropriate steps

are available to increase communication between the administration and the midshipmen.

Mr. CANNALIATO. Yes. I have made that recommendation to the former superintendent of Kings Point on many, many occasions. That area was really never corrected, and obviously you can't order that to be corrected, but that recommendation was made to the previous administration at the Academy. As you know, we are now looking for a new superintendent, and hopefully that communication barrier between the midshipmen and the superintendent, which causes 80 percent or 90 percent of that problem, will be eliminated.

Mr. AUCOIN. Do you consider that one of the major problems in this category?

Mr. CANNALIATO. Yes.

Mr. AUCOIN. On the bottom of page 6 of your testimony you have indicated the following, and I quote: "We would propose that these modifications in the service requirements be made for State academy graduates as well as for U.S. Merchant Marine Academy graduates." A number of witnesses have suggested that it is not equitable for the graduates of State academies to have identical service obligations as graduates of the Federal Merchant Marine Academy, on the basis that they receive less Federal assistance.

I am wondering whether you agree or disagree with that contention.

Mr. CANNALIATO. There are different classes of institutions that fit into different categories. We feel that graduates of State Academies as well as the Federal Academy should be required to sail, and I think that the feedback that I have gotten from the midshipmen in general—obviously there are exceptions—that they want to sail when they graduate, and that is the reason that they are there. You do have exceptions from time to time, but the midshipmen feel an obligation to sail when they get out of the Academy. We feel that the State schools, which are funded partly by the Federal Government, but in part by the State governments, should have an obligation to serve the industry in a sailing position, which is the primary mission of a midshipman. Now maybe the requirement should be identical. Maybe it should be done on a pro rata basis.

Mr. AUCOIN. On what basis?

Mr. CANNALIATO. Pro rata. For example, if you had a 2-year basis, maybe that should be part of the requirement of a 4-year curriculum. But we think the requirement should be there for all the schools in one form or another.

Mr. AUCOIN. Doesn't a moral obligation for a service requirement fundamentally stem from a Federal expenditure to the student?

Mr. CANNALIATO. Yes.

Mr. AUCOIN. For that student's education?

Mr. CANNALIATO. Yes.

Mr. AUCOIN. If that is the case, can it be argued that if there is less in the way of Federal support for that student's education, there should be less in the way of a service obligation to that student?

Mr. CANNALIATO. From the Federal point of view, yes. But I think from the State's point of view, the States are supporting these schools and are expending funds to educate those midshipmen to sail, usually in their area, and hopefully will get service from a State point of view in that industry.

Mr. AUCOIN. Of course, it is our business to deal with the bill before us?

Mr. CANNALIATO. Yes.

Mr. AUCOIN. Which approaches it from the Federal point of view.

Mr. CANNALIATO. I agree.

Mr. AUCOIN. So you would not be opposed to the concept, at least, of a varying scale on the service obligation?

Mr. CANNALIATO. Yes, sir.

Mr. AUCOIN. In reviewing Kings Point admissions policies during the advisory board sessions over the last couple of years, have you found serious problems that you have felt a need to bring to the attention of the Administration, or to the Secretary, beyond the points you have already made in your testimony?

Mr. CANNALIATO. Yes, we have. We have found a lot of problems that should be corrected, and some of which have been corrected. For example, we have found midshipmen or prospective midshipmen applying from as many as 30 or 40 different States, soliciting nominations from Congressmen throughout the United States, even though they are not residents of those States, to increase the chances of getting into the Academy. I felt, and I worked with Captain Jenkins, who is the head of admissions at the Academy, for a couple of years in trying to get that changed, and we are looking into that, and some of those changes have been implemented.

Mr. AUCOIN. That, I believe, was a recommendation of this committee under the chairmanship of Congressman Studds, and is embodied in the oversight report of his subcommittee. It is not embodied in the bill before us right now, but, obviously, it is an issue before this subcommittee at this time.

Mr. CANNALIATO. Yes, I know.

Mr. AUCOIN. How serious of an error, in your judgment, would it be to omit such a requirement, such a prohibition?

Mr. CANNALIATO. In other words, not—

Mr. AUCOIN. Omit a prohibition.

Mr. CANNALIATO. I think that that prevents the Academy from getting the best graduates when they get out. I think we have to bring in the best students to start out the program that are both academically and physically as well as having the motive to go into the industry. That should be the primary consideration. I think that doing it by States where the students could apply to many, many States eliminates some of the competition of getting the best students, and I support changing that.

Mr. AUCOIN. Then on the strength of that, how serious an error do you think it would be if this legislation passed without a provision of the kind recommended by the oversight report?

Mr. CANNALIATO. I would think it is pretty serious, because you are not getting the best students.

Mr. AUCOIN. So, do you think that is a major issue?

Mr. CANNALIATO. Yes.

Mr. AUCOIN. Did the advisory board know of and make any obligation on the basis of the waiver of minimum standards for three students in the class of 1983 at Kings Point in the noncompetitive admissions category?

Mr. CANNALIATO. No.

Mr. AUCOIN. No to both questions?

Mr. CANNALIATO. Yes.

Mr. AUCOIN. You did not know of it, did not know that that occurred.

Is this the first time you have heard of this?

Mr. CANNALIATO. Yes.

Mr. AUCOIN. What is your opinion of the waiver of the minimum standards for that category known as noncompetitive admissions students?

Mr. CANNALIATO. Personally? Well, that is an area we have talked about. The particular case you mentioned I wasn't aware of, but it has come up in the past. We have felt, at least I have felt personally, and I am not speaking for the rest of the board, because I have not polled their opinions on that point. But a lot of times in the past I thought that the judgments used by the Administration at the Academy was not proper in admitting some of the midshipmen that did not meet the minimum requirements. I realize that provision was put in for a wholly different, a whole multitude of purposes, because you wanted to have some flexibility, and I think you need that for special cases.

Mr. AUCOIN. As do I.

Mr. CANNALIATO. But I do not think they were implemented with proper judgment in all cases.

Mr. AUCOIN. But I think we need to be clear, as I am sure you and I know, that the noncompetitive admissions entries to the Academy still must meet a minimum standard for admissions?

Mr. CANNALIATO. Yes, sir.

Mr. AUCOIN. Unless it is waived.

Mr. CANNALIATO. Yes.

Mr. AUCOIN. In the case I cited involving three students it was waived by the former Superintendent. So we are not talking about the noncompetitive admissions policy as such at this moment. We are talking about the waiver of even minimum standards. This is the first time you have heard of that?

Mr. CANNALIATO. Of those three, yes.

Mr. AUCOIN. Have you heard of any other instances?

Mr. CANNALIATO. In the past we have talked about that happening in 1977, I believe it was another case. We think that they should not be waived.

Mr. AUCOIN. A single case?

Mr. CANNALIATO. I believe it was a single case. I have to go back to my notes.

Mr. AUCOIN. Are those the only instances?

Mr. CANNALIATO. That I am aware of. There may be others that I am not aware of.

Mr. AUCOIN. Did the advisory board object in that instance?

Mr. CANNALIATO. Yes.

Mr. AUCOIN. To the administration?

Mr. CANNALIATO. The objection at that time went I believe to the Superintendent and the admissions officer, in that one particular case in 1977.

Mr. AUCOIN. Did it ever reach the Maritime Administration?

Mr. CANNALIATO. No.

Mr. AUCOIN. At the time that you approached the administration, were you assured that it would not happen again?

Mr. CANNALIATO. No, we were not assured that it would not happen again.

Mr. AUCOIN. But you failed to take it forward to the Maritime Administration?

Mr. CANNALIATO. I reported it to the chairman. I was not the chairman at that point. I do not know if the chairman at that point talked to Mr. Blackwell, who was then the Assistant Secretary for Maritime Affairs.

Mr. AUCOIN. Was that a subject of discussion at the board meeting at that time?

Mr. CANNALIATO. No.

Mr. AUCOIN. It was your individual knowledge. You took it individually to the chairman. Why not bring it up at the advisory board?

Mr. CANNALIATO. I brought it up to the chairman.

Mr. AUCOIN. Why not bring it up at the meeting of the advisory board?

Mr. CANNALIATO. I have to go back to my notes. There may have been a reason that it wasn't brought up, depending on the agenda at the time.

Mr. AUCOIN. How is staff support provided to the advisory board?

Mr. CANNALIATO. There is no staff support whatsoever.

Mr. AUCOIN. What about the minutes?

Mr. CANNALIATO. I take that back. I apologize. At the board meetings we do have secretaries taking minutes, and that kind of support. We have no staff support. I use my own secretary for my own correspondence and administrative procedures, except the actual board meetings, we do have secretarial support available from Marad to take notes.

Mr. AUCOIN. Going back to a point we touched on earlier, I noted that on pages 5 and 6 you stated:

Our board shares the concern of the Maritime Administration that in recent years the graduates of Kings Point and other academies have too often limited their afloat experience to their formal academy curriculum, thereby depriving the industry of much of the contribution of their prospective education in seamanship.

Could you tell us what you mean by that statement and clarify it?

Mr. CANNALIATO. In the past we found that some of the graduates did not stay at sea very long, and if you go back several years, we have found that there were some graduates that did not elect to sail, even when there were positions available, and I am going back prior to myself joining the board.

Mr. AUCOIN. A long way.

Mr. CANNALIATO. A while back. Recently we have had a pretty good percentage sail, depending on the jobs available, but we would like to see that as a requirement. For example, during the Vietnam

war period—I wasn't on the board at that time—I understand that the total number of graduates that could have sailed did not, when there were sailing positions available during those years, during the Vietnam crisis, and I feel that that should be an obligation of the graduate, even during national emergency. It should not be an election on their part.

Mr. AUCOIN. What figures do you have relating to that point that you just made? Do you have percentages of people who responded at the time of the Vietnam crisis and at the time the Government issued a fairly urgent call for maritime officers? I am talking now about graduates of Kings Point who were not already at sea. Do you have any percentages?

Mr. CANNALIATO. No, I don't.

Mr. AUCOIN. Did the advisory board ever look into this?

Mr. CANNALIATO. No.

Mr. AUCOIN. You just have a general impression that it was satisfactory in the board's judgment?

Mr. CANNALIATO. The input we had gotten from the academy personally when we looked at the sailing positions, and I first thought to look at that when there were no sailing positions available going back about 3 or 4 years, and the graduates wanted to sail and they could not. One of the comments that we received from the industry was that when there were sailing positions—this was not a great majority, but there were some sailing positions available during the years during the Vietnam crisis that were not filled with graduates that could have filled those positions.

In asking at the academy people like the admissions head, the dean, as well as the superintendent, the indication I had gotten back was, yes, there probably were some graduates that did not sail that could have sailed. And that upset me, because I thought that it should be a requirement, especially during national emergency, for a graduate, of a Federal academy especially, to sail as an obligation. But I did not go back, because it would not have served any purpose.

Mr. AUCOIN. I understand.

Mr. CANNALIATO. To have that statistic.

Mr. AUCOIN. I understand.

What is your general opinion, though, based on what you have seen, learned, and have known about the Kings Point and its graduates? What is your general opinion about the response performance? Was it some or was it far more than some? Some sounds as if it was a very limited problem. Do you think it was more serious than that terminology would suggest?

Mr. CANNALIATO. Mr. Chairman, I couldn't be qualified to comment on that without going back and looking at the statistics, and then you really cannot make a quantitative judgment because you are not going to really find out what the job availability was.

Mr. AUCOIN. But you do share the concern of the Maritime Administration—

Mr. CANNALIATO. Yes.

Mr. AUCOIN. [continuing]. That in recent years graduates of Kings Point and other academies too often limited their experience to their formal curriculum?

Mr. CANNALIATO. Yes. Maybe I was personally prejudiced when I heard that, because I was a Vietnam veteran, and obviously I felt that support in any national emergency should have come automatically from the industry, especially from Kings Point graduates.

Mr. AUCOIN. If that were true, and this committee has not come close to establishing whether it is true or false, that there was a wholesale neglect on the part of graduates at Kings Point to respond to that call, would that be a serious matter in your judgment with regard to the institution?

Mr. CANNALIATO. I would think it would be a matter that should be changed if it were true in a great area, and I think this bill implements that requirement.

Mr. AUCOIN. Did the advisory board, when it heard of those criticisms at that time and shortly after ever examine the validity of this criticism?

Mr. CANNALIATO. No.

Mr. AUCOIN. Wouldn't it be a proper function of the advisory board?

Mr. CANNALIATO. The advisory board on many occasions—and this is a matter of public record—have talked about having that as a requirement. The advisory board is more concerned about correcting the situation, if it existed or not, because we felt it should exist, and we feel the role we perform is not to go back and find out if it existed many years ago, as opposed to making sure the problem doesn't exist in the future.

Mr. AUCOIN. How about at the time the crisis was on us and the call from the Government was out and the criticism began; wouldn't that be a proper item of consideration of the advisory board in its function?

Mr. CANNALIATO. Absolutely.

Mr. AUCOIN. But you are indicating there was no—

Mr. CANNALIATO. I was not on the board at that time.

Mr. AUCOIN. As chairman of the advisory board, what is your impression of the policy role of the alumni association at Kings Point?

Mr. CANNALIATO. I am not aware of any formal policy role of the alumni.

Mr. AUCOIN. If I am not mistaken, the statute gives no formal policy role to the alumni association. Therefore, I am asking the degree to which there is a policy role on an informal basis. To what degree is there an informal policy role on the part of the alumni association? You have been there for 6 years and should be able to tell the committee, and it is a question I think can be factually answered.

Mr. CANNALIATO. I can only give you the Board's impression of the alumni association and its interface with the alumni association. On several occasions the alumni have asked to appear at the advisory board to make positions. Some of the positions they wanted opposed were service obligations, and the advisory board welcomed the alumni to make presentations to the Board.

The Board is interested in all the input we can get from all facets of the industry, the industry itself, the local communities, the alumni, the midshipmen, as well as any other industry leaders that we solicit.

The alumni has on many occasions made presentations to the board, and their recommendations and their suggestions and their comments were noted by the board.

On several occasions the board has not officially or unofficially agreed with the alumni on certain particular points that were made, but their inputs have been available in the past, and we have followed some of them, if we agreed with them, and in other cases we flatly disagreed with some of the positions.

So I am not aware of any official policy by the alumni, but we welcome their inputs as well as anybody else's input.

Mr. AUCOIN. I think it should be stated that any alumni association is composed almost by definition of proud individuals, proud of their institution, and they have strong feelings about the destiny of their institution. There is nothing inherently wrong about having influence on the policy of the institution that has given them their education.

On the basis of your experience what is the extent to which the alumni association has been influential with, let's say for starters, the administration. Let's compare that influence with the influence you feel you have had as a member of the advisory board. Would you say the alumni association is at least as influential on policy questions with the administration as the advisory board?

Mr. CANNALIATO. That is hard for me to answer.

Mr. AUCOIN. It is a judgment, but I think it would be an informed judgment.

Mr. CANNALIATO. I would think that the advisory board, especially in recent years, is a very influential body that takes an active, not a passive, role with the Academy. The alumni has always taken a very, very active role with the administration, and I think the administration has relied on input from that body for many years, and should.

As you pointed out, I think they are a concerned body, and obviously their main interest is, and should be, with improving the Academy.

But we are not in competition with the alumni association, and I think we are an official body of people who volunteer their services.

Mr. AUCOIN. Over the span of the last 5 years, which body has been more influential on the administration?

Mr. CANNALIATO. I would think that the advisory board on the issues that we talked about, yes. To give specific examples—

Mr. AUCOIN. In the interest of time, how about one good one?

Mr. CANNALIATO. I will give one example. I think the position of the Maritime Administration that I experienced in the recent past when we were in opposition to the alumni association, the secretary has supported the advisory board position as opposed to supporting the alumni association position. For example, one of the positions that was presented on several occasions to the board, to me as chairman, twice came from the alumni association in writing, and it also went to the Maritime Administration—to have the president of the alumni association automatically appear on the advisory board, no matter who that person is in the future.

Our position on the board was that we don't oppose having the president of the alumni association on the board if we feel that

person, as an individual, served the advisory board and served the Academy constructively and that that person should be considered along with other candidates for the advisory board, and the best person selected, but it should not be an automatic position. The Maritime Administration has supported us on that position in the past and recently.

Mr. AUCOIN. Very well. I want to thank you for your testimony again and also for your responsiveness to the questions I have asked. I think you have made a good contribution to the subcommittee, and we appreciate the time you have taken today.

Mr. CANNALIATO. Thank you, Mr. Chairman.

Mr. AUCOIN. Thank you.

The Chair would like to note the presence in the hearing room of the former chairman of the Merchant Marine and Fisheries Committee, the Honorable Edward Garmatz. We are glad to see you, and we welcome you today.

I would like now to call Mr. Donald G. Brown, manager, Marine and Industry Coordination of Gulf Trading and Transportation Co., to the witness table.

Mr. Brown, welcome, and we look forward to your testimony. I have been told that you testified before the Studds subcommittee and contributed to the deliberations that led to the oversight report.

Mr. BROWN. I didn't personally testify; my predecessor did.

Mr. AUCOIN. Well, I am Mr. Studds' successor, so I welcome you on that basis.

STATEMENT OF DONALD G. BROWN, MANAGER, MARINE AND INDUSTRY COORDINATION, GULF TRADING AND TRANSPORTATION CO.

Mr. BROWN. Thank you.

I would like to take the opportunity to thank the committee for this opportunity. Gulf currently owns 17 U.S.-flag vessels totaling approximately 930,000 deadweight tons, and we employ 265 licensed officers aboard these vessels, and, of course, are very keenly interested about their professional training.

We maintain that the maritime academies do an excellent job and graduate capable licensed officers on an entry level. The graduates have received well-balanced educations in both professional and academic subjects. Consequently, they have a foundation to serve the maritime industry, both in a seagoing capacity as well as in shoreside areas.

The curriculum of the several academies are maintained on a very current level, meeting the requirements of today's industry. I am not sure this is really a criticism, but we find that the Academy graduate is so well trained, he is very attractive to other industries, and the maritime industry tends to lose him by competition. Notwithstanding, we are well aware that there have been vast technological changes in the past decade in our industry, and there is every reason to believe that we may expect this progress to continue; therefore, with this in mind, there should be no relaxation of the current academic and professional requirements.

The academies, of course, are undergraduate educational institutions and produce an excellent graduate. However, only recently

has there been any attempt by continued education, retraining, or specialized courses to meet changing industry requirements.

Prior to this, further education had been left to the officer himself, the maritime unions, and, in some cases, the employer. Unfortunately, with the incidence of accidents that are attributable to human error, it seems our efforts to date are insufficient and at times the performance of some of the shipboard personnel is at an unacceptable level.

With this in mind, I think there is a clear need to continue formal upgrading and training for license requirements, as well as periodical retraining as required, and this can best be done by the Government within the framework of the existing academies.

There is tremendous pressure on the maritime industry to have an accident-free record, particularly in the environmental area. "The Standards of Training and Watchkeeping," the direct results of numerous meetings of the committee within IMCO, demands that we maintain a high level of professionalism. This, of course, puts a tremendous responsibility on the U.S. Coast Guard, which is responsible for licensing, and on the industry, itself, to make sure that the licensed officers meet the minimum standards.

However, we must be most careful in this regard that we in the United States do not implement training and retraining requirements that may accrue to an educational overkill at the expense and detriment of the private steamship operator, and, more importantly, the taxpayer.

We cannot overlook the need for ongoing training in the international arena. Many nations lack the resources and expertise to provide for themselves; therefore, if we are to have a meaningful maritime safety program, it will require that developed nations either make their facilities available to the Third World nations or very actively coordinate with them in developing their own facilities. The international minimums must be realistic and attainable, and they must be applied uniformly throughout the industry.

We believe that the United States may be able to take the lead in establishing good basic education, as well as upgrading and retraining seafarers using the existing facilities of the Nation. This would provide internationally acceptable standards as opposed to unilateral programs that would place American-flag vessels at an even greater disadvantage.

As I mentioned earlier, we employ some 265 licensed officers. Some 200 of these are academy graduates, and the others have received their educations from various sources.

In addition, we have some 50 graduates presently working in shoreside positions.

On an entry level, we use the graduates, of course, as third mates and third engineers, which would start their careers at sea. Shoreside personnel are hired at entry level positions as trainees or analysts or recruited from the maritime department after they have acquired sufficient training and experience.

From a career viewpoint, the seagoing personnel are employed as captains and chief engineers and other senior officers. The shoreside positions vary from a senior vice president to a refinery manager and to any number of middle-management jobs within the corporation.

In this regard, we do find that there is a requirement on the part of the shoreside manager to understand the maritime industry, and, therefore, a maritime background is rather essential.

We find that the academy graduates are basically well prepared academically, but require orientation during the first assignment aboard a vessel in order for them to obtain a good on-hands understanding of the vessel's actual operation.

If, as a cadet, the graduate has had the opportunity to sail aboard tankers, we find that this is a great advantage to him. We do try to cooperate with the several academies in their cadet sea training program, but we only have a limited facility aboard our own vessels.

A continuing education program should be directed toward license upgrading, meeting the professional skills that are required, such as radar use, proper cargo handling, and continuing the familiarization with a myriad of today's rules and regulations and meeting technological changes. In contrast, the officer must maintain his skills in such things as firefighting, and first aid, lifesaving, and other basic techniques.

In conclusion, we strongly support a good educational program, and we do not see the other sources of maritime education as capable of producing the number of licensed officers required if the academy system were to be reduced in scope or, yet worse, terminated.

Thank you.

Mr. AUCOIN. Thank you, sir. I appreciate your testimony.

Are you an academy graduate?

Mr. BROWN. Yes.

Mr. AUCOIN. Which academy?

Mr. BROWN. Kings Point.

Mr. AUCOIN. I am fascinated with your comment on page 3 in which you indicate, "We must be careful in this regard," and I am using your words:

That we do not implement training and retraining requirements here in the United States that may accrue to an educational overkill at the expense of and detriment to the private steamship operator and, more importantly, the taxpayer.

What do you mean by that?

Mr. BROWN. First, as an operator, we recruit our officers, and we must meet the U.S. Coast Guard requirements—the officers, according as to their licensing. The tendency is in this regard in the international arena that minimum requirements have been established through such groups as IMCO, and in the United States there seems to be a tendency, when implementing these, we upgrade them somewhat, and not only somewhat, considerably for our own reasons, pressures on the Coast Guard, this type of thing, because they think if one is good, two is better, and three is perfect, which doesn't necessarily work in the private industry.

Second, the academies—I will take Kings Point, being basically a professional institution—have made themselves an academic institution, and in order to justify its existence, they have had to grow, which is fine, and they have moved from nondegree-granting institutions to a degree-granting institution, and now we are looking at giving an engineering degree, and I am sure if they thought it was

possible, they would look at it as being a graduate institution if they could get away with it.

I am a graduate, but as a member of industry, I don't think this kind of training is necessary, and that we, the United States, as a leading maritime nation, should be very careful when we set standards, that these standards are realistic and are attainable, and they could be uniformly applied and not create an economic disadvantage to the American-flag steamship operator, or vessel operator.

Mr. AuCOIN. You make that statement as a member of industry. Do you make the statement as a member of the Alumni Association of Kings Point?

Mr. BROWN. No; I have some basic disagreements with our Alumni Association. I will let the Alumni Association testify in those regards.

Mr. AuCOIN. They will.

Mr. BROWN. I am sure.

Mr. AuCOIN. Can you give us more to go on. Speaking from your point of view in industry, what do you see as the overtraining, overqualification of the people that you hire? What can you tell us that gives us a more concrete idea of the problem you speak of?

Mr. BROWN. You have a conflict, and I am not sure I can answer it; between what we would like as a professional employee, a man who is well trained to meet the license requirements of going to sea, and fleshing that out to be given the academic requirements to meet the degree requirement.

This somewhat says that you need a differently motivated graduate who is not looking totally at a career at sea. A few of the graduates naturally will, and I am saying that we have men who have been with us 25 and 30 years in a seagoing capacity.

The State schools tend to look more toward the professional approach, and we feel we need a mix of these people, but we look at the State school graduate as more career-oriented probably from the first, a more professional man, in looking at his job onboard the ship. He is looking at the job immediately and not planning where he is going to be 5 years from now, or looking down the road as to a possible shoreside job.

Mr. AuCOIN. So is it your testimony, then, that the more sophisticated educational course work that is offered at the academy invites the kind of student who is most apt to go on into something else, some other field of endeavor?

Mr. BROWN. I will say it certainly encourages, I feel, that type of approach. I think this is not peculiar to Kings Point or Fort Schuyler. I think the other Federal academies tend to see this trend, too.

Mr. AuCOIN. What would your advice be to this subcommittee, then, in that regard, to be cautious and not encouraging to the Secretary of Commerce and to the institution in this move for more and more educational professionalization for that reason? Is that what you would recommend?

Mr. BROWN. I would recommend that the committee be careful in its recommendations. I feel that there is definitely a strong need for good professional education, meeting the license requirements, and if it is the decision of the committee, and since the academy does give a degree, that professional requirements be held in pri-

mary requirements or given the priorities and that the academic skills be moderated accordingly.

We still need a good, well-trained, well-rounded seagoing officer.

Mr. AuCOIN. But let me rephrase my question, because I think I used the wrong term. I said professional education; I meant the more academic course work. My question is, would it be your advice, based on personal experience, that the committee be careful to encourage the acceleration of more academic course work development at the expense of a more professionalized Kings Point education; the reason being a greater emphasis on an academic curriculum may invite the kind of students who ultimately go on to bigger and better things in other fields? Is that your advice?

Mr. BROWN. Yes, I can agree with that. You are going to have competition, and you are going to have transfer; there is no reason to say these people should be locked into one industry. This is certainly not the intent.

Mr. AuCOIN. In your firm, can you tell the committee what your experience has been in the retention rates of State academy graduates versus the U.S. Merchant Marine Academy graduates?

Mr. BROWN. We don't really keep them on that regard. At one period of time, we were very inclined to hire what was then the New York State School ship graduates. Because of the changes in the education program and emphasis within that group, we have moved to Maine and the Massachusetts School ships and the Merchant Marine Academy graduates.

The more senior men now probably come from Massachusetts with Kings Pointers. I will say, in the minority. However, our seagoing personnel are pretty equally divided among Maine, Massachusetts, and Kings Point.

Mr. AuCOIN. You are describing the distribution of your current employees, but what I am trying to ask is, what is the conventional wisdom, even though you may not have absolute statistics?

Mr. BROWN. We don't see much difference—if they have stayed to sea 3 to 5 years, we have a pretty even mix from the several academies.

Mr. AuCOIN. What about those who don't stay 3 to 5 years?

Mr. BROWN. This is our biggest area of employment. The third mates and third engineers are the biggest turnover.

Mr. AuCOIN. Where is the turnover greatest, based on your experience within your own firm, from those persons who come from State academies, or those persons who come from Kings Point? Even though you may not have the statistics, what is the conventional wisdom within the management of your firm on that point?

Mr. BROWN. I can't really answer that correctly. I don't have a feel. We recruit from the three academies—Maine, Massachusetts, and, well, Texas now, and Kings Point—pretty regularly.

Mr. AuCOIN. You must have some basis on which to make the statement you made.

Mr. BROWN. We like a mix from the academies because of their background in training. Although they all come out with the same license, we do feel that there is a difference in the philosophy of one graduate from, say, Maine or Massachusetts, as compared to a Kings Pointer. And in this regard we have even gone to set up a

vocational training school with the South Maine Vocational Technical Institute to even encourage a greater mix.

Mr. AUCOIN. On page 2 of your statement, you state, "The Academy graduate is so well trained that he is very attractive to other industries and the maritime industry tends to lose him by competition."

So isn't that an answer to my question, then?

Mr. BROWN. Yes, he does; we do. The third mate or the third engineer, after 2 to 3 years, is where our biggest turnover is. When I say academy, I am referring to all of the academies.

Mr. AUCOIN. On page 2, also in your statement, you seem to be saying that the current system of continuing education is not adequate, and that the Federal Government should assume the responsibility. How do you envision the Federal Government continuing education program to be implemented using the framework of the existing institutions? Do you have any ideas on that?

Mr. BROWN. I will say Maine has, itself, set up certain seminars to meet changing needs or specific needs. Certainly at Kings Point you have the CAORF simulator, which is an outstanding piece of equipment and training facility.

However, looking at all the rules and regulations we are facing, such as inert gas equipment being installed onboard, crude oil-washing procedures, there is no program that I am aware of at this stage in the United States to meet this kind of requirement that the industry can use to send its personnel to, to get this kind of training or education.

We are having retraining programs when it comes to radar or the basic navigational skills, and the other international rules and regulations, which both for environmental or safety are coming down the road, will require other types of courses or programs.

Mr. AUCOIN. How do you envision the continuing education program—

Mr. BROWN. With the basic facilities that are available at the several academies already, these should be also used—and I use this word carefully—on a postgraduate level to meet certification requirements when it comes to licensing or operating requirements when it is on a fee basis or some sort of cost basis, as CAORF, or the other courses that are already organized. I think the union schools in this regard are probably a good example of meeting license requirements or certification requirements.

Mr. AUCOIN. On page 4 of your statement, you say:

If, as a cadet, the graduate has had the opportunity to sail aboard tankers, we find this is a great advantage to him. We do try to cooperate with the several academies in the cadet sea training program, but we do have limited facilities aboard our vessels.

How many cadets actually sail on your tankers each year?

Mr. BROWN. We probably have six to eight from the various academies. We don't go out and recruit them; they come to us.

Mr. AUCOIN. Total?

Mr. BROWN. This is all the facilities we have, because in our South Maine group we also have to make room for another 12, and with that we just pretty much use up our facilities onboard.

Mr. AUCOIN. The other 12 come from where?

Mr. BROWN. South Maine Vocational Technical Institute, which is in Portland, which is a program that we specifically have with them.

Mr. AUCOIN. So from six to eight cadets sail on your tankers each year?

Mr. BROWN. Yes.

Mr. AUCOIN. How much time do the cadets usually spend on those tankers?

Mr. BROWN. This is a matter of discretion somewhat. We feel a minimum of at least 2 or 3 weeks for any sort of real experience, probably better to a month or 6 weeks, but this varies with the school—we don't administrate their assignments; we cooperate with whatever institution they come from in this regard.

Mr. AUCOIN. You have 17 U.S.-flag vessels?

Mr. BROWN. Yes, sir. But we have limited living quarters. We might have additional third mates or third engineers which take up some quarters or other persons onboard for maintenance purposes, and this is the reason.

Mr. AUCOIN. As you know, the bill we are considering would authorize both Federal and State Academy graduates to receive at-sea training on merchant vessels.

Mr. BROWN. These were Jones Act-built vessels, except for two of them; they were not built with any CDS or have operating differential subsidies, and there are no cadet quarters per se on 15 of the vessels.

Mr. AUCOIN. So out of the 17 vessels you have, the best you can do is to accommodate six to eight maximum?

Mr. BROWN. Yes.

Mr. AUCOIN. No more than that?

Mr. BROWN. Ten, but the quarters are certified for the number of people you can put in them, and they have to have proper study environment, and this type of approach.

Mr. AUCOIN. I have no further questions.

Minority Counsel has a question or two.

Mr. LOSCH. Thank you, Mr. Chairman.

Mr. Brown, the Chairman began to discuss the continuing education program. Specifically, you are a nonunion company. Do you have a company union on your ships?

Mr. BROWN. Our licensed officers are nonunion.

Mr. LOSCH. So you are responsible, yourselves, for this training; you cannot send them to the schools; is that correct?

Mr. BROWN. Yes, we do not have access to the union schools per se.

Mr. LOSCH. Where have you been able to find this post-graduate training?

Mr. BROWN. We have provided some of it in-house, certain educational—well, Maine has given some facilities over the years. There are some upgrading schools, such as at the Seamen's Church Institute in New York, these types of programs.

Mr. LOSCH. You mentioned the use of CAORF training. Do you send many of your licensed officers through upgrading training?

Mr. BROWN. Yes.

Mr. LOSCH. That is on a cost-sharing basis. You pay the operating cost to the unions?

Mr. BROWN. Yes.

Mr. LOSCH. Do you have a regular program of sending officers?

Mr. BROWN. Yes.

Mr. LOSCH. How many per year?

Mr. BROWN. We emphasized that during the last 5 years in anticipation of the two VLCCs that were built, but we have been sending approximately 20 to 25 people to the CAORF program in the last 4 years.

Mr. LOSCH. That is total over the 4-year period?

Mr. BROWN. No, it is on an annual basis.

Mr. LOSCH. Do you make use of any other simulators for this training, or have you explored that?

Mr. BROWN. We have compared the one at LaGuardia, and at the moment we feel the one at Kings Point is better for what we are looking for, provides a better training program.

Mr. LOSCH. In conjunction with this training, are your officers required to participate in any research programs, or is it simply your own use of the facility?

Mr. BROWN. No, we have not participated in a research program as such.

Mr. LOSCH. So it is purely training?

Mr. BROWN. Right.

Mr. LOSCH. Who runs the training program? Do you bring in supervisors, or use CAORF personnel?

Mr. BROWN. CAORF personnel.

Mr. LOSCH. That is on a cost basis, again?

Mr. BROWN. Yes.

Mr. LOSCH. Would you have any specific recommendations as to upgrading your Jones Act vessels to allow for more training on-board? Do you have any estimate of what that might cost, or if there would be an opportunity to ship more students onboard your vessels?

Mr. BROWN. Actually, negatively, the other way around; it would push toward separate living quarters and individual living quarters—

Mr. LOSCH. For the students?

Mr. BROWN. Well, not only for the students, but for the officers, and I will make an interesting comment, that according to our agreement the officers are entitled to have their wives onboard, and this again has cut into the facilities that we have on our vessels.

We have looked at renovating quarters and, in fact, have been doing it at a cost of approximately about \$500,000 per ship. To add rooms structurally, and physically it is almost impossible.

Mr. LOSCH. So unless you reduce manning onboard the vessels, you are not going to have facilities available?

Mr. BROWN. No; not on the existing vessels that we have in the fleet.

Mr. LOSCH. Thank you very much.

Mr. AUCOIN. Mr. Brown, thank you very much for your testimony.

The committee is going to recess now until the hour of 1:30. At that time, we will resume the hearing.

We stand in recess.

[Whereupon, at 11:45 a.m., the subcommittee recessed, to reconvene at 1:30 p.m. this same day.]

AFTERNOON SESSION

Mr. AUCOIN. The subcommittee will come back to order.

The panel that we bring forward now is Capt. Harold Muth, vice president, government relations, of the American Waterways Operators; William Mayberry, executive director of the Offshore Marine Service Association, and accompanying Captain Muth will be Capt. William Figari, president of the National Propeller Club. Will you gentlemen come forward, please. Welcome.

Mr. Muth, why don't you begin.

PANEL CONSISTING OF CAPT. HAROLD MUTH, VICE PRESIDENT, GOVERNMENT RELATIONS, AMERICAN WATERWAYS OPERATIONS; CAPT. WILLIAM FIGARI, PRESIDENT, NATIONAL PROPELLER CLUB; AND CAPT. WILLIAM MAYBERRY, EXECUTIVE DIRECTOR, OFFSHORE MARINE SERVICE ASSOCIATION

Captain MUTH. Thank you, Mr. Chairman. It is our pleasure to be here today. I appreciate the opportunity to come up and testify.

Mr. AUCOIN. We are delighted to have you.

Captain MUTH. My name is Harold Muth, vice president for government relations for the American Waterways Operators, Inc., the national trade association representing the interests of the barge and towing industry. With me is Capt. William V. Figari, a corporate vice president for operations of Crowley Maritime Corp. of San Francisco, Calif. Captain Figari is also the current president of the National Propeller Club. Captain Figari is a graduate of the class of 1942 from Kings Point.

The towing industry of the United States is a vital element of our merchant marine fleet. Over 1,800 companies use 25,543 miles of waterways and the coastal waters surrounding this Nation to move in excess of 650 million tons of cargo annually. Additionally, the tugs within seaports and harbors provide the larger oceangoing vessels with lightering service, mooring and unmooring service and other logistic services.

The industry is an economically viable force that has its own opportunities for a rich and full career for those mariners who wish to engage in an active and thriving seagoing occupation.

We would like to see the Nation take advantage of those opportunities through a recognized training program for merchant marine maritime cadets at Kings Point and the various State maritime academies.

Currently, there are some of our industry companies on both coasts and in the Gulf of Mexico that employ maritime academy cadets during the summer months. These cadets are afforded outstanding training grounds to learn navigation, piloting, seamanship, and are exposed to the intricate maneuvering necessary in towing barges both in the restricted waters of the harbors and in the open oceans. This type of training is something that cannot be gained on larger oceangoing vessels or maritime school training vessels. It is done on vessels that have licensed officers on board and the necessary modern-day navigation equipment.

Unfortunately, the enthusiasm for this type of seagoing experience on the part of the cadets is dampened by the fact that the time spent on board towing vessels is not always creditable toward a merchant marine license.

While there has been a program for training of cadets from the Maine Maritime Academy on board towing vessels in effect for the past 10 years, we understand that this program perhaps will terminate on December 31, 1979. We earnestly hope that it can be renewed. More important, however, is the need to expand this program to include the other maritime State schools and the National Academy at Kings Point.

Training on board the smaller vessels would be in keeping with requirements of the U.S. Navy for the purposes of national defense. Salvage vessels, deep sea and harbor tugs, swift boats, amphibious assault craft are some types of naval vessels that go toward the making of the "total seapower forces of the nation" mentioned in Section 1301 of the bill. Those Merchant Marine Academy cadets that accept commissions as reserve ensigns in the U.S. Navy upon graduation from the Kings Point Academy would be better equipped for service involving auxiliary craft had they gained some experience on vessels engaged in towing operations.

We believe that the insertion of the words, "including training on board towing vessels and other small commercial vessels" after the words "on other vessels" in section 1303, line 12 on page 3, and in section 1304, line 2 of page 13 of H.R. 5451, would clear the way for the Coast Guard to approve the training as creditable seagoing experience toward the granting of a merchant marine license, and would encourage merchant marine academies to make better use of an available and valuable training area that is currently neglected and underutilized.

The opportunity to submit our views is appreciated. We would be pleased to answer any questions you may have.

Mr. AuCOIN. Thank you, Captain Muth. Captain Mayberry?

STATEMENT OF CAPTAIN MAYBERRY

Captain MAYBERRY. Yes, sir, I am William Mayberry. I am the executive director of the Offshore Marine Service Association. The Offshore Marine Service Association is pleased to have this opportunity to make a statement on H.R. 5451, a bill to provide education and training in the maritime subjects. The Offshore Marine Service Association represents the owners and operators of nearly 2,500 American flag vessels engaged in the offshore oil support industry. The association members employ approximately 21,000 persons who are directly engaged as seamen or licensed officers aboard this equipment. It is believed that none of these personnel would be affected by H.R. 5451 as presently drafted.

The Merchant Marine has recently released a study entitled "Workforce Supply and Demand Study, 1979-1988, Offshore Oil Support Industry," which shows currently there are nearly 8,000 persons serving in capacities for which they do not hold the required license or certificate of service. These figures include not only the licensed deck and engineer officer but required certificated personnel including able seamen.

This industry does not stand alone on a shortage of seamen; the MMA also has recently released a study of the Great Lakes, which shows a steadily increasing shortage of licensed officers. Further, it is a well known fact that the deepsea fleet, those vessels of over 1,000 gross tons, face a serious shortage of able seamen. This, when combined with the knowledge that the median age of seafarers aboard deep sea vessels is in the late fifties, would lead to the belief that there has been no special emphasis placed either on appropriate maritime training or more importantly that seafaring is a desirable or worthwhile profession.

It is likely that the apathy, the disinterest in seafaring, may be laid directly to the fact that the United States has no viable national maritime policy. It is hard to persuade today's youth that a satisfactory career exists in the merchant marine, when the current size of our international fleet shrinks at a regular and steady pace. This was the case with the Federal and State maritime academies over these past recent years where graduates could not find employment aboard deep sea vessels. The offshore industry, recognizing that these highly qualified young men would indeed fulfill our steadily growing manpower requirements, there was special effort made with the State and Federal maritime academies to establish courses and electives in towing and offshore work.

Most of the schools adopted this suggestion and cadets from some of the academies served a 1- or 2-month period at sea aboard the vessels. This provided two immediate benefits. It gave the cadet "hands-on" skills in maneuvering that he would not acquire in his present system, but more importantly it gave the young man a chance to look at our industry.

This project was enthusiastically received but was soon to fall in frustration through an entirely different source. The U.S. Coast Guard ruled that the sea service acquired as a cadet aboard towing vessels or offshore industry vessels would not be accredited as valid sea service for the issuance of an unlimited license because of their small tonnage. This, despite the fact that the general consensus was that service aboard small vessels of this type would greatly enhance the practical qualifications of the cadet.

Further, as graduates of the State and Federal maritime academies are now aware that sea service aboard such vessels would not apply for the advancement of their license they are reluctant to embark or try careers within these industries. In other words, although jobs were available, there is a great reluctance on the part of the young men to give these smaller vessels a try.

Accordingly, we would wish the language of sections 1303 and 1304 be expanded to permit service and training on vessels of less than 1,600 gross tons. It is believed that such training as a part of the cadet's overall training would enhance his qualifications for his Naval Reserve obligations. Certainly the offshore service equipment is equivalent in size to those vessels operated by the National Oceanic and Atmospheric Administration and many Coast Guard vessels.

It is fervently hoped by the association that the U.S. Government will establish a national maritime policy that will lead to the expansion of the U.S. merchant marine, either through a cargo

preference plan or a bilateralism scheme that would order the carriage of more exports aboard American hulls and the construction of a significantly sized American fleet.

In the meanwhile, the offshore industry and the American towing industry has been expanding at at least a 3 percent growth rate per year. Yet, despite its growth, and the opportunity for advancement, manpower resources are not readily available to these industries. In today's economy the competition for available manpower is at its highest. Again, we feel that because there had been no declared national maritime policy, young men cannot be persuaded to make the sea a career. In the industry's effort to man their vessels, we face two substantial problems. First, the sea service requirements established by the Coast Guard for small vessels fail to effectively establish a career pattern for most young men.

Second, there is limited training available. Most seamen use self-study or the limited upgrading schools and on-the-job training.

Our present shortages clearly establish that these systems do not work. Accordingly, it urged that the committee consider expanding section 1305 or other appropriate sections to include as other training facilities, vocational technical training and/or nonacademic programs to be administered through State or private organizations.

At this moment, the Senate of the United States has before it, for its consideration, the International Convention on Standards of Training, Certification, and Watchkeeping for Seafarers, 1978. This convention will increase not only the sea service requirements, but the practical, professional, and technical requirements now demanded of an officer seeking a license in the merchant marine.

The requirements, although demanding for deep sea vessels, nowhere approach the more stringent requirements laid down for the smaller vessel of less than 1,600 gross tons. Without new and vital training programs that can be established within the framework of H.R. 5451, the companies operating these small vessels will in no way be able to comply with the proposed terms of the convention. Should the United States establish a national maritime policy and one that would advocate an expanded U.S. merchant marine, serious consideration must be given to the establishment of additional meaningful training programs and through Government programs, studies, and support that there is assurance that manpower resources would be available.

Thank you.

Mr. PANSHIN. Captain Mayberry, thank you for your testimony. The chairman asked me to explain that it was necessary for him to proceed to the floor for a vote, and in view of our very full hearing schedule, he asked that counsel proceed with the questioning, so that we hopefully may complete the witness list today.

Captain Mayberry, approximately how many academy graduates, Federal and State, does the offshore oil support industry employ at this time?

Captain MAYBERRY. We believe there is about 300.

Mr. PANSHIN. In what sort of capacities would they typically be employed?

Captain MAYBERRY. As mate.

Mr. PANSHIN. Are some of them also employed in shoreside positions?

Captain MAYBERRY. Yes, there are. They have sailed as mate, and when they acquire the appropriate time they have served as masters, a great many of them have come ashore as industry middle-management representatives.

Mr. PANSHIN. Typically, how well trained do you find the academy graduates to be for employment in the industry you represent?

Captain MAYBERRY. Academically, they are capable of almost any function within the company structure, but they have to have certain periods of training aboard the vessel, because they have no backgrounds at all in the maneuvering and the particular requirements of the smaller craft, maneuvering up close to platforms and towing offshore drilling units.

Mr. PANSHIN. Thank you.

As I am sure you have noted, one of the important provisions of the legislation before us is the section for both the Federal and the State academies dealing with service obligations of graduates. One of the options proposed for satisfaction of that service obligation would be maritime-related occupations. Would you propose that employment in your industry count as one of the ways of satisfying the maritime-related option for the service obligation?

Captain MAYBERRY. We certainly felt we were qualified from just the language of the statute or the proposed law right now. We are maritime, we are maritime-related. We thought we were fully qualified under that definition, and the work should be counted.

Mr. PANSHIN. In its testimony last week, the Maritime Administration pointed out that they are in the process of trying to put substance to that third option, indicating both qualifying and non-qualifying jobs, and one of the purposes of a number of the witnesses we have today is to attempt to draw out both for our own benefit as well as for the Maritime Administration this distinction between some of the qualifying ways of serving as opposed to nonqualifying. And I appreciate your comments in that regard.

You have stated that service and training should be permitted on vessels of less than 1,600 gross tons. What tonnage limits do you recommend or would you recommend in its place?

Captain MAYBERRY. The Coast Guard has I think arbitrarily selected 1,000 gross tons as the median. Any equipment below 1,000 gross tons has been deemed not to be eligible for the unlimited license, and I would prefer to see that a reasonable program that would permit service down to 100 gross tons be acceptable for the overall training program.

We do not mean for a minute that the cadet should serve his entire sea service aboard a small vessel, but we feel that their present structure, their training ships, and in the case of Kings Point, service vessels, it could supplement their sea service requirements by the period of 1 or 2 months of service aboard these vessels. Such service should not taint their overall qualifications that they are acquiring through their normal source. We felt it would be helpful, particularly in view of the fact that in the case of the State academies they faced an additional sea service requirement as a result of the STW convention, should it be enacted as

our law, and we aimed in our thinking a contribution toward their problem.

Mr. PANSHIN. Thank you. Majority counsel.

Mr. SUTTER. Perhaps, Captain Mayberry again, if we could just follow up on that. You used a figure of 100 gross tons. What sort of vessels are you talking about?

Captain MAYBERRY. They are utility craft, or what we call crew boats. Most of our crew boats, of course, are under 100 gross tons. Those other vessels that are in that category are about 95 to 150 feet in length, and either carry mostly freight or offshore goods or equipment. They are essentially supply vessels, if you will, only smaller size.

Mr. SUTTER. But they are over 100 gross tons, are they not?

Captain MAYBERRY. Yes.

Mr. SUTTER. I was just wondering what the reason was. What training is currently available for the personnel employed now in the offshore marine industry?

Captain MAYBERRY. That is one of the complaints and difficulties that we face. We have various upgrading schools that the candidate or a company can send them to, and basically it is license prep, and we don't feel that that type of training is adequate to provide an overall career pattern. It just gets somebody employed in the service to upgrade a license, and it is very difficult for companies to sponsor the sort of training, unless there is industrywide participation where everybody is contributing to an overall training scheme, while we find that certain companies have been disadvantaged as a result of putting people through programs at their expense, only to see them fly away to somebody paying a dollar more, or something like that. So we need an organized straight program that the young man can appreciate that there is a career opportunity, and he can embark on through a fully qualified system.

Mr. SUTTER. Perhaps for the sake of the hearing record, this organized program, what type of training and training facilities would be required by it, in other words, to accommodate the personnel requirements right now?

Captain MAYBERRY. You have heard the testimony of Mr. Gianelloni from Louisiana, where most of our members are housed, and what is envisioned down there as a State-sponsored program, with classroom, vessel, and dormitory, and a reasonable program, 1 or 2 years long in length, where sea service could be acquired at specific assignment from the school.

Mr. SUTTER. Towboat handling?

Captain MAYBERRY. Yes.

Mr. SUTTER. Light boat certificate? What would be the elements of it?

Captain MAYBERRY. Essentially, the examination for the mate and master of the offshore supply vessel contains all the ingredients that are required of the deep sea license. The Coast Guard has scaled down the examination questions to be more appropriate for their equipment, but that it generally follows the same pattern, and under the terms of STW again, that difference no longer exists. Those officers serving aboard small vessels will essentially face the same requirements as the master of the large supertanker.

Mr. SUTTER. Would you envision that this training would last, what, 18 months, 2 years, 3 years?

Captain MAYBERRY. I would think until a trial basis, I would like to think that it could be accomplished, because of our need, in a year, but perhaps that short a program might not be adequate. It is very difficult to say at this time.

Mr. SUTTER. Tell me what support, financial or otherwise, for training is now provided by the members of the Offshore Marine Service Association. Or do you feel that this is really a Federal function?

Captain MAYBERRY. Most of them have in-house training programs, and it has proven to be quite expensive, and worked to their disadvantage, because they just trained an unlimited amount of people that just scurried off into other fields, and it has discouraged them from investing their money. We have no ability to organize the program through the association because in fact we don't represent everybody engaged in the business, so then the association would be training for everybody in general, not achieving any direct results that would solve our offshore problems.

Mr. SUTTER. Part of your problem is the Coast Guard ruling on what is accepted as seetime to upgrade a limited license, is it not?

Captain MAYBERRY. Actually, we just felt that the sea service requirements are too much. It is no longer realistic to expect the young man to serve 3 years. And 3 years translates into 6 years when you appreciate the vacation programs and normal other lost times. To have him attempt to stay in one capacity for 6 years before he finds any advancement. And you had mentioned Mr. Biaggi's bill, H.R. 5164. Should that pass, that would serve to give us a beginning of a career pattern where the entry rating could see some immediate relief down the stream, without this long obligation of standing around and waiting for the time to pass.

Mr. SUTTER. So really, then, there are two elements to this problem, the first being the problem that is attempted to be rectified by Mr. Biaggi's bill, which is the Coast Guard requirement for upgrading a license, and the second would be the proposed training facilities that you are recommending as part of this bill?

Captain MAYBERRY. You must recognize that in our opinion anyway, Mr. Biaggi's bill goes a long way to solving the problem, but it is a quick cure. It solves the mess we are in, and training is what is necessary to see the growth of vitality and the influx of new people to accomplish this 3-percent rate growth.

By the way, a 3-percent rate growth in the industry translates into 110 to 125 vessels every year; 100 vessels, of this size demands 1,000 licensed or certificated people, and we faced this over the last 7 years. Every year the industry coughs out another 100 or 150 vessels, all with the attendant requirement for certificated personnel and licensed personnel, and we have just been unable to meet this demand, and so Mr. Biaggi's bill is just, "Hey, we are going to allow you to apply catch-up," but it does not do anything for the merchant marine, and I would like to include us in that term, as far as training is concerned.

Should there be some vitality in our deep sea merchant marine fleet, we don't look for the Kings Point or the State academies to

fill any function with us, because their training would be fully utilized if the merchant marine expanded.

Mr. SUTTER. I understand.

So one element definitely is the so-called Coast Guard problem, which Chairman Biaggi is attempting to resolve now in his legislation?

Captain MAYBERRY. Yes.

Mr. SUTTER. The second element is training. The committee seems to be in an awkward position with respect to training because, as you know, the Studds committee report did not give much recognition. Why was there no input from you people during the Studds committee hearings in the 95th Congress?

Captain MAYBERRY. We examined Mr. Gianelloni's statement before Mr. Studds, and through conflicts with other things we failed to testify there, but we felt the elements of our concern were firmly captured in testimony that would be before Mr. Studds, and I cannot go further, I guess.

Mr. SUTTER. Thank you very much, Mr. Chairman.

Mr. AU COIN. Does minority counsel have questions?

Mr. LOSCH. Thank you, Mr. Chairman.

Captain Mayberry, on the first page you mention the serious shortage of able seamen. Do you have any documentation of any studies that project those shortages?

Captain MAYBERRY. The able seaman shortage on deep sea vessels?

Mr. LOSCH. Yes.

Captain MAYBERRY. No, I don't have any real numbers, but I have heard both at the Coast Guard and all the national maritime unions this hue and cry, and I witnessed their great effort to persuade Mr. Biaggi to provide relief in this other particular bill.

Mr. LOSCH. Of course, you have no real documentation of that, and that is not really your problem, is it, able seamen for deep sea vessels?

Captain MAYBERRY. No, it is not.

Mr. LOSCH. To meet your problem, though, the majority counsel asked all the proper questions in that regard, the real problem is not the entry of the able seamen, but the license procedure and the time it takes to get somebody qualified to be master or crew on a supply boat; is that correct?

Captain MAYBERRY. That is correct. What I tried to, and perhaps it is wrongful of me, the committee is well aware of a lot of our problems that affect the merchant marine, but I tried to tie in the shortage that the State academies and Kings Point faced for the longest while, that there was no place for them to go, and we tried to avail ourselves of their training, and met with these frustrations. But I also tried to emphasize that not all officers will come from State academies, nor would it be appropriate that they did. The other source, of course, is the up-the-ladder effect, and by trying to identify that able seamen are in great dearth, I am trying to point out that there is no feeder source for officers at the present time.

Mr. LOSCH. The Biaggi bill, though, will go a long step to solve your immediate problem?

Captain MAYBERRY. It will give it a shot in the arm, yes, sir.

Mr. LOSCH. Thank you, Captain Mayberry. Thank you, Mr. Chairman.

Mr. AUCOIN. Are there further questions by counsel?

Mr. PANSHIN. Captain Muth, I have a couple of questions for you, similar to those I asked Captain Mayberry. Approximately how many Academy graduates would you estimate are employed in the barge and towing industry that you represent?

Captain MUTH. We don't have any fair estimate of how many we have. Most of those that I have encountered in my 4 years with the association have had positions in management, and for the number that I know, I could count them on two hands.

Mr. PANSHIN. So far as you know, did they come into your industry in management positions, or did they start out on the water?

Captain MUTH. I think most of them—and this is my own guess—came in at the management level, into our industry.

Mr. PANSHIN. Would you propose that service in the barge and towing industry count toward satisfying the maritime-related option of the proposed service obligation?

Captain MUTH. Yes, indeed.

Mr. PANSHIN. Thank you. I have no further questions.

Mr. AUCOIN. Mr. Figari, what is the Propeller Club?

Mr. FIGARI. I am national president of the National Propeller Club. It is to promote the American merchant marine and ship-building industry in American waterways, and I am the national president. Throughout the United States we have between 17,000 and 18,000 members.

Mr. AUCOIN. How do you characterize your membership?

Mr. FIGARI. Pardon?

Mr. AUCOIN. From what ranks do you draw your members?

Mr. FIGARI. Basically maritime industry.

Mr. AUCOIN. Basically management ranks?

Mr. FIGARI. Management, pilots, masters of vessels, and so forth.

Mr. AUCOIN. I have no further questions, and I appreciate the testimony of all three of you gentlemen. Thank you very much.

Mr. AUCOIN. Our next witness is Mr. Lejeune Wilson, representing the International Association of Drilling Contractors. I understand you are accompanied by Mr. Jon Bednerik.

STATEMENT OF LEJEUNE WILSON, VICE PRESIDENT, PERSONNEL AND TRAINING, SEDCO, INC. (DRILLING DIVISION), DALLAS, TEX., ACCOMPANIED BY JON BEDNERIK, DIRECTOR OF GOVERNMENT AFFAIRS, INTERNATIONAL ASSOCIATION OF DRILLING CONTRACTORS, HOUSTON, TEX.

Mr. WILSON. Yes, sir. I am Lejeune Wilson, vice president of SEDCO, Inc., an international drilling contractor. I am also vice chairman of the offshore committee of the International Association of Drilling Contractors. I am accompanied by the director of government affairs, Mr. Jon Bednerik. We have some prepared remarks, of which you have a copy. Those represent the views of the association. After those are presented to you, you may wish to question either of us as representatives of the association or to me as a representative of my company, since we have some experience in the employment and knowledge of the Academy graduates.

The International Association of Drilling Contractors—IADC—is a Houston, Tex., based trade group representing over 1,300 member companies throughout the world. We have 621 contract drilling companies who perform virtually all of the exploratory and production drilling for oil and gas producers, including the major oil companies, and over 10,000 independent producers.

As of September 1 of this year, IADC members owned a total of 459 mobile offshore drilling units—MODU's—and barges. The principal role of the drilling contractor is to provide the highly sophisticated drilling equipment and the trained personnel to operate it for the leaseholder who is exploring for hydrocarbons or geothermal resources. The vast majority of crew members on our MODU's are industrial personnel who have taken their training and experience from drilling on land and transferred their skills to offshore locations.

In the spring of this year, the Maritime Administration—MarAd—of the U.S. Department of Commerce asked IADC to cooperate in a manpower supply and demand study. Our industry assisted MarAd in the distribution of their questionnaire, and we understand that a significant number of returns were sent to MarAd.

It is important that this subcommittee understand that our offshore drilling units are not included in the recently published study entitled, "Workforce Supply and Demand Study, 1979-1988, for the Offshore Oil and Gas Exploration Support Craft Industry." We recognize that the supply boat industry is in need of additional licensed maritime manpower. Our own segment of the offshore industry, however, does not face the same heavy demands, nor do the same sources of supply provide the industrial personnel we require.

A brief description of the major types of MODU's may be helpful to the subcommittee's understanding of the distinction.

The simplest type of offshore craft is the submersible barge. This non-self-propelled barge is floated to its location on a dredged or natural canal or towed to its shallow water location and ballasted down with water until it becomes bottom-supported. It then commences to drill as if it were on land.

In deeper waters, the jackup rig is used. This unit consists of a barge with long legs attached which can be cranked down to the sea floor and serve to elevate the barge containing the drilling equipment above the surface of the water while engaged in drilling operations. These units are typically non-self-propelled.

In the deep waters and more hostile environments, a semisubmersible is used. This unit floats in the water and may be self-propelled or have thrusters to assist in maintaining its precise location over the well bore if the unit is located in an area that is too deep to anchor. The unit has a barge-like base which is flooded to lower the center of gravity and produce a more stable base from which to drill. The deck is still well above the surface of the sea. Water and wind are able to flow through the supporting structure with ease, and this type of unit is little affected by sea and weather conditions. A small maritime crew is required, made up of principally limited licenses.

A drill ship is like a conventional vessel, except a moon pool or cutout center is provided through which the drilling operation is carried out. This type of unit also maintains a small maritime crew, but with unlimited conventional licenses.

A mobile offshore drilling unit spends most of its time in a stationary location, and when nonself propelled units are moved, they are under the supervision of the tugboat employed to relocate the unit.

With regard H.R. 5451, IADC has no pressing needs for additional maritime personnel with unlimited licenses; however, my own company does interview graduates of the various maritime educational institutions, and some personnel are hired from this source even though most of the industry's personnel needs are for industrial people whose background, training and interests are not today reflected by the curriculum of these schools. On the other hand, our limited experience so far indicates that a select number of maritime academy graduates, particularly from the U.S. Merchant Marine Academy, have found excellent career opportunities in offshore drilling by pursuing the industrial route as opposed to the conventional maritime officers roles.

We understand that the results of industry's responses to the MarAd study questionnaire will be published in the future and that they will show that only a small number of openings for maritime personnel with unlimited licenses are anticipated in the offshore drilling industry. Hopefully, our response will not deter consideration of increasing enrollments at the maritime academies. We respectfully submit that the overall benefit to the Nation and our industry could in time exceed the original expectations of supplying only maritime officers.

We thank the subcommittee for this opportunity to appear today and will be happy to answer any questions that we can.

Mr. AuCOIN. Mr. Wilson, you are vice president of Personnel and Training with SEDCO, a firm based in Dallas, Tex. Would you describe your firm's activities to the subcommittee. What is the nature of your firm's operations?

Mr. WILSON. We are one of the largest international drilling contractors in the world. Depending on how you measure it, we are in the top four, if not the first.

Mr. AuCOIN. Do you know how many academy graduates you employ?

Mr. WILSON. How many do we employ? We employ approximately 50, of whom 26 are with us hired directly from the academies as they graduate.

Mr. AuCOIN. Are most of those from State academies or the Federal academy?

Mr. WILSON. Perhaps I could best answer by placing a little broader scope of the subject. We have hired direct from the academies a total of 83 graduates. Today we have 26 on the payroll, of whom 21 came from Kings Point. There is a retention rate for us of 31 percent.

Mr. AuCOIN. Wait a minute, go over those figures again. You hired 83?

Mr. WILSON. We have hired 83 direct from the academies. We have hired others.

Mr. AuCOIN. Are you talking about last year?

Mr. WILSON. Over the past 7 years.

Mr. AuCOIN. Over the past 7 years you hired 83 academy graduates?

Mr. WILSON. Yes, sir.

Mr. AuCOIN. From the State academies as well as the Federal academy?

Mr. WILSON. Yes.

Mr. AuCOIN. And over the last 7 years you have a retention rate of what percent?

Mr. WILSON. Thirty-one.

Mr. AuCOIN. Thirty-one percent?

Mr. WILSON. Yes.

Mr. AuCOIN. How do you calculate that?

Mr. WILSON. We hired 83, and we have 26 left on the payroll.

Mr. AuCOIN. You could have hired 20 a year ago and have 100 percent of those. You could have hired fifteen 3 years ago and have 100 percent of those. How do you arrive at that figure?

Mr. WILSON. I arrived at it in connection with the study of all types of college graduates that we made, spanning the last 10 years actually. The purpose was to see how our retention rates in these other categories as well as the maritime academies compared with the overall retention rate of drilling personnel themselves.

Mr. AuCOIN. This is interesting. With 83 cases, it ought to be possible for you to know how long each of those individuals stayed on, each individual. What was the average stay with each individual?

Mr. WILSON. It is fairly difficult to answer, because we had a few who lasted only a few days or a few weeks, and decided that they were in a radically different business than they wanted to be in. Then we have others who are now approaching middle management status, who have been with us since the very beginning. We have no way to arrive at a meaningful average.

Mr. AuCOIN. Of course, by lumping them altogether, that is not a meaningful figure either, is it?

Mr. WILSON. Well, it is meaningful to us, because it means that we have retained a higher percentage of Maritime Academy graduates than we have of our own drilling personnel.

Mr. AuCOIN. Based on how you calculate that, do you find any distinctions between State academies and the federal academies?

Mr. WILSON. Yes. We have had much lower retention rates for State academy graduates.

Mr. AuCOIN. For State academy graduates?

Mr. WILSON. Yes.

Mr. AuCOIN. Can you quantify that statistically?

Mr. WILSON. Sir?

Mr. AuCOIN. Statistically, how does that come out?

Mr. WILSON. Twenty-one out of the 26 we have on the payroll now that were hired right out of school are from the U.S. Merchant Marine Academy.

Mr. AuCOIN. Let me have that figure again, 21 of the 26 you hired from the Federal academy?

Mr. WILSON. Twenty-one of the 26 we now have on the payroll came from Kings Point. The other 5 came from Massachusetts.

Maritime Academy, New York Maritime Academy, and Cal Maritime Academy.

Mr. AUCOIN. How long have they been with you?

Mr. WILSON. Two of the Massachusetts Maritime Academy graduates have been with us for about 5 years. The Cal Maritime Academy graduate has been with us about 2 years. The New York Maritime Academy graduates about 1 year, or less than 1 year.

Mr. AUCOIN. What sorts of jobs do they fill for you when they are first employed?

Mr. WILSON. We start them out in what we call an engineer trainee program, regardless of whether they are third mates or third assistant engineers. This program is approximately an 18-month program to teach them all of the rudiments of the operation of a drilling rig, both from the industrial side and the limited amount of maritime skills required. At the end of this program, they are sufficiently endowed with skills and knowledge to fit into the normal drilling or limited maritime capabilities that we have aboard these units, and from there we work right up through the heart of the business toward a career.

Mr. AUCOIN. I have no further questions. We appreciate your testimony.

Mr. WILSON. Thank you.

Mr. AUCOIN. Vice Admiral Trimble of the Lake Carriers' Association, President of the Lake Carriers' Association. We welcome you.

STATEMENT OF VICE ADM. PAUL E. TRIMBLE, U.S. COAST GUARD (RETIRED), PRESIDENT, LAKE CARRIERS' ASSOCIATION

Admiral TRIMBLE. It is a pleasure to be here. I am Paul Trimble, President of Lake Carriers' Association, also a member of the advisory committee of the Great Lakes Maritime Academy. The association is comprised of 17 managements which own and/or operate a total of 130 vessels on the Great Lakes. With minor change, the Great Lakes vessel industry heartily endorses H.R. 5451.

In recent years, vessel operators on the Great Lakes have experienced a critical shortage of licensed officers. This has meant costly vessel delays and inconvenience to shippers, all in detriment to the economy insofar as the movement of vital bulk commodities is concerned such as iron ore, coal, grain, limestone, cement and petroleum products.

Traditionally, the main source of officers has been those who have come up through the hawsepipe, but in this day and age of sophisticated technology that source is drying up and the industry is finding it more and more necessary to turn to the maritime academies for qualified officer personnel. These are fine institutions and deserve the support provided in the bill under discussion.

The Office of Maritime Manpower, U.S. Maritime Administration, recently conducted a study of Great Lakes manpower requirements for deck and engine officers through the year 1987. The facts revealed by that study are startling. They indicate that if the present trend continues, considering attrition of the current work force, the demand for vessel capacity and other related factors, the shortage as a percentage of demand for deck officers will, by the

year 1987, be 48.16 percent and for engineering officers 38.81 percent.

This trend must be overcome if the economic benefits to be derived from Great Lakes transportation are to be realized. The lake shipping industry is working with the Great Lakes Maritime Academy to expand its capacity in relation to the indicated long-term need for deck officers and engineers. Of course, we will continue to try and attract graduates of other maritime academies to serve on Great Lakes vessels. With some slight changes, H.R. 5451, if enacted, will assist in providing qualified officers.

Under section 1304(c)(2) of the bill, the Secretary is directed to provide each maritime academy or college guidance and assistance in developing courses on the operation and maintenance of new vessels, equipment and innovations being introduced in the maritime industry. Thereafter, extensive provisions are made for courses of instruction of navigation and marine engineering and, of course, the furnishing of training facilities.

Nowhere in the bill, however, is there a specific provision or encouragement for providing simulation equipment which in recent years has proven to be one of the most valuable aids in training marine officers, both deck and engine.

I urge that the bill be modified to authorize the provision of simulation equipment and maintenance, in lieu of a training vessel, where appropriate. This will not only save taxpayers dollars but will improve the quality of training and provide a better measure of ability in less time than is possible using training ships. We can take a cue from the success of simulators in the aviation industry.

Provision for simulation equipment could be made by adding a subparagraph under section 1304(b).

The provisions in the bill for student loans have a great deal of merit. They should increase the likelihood that those who do attend an academy or college will truly become maritime officers. For that reason we believe that the Secretary, in entering into agreements with individual academies or colleges, should not limit per se the number of students to whom such loans will be granted. That should be a matter for the administrators of the individual academies or colleges who are the persons best able to judge the required enrollment in relation to the demand for merchant marine officers. While it may not be practical to spell it out in the bill, at least the committee report should indicate that all students enrolled in the various academies and colleges are eligible for student loans without restriction as to number.

It is noted that as a condition to receiving any payments or the use of any vessel, an academy or college must agree to require, prior to graduation, that a student pass the examination for an entry-level merchant mariner officer's license. This is grossly unfair both to the institution and to the student. First, it is the administrators of the academy or college, and not the Coast Guard, who are best qualified to determine if a student's academic achievements warrant his entitlement to a degree. Second, vessel officers are professionals in every sense of the word and in no other profession, be it doctor or lawyer, is a student denied his degree because of failure to pass a Government licensing examination.

Licensing in these professions are both necessary and desirable, but one who has demonstrated academic proficiency should be denied his degree because of a Government licensing requirement. I believe the objective sought can be adequately handled through the proposed obligated service or loan repayment procedures.

Another matter of concern is the fact that with respect to student loans and subsequent service obligations, no distinction is made between those who attend the academy at Kings Point and those who attend State academies or colleges. In the latter case the student must bear the full cost of tuition and other related expenses, which is not the case with Kings Point. Yet the loan repayment obligations and service requirements imposed upon the student would be the same. This is an inequity which could well discourage enrollment in regional and State academies and colleges and should be corrected in the legislation.

The Naval Reserve obligations imposed by the bill may or may not be attractive to prospective students. The bill is not clear as to whether this is or is not a mandatory obligation. The language of the bill is that the student, upon graduation, must apply for and, if tendered, accept an appointment as a commissioned officer in the U.S. Naval Reserve. If such is to be the obligation of a graduate, we believe he should be given the option of electing appointment to the Coast Guard Reserve, as well as the Naval Reserve. After all, while there has always been close liaison between the Navy and the Merchant Marine, the Coast Guard is perhaps closer to the actual operation and maintenance of merchant vessels.

In conclusion, as the recent study of the Office of Manpower, U.S. Maritime Administration indicates, the shortage of licensed officers on the Great Lakes is acute. Regional or State academies appear to be the most viable answer. Therefore, with the changes recommended, H.R. 5451 has the endorsement of the Great Lakes vessel industry.

Mr. PANSHIN. Thank you, Admiral Trimble.

On page 3 of your statement, you point out that the bill does not specifically provide for simulation equipment, and recommend that "the bill be modified to authorize the provision of simulation equipment and maintenance in lieu of a training vessel where appropriate." What sort of simulation equipment are you talking about?

Admiral TRIMBLE. I was trying not to be specific as to the detailed equipment, whether it be such as CAORF at Kings Point, or whether it be Sperry such as at LaGuardia or some other make of equipment. There is equipment today that is available, and today's technology would take the equipment at LaGuardia, for example, and with the developments since that was installed, and perhaps with the addition of color, could provide quite an adequate simulation equipment, considerably less costly than the one at CAORF.

In other words, for \$3 or \$4 million, as compared with the cost of a training ship, one could get almost the equivalent as far as training. It might even be superior as far as training for emergencies, the sort of thing that we all are interested in, to assure that we have adequately trained officers to cope with the job of running a ship.

Mr. PANSHIN. In this regard, with respect to simulators, what impact, if any, do you see with regard to the proposed international

convention on training with respect to qualifications of officers for service on the Great Lakes?

Admiral TRIMBLE. Perhaps that is one of the motivations for this recommendation. The requirement of that agreement calls for 12 months' sea time for cadets, and that is going to be a problem for most of the State maritime academies.

At present on the Great Lakes, for example, we are taking care of the sea time for the Great Lakes Maritime Academy, and for a number of cadets from the coastal academies and Kings Point, but we are practically at a saturation point; we have reduced vessels in service, it means a reduction in the number of cadet berths. We are almost doubling the capacity of the Great Lakes Maritime Academy, so we see a real problem as far as providing cadet berths. We are working with the academy trying to change the seasonal availability of cadets so they won't have to all come just during the summertime. If we can phase them in over a longer period, we can get better use of what we have.

Getting back to your question more specifically, the training requirement was 12 months or equivalence. What we don't know is what the Coast Guard is going to accept as equivalent, but we are hopeful that simulation equipment can help to fill part of the bill quite adequately.

Mr. PANSHIN. In your opinion, should simulators be allowed to substitute for all of the sea training or only a portion?

Admiral TRIMBLE. I think it ought to be substitutable for at least half of the training. There is nothing like getting your feet wet; I mean being onboard ship and seeing the ship work and given a chance to try out the various equipment, various jobs on the vessel.

Mr. PANSHIN. Thank you.

Last Thursday, Admiral Rector, of the Great Lakes Maritime Academy, indicated there is a difference between the Coast Guard examination for prospective third mates for the Great Lakes as contrasted with a deep sea license. Is this correct?

Admiral TRIMBLE. We have a different requirement on the lakes for our officers. They have to have a pilot's license instead of a mate's license, so at the coastal academies for deep sea ships, I am sure it is an examination for third mate, whereas on the Great Lakes it is an examination for first-class pilot. That would be the distinction.

Mr. PANSHIN. Does this kind of difference also apply to the Coast Guard examination for the prospective engineering officers?

Admiral TRIMBLE. No, it does not.

Mr. PANSHIN. Does this situation for deck officers that you have described create problems for you in recruiting from academies other than the Great Lakes Maritime Academy?

Admiral TRIMBLE. It does present a problem, but we have been able to work out procedures to bridge the gap. For example, the Coast Guard, within limitations, will give an open-water license, will permit a graduate of one of the other academies with a third mate's ticket to sail open water only, not in the restricted waters, until he gets in the necessary trips for those waters and passes his pilot's requirement.

Also, we have instituted certain training courses, at least at one maritime academy that has shown an interest in this, to familiar-

ize their cadets with Great Lakes pilotage water and pilotage problems. Industry is supporting that program.

Mr. PANSHIN. You have testified that it is unfair to require the same length of service obligation for graduates of the State academies as it is for Kings Point.

In your opinion, is the proposed 5 years' length of service fair for Kings Point graduates?

Admiral TRIMBLE. Yes, I think so.

Mr. PANSHIN. If that is fair for Kings Point, what length of service would you see as fair on a prorated basis for State academy graduates?

Admiral TRIMBLE. Half that time. I am in favor of the obligated service. I would really like to see it 5 years for the State maritime academies; I think it would help us. But I was pointing out from the point of view of equity it seems there should be some consideration shown for the fact that State cadets, by and large, are paying for their entire tuition less the subsidy that is given them. So probably 5 for Kings Point and 3 for State academies would be in order, though still not completely equitable.

Mr. PANSHIN. Thank you.

The bill would allow for the establishment of regional academies, a proposal that has been advanced in particular for the Great Lakes. Are you in favor of a Great Lakes regional maritime academy?

Admiral TRIMBLE. Yes, I am in favor of a Great Lakes regional academy. We don't have enough demand for officers on the lakes to support more than one academy.

One other State is talking about establishing a maritime academy. And that was just announced within the last month. But a regional academy—since we call it the Great Lakes Maritime Academy is a regional academy in name, but in fact, it is not. So as far as other States on the Great Lakes are concerned, they have to pay the out-of-state rate for tuition, and there is no special advantage or inducement to the students of that State to go to the Great Lakes Maritime Academy at Traverse City.

Mr. PANSHIN. For the benefit of the hearing record, what is the other State on the Great Lakes that is considering establishment of an academy?

Admiral TRIMBLE. The University of Wisconsin at Superior—the branch of the University of Wisconsin at Superior, which is a State institution. I can't say it has the State blessing. It has been announced by the chancellor of that branch institution.

Mr. PANSHIN. Do I understand you correctly in speaking in behalf of a single regional academy that you would see a single regional academy as being stronger than two individual State academies?

Admiral TRIMBLE. Yes, and cost-wise there is no justification for another academy.

Mr. PANSHIN. You described certain advantages to a regional academy. Do you foresee any disadvantage?

Admiral TRIMBLE. Well, I suppose disadvantage-wise the problem would be to get other States to participate financially in supporting the academy. Right off, that would be a disadvantage. But we don't know for sure that Michigan, which is the State that is supporting

the present academy would want to go regional. That is in the process of discussion at the present time.

Mr. PANSHIN. Do the provisions of the bill, H.R. 5451, as it presently reads, adequately provide for the establishment of such a regional academy?

Admiral TRIMBLE. They do.

Mr. PANSHIN. On page 5 of your testimony, you speak with respect to the Naval Reserve obligation and indicate that the obligation as set forth in the bill could be clarified. Just what sections of the bill are you specifically recommending as needing amendment?

Admiral TRIMBLE. Well, I don't have the bill before me, but the language of the bill, as I recall it, and as we read it, requires that a student before graduation must apply for, and, if tendered, accept, appointment as a commissioned officer in the Naval Reserve. Not all the academies—for example, Great Lakes, has a Naval Reserve training program, so the fact that a graduate is required to apply for a Naval Reserve commission even though he has not had the Naval Reserve training, is the part I feel needs some clarification. In other words, if he has gone through the Naval Reserve training program, I presume the Navy would have a claim on him, but if he hasn't, it is kind of hard to see why he should be required to apply for a Naval Reserve commission.

Mr. PANSHIN. Thank you for that clarification.

You also testify about the proposed requirement that students from both the Federal and State academies pass Coast Guard examination prior to graduation.

As I understand your statement on page 4, you make no recommendation in this regard concerning Kings Point. Is that correct?

Admiral TRIMBLE. That is right.

Mr. PANSHIN. Why not?

Admiral TRIMBLE. I guess I thought that I was testifying for all academies. I didn't make a distinction between Kings Point—I didn't mean to—and the State maritime academies.

Mr. PANSHIN. In reference, then, as I read your testimony, to the State maritime academies, you would appear to recommend that the section that deals with the requirement for license examination be amended to make this requirement a part of the loan agreement, itself.

If this is correct, why do you oppose the condition in the first place and then propose that it be made a part of the loan agreement for State maritime academy students?

Admiral TRIMBLE. I said I thought the objective sought could be adequately handled through the proposed obligated service or loan repayment; either one—in other words, the object is we should require something from him. I do not recommend the requirement be made part of the loan repayment, but rather the objective will be achieved as a result of the repayment procedure or obligated service. In no other profession is there a requirement that the license be passed in order to get the academic degree. We feel there are two different things here. One is getting through the academic requirements and the other is qualifying with the Government for a license.

Mr. AU COIN. Admiral Trimble, let me thank you for your testimony.

Does minority counsel have questions?

Mr. AU COIN. I appreciate your testimony. Thank you. [The following was received for the record.]

QUESTIONS OF MR. AU COIN TO THE LAKE CARRIER'S ASSOCIATION

1. With respect to the critical shortage of licensed officers on the Great Lakes (a) How did this situation come about? Does employment on the Great Lakes tend to be as cyclical as deep-sea employment?

(b) How long have you been aware of this situation, and what have you been doing about it?

(c) Do you have difficulty recruiting graduates from the federal and state maritime academies (other than the Great Lakes Maritime Academy) for service on the Great Lakes? Why? Have you been more successful in the last year or two?

(d) What percentage of the licensed officers currently sailing on the Great Lakes are graduates of the federal and state maritime academies (other than the Great Lakes Maritime Academy)? What percentage comes from the Great Lakes Maritime Academy?

(e) In your view, would it be more appropriate to expand the capacity of the Great Lakes Maritime Academy to meet your shortage, or encourage the other academies to motivate students to sail on the Great Lakes and offer certain specialized courses to this end?

(f) How do you feel about academy graduates satisfying their service obligation through shoreside employment if jobs on the Great Lakes are going unfilled?

2. What support do the members of the Lake Carrier's Association give the Great Lakes Maritime Academy: (a) Financial support? (b) Training vessels? (c) Equipment or supplies? (d) Service on an Advisory Board? (e) Other support?

3. What other maritime training institutions are there on the Great Lakes? What support do the members of the Lake Carrier's Association give to them?

4. With respect to the concept of a regional maritime academy:

(a) Does the Lake Carrier's Association support such academies?

(b) What are the advantages of a regional maritime academy over the training institutions now in existence?

(c) Do the provisions of the bill adequately provide for such academies?

(d) As a practical matter, how would you envision that such an academy would be established and function?

5. You have testified that it is unfair to require the same length of service obligation for graduates of the state academies as for Kings Point.

(a) In your opinion, is five years fair for Kings Point graduates?

(b) What length of service would be fair for state academy graduates?

6. On page 3 of your statement, you quite correctly point out that the bill does not specifically provide for simulation equipment, and recommend "that the bill be modified to authorize the provision of simulation equipment and maintenance in lieu of a training vessel where appropriate." This will not only save taxpayers dollars but will improve the quality of training and provide a better measure of ability in less time than is possible using training ships.

(a) What sort of simulation equipment are you talking about?

(b) What would be the cost of such equipment?

(c) In what instances would such simulation training provide, as you say, "A better measure of ability in less time than is possible using Training Ships"? Have you reached a consensus on this with the Coast Guard?

(d) In this regard, what will be the impact, if any, of the proposed International Convention on Training with respect to the qualifications of prospective officers for the Great Lakes?

LAKE CARRIER'S ASSOCIATION RESPONSES TO ADDITIONAL QUESTIONS ON HR 5451

1. (a) The critical shortage of licensed officers on the Great Lakes stems from several principal factors, namely, block retirement of those who started sailing during World War II; changing lifestyles of our society, especially the younger element; and labor-management contract features materially increasing vacation time.

Also, a recent change in the interpretation of Coast Guard regulations has increased the need for vessel personnel.

Employment on the Great Lakes does not tend to be as cyclical as deep sea because of its more direct relation to the national economy. By and large, shipping

is carried out under long term contract arrangements for raw materials needed for the steel industry, coal for utilities, etc

(b) The industry has been aware of some elements of the problem for a number of years but the matter did not come to a head until the increased vacation time requirement entered the picture and also a change in interpretation of regulations by the Coast Guard that commenced during the past year.

To document the extent of the problem, industry joined with MarAd in preparing an Officer Supply Study for the Great Lakes. The results were published about a year ago and provided a more authentic basis for action. Recruiting activity has been stepped up not only with the various maritime academies but also in high schools for applicants to attend the Great Lakes Maritime Academy. A full-time recruiter is now employed at GLMA, an industry promotional film for recruiting purposes has been prepared, the screening procedure at the Academy has been improved for new applicants, and the Academy is well on its way towards expanding to meet the officer supply demand assigned to it by the industry. The other half of the requirement is expected to be met by coastal academies and hawsepipe sources.

(c) We have had some difficulty recruiting graduates from the other maritime academies for service on the Great Lakes because of the lack of knowledge about lake shipping and the Great Lakes, as well as the fact that officers coming to the lakes have to qualify as pilots. We have been more successful in the last year or two because of a more effective recruiting program and also because the Coast Guard has issued open lake licenses so that officers coming from other sources can sail in an officer capacity while getting in enough time through the critical channels to qualify for a pilot's license.

(d) As of January 1, 1978, 6 percent of our licensed officers came from other maritime academies while only 2 percent came from GLMA. The other 92 percent came through the hawsepipe. Those percentages are somewhat misleading because GLMA has only been in existence for less than 10 years and its officer output has been very limited. Also, the hawsepipe sources are drying up.

Further, the percentages indicated do not reflect the large number of officers that came into the lakes from coastal academies this year. I do not have those figures available to update the percentages indicated at the outset of this question.

(e) Actually we are doing both. GLMA is attempting to expand to meet approximately one-half of our officer requirements that we foresee for the next ten years or longer, and other academies are working to fill the remaining numbers along with hawsepipe sources. Some of those academies are instituting specialized courses for those interested in sailing on the lakes. One point must be kept in mind, and that is, successful recruiting for officers to come to the lakes solves only part of the problem. Retention is even more important. Looking at the results of the study published by your Committee within the past 2 years, you will note that GLMA has the highest percentage of graduates remaining at sea of any of the academies. That statistic is somewhat distorted in that GLMA has only been in existence for 10 years.

(f) We would prefer that the service obligation be filled on seagoing jobs to the extent available before going to shoreside employment. I feel it is going to be awfully difficult to define and enforce this requirement insofar as shoreside jobs are concerned.

2 (a) LCA provides financial support to GLMA. (b) The industry provides for cadet berths for trainees from GLMA, as well as for cadets from coastal academies. We do not have a training ship per se. (c) Surplus equipment is made available to GLMA. (d) LCA and the industry are represented on the Advisory Board. (e) LCA and the industry attempt to provide political and public support for GLMA.

3. Other maritime training available on the lakes falls into the following categories: union conducted schools for officers, MarAd radar and firefighting schools, LCA schools for unlicensed personnel and some upgrading for officers. The union conducted schools are financed by the industry through labor-management contracts. MarAd schools are paid for on a per capita basis for attendees. LCA sponsored schools are paid for by the industry. Where appropriate they are offered through local adult educational programs.

4. (a) LCA supports the concept of a regional academy.

(b) A regional academy hopefully would have the support of the various Great Lakes states and would have wider sponsorship and promotion within the various state schools. Presumably resident tuition rates would be available to students from the participating states.

(c) H.R. 5451 adequately provides for a regional academy.

(d) I would visualize that any other Great Lakes state interested would adopt the academy as if it were a resident institution and treat it like any other state

educational facility. Another approach, probably more practical, would be for a reciprocal agreement to be made between Michigan and any other Great Lakes state to train people for maritime service in the same manner that agreements are made for the education of veterinarians and doctors for those states which do not have such schools.

5. (a) Five years seem appropriate for Kings Point graduates because that number also applies to the various military academies.

(b) In fairness, I suppose the length of service for state academies should be in proportion to the amount the individual pays for tuition compared to what he pays at Kings Point. That approach may not be practical, so I would recommend three years sea service, as a compromise, with shoreside service only if sea jobs are not reasonably available.

6. (a) I visualize a modern version of simulation equipment similar to that used at LaGuardia but in color.

(b) Such equipment would cost in today's dollars approximately \$4 million and be susceptible of being maintained at a very nominal cost. This is much more practical for the state academies than the sophisticated CAORF installation at Kings Point.

(c) The Coast Guard and Maritime Administration, both with responsibilities in the training field, are wrestling with the equivalency features of the IMCO Treaty; this is also being discussed with the state maritime academies and I believe that Kings Point has even done a study on the matter. This approach is new to the Coast Guard so I am sure that agency will proceed carefully before agreeing to any change from the traditional approach. As I stated in my statement, we can learn a lot from the aviation industry, which has long utilized simulation training so effectively. An early version of simulation training was used very effectively during World War II, the attack teacher for anti-submarine patrol vessel crews.

The Committee may be interested in a proposal that is being discussed with the Coast Guard and MarAd at our industry's annual joint conference with its Canadian counterpart to take place late in February 1980. Representatives of the Coast Guard and MarAd, as well as their Canadian counterparts, will be commenting on that proposal, as follows, at that conference.

QUALIFICATION REQUIREMENTS FOR GREAT LAKES VESSEL PERSONNEL

Problem.—Because the human factor is involved in over 75 percent of marine casualties there is a need for a thorough review of qualification procedures for deck and engineer positions, both licensed and unlicensed, including job requirements, training and examination.

Proposal.—That responsible government agency or agencies contract with industry and labor participation for:

(1) A review of present grade requirements, including education, time in grade and examination procedures for background, but not as a guide. This review would also identify statutory requirements or constraints.

(2) A review of results of other studies, such as equivalency for simulation and other techniques, to minimize duplication.

(3) A determination of deck and engineer grade requirements for lake shipping.

(4) The development of a qualification program, such as education, experience, hands-on or simulation training, and physical standards to meet grade requirements.

(5) The development of grade examination procedure to determine qualification and requalification where appropriate.

Objective.—To assure the quality of personnel needed to operate today's and tomorrow's lake vessels with safety and dispatch.

(d) The impact of the IMCO Convention is dependent upon how the Coast Guard interprets the equivalency features and also whether they try to apply it uniformly to the inland segments of the industry, in addition to the ocean trades. I have serious misgivings with attempts to equate time in grade with experience as the Coast Guard has attempted to do over the years. Simulation training provides an excellent and effective alternative, as well as a more adequate basis for determining license qualifications.

Mr. AUCOIN. Our next witness is Rear Adm. William M. Benkert, president of the American Institute of Merchant Shipping.

Admiral, will you come forward, please? I want to welcome you to the committee.

Admiral BENKERT. Thank you very much, Mr. Chairman.

Mr. AU COIN. Before you begin, Admiral, let me point out that the House is under the 5-minute rule, and we have amendments on the floor. In a few minutes, I am going to have to excuse myself once again and try to return as quickly as I can. So if that occurs in the midst of your testimony, you will know why.

STATEMENT OF REAR ADM. WILLIAM M. BENKERT, USCG (RETIRED), PRESIDENT, AMERICAN INSTITUTE OF MERCHANT SHIPPING

Admiral BENKERT. Thank you very much for your courtesy, Mr. Chairman.

Mr. Chairman, my name is William M. Benkert. I am the president of the American Institute of Merchant Shipping, AIMS, a national trade association representing 28 companies which own, operate, and charter 190 American-flag bulk vessels aggregating over 8 million deadweight tons and serving U.S. foreign and domestic ocean-going commerce.

I appreciate very much the opportunity to testify on H.R. 5451, legislation concerning maritime education and training. AIMS and its members have long recognized the importance of and been committed to the highest standards of education and training for seafarers as a necessary part of safe vessel operations.

To this end, we commend the subcommittee's efforts, both last year in oversight hearings on the Federal role in maritime training, and now in H.R. 5451, which embodies recommendations arising from the oversight hearings.

AIMS supports this legislation and believes that it provides a sound base for the continued support for and development of the National and State maritime training programs. We are particularly interested in this legislation because our members regularly hire graduates of these various programs.

We strongly support the provision under section 1304(b)(3), which would permit the Secretary of Commerce to authorize additional funds to meet the increased costs of fuel oil for training vessels. Actual shipboard experience is an essential part of any maritime education process, and we believe that the ability of the academies to continue this aspect of the curriculum is imperative. Without proposed Government assistance, the rapidly escalating cost of fuel oil will jeopardize the State schools' ability to provide sea time, which will become even more important in the future with implementation of the International Convention on Standards of Training, Certification, and Watchkeeping for Seafarers.

AIMS supports section 1303(h), which would require Kings Point recipients of federally assisted maritime education and training to serve the national interest of the United States in some defined defense or commercial maritime capacity for 5 years.

We believe that such an obligation, which is comparable to the requirement of other Federal service Academies, provides a firm rationale for this expenditure of Federal funds.

Under section 1304(f)(1) regarding loans to students at State institutions, we recommend that some provision be made for annual adjustment of the loan amount to take into account the impact of inflation.

The proposed express obligation of the students to apply for a Naval Reserve commission and to serve the United States in a defined commercial maritime or military capacity following graduation provides ample reason to increase the loan level to compensate for inflation effects.

In addition, we feel that it would be advisable to the extent Federal funds are directly or indirectly provided to any maritime training institution to protect the public interest by ensuring that there is appropriate return for these expenditures.

AIMS believes that the relative degree of taxpayers' money involved in other institutions as compared to Kings Point, should be taken into consideration in evaluating the return to the country.

In this context we believe that the obligations of State school students—whatever Congress decides on—should be less onerous than those applied to Kings Pointers, and that language be added specifically allowing excuse from the obligations in the event they cannot be fulfilled for reasons beyond the students' control.

Again, AIMS supports favorable consideration of H.R. 5451 by the committee, Mr. Chairman.

Mr. Chairman, that concludes my written statement.

Mr. AU COIN. Admiral, let me interrupt at this point. You have concluded your written statement. The subcommittee now stands in a brief recess until I have an opportunity to get to the floor and return; then, I would like to hear whatever else you have to say.

Admiral BENKERT. Thank you, Mr. Chairman.

Mr. AU COIN. We will stand in recess for 10 minutes.

[Brief recess.]

Mr. AU COIN. The subcommittee will come back to order.

Admiral, you were about to present us with additional views. We would be happy to hear them at this time.

Admiral BENKERT. Thank you, Mr. Chairman. I don't know, how to put this exactly, Mr. Chairman; it is a personal view.

Mr. AU COIN. Nobody has been shy so far in putting their opinions forth.

Admiral BENKERT. I have never been known for that, either, Mr. Chairman. But there is one section of this bill, Mr. Chairman, which I must admit, as a former serviceman for many years, sticks in my craw.

Mr. AU COIN. What is your service background?

Admiral BENKERT. I am a retired rear admiral from the U.S. Coast Guard.

Mr. AU COIN. What section of the bill do you have objection to?

Admiral BENKERT. I have reference to the bill on page 8, at the bottom of the page, and it has to do, Mr. Chairman, with the area dealing with Kings Point graduates and their obligated service and the fact that, as it says, if I may quote just briefly, "If the Secretary determines—"

Mr. AU COIN. Are you on line 20?

Admiral BENKERT. Line 20, on page 8; yes, sir.

If the Secretary determines that any cadet or graduate of the academy has broken the agreement specified in paragraph 1, the Secretary of the Navy may order the cadet or graduate to active duty to serve the unexpired portion of his service provided by the agreement as determined by the Secretary, but not less than three years

My pitch, Mr. Chairman, is very simple. It appears to me in this particular case service in the Armed Forces of the United States is being viewed as sort of a penal colony, and I object. I don't think—

Mr. AUCOIN. I understand the point you are making. If, however, the Federal taxpayer, on the basis of a national defense argument, is being asked to provide full funding for the education of Kings Point midshipmen, and therefore is making an attempt to ask for a service obligation within the merchant marine, you could argue that we are making the merchant marine a penal institution for those graduates.

The point, is one way or another we want a service obligation to the country; then, your argument could be equally directed to the merchant marine.

Admiral BENKERT. Well, then, perhaps, Mr. Chairman, it is semantics; maybe it should be written another way. I just have the feeling that the way it is written, an individual who doesn't live up to the agreement, which he signed and agreed to before going to the academy, is going to be put in the Armed Forces for 3 years' active duty as a penalty, and I have a deep-rooted feeling against this.

Mr. Chairman, I think there are alternatives to that. For example, repayment of the cost of the individuals going through the academy at Kings Point might be a possible alternative.

Mr. AUCOIN. What about cadets—what do they call students at the Coast Guard Academy, cadets?

Admiral BENKERT. Yes, sir.

Mr. AUCOIN. What happens to a cadet who spends 2 years at a the Coast Guard Academy, and then drops out? Does he have to serve his obligation?

Admiral BENKERT. If he doesn't complete the course, Mr. Chairman? I don't know what his obligation is right now, sir, and that is an honest answer. They have changed this several times over the years, and I just don't know what the obligation is at the present time.

Mr. AUCOIN. I think the minority counsel has a Coast Guard background.

Mr. LOSCH. At least during the period from 1964 to 1968 there was no obligation on the part of the student if he dropped out in terms of a military service, although during that period the draft was at its acme and people were dodging the draft as best they could if they left the academy.

Mr. AUCOIN. What about now?

Mr. LOSCH. I don't know if that has been changed since. It would seem to me that there wouldn't be that effort to change it now that they have gone to an all-volunteer military, but I am not sure.

Mr. AUCOIN. Counsel tells me there is a representative of the Coast Guard here. I am just naming one of the services. Is there, in fact, a representative from the Coast Guard here? I am asking if there is a representative of the U.S. Coast Guard in attendance.

Commander McCOWEN. I am not knowledgeable of the situation you have spoken of at the academy.

Mr. AUCOIN. Could you identify yourself for the record?

Commander McCOWEN. Commander McCowen.

Mr. AUCOIN. What is your position with the Coast Guard?

Commander McCOWEN. Merchant Vessel Personnel Branch Chief.

Mr. AUCOIN. You have no knowledge about this matter?

Commander McCOWEN. Not of the current situation concerning dropouts at the Academy, no, sir.

[The following was received for the record:]

PROPOSED CHANGES TO REGULATIONS FOR THE CORPS OF CADETS

B. The Superintendent may accept voluntary resignations of cadets

C. First or Second Class cadets who resign or who are disenrolled or dismissed shall be transferred to the "Individual Ready Reserve (IR) in the rating of QM2 or QM3 (SN if disenrolled or dismissed for reasons of conduct or aptitude) for a period of service equal to their service as a cadet (this is in accordance with 14 USC 182(b) and is referred to as "Cadet Incurred Obligated Service") except as follows:

(1) Cadets with prior service in the USCG or USCGR shall revert to their prior enlisted status and complete the remainder of their active duty obligation. They shall then be transferred to the inactive CG Reserve to complete the remainder of their six-year obligation required by 10 USC 651 or cadet incurred obligated service whichever is greater.

(2) Cadets with prior enlisted service in another Armed Force shall revert to their prior status and be transferred to their former branch of service.

D. If it is deemed to be in the best interest of the service the Superintendent may recommend to the Commandant that, if cadets are separated, in accordance with paragraph 6-2-02 C, they should be ordered to active duty for a period of time equal to their cadet incurred obligated service. Cadets with prior service in the USCG or USCGR who still may not have completed their full six-year obligation required by 10 USC 651 after serving their required cadet incurred obligated service shall be transferred to the Individual Ready Reserve (IR) to complete the remainder of their obligation.

E. Cadets who have completed their course of instruction and are qualified to accept a commission but do not do so shall be transferred to the CG Reserve as a QM2 and ordered to active duty for four years. The four-year obligation shall commence upon disenrollment.

Mr. AUCOIN. Well, we will attempt to find out not only for the Coast Guard, but the other academies.

Admiral, you pose an alternative, and it is one that is worth laying out for the subcommittee's consideration.

Admiral BENKERT. Thank you, Mr. Chairman.

Mr. AUCOIN. I want to assure you that there is no intention here to indicate in any way that service in the Navy or any of the Armed Forces is a punitive step. I think you get the idea of the subcommittee's intention here. The whole idea is to insure once an investment has been made by the taxpayer in the name of national defense, that there be some form of service obligation; so it is not meant to be punitive at all.

Do you have additional comments?

Admiral BENKERT. No. I had nothing other than that to add, Mr. Chairman, to the prepared statement.

I understand what you are saying, Mr. Chairman, and I do fully agree with the concept of the obligation as a result of the training, sir.

Mr. AUCOIN. Minority counsel?

Mr. LOSCH. Thank you, Mr. Chairman.

Admiral, I recognize that the members of your association are primarily in the domestic trade and therefore have no obligation to provide space for training of merchant marine cadets. However, it would be helpful to the committee if you could poll your members to find out what space might be available if we found that we were

in a crash for at-sea training and might have to look to the domestic operators to provide some of that training. Could you poll your members?

Admiral BENKERT. Yes, sir.

Mr. LOSCH. Thank you very much.

(The following was received for the record:)

AMERICAN INSTITUTE OF MERCHANT SHIPPING,
Washington, D.C., February 29, 1980.

Mr. RON LOSCH,
Deputy Minority Counsel, Merchant Marine and Fisheries Committee,
House of Representatives, Washington, D.C.

DEAR MR. LOSCH: During presentation of our testimony on H.R. 5451 before the Ad Hoc Select Subcommittee on Maritime Education and Training, you asked if we could poll our members to determine if additional berths could be made available for carriage of cadets. The question was based on the possible impact of the 1978 STCW Convention requirement (when it ultimately comes into force and is implemented by USCG regulation as a deck officer licensing prerequisite) that all officers in charge of a navigational watch have, as a minimum, "approved sea-service in the deck department of not less than three years . . ." of which two years may be substituted by special training to satisfaction of the administration. Such a stipulation would create, under the traditional U.S. system, a unique difficulty for Federal and State academy deck cadets only who normally accrue from five to nine months of approved sea-service during the time now allotted for their sea year, as opposed to the STCW one year minimum term.

This issue has been ongoing consideration by our Maritime Training Committee and your concerns and questions were laid before the Committee during January 22 meeting.

If the problem was a lack of berths for cadets, there is no doubt that AIMS members and other ship operators, under equitable arrangements, could carry more cadets. However, several members indicated that because of academy scheduling problems and a lack of cadets for assignment, ships available for carrying cadets are sailing without them. Probably more importantly, however, the base problem is not one of available berths; it is one of a need for allocation of more future time in the training schedule of deck cadets to permit them to get 365 days on articles. The alternative, of course, under STCW Article IX—Equivalents, is an administration accepted training arrangement substitute for a portion of the one year approved sea service.

Also, specific to your question is the fact that the Maritime Administration has recently made an in-depth analysis of the total U.S. flag fleet to determine available cadet berths, the feasibility of adding berths through rebuilding/redesigning existing ships, the involved cost factors and related matters. We feel certain this very important contribution to your efforts has been, or could be, made available to the Committee.

We trust these comments are responsive.

Sincerely yours,

W. M. BENKERT, President.

Mr. LOSCH. If we could step back in your career to your Coast Guard period, and tell us a bit about the IMCO convention and equivalency. You were head of the Coast Guard delegation to the IMCO Conference, were you not?

Admiral BENKERT. Yes, I was the head of our delegation at the Conference on the Standards of Training and Watchkeeping in 1978.

Mr. LOSCH. What, in your opinion, is the basis of this equivalency requirement in the convention and where should we look or what should we be doing to try to develop an equivalency standard so we can meet the requirements of the convention at a reasonable cost, and without any undue delay?

Admiral BENKERT. Well, I would like to give 2 cents' worth of background, on the development of those particular areas of the convention.

As I am sure you are aware, the Standards of Training, Certification and Watchkeeping Convention was developed as a result of about 6 years of meetings at IMCO, in London, a minimum of two per year in order to develop a draft convention.

The United States was the strongest of the proponents of the development of that convention. The United States, for a number of years has been speaking loud and clear that what we needed on vessels world-wide were people who are fully trained, capable, and experienced at operating vessels worldwide to eliminate, among other things, accidents resulting in problems of safety and problems of pollution.

So this whole format of this convention was aimed at coming to some level that would be agreed upon internationally as a basis for the training, qualification, and experience level of personnel in the various merchant marines worldwide.

Well, in the course of development of that convention, obviously you encounter a number of different views from different countries; people have different ideas, and there are some compromises made in certain areas, and so forth, in order to get something that everybody can agree is a good product.

We felt we got a damn good product out of that conference and that convention. Several of the provisions that have been mentioned here today, and I know have been mentioned earlier in your hearings, are the sea-time requirements that are specified in that convention for personnel who qualify for certain grades of licenses. One of the major problem areas, and we realized this at the time we were negotiating that convention, was going to be this business of 1 year of sea time being required for people who were in a category similar to those going to our Kings Point Academy and to our various State schools to become eligible for licensing as third mates, and third assistant engineers. This sea-time requirement was an area that we knew would be a problem primarily because we don't have that in existence at the present time in our own country.

Nevertheless, it was quite obvious to me, and I think to our delegation, and to everybody else that the United States had been preaching qualification of people, so we could not very well say, well, OK, we want all these nice things to happen, but we want the sea time to be put at a very minimal amount here so we can live with it in our own country.

What happened was acceptance of the 1-year sea time, but at the same time there was placed in the convention an article which was developed, because a number of countries would have difficulties with some of the specific provisions of the convention. The article was an equivalence article—I think it is article 9 of the convention—which permits administrations to make certain determinations of equivalence.

It incorporates the concept of equivalence for sea time, equivalence for training, equivalence for all the types of requirements that are encompassed by the regulatory items that are in the convention, itself, sir.

I am sorry for the lengthy background, but I think it is important in any approach to this particular item or anything else having to do with that convention that you understand how and

when was developed, as well as some of the provisions which we may not be able to comply with this, this instant, today, in this country.

I personally feel that in the case of the sea time, for example, I think there are many ways that Kings Point, that the State academies, and any institutions that are training people for the purposes which they espouse can come up with sea time and in certain cases can come up with equivalence to at least a portion of that sea time which we could in good faith consider acceptable under the terms of that convention.

Mr. LOSCH. Yes, sir. Who determines this equivalence, and what review does the IMCO central office, so to speak, have over the determination?

Admiral BENKERT. What would be required simply of the United States would be for the Coast Guard, which is, I presume—I assume upon the ratification of the convention and it becoming part of our law, that it would be implemented by the Coast Guard; that the Coast Guard would be the determinant, if you will, for the United States, of these equivalence concepts, and that all that is necessary is a notification by an administration to the IMCO secretariat, saying here is what we have done and why, and we consider it to be in compliance with the provisions of the convention.

Mr. LOSCH. In your opinion, would simulator time be a possibility for a portion of the sea-time requirement?

Admiral BENKERT. I think that is a possibility; yes, sir. I would certainly want to couch that in terms of what kind of simulators we are talking about, but, in general, simulators such as those described earlier by Admiral Trimble, for example, that are in existence today, I would say yes.

Mr. LOSCH. Thank you, Admiral. I think that is all.

Thank you, Mr. Chairman.

Mr. AUCOIN. Admiral, I appreciate your testimony and thank you very much for it.

Admiral BENKERT. Thank you very much, Mr. Chairman.

Mr. AUCOIN. At this time, I would like to call two witnesses representing the U.S. Merchant Marine Academy Alumni Association, Mr. W. McNab Miller III, accompanied by James H. Yocum, the president of the U.S. Merchant Marine Academy Alumni Association.

Gentlemen, we welcome you. It is good to see you again, Mr. Yocum.

STATEMENT OF W. McNAB MILLER III, ACCOMPANIED BY JAMES H. YOCUM, PRESIDENT, U.S. MERCHANT MARINE ACADEMY ALUMNI ASSOCIATION, AND REAR ADM. PENROSE ALBRIGHT, DIRECTOR, NAVAL RESERVE LAW PROGRAMS, AND A MEMBER OF THE NAVY MARITIME PLANNING POLICY GROUP

Mr. MILLER. Mr. Chairman, members of the ad hoc subcommittee, as you already know Mr. Yocum, I would like to point out for the benefit of the subcommittee, the presence of Rear Adm. Penrose Albright, who, like myself, is a civilian attorney in private practice, but is also the director of the Naval Reserve law programs, and, as a collateral duty, is with the Navy Maritime Plan-

ning Policy Group. He is a Kings Point graduate and member of the Alumni Legislative Committee, and we have asked him to appear with us today if there are any questions from the committee regarding the Navy Reserve aspects, which we have discussed in our presentation.

The graduate body of the U.S. Merchant Marine Academy appreciates the opportunity to express our views regarding this bill, and we are here speaking on behalf of approximately 15,000 professionals at sea in the Armed Forces and in other fields of the maritime industry.

To understand the bill's purpose, it is important to consider not only the role of maritime education and training in this day and age, but the history of Kings Point and the efforts of the U.S. Merchant Marine Academy Alumni Association over the past 2 years to obtain a legally enforceable obligation such as is now before the committee.

The bill before us today purports to be all-encompassing and touches many areas of maritime training, including those affecting the State maritime academies. Because of time limitations, our comments here will focus primarily upon those matters affecting Kings Point, and I would also point out that I will highlight certain aspects of the testimony and leave some of the details and the citations for the written record, which is already before the committee.

Kings Pointers are presently serving on U.S.-flag merchant and naval vessels on the seven seas, on our inland waterways, on oceanographic and offshore drilling vessels, in our fishing fleet, as pilots in the Panama Canal and in our Nation's ports and waterways.

Equally important, Kings Point graduates are providing leadership for the maritime industry in executive posts with shipping companies, shipyards, maritime labor organizations, and in positions with Federal and local governmental maritime agencies.

I would like to briefly address maritime training today.

The needs of the country and the world at large necessitate viewing the oceans not only as a means of defense, transportation, and communication, but also as critically important sources of food, energy, and minerals. Mining the ocean for minerals, fishing the seas for food, and drilling the ocean floor for oil pose ecological problems. The use of increasingly larger ships for the carriage of petroleum and liquid gas has resulted in serious safety threats as well as potential environmental problems.

As this committee is aware, recently a single gallon of liquid natural gas recently escaped from a shoreside storage facility at Cove Point, Md., on the Chesapeake Bay, and caused an explosion that destroyed a blockhouse and killed a man; the industry today has ships carrying hundreds of thousands of gallons of liquid natural gas across the seas, through congested shipping lanes and into heavily populated port areas.

Evidence, also, the collision recently between the oil tanker *Burmah Agate* and the freighter *Mimosa* near Galveston. The vessels collided on November 1—40 days ago—with 32 dead or missing, and the *Burmah Agate* is still afloat and burning.

Because of these serious safety and ecological threats, the large and small maritime nations have reviewed and strengthened the requirements for the training of merchant ships' officers.

The concerns of the Congress and the Nation and this committee go far beyond the requirement for just an original merchant marine license for a deck or engineering officer. As important as training competent seagoing watchstanders is, it takes more training and experience to prepare for management positions than merely produce junior engineer and deck officers.

This is the challenge before the subcommittee and is the challenge that Kings Point should meet. As West Point seeks to train generals and not second lieutenants, and Annapolis trains future admirals and not ensigns, Kings Point must train leaders for an ever-changing, ever-developing maritime industry, our fourth arm of defense.

We are proud of the record of service of Kings Pointers in places and in times of national emergency. However, we want to insure that every graduate of the Federal Academy repay the country for his or her education.

The alumni association has repeatedly sought passage of a legally enforceable mandatory service obligation. Our most recent effort, which culminated in one segment of the bill before us today was in June 1977. We attached to the written submission we gave you, a copy of the draft bill that we proposed 2 years ago.

A primary purpose of this bill is to create the 5-year obligation as a return on our investment in the training of midshipmen. As presently worded, we fear that it may not be legally enforceable.

At a minimum, we suggest that the statute should include, as we proposed 2 years ago, the acceptance in writing by candidates of the condition that if the requirements of the bill are not met, he or she will "serve upon such terms and conditions prescribed by the Secretary of the Navy on active duty."

We also suggest that similar to existing legislation in force for Annapolis, West Point, and the Air Force Academy, this bill should cover the issue of legal minority. The case law pertaining to individuals involuntarily brought on to active service in the military specifically points out that the individuals previously entered into contracts between themselves and the military agency, and that claims that the contract is invalid or has been breached must be decided under the traditional notions of contract law. Because of the importance attached to the agreements signed by candidates for appointment to Kings Point and the State maritime academies, we would recommend that there be additional language such as we suggested put into the bill.

We have also given you suggested language as to the enforcement procedure, which modifies the proposed language only slightly, but we think it is more clear and provides the Secretary of Commerce with more flexibility.

We are also very concerned with the failure of this legislation to address the concept of maritime training from an overall standpoint. The type and quality of training of future merchant marine officers and the industry as a whole involves the coordination of several different programs, Federal, State, and industry, and the

desirability of establishing appropriate criteria should be addressed by the Maritime Administration and the U.S. Coast Guard.

The earlier testimony today of Mr. Gianelloni and Captain Mayberry about offshore and the towing industry is, in part, what we are concerned with. For example, this bill, like the law it repeals, permits the Secretary to enter into support agreements with as many maritime academies or colleges as there are States. Thus, instead of concentrating upon coordinating and improving the resources the Nation already has, the bill merely restates in nearly exact language the concepts of the original act as passed in 1958.

We also heard from Admiral Trimble, who said the University of Wisconsin may be establishing a regional academy at Superior, yet this is apparently without Maritime Administration input or control.

This Nation now has the U.S. Merchant Marine Academy serving all States and territories, State maritime academies in Maine, Massachusetts, New York, Texas, and California, an academy for training on the Great Lakes, and several industry-union training facilities focusing upon one or more aspects of maritime officer training. Nevertheless, this bill does not encourage coordination of all existing training. Rather, it permits further dilution.

As it is now, there is more Federal money going into industry-union training over which the Maritime Administration exercises no oversight, than into the State maritime academies, to whom this bill is partially addressed. To illustrate, as recent hearings before this committee have pointed out, the total Federal expenditure for industry-union schools during the period 1950 through 1977 was approximately \$39.5 million, while for the State maritime academies it was \$37 million.

The Maritime Administration further estimated that nearly 74 percent of the funds paid in fiscal 1975 to eight major industry-union training programs by subsidized companies came from Federal funds.

No State maritime academy appears to receive as high a percentage of its funding from Federal funds as do at least some of the industry-union schools.

While we do not have records on industry-union schools as a whole, the amount of Federal subsidy money received by one school in 1977 was reportedly 53.2 percent of the school's total expenditure, this amount having nearly doubled since 1975.

The incongruous situation exists that whereas more Federal money is going to industry-union training than to the State maritime academies, this bill does not address the needs to coordinate overall national priorities and expenditures. As we pointed out in our testimony, Massachusetts received 36 percent of its funding from Federal sources; California, 28; Maine, 21; Texas, 21, although I believe Admiral Harrington testified last week, according to his figures, Massachusetts received only 2.6 percent of its funding from Federal sources. I don't know which figures are correct. I got them from two different sources.

In the absence of a comprehensive and coordinated approach, the number and type of training facilities, quality of instruction, duration of the training programs and the success of this Nation in meeting the challenges of modernization and international compe-

tion will not be determined by the Federal Government, based upon educational goals, standards, and needs, but rather upon the desires of those who direct these various programs, plus the minimum requirement set by the U.S. Coast Guard.

This is also evidenced, in part, by the report that back in 1970, when the Maritime Administration was cutting back on the number of cadets' subsidies at the State academies in order to reduce the number of officer graduates in light of projected job availability, at least one industry-union training operation expanded.

We are also concerned about the need to coordinate training because of limited employment opportunities at sea. We strongly favor sea duty in fulfillment of the service obligation requirements and would like to see all graduates of maritime training institutions provided this opportunity.

As this subcommittee is well aware, and as hearings held by a House subcommittee pointed out, the maritime officer unions controlling employment on almost 90 percent of the U.S. documented vessels effectively closed their membership books during the period 1970 to 1976 to graduates of Kings Point and the State maritime academies because of insufficient available jobs.

The impact on our seagoing employment is obvious. Whereas approximately 94 percent of Kings Point's graduates went to sea before the books were closed, and approximately 94 percent of our most recent graduates have gone to sea, during the period of closure as few as 37 percent of our graduates were able to get seagoing positions on documented vessels. We have no assurance that this will not occur again in 1982.

We are particularly concerned with language of the proposed bill which would further limit available opportunities. One section of the bill noted in our written report limits opportunities in employment to U.S.-documented vessels. This would preclude service on vessels owned by the United States or State governments as well as on other American-owned vessels.

We believe that the Secretary of Commerce should have the latitude to determine what lies in the national interest and be able to regulate the service obligation of those trained at Federal expense, whether it be on seagoing commercial vessels, on oceanographic vessels, in fishing and mining, or in shoreside, or other maritime-related industries. This bill does not presently give the Secretary of Commerce that latitude.

We recommend for this reason the inclusion in the bill of the language "upon terms and conditions prescribed by the Secretary," and we identify the place where this could be inserted, to also allow the language instead of limiting it to U.S.-documented vessels that it be "as a merchant marine officer on oceangoing, inland, offshore, or other vessels."

We would like to point out an additional possible benefit of this change. Our Nation has long been concerned about the availability of effectively controlled U.S. ships, those which are American owned but sailing under foreign flag.

The Marine Engineers Beneficial Association already has executed contracts to place American officers on some of these vessels and has correctly pointed out that American crews on such vessels

increases the likelihood of compliance with an American demand for the vessels' return in time of national emergency.

We believe that this concept should be further expanded by giving the Secretary of Commerce the option to allow graduates of Kings Point and the State maritime academies to sail on these same ships. These graduates who have commissions in the U.S. Naval Reserve could be called to active duty in time of national emergency, and this would lend substantially to the control of such ships.

We would also like to comment upon the maritime-related industry option set forth in (ii) of the same section. Assuming the addition of our proposed language regarding the Secretary being able to establish the "terms and conditions," we believe the present bill's language is adequate.

We understand the Maritime Administration is proposing language which would allow such nonseagoing service to not exceed 3 years except in national emergency. We are not opposed to the concept suggested by MarAd but believe this language might prevent the Secretary from requiring 5 years at sea except under exceptional circumstances.

We believe that the same result intended by MarAd may be more simply obtained by giving the Secretary the authority to establish acceptable service.

The maritime and defense needs of this Nation require a comprehensive review of maritime education and training laws and policies such as is being given to those pertaining to subsidies.

National coordination and control of training and employment opportunities is desirable to justify Federal expenditures and maximize the return on investment. It may even be appropriate to consider assigning certain roles to certain training institutions such as having one train for oceanography, one for fishing, another for mining, et cetera.

In this way, training expertise may be concentrated, professional development enhanced, and competition for available seagoing employment billets virtually eliminated.

The admissions procedures used at the U.S. Merchant Marine Academy can be compared very favorably to those in use at the military service academies. The language of section 1303(c) implies that an unfair advantage in the selection process has, in the past, been given to relatives of alumni.

We do not believe that this is the case and consider the wording a negative approach to the goal we all seek in a fair admissions process.

All schools of higher learning are concerned with the establishment of appropriate criteria for selecting candidates for admission. The suitability of those candidates for meeting the goals of the institution is obviously a high priority.

Personal factors indicative of excellence and motivation in the maritime industry should be available for consideration in the selection process. As this subcommittee knows, applicants with sea experience have been given more consideration than relatives of alumni.

We believe that members of the immediate family of all maritime industry personnel are, as a class, likely to have a greater

familiarity with the maritime industry and hence have a higher motivation factor.

In this regard Congress has gone on record favoring such selection criteria of close relatives. This is evidenced by the fact that each year up to 100 qualified children of members of the Armed Forces may be appointed each to West Point, Annapolis, and the Air Force Academy,

We recognize the congressional concern of wanting all candidates judged by the same standards and we approve the concept. We believe this is being done. However, we fear that this sentence, if left in the bill, would actually serve to discriminate against members of the immediate families of Academy alumni.

For example, as between two groups of virtually identical candidates, those related to Academy alumni might well be refused admission for fear that their appointment might appear to be a preference. In the absence of some highly identifiable and objective factor favoring such persons, they might be discriminated against.

As Congress and this committee have previously recognized, the national defense of this Nation depends in part upon the coordination and cooperation of the Navy, Coast Guard, and the merchant marine, particularly in time of war.

It is for this reason the merchant marine is called the fourth arm of defense.

We are proud of the over 380 alumni now serving on active military duty, among whom are six admirals, including the Vice Commandant of the U.S. Coast Guard.

Because of the importance of this role, the speed with which a modern war can be upon us, and the increased significance of peacetime preparedness, we would suggest certain changes to the bill.

We pointed out in here that certain language we suggested could be added which would broaden the shoreside training opportunities of the midshipmen.

Mr. AuCOIN. Mr. Miller, I am going to have to interrupt you at this point. We are nearing the final time period for this vote that is on the floor right now; so we are going to have to stand in recess until I make that vote and return.

Thank you very much. The committee is in recess for 15 minutes. [Short recess.]

Mr. AuCOIN. The committee will come back to order.

You may resume your testimony, Mr. Miller.

Mr. MILLER. Yes, sir. As we were discussing, the midshipman training prior to graduation is obviously a critical area we are concerned with in order to maximize the return of this Federal investment. We feel in order to encourage naval training and coordination, that the Secretary of Commerce should be given the latitude of using other Federal training and transportation facilities in order to reduce duplication of effort and overall Federal expenditures.

We identify specific language for inclusion in the bill on our written report, which we feel would broaden the shoreside training opportunities of the midshipmen, permit the use of military facilities for national defense training such as firefighting and damage

control, enhance their potential in the maritime industry and give the Secretary greater latitude in training placement.

We also have additional language with regard to establishing the midshipmen as having the same status as midshipmen at the Naval Academy except for certain limitations. The language appears on page 15 of our submission.

We point out that the purpose of this proposed paragraph is to place midshipmen at the U.S. Merchant Marine Academy on the same footing as midshipmen at the Naval Academy insofar as practicable with respect to matters such as use of military transportation and facilities while under orders, discipline, medical care, hospitalization, death benefits, veterans' benefits, longevity in the Armed Forces, civil service credit, et cetera, the only exception being active-duty pay and allowances prescribed in title 37, U.S. Code. For all other purposes, he or she will have the same obligations and benefits as a Naval Academy midshipman.

I would point out briefly off my written testimony, you were asking a question previously with regard to—

Mr. AUCOIN. Where are you in your testimony?

Mr. MILLER. I am on page 15. I am addressing an issue related to midshipmen training, which is not in this material. The prior speaker was asked a question—

Mr. AUCOIN. Why don't you finish your statement and come back and make additional views? We will then have questions and answers.

Mr. MILLER. We also have additional minor revisions and suggestions which we have set forth in the written submission we would offer for your consideration, which we believe would improve the language of the bill with regard to the Naval Reserve obligation and training.

I would also like to address the issue of the superintendency of the U.S. Merchant Marine Academy. We would offer for the committee's consideration the addition of a new subsection which would provide certain qualifications for appointment as Superintendent of the U.S. Merchant Marine Academy and for the term of the appointment. The language is set forth in the written statement, essentially providing he shall be appointed by the President, by and with the advice of the Senate, for a term of 5 years, with a reappointment provision.

The foregoing has similarities to the statute set forth for the West Point and Air Force Academy. There are matters of pay not set forth and would need to be considered before implementation of a final bill.

We feel it is essential that the U.S. Merchant Marine Academy be directed by an individual with maritime experience gained from employment in the marine industry, ashore or afloat, or from service in the U.S. Coast Guard, Navy, or National Oceanic and Atmospheric Administration. We believe that the determination of the Superintendent should be for a fixed term in order to permit rotation such as occurs at other service academies.

We also have suggested certain changes to the bill to reflect midshipmen as opposed to a cadet.

In conclusion, the record of the U.S. Merchant Marine Academy and its graduates is one in which this Nation may take pride as we

collectively face the challenges that confront this industry, the Nation, the economy, and our national defense. We look forward to a cooperative effort with Congress, the Maritime Administration, the State maritime academies, the industry-union schools, and the maritime industry, as a whole, to meet these challenges.

[Mr. Miller's complete statement with attachments follows:]

BIOGRAPHICAL SKETCH OF WALTER McNAB MILLER III

Walter McNab ("Mac") Miller III was born in San Antonio, Texas, on March 10, 1943. He graduated from Douglas MacArthur High School in San Antonio in 1961 and was tendered appointments to the United States Merchant Marine and Naval Academies as well as a first alternate's position to the United States Military Academy.

Accepting an appointment to the U.S. Merchant Marine Academy, he graduated in August, 1965, with a B.S. in marine engineering, a license as Third Engineer Steam, Any Horsepower, and a commission as Ensign, U.S.N.R. Following his acceptance into the Marine Engineers Beneficial Association, he sailed on various cargo, tanker, and container vessels for the next three years in fulfillment of his Kings Point service obligation. During this period he raised his license from Third Assistant to Second Assistant Steam, Any Horsepower, with an endorsement as First Assistant Engineer; he sailed in each of these capacities, including First Assistant.

Following his entry into Georgetown University Law Center in Washington, D.C., in 1969, he served as an editor of the law journal, and graduated in 1972, with a J.D. degree. From 1972 to 1974 he served as a law clerk to a U.S. District Judge in the Southern District of Texas, Houston Division, and was employed from 1974 until 1977 with the law firm of Vinson, Elkins, Searls, Connally & Smith where he engaged almost exclusively in an admiralty practice. He is presently associated with four other lawyers in Houston where he engages primarily in an Admiralty and Civil litigation practice. He is a member of the Houston Port Safety and Advisory Council and is Assistant Chairman of the Council's Committee on Traffic & Navigation Aids. Licensed to practice in Texas, the District of Columbia, and several federal courts including the Supreme Court of the United States, he is a member of various professional associations including the American, Texas, Houston, and D.C. bar associations as well as the Maritime Law Association of the United States, the Propellor Club, and the Houston Mariner's Club.

He presently holds the rank of Lieutenant Commander, U.S.N.R., and is an Assistant Training Officer in Military Sealift Command Office Gulf 110, Houston, Texas, with a mobilization assignment as Commanding Officer, MSCO, Gulfport, Mississippi. In addition to regular duties, he is presently preparing a MSCO mobilization manual in conjunction with another officer (a graduate of the New York Maritime Academy).

Miller has been actively involved with the Kings Point Alumni Association on legislative-related matters since approximately 1972, has been nominated for the position of National Vice President, and is President of the Houston Chapter of the Alumni Association.

He is married to the former Helen E. Keller of San Antonio, who spent several months at sea with him following their marriage in 1968, and he has three children.

STATEMENT OF W. McNAB MILLER III ON BEHALF OF THE U.S. MERCHANT MARINE ACADEMY ALUMNI ASSOCIATION

Mr. Chairman, Members of the Ad Hoc Subcommittee on Maritime Education and Training.

The graduate body of the U.S. Merchant Marine Academy at Kings Point appreciates this opportunity to express our views regarding this bill. On my own behalf, I am honored to represent over 15,000 professionals at sea, in the Armed Forces, and in other fields of maritime industry as well as the memory of the 214 who have given their lives for this nation.

To understand the bill's purpose, it is important to consider not only the role of Maritime Education and Training in this day and age, but the history of Kings Point and the efforts of the U.S. Merchant Marine Academy Alumni Association over the past 10 years to obtain a legally enforceable obligation. The bill before us today purports to be all encompassing and touches many areas of maritime training including those affecting the State Maritime Academics. Because of time limitations, our comments here will focus primarily upon those matters affecting Kings Point and its graduates.

Kings Point

The US Merchant Marine Academy was established in 1938 and made permanent by Act of Congress in 1956. From its establishment to the present, the Academy has graduated over 15,000 well-trained Merchant Marine and Naval Reserve officers. Kings Pointers are serving on U.S. flag merchant and naval vessels on the seven seas, on our inland waterways, on oceanographic and offshore drilling vessels in our fishing fleet, as pilots in the Panama Canal and in our nation's ports and waterways. Equally important, Kings Point graduates are providing leadership for the marine industry in executive posts with shipping companies, shipyards, maritime labor organizations, and in positions with federal and local governmental maritime agencies. The alumni of Kings Point are proud of the record of the Merchant Marine Academy and its graduates. Nevertheless, we cannot rest on past accomplishments. Rather, Kings Point must, like any educational institution, change to meet challenges of the present and the future.

Maritime training today

The needs of the country and the world at large necessitate viewing the oceans not merely as a means of defense, transportation and communication, but also as critically important sources of food, energy, and minerals. Mining the ocean for minerals, fishing the seas for food and drilling the ocean floor for oil pose ecological problems. The use of increasingly larger ships for the carriage of petroleum and liquid gas has resulted in serious safety threats as well as potential environmental problems.

The industry has become not only vastly complex but in many respects, more dangerous. You may recall that a single gallon of LNG, "Liquid Natural Gas", recently escaped from a shoreside storage facility at Cove Point, Maryland, on the Chesapeake Bay and caused a horrendous explosion that destroyed a concrete blockhouse and killed one man. Our industry today has ships which carry hundreds of thousands of gallons of LNG across the seas, through congested shipping lanes, and into heavily populated port areas. We also have concerns over pollution and vessel safety that result from the use of huge oil tankers. Evidence of the collision between the oil tanker *Burmah Agate* and freighter *Mimosa* near Galveston. The vessels collided on November 1, 1979 with 32 dead or missing. The *Burmah Agate* is still afloat and burning, having spilled thousands of tons of oil into the Gulf.

Because of serious safety and ecological threats such as I have mentioned, the large and small maritime nations have reviewed and strengthened the requirements for the training of merchant ship's officers.

The United States has been in the forefront at meetings of the International Maritime Coordinating Organization in advocating that high standards be set by the United Nations' agency for the licensing of ship's officers. When implemented, the new standards will mandate changes in the training programs of all Maritime training institutions to ensure a minimum of one year's shipboard experience prior to the granting of an original license.

The concerns of the Congress and the nation go far beyond the requirements for an original merchant marine license for a deck or engineering officer. As important as training competent seagoing watchstanders is, it takes more training and experience to prepare for management positions than merely produce junior engineer and deck officers. This is the challenge before the Subcommittee and is the challenge that Kings Point should meet.

This challenge has been recognized by a prior Congress which made Kings Point a four-year institution even though Congress knew that during World War II deck and engineering officers were trained in as little as eighteen months. As West Point seeks to train Generals and not Second Lieutenants, and Annapolis trains future Admirals and not Ensigns, Kings Point must train leaders for an ever changing, ever developing maritime industry, our fourth arm of defense. Indeed, Kings Point should be a University of the Seas.

Mandatory service obligation for Kings Point graduates

We are proud of the record of service of Kings Pointers in place and in times of national emergency. However, we want to ensure that every graduate of the Federal Academy repay the Country for his or her education.

The Alumni Association has repeatedly sought passage of a legally enforceable mandatory service obligation. Our most recent effort, which has culminated in one segment of the bill before us today, was in June, 1977. Attached for your consideration is a copy of our draft bill to show you how seriously we regard this matter, both now and in the past.

A primary purpose of Section 1303(h) (Bill pages 8 and 9) is to create a five year obligation as a return on our federal investment in the training of Midshipmen. As presently worded, we fear it might not be legally enforceable.

At a minimum we suggest the statute must include, as we proposed in June of 1977, the acceptance, in writing, by candidates of the condition that if the requirements of (i) through (iii) of Section 1303(h)(1) are not met, he or she will "serve, upon such terms and conditions prescribed by the Secretary of the Navy, on active duty". We also suggest that, similar to existing legislation in force for Annapolis, West Point, and the Air Force Academy, this bill should address the issue of legal minority by including the provision "If the Midshipman is a minor and has parents or a guardian, he or she may sign the agreement only with the consent of the parents or guardian." See 10 U.S.C. §§ 4348, 6959, 9348.

Candidates for admission to Kings Point or to the State Maritime Academies do not sign an independent contract for active duty in the armed forces. The case law pertaining to individuals involuntarily brought onto active duty in the military specifically points out that the individuals previously entered into "contracts" between themselves and a military agency and that claims that the contract is invalid or has been breached must be decided under "traditional notions of contract law." *U.S. v. Grimley*, 137 U.S. 147, 11 S.Ct. 54, 34 L.Ed. 636 (1890); *Peavy v. Warner*, 493 F.2d 748 (5th Cir. 1974); *Meyers v. Parkinson*, 398 F. Supp. 727 (E.D. Wis. 1975); *Adams v. Clifford*, 924 F. Supp. 1318 (D. Hawaii 1969). As one court noted, "The statement of acknowledgment of the understanding of service requirements constitutes the heart of the contract." *Meyers, supra*, 398 F. Supp. at 730.

Because of the importance attached to the agreement signed by candidates for appointment to Kings Point (and the State Maritime Academies), we would recommend the inclusion of the foregoing language, if only out of an abundance of caution.

We also propose the following language in lieu of that in subsection 1303(h)(2) (Bill page 8, lines 29 through Page 9, line 2): "If the Secretary determines that any Midshipman or graduate of the Academy has not fulfilled the agreement as specified in paragraph (1), the Midshipman or graduate may be ordered by the Secretary of the Navy to active duty to serve the unexpired portion of service provided by the agreement (as determined by the Secretary of Commerce), or to serve three years, whichever is greater. In hardship cases, the Secretary of Commerce may waive or defer, in whole or in part, the requirement of this paragraph."

We believe this expresses the intended meaning and provides the Secretary of Commerce with more flexibility concerning waiver in hardship cases. It should be understood that a Midshipman or graduate who does not accept his commission may be required by the Secretary of the Navy to serve in an appropriate enlisted grade or rating in the Navy or Marine Corps. It is anticipated that this provision will be administered comparable to the Naval Academy's administration of 10 USC 6959(b).

Lack of comprehensive maritime training concept

We are concerned with the failure of this legislation to address the concept of maritime training from an overall standpoint. The type and quality of training of future merchant mariners and the industry as a whole involves the coordination of the several different programs, federal, state and industry, and the desirability of establishing appropriate criteria should be addressed by the Maritime Administration and the U.S. Coast Guard. For example, this bill (Section 1304(c)), like the law it repeals, permits the Secretary to enter into support agreements with as many maritime academies or colleges as there are states; thus instead of concentrating upon coordinating and improving the resources the nation already has, this bill merely restates in nearly exact language the concepts of the original Act as passed in 1958.

This nation now has the United States Merchant Marine Academy serving all states and territories, state maritime academies in Maine, Massachusetts, New York, Texas, and California, an academy for training on the Great Lakes and several industry-union training facilities focusing upon one or more aspects or maritime officer education. Nevertheless, this bill does not encourage coordination of existing training; rather, it permits further dilution.

As it is now, there is more federal money going into industry-union training, over which the Maritime Administration exercises no oversight, than into the State Maritime Academies to whom this bill is partially addressed. To illustrate, as recent House hearings on Maritime Education and Training pointed out, during the period 1950 through 1975, the total Federal expenditure for industry-union schools was approximately \$39.5 million for the period 1950 through 1975 while for state maritime academies it was approximately \$37 million. Hearings before the Subcommittee on Merchant Marine of the Committee on Merchant Marine and Fisheries, House of Representatives, 94th Congress on H.R. 1626, H.R. 9864, H.R. 10413, H.R. 10500 (Maritime Education and Training), 1975, at page 12 (hereinafter cited as "1975 Maritime Education and Training Hearings").

The Maritime Administration further estimated that nearly 74 percent of the funds paid in fiscal year 1975 to eight major industry-union training programs by subsidized companies, came from federal funds. 1975 Maritime Education and Training Hearings at p 13. No State Maritime Academy appears to receive as high a percentage of its funding from federal funds as do at least some of the industry-union schools. New York receives approximately 25 percent (Oversight Report on the Federal Governments Role in Merchant Officer Education by the Ad Hoc Select Subcommittee on Maritime Education and Training, 1978, page 14 [hereinafter cited as "1978 Oversight Report"]), Massachusetts 36 percent (1978 Oversight Report at p. 16), California 28 percent (Id at p 18), Maine 21 percent (Id. at p 20) and Texas 21 percent (Id at p 22) While we do not have records on industry-union schools as a whole, the amount of federal subsidy money received by one industry-union school in 1977 (\$1.8 million) was reportedly 53.2 percent of the school's total expenditures, this amount having nearly doubled since 1975 (Approximately \$985,900 was received in 1975. 1975 Maritime Education and Training Hearings at page 13 [73.8 percent of \$1,336,000], as contrasted with the amount received in 1977. 1978 Oversight Report at p 25) The incongruous situation exists that whereas more federal money is going to industry-union training than to the State Maritime Academies, this bill does not address the need to coordinate overall national priorities and expenditures.

In the absence of a comprehensive and coordinated approach, the number and type of training facilities, the quality of instruction, the duration of the training programs, and the success of this nation in meeting the challenges of modernization and international competition will not be determined by the federal government based upon educational goals, standards, and needs, but rather upon the desires of those who direct these various programs plus the minimum requirements of the US Coast Guard. This is evidenced in part by the report that when, in 1970, the Maritime Administration was cutting back on the number of cadet subsidies to reduce the number of officer graduates in light of projected job availability, at least one industry-union training operation expanded 1975 Maritime Education and Training Hearings at p 68.

Employment opportunities

The need for coordination of training on a national level is further evidenced by the limited number of employment opportunities at sea. We strongly favor sea duty in fulfillment of the service obligation requirements and would like to see all graduates of maritime training institutions provided this opportunity. The training and experience to be obtained by officers from actual watch-standing is, in our opinion, a keystone of professional development and a contribution to this nation's maritime strength.

As this Subcommittee is well aware, and as hearings held by a House Subcommittee have pointed out, the maritime officer unions controlling employment on almost 90% of the United States documented vessels effectively closed their membership books during the period 1970 to 1976 to graduates of Kings Point and the State Maritime Academies because of insufficient jobs available on those vessels. See 1975 Hearings pp. 24-25, 83, 85, 92-93 (The technical procedures by which this was accomplished are described in the hearings at pages 85 to 91.) The impact upon our sea-going employment is obvious. Whereas approximately 94 percent of Kings Point's graduates went to sea before the books were closed, and approximately 94 percent of our most recent graduates have gone to sea, during the period of closure as few as 37 percent of our graduates were able to get seagoing positions. (Id at 25) We have no assurance that this will not occur again in 1982. While shipping has temporarily improved due to retirement of many individuals whose maritime careers began during World War II, the general decline of the American merchant marine, coupled with a trend toward larger vessels with reduced crews suggests only further employment restrictions in the near future.

We are particularly concerned with language of the proposed bill, which would further limit available opportunities. One section of the bill limits employment to United States documented vessels. Section 1303(h)(1)(D)(ii) [Bill page 8, line 4]. This would preclude service on vessels owned by the United States or state governments as well as on other American-owned vessels. We believe that the Secretary of Commerce should have latitude to determine what lies in the national interest and by able to regulate the service obligation of those trained at federal expense, whether it be on seagoing commercial vessels, on oceanographic vessels, in fishing and mining, or in shoreside or other maritime-related industries. This bill does not provide the Secretary with that degree of coordination.

To accomplish the foregoing, we propose that Section 1303(h)(1)(D) [Bill page 7, line 25] be modified by the insertion "upon terms and conditions prescribed by the Secretary" and that in lieu of Section 1303(h)(1)(D)(ii) [Bill page 8, lines 3 and 4] the

following language be used: "as a merchant marine officer on ocean going, inland, offshore, or other vessels"

We would like to point out an additional possible benefit of this change. Our nation has long been concerned with the availability of "Effectively Controlled US Ships", those which are American owned but sailing under foreign flag. The Marine Engineers Beneficial Association already has executed contracts to place American officers on some of these vessels and has correctly pointed out that American crews on such vessels increases the likelihood of compliance with an American demand for the vessel's return in time of national emergency. We believe that this concept should be further expanded by giving the Secretary of Commerce the option to allow graduates of Kings Point and the state maritime schools to sail on these same ships. These graduates who have commissions in the United States Naval Reserve could be called to active duty in time of national emergency. This would lend substantially to the control of such ships.

We would also like to comment upon the maritime-related industry option set forth in (ii) of the same section. [Bill page 8, lines 5 to 8]. Assuming the addition of our proposed language regarding the Secretary being able to establish the "terms and conditions", we believe the present bill's language is adequate. We understand that the Maritime Administration is proposing language which would allow such non sea-going service to not exceed three years except in national emergency. We are not opposed to the concept suggested by MARAD but believe this language might prevent the Secretary from requiring five years at sea except under exceptional circumstances. We believe that the same result intended by MARAD may be more simply obtained by giving the Secretary of authority to establish service.

The maritime and defense needs of this nation require a comprehensive review of maritime education and training laws and policies such as is being given to those pertaining to subsidies. National coordination and control of training and employment opportunities is desirable to justify federal expenditures and maximize the return on investment. It even may be appropriate to consider assigning certain roles to certain training institutions such as having one train for oceanography, one for fishing, another mining, etc. In this way training expertise might be concentrated, professional development enhanced, and competition for available sea-going employment billets virtually eliminated.

Kings Point appointment eligibility criteria

The admissions procedures used at the US Merchant Marine Academy can be compared very favorably to those in use at the military service academies. The language of Section 1303(c) [Bill page 3, lines 22 to 24] implies that an unfair advantage in the selection process has in the past been given to relatives of alumni. We do not believe that this is the case and consider the wording a negative approach to the goal we all seek in a fair admissions process. All schools of higher learning are concerned with the establishment of appropriate criteria for selecting candidates for admission. The suitability of those candidates for meeting the goals of the institution are obviously a high priority. Personal factors indicative of excellence and motivation in the maritime industry should be available for consideration in the selection process. As this subcommittee knows, applicants with sea experience have been given more consideration than relatives of alumni (1978 Oversight Report at p. 11).

We believe that members of the immediate family of all maritime industry personnel are, as a class, likely to have a greater familiarity with the maritime industry and hence have a higher motivation factor. In this regard Congress has gone on record favoring such selection criteria of close relatives. This is evidenced by the fact that each year up to one hundred qualified "children of members of an armed force" may be appointed each to West Point, Annapolis, and the Air Force Academy. See 10 U.S.C. §§ 4342(b)(1), 6954(b)(1), 9342(b)(1) (Supp. 1979).

We recognize the Congressional concern of wanting all candidates judged by the same standards and we approve the concept. We believe this is being done. However, we fear that this sentence, if left in the Bill, would actually serve to discriminate against members of the immediate families of Academy alumni. For example, as between two groups of virtually identical candidates, those related to academy alumni might well be refused admission for fear that their appointment might appear to be a preference, in the absence of some highly identifiable and objective factor favoring such persons, they might well be discriminated against.

Naval training and coordination

As Congress and this Committee have previously recognized, the National Defense of this nation depends in part upon the coordination and cooperation of the Navy, Coast Guard and the Merchant Marine, particularly in time of war. It is for this reason the Merchant Marine is called the fourth arm of defense. We are proud of the

over 380 alumni now serving on active military duty among whom are 6 Admirals including the Vice Commandant of the United States Coast Guard. Because of the importance of this role, the speed with which a modern war can be upon us, and the increased significance of peacetime preparedness, we would suggest certain changes to the bill.

Midshipman training prior to graduation is obviously a critical area in order to maximize the return on our federal investment. The Secretary of Commerce should be given the latitude of using other federal training and transportation facilities in order to reduce duplication of efforts and overall federal expenditures. The addition of the language "shipping companies, military bases and facilities, ports, governmental agencies" to Section 1303(b) [Bill page 3, line 13] would broaden the shore-side training opportunities of the Midshipmen, permit the use of military facilities for national defense training such as for firefighting and damage control, enhance their potential in the maritime industry, and give the Secretary greater latitude in training placement.

We also propose that Section 1303(g) [Bill page 7 lines 4 to 8] be replaced with the following language "While enrolled at the Academy, Midshipmen shall be deemed to have the same status as Midshipmen at the Naval Academy except they shall be entitled to only such pay and allowances as authorized by the Secretary or prescribed in this Title or, when performing active duty in the Armed Forces pursuant to competent orders, as may be prescribed in Title 37, United States Code."

The purpose of this proposed paragraph is to place midshipmen at the United States Merchant Marine Academy on the same footing as midshipmen at the Naval Academy insofar as practicable with respect to matters such as use of military transportation and facilities, while under orders, discipline, medical care, hospitalization, death benefits, veterans benefits, longevity in the Armed Forces, civil service credit, etc., the only exception being active duty pay and allowances prescribed in Title 37, United States Code. For all other purposes, he or she will have the same obligations and benefits as a Naval Academy Midshipman.

Referring to Subsection 1303(h)(1)(D) [Bill page 8, lines 12-16], after "provided", the following wording may be an improvement "That such active duty and any subsequent Reserve obligation in such Service may, except as otherwise provided by law, be substituted for the Naval Reserve obligation set forth in subparagraph (c) of this subsection."

We recommend that phrase "and other seapower forces" be inserted in subsection 1303(a) [Bill page 3, line 5] after the words "merchant marine". While one of the Academy's primary functions shall remain to prepare officers for service in the merchant marine, it has and does serve a secondary role relative to integration of the Nation's total seapower forces by providing up to 12 1/2 percent of its graduating body to enter on active duty in the Navy.

In subsection 1303(f) [Bill page 6, line 24] we recommend inserting after "citizens" the phrase "or nationals". This conforms to the language of 10 USC 6959(3) applicable to the Agreement of Naval Academy graduates to accept a commission.

US Merchant Marine Academy Superintendency

We would also offer for the committee's consideration the addition of a new subsection "1" to section 1303 [Bill page 11 between lines 2 and 3] which would provide certain qualifications for appointment as Superintendent of the United States Merchant Marine Academy and for the term of the appointment. We would propose the inclusion of the following language "The Superintendent of the Academy shall be appointed by the President, by and with the advice and consent of the Senate, for a term of five years, and may be reappointed for a further term not to exceed an additional five years. The individual as appointed shall have a maritime background of experience."

The foregoing has similarities to 10 USC § 4333 (West Point) and 10 USC § 9333 (Air Force Academy). It is believed essential that the United States Merchant Marine Academy be directed by an individual with maritime experience gained from employment in the marine industry, ashore or afloat or from service in the United States Coast Guard, U.S. Navy, or the National Oceanic and Atmospheric Administration. We also believe that the term of the superintendent should be for a fixed term in order to permit rotation as occurs at military service academies.

Midshipmen

Students at the U.S. Merchant Marine Academy are identified as "Midshipmen" rather than by the term "Cadet". We suggest that the bill be revised to reflect this by substituting the term "midshipmen" at the following locations: Bill page 3, line 8, 18, 24; page 5, line 16; page 6, lines 14, 19; page 7, lines 4, 7; and page 8, lines 20, 22.

For consistency, we recommend the insertion of the term "midshipmen" in section 1308(d) [Bill page 23, line 14] after the word "passengers" and before the word "cadets".

Conclusion

The record of the United States Merchant Marine Academy and its graduates is one in which this nation may take pride as we collectively face the challenges that confront this industry, the nation, the economy, and our National Defense. We look forward to a cooperative effort with Congress, the Maritime Administration, the State Maritime Academics, the industry-university schools, and the maritime industry as a whole to meet these challenges.

US MERCHANT MARINE ACADEMY

PROPOSED LEGISLATION IMPOSING SERVICE OBLIGATION

(Draft, June 27, 1977)

Note -- Footnotes are at end of article

The attached draft of proposed legislation will, if enacted, impose a service obligation on graduates of the United States Merchant Marine Academy (Kings Point). Graduates of the United States Merchant Marine Academy are expected to serve in the American Merchant Marine or in the maritime industry for a minimum period of five years in return for their federally funded education. This bill permits, in the event the graduate does not accept maritime employment acceptable to the Secretary of Commerce, that he or she may, at the discretion of the Secretary of the Navy, be ordered to active duty in the US Navy for a period not to exceed five years.

As a condition of appointment to the United States Merchant Marine Academy:

- (a) Each candidate or Midshipman who is a citizen or national of the United States shall sign such agreements as may be prescribed by the Secretary of Commerce that, unless sooner separated, he or she will, upon terms and conditions as prescribed by the Secretary of Commerce--

- (1) complete the course of instruction at the Academy, and
- (2) obtain and maintain for at least six years following graduation an officer's license in the United States Merchant Marine, (grace period not counting), and
- (3) apply for and accept an appointment as a commissioned officer in the United States Naval Reserve, or an Armed Force in which a regular appointment is accepted pursuant to (a)(1) below, and remain therein until the sixth anniversary of graduation, if an appointment in the regular component of an Armed Force is not tendered and accepted, or if permitted to resign as a commissioned officer of a regular component before that anniversary, and
- (4) for at least the five years immediately after graduation serve the National Defense and foreign and domestic commerce* by fulfilling one of the following:

- (i) serve as a Merchant Marine officer on oceangoing, inland, offshore, or other vessels, or
- (ii) obtain and maintain employment, either private or public, in related maritime industries or professions, or in the marine sciences, or
- (iii) accept an appointment and serve as a commissioned officer of an Armed Force of the United States or the National Oceanic and Atmospheric Administration, or
- (iv) perform any combination of (i), (ii), and (iii) above, and

(5) agree that if the requirements of (a)(1) through (a)(4) above are not met, and notwithstanding Section 451 of Title 10, United States Code, to serve, upon such terms and conditions prescribed by the Secretary of the Navy, on active duty, but not for more than five years, including that performed pursuant to (a)(4) above.

* If the candidate has not yet passed his or her eighteenth birthday and has parents or a guardian, he or she may sign the agreement only with the consent of the parents or guardian.

(b) During such period of time that a graduate is carrying, in a course of further training or education approved by the Secretary of Commerce for this purpose, at least one-half of the normal fulltime academic workload as determined by the institution, the obligations of (a)(1) and (a)(2), but not (a)(3), shall be suspended, provided, that such five-year period may also be extended for good cause determined in accordance with regulations of the Secretary of Commerce.

282-6

(c)¹⁰ To be admitted to the Academy, an appointee must take and subscribe to an oath prescribed by the Secretary of Commerce. If a candidate for admission refuses to take and subscribe to the prescribed oath, the appointment is terminated.

FOOTNOTES

The following footnotes indicate, generally, the source of language used, analogous concepts, and/or purpose for drafting changes over prior drafts.

¹ The concept embodies in (a) generally follows that reflected in 10 U.S.C. § 6959 (Annapolis), 10 U.S.C. § 4348 (West Point), 10 U.S.C. § 9348 (Air Force), and 14 U.S.C. § 182 (Coast Guard) which impose obligations upon cadets to (1) complete the course of instruction, (2) accept an appointment and serve as a commissioned officer for at least the five years immediately after graduation, and (3) accept a Reserve commission for six years (Coast Guard does not have this Reserve obligation). Adaptations for Kings Point include (a) Prescribing of terms and conditions of academic performance and post-graduation employment by the Secretary of Commerce in lieu of military environment and applicability of Uniform Code of Military Justice, (2) requirement of obtaining and maintaining an appropriate officer's license so as to provide actual or potential sea-going Merchant Marine officers in time of war or national emergency, (3) obligation of serving in approved, maritime-related civilian employment for five years, and (4) alternative employment option of serving as a commissioned officer on active duty in an Armed Force or the National Oceanic and Atmospheric Administration (NOAA). The maritime-related civilian employment is the primary purpose of the Kings Point training program, being intended in peacetime to benefit the economic security of the United States and to insure the capability of providing logistic support in time of war. The inclusion of NOAA parallels 50 U.S.C. App. 456(d) relating to acceptable service of NROTC graduates and also recognizes the role of NOAA which is also sponsored by the Department of Commerce.

² Use of the plural contemplates possible need of Secretary to resubmit agreement to Midshipment reaching the age of majority after beginning the course of education and signing an initial agreement.

³ Requirement of "obtaining" a license reflects a primary purpose of the Academy as described in note 1 *supra*. Requirement of "maintaining" the license reflects an intention to provide a potential nucleus of qualified officers for national defense, regardless of actual employment. Requirement of six years is to parallel the six-year Reserve obligation required by all academy graduates except Coast Guard. As a practical matter, under the current five-year license provisions, this would necessitate at least one renewal and would provide a potential nucleus for ten years. The statutory language used expressly omits any specific limitation, such as "third" officer or "unlimited" horsepower. This requirement is subject to the terms and conditions prescribed by the Secretary of Commerce and would permit adaptation as national requirements and US Coast Guard regulations necessitate.

⁴ The six-year Reserve obligation imposed immediately upon graduation is worded nearly identically to the Reserve obligations imposed upon other academy graduates. See note 1 *supra*.

⁵ Five-year service obligation parallels active duty requirement for other academy graduates. See note 1 *supra*.

⁶ Language taken from Declaration of Policy of the Merchant Marine Act of 1936, 46 U.S.C. § 1101.

⁷ The applicability of service in NOAA as described in note 1 *supra*.

⁸ As the proposed statute reflects, the combination of employment activities is subject to terms and conditions prescribed by the Secretary of Commerce.

⁹ The concept of contractually agreeing to service obligation is drawn from 10 U.S.C. § 4348 (West Point), 10 U.S.C. § 9348 (Air Force), and 14 U.S.C. § 182 (Coast Guard). In each service academy, cadets formally enter their respective Armed Services at about the time of entering the academy. Should they fail to fulfill certain agreed obligations, such as completing the course of instruction or accepting appointment as a commissioned officer, the cadet, already being a member of the service, may be transferred by the Secretary to the Reserve in an appropriate enlisted grade and called to active duty for such period of time as the Secretary prescribes but not for more than four years. The language utilized herein provides that the Secretary of Commerce will establish the terms and conditions of satisfactory performance and the Secretary of the Navy may, but is not obligated to, call the individual into active service. The Secretary of the Navy is further authorized to determine whether enlisted or officer status is appropriate under the circumstances. For example, the Secretary of the Navy may elect to impose an enlisted status for (1) failure to complete the course of instruction, (2) failure to "obtain", but not "maintain", a license, (3) failure to "obtain", but not "maintain", appropriate civilian employment, or (4) failure to "apply for and accept" a Reserve commission, but not failure to meet Reserve commitments satisfactorily over a six-year period. Each of these breaches of agreed obligation would arise before or at about the time of graduation and would indicate a significant violation. This would be similar to the failure of service academy graduates to accept their commissions as officers, thus resulting in their enlisted obligation.

The Secretary might elect to impose officer status for the breach of obligations initiated but not maintained for the appropriate five- or six-year period. This might be used, for example, for (1) failure to "maintain" a license for six years; (2) for failure to "maintain" appropriate employment for five years; or (3) failure to satisfactorily meet Reserve requirements. In the absence of the Uniform Code of Military Justice, this would provide a means for insuring the obligations initially accepted are continued for the full five years. Furthermore, the Navy, by utilizing these graduates in an officer status, would obtain more benefit from the education, training, and experience than might result in an enlisted status.

¹⁰ This language is substantially verbatim to that of Annapolis, West Point, and Air Force Coast Guard does not have a similar provision. See note 1 *supra*.

¹¹ The concept and some of the language permitting a temporary suspension of the running of

the five-year obligation while engaged in training or education, as well as the extension of time for "good cause" is drawn from 20 U.S.C. § 425(b)(3) which relates to the repayment of loans made under the National Defense Education Act.

¹³The language of this provision is nearly identical to 10 U.S.C. § 9346(d) (Air Force)

Mr. AUCOIN. Does that complete your statement? Do you have additional views?

Mr. MILLER. The only additional comment which I wanted to offer pertained to the prior speaker, Admiral Benkert, who was asked the question as to what was the practice at the other academies during the period of their 4 years there. I looked into this matter—

Mr. AUCOIN. With regard to what?

Mr. MILLER. With regard to their obligation, if any. I looked into this matter 2 years ago and spoke with individuals at both Annapolis and West Point. I don't know if it is necessarily the current policy today, but the practice then was that if an individual midshipman or cadet dropped out of the Academy during the first 2 years, he was released with no military obligation. Any time after 2 years, he was usually called onto active duty in an enlisted capacity for some length of time, set at the discretion of the Secretary.

The Secretaries have the statutory authority that they can call the individual into enlisted service anytime after he signs his contract with the Navy or with West Point. The purpose of this is in order to avoid having somebody start at the school and deliberately drop out during a military confrontation in an effort to avoid service obligation.

We are ready for any questions you may have at this time.

Mr. AUCOIN. We appreciate your testimony. You have made a number of suggestions for amendments to the bill. I think these suggestions deserve staff review, and I have instructed the staff to do so. I want to focus my questions today on a number of these for that reason, particularly the more technical amendments that you have suggested.

I think at the outset of the question-and-answer session, however, I should give the alumni association an opportunity to speak with regard to a number of the criticisms that have been ballyhooed in the press. I think it is only fair, as members of the alumni association, that you have equal time, and have an opportunity to give your side of the story, particularly to accusations made by the Philadelphia Inquirer in a most notable series of articles critical of the institution that you represent.

So, in the interest of giving you that equal time, let me pose some of the criticisms that I have gleaned from the articles as I have read them.

The first one—and I am quoting in each case—the Philadelphia Inquirer said—

According to Federal tax documents, the Kings Point Fund spent \$3,546,264 for program related disbursements from 1973 to 1976. Of that amount, the fund's tax-exempt returns show, only \$134,704 was specifically identified as contributions, gifts, and grants to the Academy student body.

It goes on to say, "The fund gave the Academy gifts and contributions totaling \$141,590 in 1977. That same year, it spent \$979,650 on expenses related to the America's Cup Race, held off Newport, R.I."

Would you care to comment on that statement in the Philadelphia Inquirer?

Mr. MILLER. We will do so generally. Since that was not related to the bill, I did not bring the statistics which would refute this argument.

Mr. AUCOIN. Your testimony ranges across a broad spectrum, too, and I think since we are dealing with the whole area in the same spirit, I want to afford you this opportunity to have your day in court and answer the Philadelphia Inquirer.

Mr. MILLER. We will be glad to submit to you the exact breakdown of these figures that were reviewed by her. We believe they were highly inaccurate. Almost the entire amount of money that comes through the alumni association is donated in one fashion or another to the Academy, to the benefit of the institution and to the students.

The Lundy Estate, almost all of the facilities that have been bought by the association, the contributions that have been made to the various academic programs, including the sailing vessels identified as being owned by the alumni association, are there for the benefit of the cadets and the maritime industry, as a whole.

I will be glad to provide to you a more detailed breakdown. The figures, the readings, and the statistics that were presented in the article are highly misleading and very selective.

Mr. AUCOIN. It would seem to me that the statement that the association spent \$979,650 on expenses related to the America's Cup Race is a rather specific figure, not a general accusation. Do you have any comment on that? Is that anywhere close to the mark?

Mr. MILLER. Personally I don't know. Just a moment.

Mr. YOCUM. Yes, I think it is close. I don't have the figures with me, either, Mr. Chairman. We could, as Mac said, I think, get back to you with any kind of that sort of documentation. I don't have those numbers with me, either, but it is general knowledge, I think, that to launch a successful defense of the America's Cup, it takes about a million dollars.

Mr. MILLER. Also on this point, Mr. Chairman, the alumni's purpose of getting into any of the boat activities, is that following their acquisition they are used by the Academy, and then are subsequently sold at a later time, the attempt being to make a profit from the sale. Now, in the year they were purchased the bottom line might not show the subsequent profit. Whether there was overall profit from this vessel, I don't know at this time.

Mr. YOCUM. I would add that we did end up selling the boats last year. We sold *Courageous* and *Independence*, and that was—what did we get? A million five, I think. At any rate, we are not involved with the America's Cup in 1980. I think really by design we got out of that business really 2 years ago. But it takes you a couple of years to get out of the business.

Mr. AUCOIN. Whether it is \$979,650 or \$97,000, whatever the amount is, are those contributions tax-exempt contributions?

Mr. YOCUM. Yes, a tax-exempt contribution to the Kings Point Fund, as are any other boats that come into this foundation or any college foundation that is set up to receive either moneys or other gifts in kind.

Mr. AU COIN. The Philadelphia Inquirer's article seemed to indicate there was an inappropriate aspect to this kind of usage of tax-exempt contributions to the fund, that this kind of tax-exempt contribution is inappropriate.

Mr. YOCUM. I don't see anything improper per se. I think, though, when you do engage in receiving, say, boats to your charitable foundation, it immediately waves a red flag to the IRS. They figure maybe that isn't a proper transaction, so I think what you learn out of all that is if you have a large transaction, you should check it out with the IRS first, and say we would like to take such-and-such a boat; how do we do it? This is what was done.

I would add that the returns for the 1970's, I am not sure how far through the years, have been audited by IRS. They were cleared, I am sure, through 1976, and that just came last December 23.

Mr. AU COIN. I understand that. The point the Philadelphia Inquirer is asking by inference at least, and I thought perhaps you would want to answer it, is whether it is more appropriate to use money of that magnitude for sailing competition, as opposed to the direct benefit of the midshipmen at the Academy.

Mr. YOCUM. They get the benefit eventually. They don't maybe the year that the transaction is made, but they get the benefit when the boat is sold.

Mr. AU COIN. What has happened with the funds that you have collected as a result of the sale of the boat?

Mr. MILLER. A substantial amount of it went into the Lundy estate, which I believe was paid off within the last year. When we are trying to benefit the Academy and the midshipmen, we have limited available options; we can either ask everybody to donate money directly, or we can attempt to do like other colleges and go out and get tax-compensated-type programs, or we can go and ask the Federal Government to please give us some more money so we can do something we think would benefit everyone.

Because the amount of direct contributions are necessarily limited, we review the tax opportunities which Congress has established in order to benefit institutions of higher training. We have had to look at such things as donations of estates; we encourage people to go into estate planning, which is a tax deferral procedure which will benefit the Academy.

Mr. AU COIN. I was an administrator at a private college, and I am well acquainted with estate planning, deferred giving and all of these methods of supporting an institution, particularly within the ranking of the alumni association. At Pacific University, where I worked, we didn't have to invest first in a sailing vessel for the America's Cup. It is possible to set up a deferred giving program for a major amount of targeted expenditure of a major amount of money, close to \$979,650, maybe, for, say, an initial payment toward a simulator for the additional training of the midshipmen, which is of direct benefit to them. Did that ever cross the alumni association's mind?

Mr. MILLER. It may have, I believe, and I am probably not the individual to speak on this point, because I get my information long past the decision time on this, since I was not involved, but it was my understanding that when the America's Cup concept came



up, and this was coupled with the period of time that we had the 200th anniversary of the United States what we were concerned with doing was obviously trying to do something that would provide economic remuneration to the Academy and the midshipmen at some point as well as to bring to the school some publicity and attention which we felt was deserved, and this was one of the concepts that was used.

Whether or not with hindsight it was the best concept, I personally do not know, but it was with good intention that we entered into it.

Mr. YOCUM. I think the answer to that is that the simulator was already in the Federal budget, because that was built really by the Federal Government—

Mr. AUCOIN. You mean the research simulator?

Mr. YOCUM. Yes.

Mr. AUCOIN. Kings Point midshipmen don't have access to that for training purposes?

Mr. YOCUM. Not on a regular basis, but I think as we look down the pike in the 1980's, they will, especially if the simulator time is going to count on the IMCO requirements.

Mr. AUCOIN. That doesn't square with the information I received during my visit to Kings Point.

Mr. YOCUM. Well; that is very possible. This is just from my point of view. I think they should run that equipment 24 hours a day; it is like putting on the third shift.

Mr. AUCOIN. They have to pay for it. That is the problem. As you have individuals the alumni association, of course, is a source of funding for program enrichment at the institution. I wanted to raise that point.

Mr. YOCUM. At the same time, the Lundy estate, which the alumni association, in effect, purchased, could not be acquired by the Academy. That half million dollars could not be put into the budget requirement for the school, so the alumni association pursued that goal to provide eight adjacent acres to the campus for any possible future expansion and future need.

Mr. MILLER. Also, Mr. Chairman, I spoke just last week with the director of the NMRC and was advised that there is a program at the simulator which is allowing first classmen to participate in some kind of a limited program. I don't know the nature or extent.

Mr. AUCOIN. If it exists at all, it is limited, because I remember very well talking with a midshipman late into the night in one of the halls at Kings Point. We sat down and had a lengthy talk and one of the things the midshipman indicated to me was he would love to have the professional training opportunity, to have access to that simulator; but they don't. And if they do, then indeed it is limited. And I think we need to think about these kinds of things in that context, and I think you can see that is probably why the press gets on your back.

Mr. MILLER. Believe me, a year ago, when I was at the Academy, I was all in favor of encouraging the use of the simulator. The problem was the available time. They were training pilots for use up there in the Valdez area, and they couldn't squeeze midshipmen in at that time.

Mr. AUCOIN. They are offering time on a cost basis, and the point is, a lot of organizations could help the institution on behalf of the midshipmen at Kings Point, including yourselves.

Let me ask you about this statement in the Philadelphia Inquirer which you have referred to:

Although the Academy's fundamental purpose is to train officers for shipboard duty, the Academy owns only eight lifeboats and three motor launches. It is the alumni fund that maintains a fleet of 60 dinghies, 7 larger sailboats and two large power craft at Kings Point.

Does that seem to be a fair criticism? It was meant to be a criticism by the reporter at the Philadelphia Inquirer.

Mr. MILLER. I don't see it personally as a criticism. The situation we have is if the alumni had not purchased them, either the midshipmen would have been doing without or the Federal Government would have to buy the vessels at taxpayer expense. We have made available necessary dinghies and vessels for the use of the midshipman without having to burden the taxpayer, so in that regard I think the midshipmen have benefited and the Federal Government has saved money.

Mr. AUCOIN. Does the administration have access to those vessels whenever they need them?

Mr. MILLER. I think they are used almost exclusively by the midshipmen. They are not reserved for anybody in particular.

Mr. AUCOIN. This is the opportunity for you to get those kinds of facts on the record.

The Philadelphia Inquirer states,

Although the alumni fund's tax-exempt status is supposed to preclude it from lobbying, the fund spent \$140,000 over 18 months beginning in July, 1976, in a successful lobbying effort to "save Kings Point" from two threats—a proposal by then President Gerald R. Ford's budget advisers to charge tuition at the school, and an inquiry by the Congress' General Accounting Office as to whether the Nation really needs the Merchant Marine Academy.

What are the facts in that case? What would you say in response to that?

Mr. MILLER. First of all, I was not prepared to address that issue. I will find the facts and statistics and give them to you, but, generally speaking, the tax laws provide that we are allowed to use certain sums of money for information and for disseminating information pertaining to the Academy, the alumni association, and certain of our expenditures were utilized in that.

I don't think this would be regarded as lobbying. We have had legal counsel that was involved on this aspect, and I am sure we were in full compliance with the law.

Mr. YOCUM. I don't know whether you know exactly where that money came from. We have no secret about where it came from. Some years back, people paid \$15 to become a member of the alumni association, \$15 dues annually. However, you could become a lifetime member, by paying—this was 20 years ago—\$100, and then it went up to \$300, \$500, and so on.

So that money that came into the alumni association had no bearing on the Kings Point fund at all.

Mr. AUCOIN. Were those tax-exempt contributions?

Mr. YOCUM. Not in those days, no, because dues were not made a deductible item until about 2 years ago. So at any rate—

Mr. AUCOIN. Are we talking about the period around July 1976?

Mr. YOCUM. We are. At any rate, that money was in our stock portfolio, most of which we cashed in to really support Project ACTA, which at that time was set up to, I would say, successfully defend the school from the period of the temporary lockout of union-controlled jobs to graduates, which no longer exists, but our midshipmen graduates could not get jobs, and there was a great pressure to, well, you know, the easiest thing to do is throw the baby out with the bath water, so we didn't want the Academy thrown away by detractors; so we fought, not only for the survival but for the development of the school from that point on, and I think things have corrected themselves.

We are very proud. I would say, equally proud of Lane Kirkland, one of our graduates, the current president of the AFL-CIO, and Captain Lowen, head of masters, mates and pilots, I would say, as we are of our Captain Clark, the chairman of the board of Delta Steamship Co., or Ed Heine, U.S. Lines.

At any rate, I think that expenditure was entirely worthwhile. There was nothing wrong about it. There were no funds misused in any sense of that word, because none of the moneys that were given to a charitable fund were, in effect, used.

Mr. MILLER. We also asked for money and donations directly for use in Project ACTA, and we received some sums of money for that purpose, which would not have been tax-exempt. I don't know the breakdown, and I don't know what figures were used in the article.

Mr. AUCOIN. You realize these statements are not my statement, but statements which were put into the public arena by the press, and I think are relevant to the discussion.

Mr. YOCUM. I don't know the reporter who picked up this twaddle, but apparently she started with all the disenchanting types around the school.

Mr. AUCOIN. Are there a lot of those?

Mr. YOCUM. Apparently one leads you to another. I don't know. I don't know the people personally she talked to.

Mr. AUCOIN. Mr. Yocum, all I am doing, I want to make it clear, is giving the alumni association an opportunity to respond to statements that I think are highly suggestive. As we discuss this legislation, we all understand that these kinds of charges are in the background, and a day in court seems to be perfectly justified, and you deserve to have that day in court.

Mr. YOCUM. I think the best statement she made was around the moral obligation. I think it is a shame we don't have that codified, and I told this person that on the phone in about a 5-minute conversation. She said, why are you so interested in moral obligation, in codifying it? I said, why not, because the moral obligation, the way I analyze it, is not too little on the midshipmen; it is too much.

That is a great burden for somebody to have a moral obligation because is it to the Government, is it to your peers, is it to yourself? I think it just leaves everybody at sixes and sevens. If they know exactly what is expected before they come into the school, and they sign this intent, which they do at Annapolis and West Point, we have no problem.

Mr. AUCOIN. I noted at the end of your testimony, in the conclusion statement, that you refer to your willingness to work in a

cooperative effort with all the interests involved. Do you think the recommendations that you have laid forward are in that spirit?

Mr. YOCUM. Yes, sir.

Mr. AUCOIN. It seems to me that what you have done in your statement, is to bait the industry-union schools. You have certainly baited the State academies. Is that your definition of cooperation?

Mr. MILLER. No, not at all. I am not sure what you mean by baiting. To the extent that I feel that the industry-union schools ought to be brought under the total umbrella, I think this has to do with the overall interests of the Nation, in trying to make sure that we coordinate and make sure that the left hand knows what the right hand is doing. Now with regard to the State schools, I am not at all sure what you mean by baiting them. I was just merely suggesting that they too ought to have some sort of obligation.

Mr. AUCOIN. Let me take the State schools. Let me first of all refer you to what I would consider one of the most objective studies done on the status of maritime education and training, the oversight report this committee is working from. It indicates that the subcommittee believes, after examination, that while many details may need to be corrected, quoting from page 3, "while no master plan has produced the current system of academies," that the current system is basically sound.

One could argue, for universal kinds of measures, but one of the things this committee has to look at is the oversight report by the Studts committee, and the conclusion that the committee reached.

Let me find the part of your testimony regarding State academies. It would seem to me that if you have not baited them, on page 12 of your statement, you have certainly offered some thoughts that would arouse their interest. Here, you are talking about the Federal Government "assigning certain roles to certain training institutions," having one train for say oceanography, one for fishing, another for mining, and so forth. What that does, of course, is to completely contravene the State accreditation system of the State academies, their own State charters, and I think it poses a constitutional question. If that does not at least arouse the interests of the State academies, I don't know what would.

Mr. MILLER. That wasn't our intent. What our intent was was to look at the maritime training from a birds-eye view. The bill talks about regional training centers. It talks about State schools. It seems to contemplate that the Federal Government is going to involve itself in education and training at some type of various institutions at places possibly yet undesignated. We have heard testimony today about facilities that are involved in the towing industry, others that are involved in the offshore industry, some that are concerned with fishing.

Mr. AUCOIN. How would you like to be a State academy, say in Texas, and be told by Congress that your State academy henceforth is going to produce graduates and develop a program exclusively devoted to fishing?

Mr. MILLER. Well, I am sure that if I were from the Texas Maritime Academy, I would probably think twice about that.

Mr. AUCOIN. You wanted to know what I meant by my statement that I think your testimony may bait some of the State academies.

Mr. MILLER. That was not the purpose. One of the concerns that we have is we have had testimony from other individuals associated with the State academies saying that the Federal Government needs to come up with more money for building training ships. They need to come up with more money for fuel oil. You have heard this testimony last week, I believe, suggesting that you increase it from \$100,000 to \$200,000 as the basic grant; that instead of having limited number of subsidies, that you subsidize all the students. What I am saying is that possibly in the overall concept, the Federal Government might decide all right, let's encourage the State of X to set up a training institution for some particular purpose, and if it is worked together and coordinated with them and they agree, then you could use that as a particular training institution for some specified purpose.

You would have the nationwide attraction to potential students that the bill currently requests. They have to bring in so many students from out of State, so that instead of having conceivably every training institution doing a little bit in a lot of fields, you could actually improve the industry by making each school a magnet in one field, by coupling the concept with such things that the State felt it needed such as an increase of the basic grant, or possibly increasing the number of subsidies. These are things that the alumni association has not analyzed or discussed in detail. We would certainly talk with the State schools in order to think this out before we could make specific recommendations.

The point that we were trying to bring out is that we think somebody somewhere ought to give thought to this. Where is maritime training going in the future? We don't necessarily feel that this overall concept has been thought through at this point in time, and that is what we are trying to encourage.

Mr. AUCOIN. First of all, you are not talking about possibilities in your statement. If you want a chance to clarify it now, I think you should. You are not saying that the Federal Government should possibly encourage the State academies to focus on narrow specific missions;—you are saying that the Federal Government should assign certain roles to training institutions. You are saying that this Congress ought to consider the assigning of those roles, so if you want to amend that testimony, I think now is the time to do it.

The other point you may have just made—and I want to make sure I understand this—is that at least this part of the testimony may not be the opinion of the alumni association.

Mr. MILLER. No, sir, that is not what I was saying. What I am saying is that from a national standpoint, there needs to be coordination. There needs to be perhaps consideration of an assignment or roles. Now we are not saying that the Federal Government ought to come down like Big Brother and say this is what you are going to do, like it or not. What we are saying is that there ought to be an assigning of roles in the maritime training industry, which is not being done today. It is left in a hodgepodge fashion. There is no one that is attempting to put together an overall concept of training.

Mr. AUCOIN. Do you know what that reminds me of? We can talk about desirability. What that really reminds me of is the

Humphrey-Hawkins Act, when it comes to jobs programs. A lot of people felt with great intentions that we ought to pass an all-encompassing public works jobs bill whenever unemployment reached a certain level. People from within your ranks in the professions and industry descended on Congress and said: Look, there are limits to how far the Federal Government ought to go in trying to organize the world in what it conceives to be the perfect manner, and with all due respect, I think that while the theoretical values of all-encompassing and universal coordination sounds desirable, it still in a practical sense weighs a lot with me as chairman of the subcommittee which says that the system that has developed is working.

While I use the Humphrey-Hawkins Act as an analogy, I see it as an example of the problem of the Federal Government going to the port of Houston, saying that what we are going to do now in terms of having a universal and national port policy for the United States is to designate the port of Houston as a port specializing in grain shipping in 10-meter containers, and then the port of Galveston for oil shipping in that region of the country. I would imagine that would not set too well with the officials of the Port Commission and the port of Houston, having the long arm of the Federal Government assigning a role in that fashion.

That is the problem I think that you raise when you get into what theoretically may sound good, but in a practical sense causes real problems.

Mr. MILLER. One of the concerns, Mr. Chairman, is if the system were working well, then why for 6 years was it necessary to exclude nearly all of the State and Federal academy graduates from the U.S. documented vessels that this bill purports to address? This is part of the concern that I had, that if it were working well, then current practices would be acceptable service, but there has been some congressional concern with regard to shoreside implementation of an obligation and jobs in the maritime industry.

Mr. AUCOIN. I am not trying to get in an argument, but I do not think the Oversight Committee is saying that we have a utopia. I think the Oversight Committee states the system is basically working. There may be problems of many kinds, including perhaps the response of Kings Point onshore graduates who failed to respond to the call of the Federal Government during the Vietnam war crisis, to serve in a sea capacity. That might also be a failure in the system. We will never arrive at the point of perfection, I am sure.

Mr. MILLER. Certainly, but I am not sure that that is necessarily the case, that there was a failure. It is my understanding that Congress elected not to pass an emergency bill during the Vietnam crisis. Hence anyone that went to sea or into the Armed Forces out of private industry would not have had their jobs protected upon their return, so you are asking people to terminate a career ashore in order to return to the sea for a short period of time of whatever length of time it was, and then return ashore when the maritime industry was no longer having these sea-going job availabilities.

I would point out that during the period of say 1966 through 1969, which was one of the critical areas, that the number of graduates from Kings Point that went sailing was from a low of

96.8 percent to 100 percent, so the graduates from the Academy itself that answered the call of the Nation was very high.

As I pointed out in my coversheet on my background, I graduated in 1965, and I sailed for 3 years. Nearly everyone I know out of my class sailed during this period of time, so those of us that were in the Academy during the Vietnam crisis went to sea and fulfilled our obligations. Now whether any individual that may have left the sea sometime ago left his shoreside employment to go back to sea and fill up a billet, I do not know the statistics on that. I don't even know if anyone has that data.

Mr. AUCOIN. Of course, to the extent that happened at all, that is the problem.

You mention on page 12 of your statement, and I am using your terms:

The admissions procedure used at the US Merchant Marine Academy can be compared favorably to those in use in the military service academies

Yet in the oversight report on page 4 it clearly states a firm conclusion, based on the study that I mentioned; "The admissions preference given to close relatives of alumni should be ended."

On page 11 of the oversight report it states:

Applicants who are close relatives of a Kings Point alumnus active in the maritime industry receive a 2-percent bonus. Those who have sailed on a US-flag merchant marine vessel as a certified seaman for 6 months receive a 3-percent bonus.

That is the advantage I think that a number of witnesses have testified ought to be ended.

Mr. MILLER. As I understood from this, the language of the report says that applicants receiving the 2-percent bonus were close relatives of a Kings Point alumnus active in the maritime industry; not just being related per se was enough to give you the points. The relative had to be "active" in the industry. Again, the concept, as I understand it, was they were looking for indicators of motivation and potential in the maritime industry.

Mr. AUCOIN. Does being a relative of somebody who is active in the industry mean a higher motivation?

Mr. MILLER. Not per se, obviously.

Mr. AUCOIN. Don't you think we ought to perhaps have the institution evaluate more concrete measurements than just simply the happenstance of one's birth, in making a judgment as to who gets into an academy and who does not?

Mr. MILLER. Certainly.

The problem we have here, though, is, from my information based on the eligibility criteria for the various academies, you can only quantify certain objective standards up to a point. You can ask for their SAT scores. You can ask for their class standing. You then get to a point where you run out of objective criteria. You have to look at other subjective factors. How does he talk, what is his family like, where does he come from, does he have letters of recommendation, what do people say about him? In that area, indicators of maritime training, background and experience obviously ought to be given some consideration. I agree, I don't think there is any dispute on that, that no one automatically ought to get any percentage points just because he is related to anyone.

Mr. AuCOIN. Then that part of the past practice the alumni association disagrees with?

Mr. MILLER. Yes, we do. We do not agree that there ought to be a fixed percentage given for any individual.

Mr. AuCOIN. That is exactly what the language of the bill before us does.

Mr. MILLER. No, sir. We would disagree with that. The language says that no preference shall be given. The problem we have there—

Mr. AuCOIN. Isn't that the same thing?

Mr. MILLER. No, sir. I think that first of all if you put it into the statute, you run across the problem of what happens, when you get two individuals that are virtually identical in all respects and you have to decide who fills that billet.

The concern we have is that the administrators, knowing that the statute says, "Thou shalt give no preference," may automatically exclude anyone that is related to a Kings Point graduate for fear that somebody will accuse him of preference, or somebody will initiate a lawsuit, and then they are going to have to put together something the equivalent of an environmental impact statement to justify why they gave an appointment to one person and not to another.

Mr. AuCOIN. Do you mean to say that having statutory language that says there shall be no preference would be interpreted to mean that the tilt ought to go against the relative of the Kings Point alumnus? I find that astonishing.

Mr. MILLER. I don't see what is so astonishing about it. What would you do from an administrative standpoint with two people, and you have to make a decision? Isn't there the concern that you can be accused of preference merely by appointing someone that is related?

Mr. AuCOIN. I think if you have a series of criteria that you consider in an admissions process, you can go through them and if all things are equal, you can make a judgment call. I don't see where you can argue that that ends up discriminating against the relative.

Mr. YOCUM. Can I kind of jump in here for 1 minute?

Mr. AuCOIN. Yes.

Mr. YOCUM. I hope that when you are up there you have a chance to talk to Captain Jenkins, who is the chairman of the admissions department.

Mr. AuCOIN. I did, yes.

Mr. YOCUM. And he is a very attractive black man who I think goes out of his way to go right down the middle on most decisions, and in fact we have had many talks about trying to make the Academy more national in scope, going around and really trying to recruit people from States from which we have no representation, and maybe he told the story about going to New Mexico, where he was looking for talented Indians, and he went to the schools and he said the ones who have the high SAT's are really just not interested in the sea.

So, you know, he just could not find an American Indian out there who was interested in going to sea, that kind of thing. I think he has done a superb job, and I don't think he bends the standards.

What I am saying is he keeps the standards high. You have to have the SAT's, because it is unfair to bring somebody in who really does not have the scores.

Mr. AU COIN, Mr. Yocum, you know that I am not saying that the admissions director at Kings Point is an unprofessional person. He deals with the policies that are laid down for him to work with. The Oversight Committee speaks to the point advantage given to relatives, and you indicated that the admissions procedures aren't his. He deals with those. He is told what to do. He follows as best he can in a professional manner.

You have indicated those procedures can be compared favorably, and I am, indicating that the Oversight Committee report, which comes from a slightly different perspective than you, has done a study free of institutional loyalties. Sometimes I think that freedom of institutional loyalties can lend a degree of objectivity.

The oversight report indicates that there are problems, and that is one of them. Another one is the ability to shop around for nominations, and that is different than any other academy, service academy, so at least according to the oversight report, there is another instance where the Kings Point admissions procedures do not compare favorably to the other academies.

Mr. YOCUM. True, but at the same time I am sure that is remedial, and I hope it is going to be corrected.

Mr. AU COIN. And that is the spirit in which we are approaching the entire piece of legislation.

Yes, sir.

Admiral ALBRIGHT. Could I give you a concrete example here? The proposed language is, "No preference to members of the immediate family of Academy alumni shall be granted in selecting cadets."

Suppose you have—and I am certain you will have—situations where a child of the immediate family of a Kings Point graduate has sailed say for 6 or 12 months or so as a wiper or an ordinary seaman, and you have another situation where a son or a child of a person not a Kings Point graduate had done so. You would have a situation there exactly where you would be giving preference to a candidate who had sailed, because he was not a son or a daughter of a Kings Point graduate where as otherwise you would not give such credit to the Kings Point graduate's immediate family. I think it is clear you will have such situations arise under this language.

Mr. AU COIN. I am not sure that is the case at all. You have referred to the case of a relative who has had sailing experience. I would think that sailing experience in that individual's case would be a motivation factor, not the fact that he was related to a Kings Point alumnus. It would be on the basis of that, that one could meaningfully argue that there is a motivation factor, not because of the happenstance of his birth.

Admiral ALBRIGHT. It does not state that no preference shall be given because they are members of the immediate family. It states that "no preference to members of the immediate family shall be granted in selecting cadets." So if you have any preferences whatsoever that are given, they cannot be given the immediate family of Kings Point graduates under this language, as I read it—

Mr. AU COIN. You have raised a technical point that I will absolutely guarantee you that the staff will look into. If it turns out that there happens to be a relative of a Kings Point alumnus who has demonstrated motivation on the basis of sailing experience or something else, I am not going to deny that Kings Point alumnus' relative through this legislation an opportunity to get in, in the face of strong motivation criteria that can be adequately and meaningfully measured on other bases. We will fix that to the extent it needs fixing at all. I appreciate your bringing that up.

Mr. MILLER. Mr. Chairman, I think perhaps our concern is obviously we are both lawyers and we may be overly concerned about what someone might do in trying to litigate it. We feel that the standards and criteria and things like this are appropriately set down by regulation, where they can be reviewed and considered by an appropriate authority. We are concerned that by insertion of the language in the bill, which I might add no other service academy has in their legislation, it could cause an unhappy precedent, which would lead to the detriment of anyone related to a Kings Point alumnus. We may be talking about something that won't arise.

Mr. AU COIN. You are not identical to any other service academy.

Mr. MILLER. No, sir, we are not identical.

Mr. AU COIN. There are very important differences between your academy and the other service academies.

Mr. MILLER. Are you suggesting, sir, then being a relative of a West Pointer is inherently, if they are given automatic credit, that this would be appropriate, whereas it would not be for ours?

Mr. AU COIN. No, the answer to that is no.

Mr. MILLER. But what I am saying, though, is that these matters I think are handled at other academies by regulation or by policy decision without setting down in a statute.

Mr. AU COIN. My jurisdiction deals with merchant marine education and training, not West Point, nor the other academies.

Let me ask you just two additional questions. You indicate on page 11 that in lieu of section 1303, H(1)(b)(i), page 8 of the bill, lines 3 and 4, the following language should be used: " * * * as a merchant marine officer on oceangoing, inland, offshore, or other vessels." The language that you suggest adding has to do with what qualifies as a service obligation.

If I am not mistaken, the statutory definition of vessel means almost anything above 5 tons, so my construction of your suggestion is that you would then advocate the fulfillment of a service obligation, if a person serves on anything from a 5-ton salmon trawler to the Staten Island ferry or any vessel of that kind. Don't you think that language is somewhat loose?

Mr. MILLER. Mr. Chairman, what we have attempted to do in our proposal is to allow control by the Secretary upon his terms and conditions. If in any given year he felt that it was necessary for an entire graduating class to go and spend 5 years on a certain type of vessel, or in a certain type of industry, we feel that he should be given that latitude based on the national needs at the time that he implements these requirements. What we were trying to do was to give him the latitude and the discretion to determine what does the Nation need.

Mr. AUCOIN. With all due respect—my own view is that when it comes to latitude, we have had latitude in spades, when it comes to merchant marine education and training. We have not had nearly enough tightening of procedures, customs, and dictums and regulations as a result of congressional action, so I feel that the statute ought to be more specific, and Congress ought to assume more responsibility in that regard. And in going in this direction I know it causes some problems, but that is the view I have. We obviously don't agree.

Mr. MILLER. To the extent that we need perhaps more impetus by the Maritime Administration, or more coordination, I think that we would agree with you. This is why 2 years ago we again proposed a mandatory obligation as we felt that it was necessary and appropriate. What we are concerned with is if you limit what the Secretary can do with these graduates, then you have a problem.

For example, the current language says U.S.-documented vessels. Consider the possibility that that MEBA has contracts covering employment on American owned but foreign registered vessels and you have an individual who graduates from a State or Federal academy and who joins the union. The union wants to put him on a ship that will not satisfy his mandatory service obligation. You have a problem that the individual cannot do or go where the union wants him to go, for fear of getting into trouble now with the Federal Government. What we feel is that the Secretary should have some latitude in making these determinations.

Mr. AUCOIN. On page 15 when you are talking about the language that you would add to section 1303(g), you indicate that the purpose of that language is to place midshipmen at the U.S. Merchant Marine Academy on the same footing as midshipmen at the Naval Academy. You list a whole series of matters in which there would be this equivalency. You named several items including veterans' benefits. Are you suggesting that the GI bill benefits and such ought to be available as benefits to Kings Point students?

Mr. MILLER. There are no GI benefits available to them, as I understand it. I will let Rear Admiral Albright speak on that point.

Admiral ALBRIGHT. I am responsible for the wording of this portion of our proposal. Currently, cadets and midshipmen at West Point and Annapolis are not generally entitled to the GI bill. However, they may subsequently become veterans by reason of such status under laws administered by the Veterans' Administration. It is my understanding that should they incur a service-connected disability, while a cadet or midshipman, they may subsequently receive disability compensation pay from the Veterans' Administration for that condition.

Mr. AUCOIN. If this were to be enacted and the definition of the service requirement were left intact, this would allow maritime-related industry service, and veterans' benefits of the kind you describe would be available to an individual working behind a desk.

Admiral ALBRIGHT. I think you have to look at veterans' benefits in the proper context. You have to realize, midshipmen as civilian or as enrollees of the Academy, presently have the right to bring suit for injuries they may sustain by reason of negligence of the Government or its employees.

You have a number of other rights incident to the civilian status of the midshipmen at the U.S. Merchant Marine Academy which do not exist for cadets and midshipmen at West Point and Annapolis. Under the *Feres doctrine—Feres v. U.S.*, 340 U.S. 135 (1950)—announced by the Supreme Court some years ago, the right to sue for injuries would be taken away from Kings Point midshipmen and replaced by veterans' disability benefits such as exist at that time.

Mr. AuCOIN. What is the answer to my question?

Mr. MILLER. I believe you are referring to graduates. Our proposal is only referring to the time they are midshipmen at the academy. It firms up their status there. It has nothing to do with them once they graduate. We are not talking about that question at all.

Mr. AuCOIN. I have no further questions.

Gentlemen, let me thank you for the time you have taken to testify before the committee today. You have responded to what I know have to be painful questions that the media have raised, issues that have been brought to bear long before this committee was ever constituted and probably dating back a number of years, perhaps predating some of your own associations with the alumni association.

It is a difficult area, and I hope you appreciate the spirit in which the questions were asked. You have had an opportunity to respond to a number of those, and I think that is very helpful for the record. I appreciate the time you have taken and also the responses to the questions.

Mr. MILLER. We thank you.

Mr. AuCOIN. I don't agree with all the responses, but I appreciate them.

Mr. MILLER. That is fine. We would be more than willing to submit to you a supplemental response on those points. Since they were not germane to the bill, we didn't plan in the beginning to take this committee's time with a rebuttal, so we did not bring the statistics and the facts and figures. We would be glad to submit those for the committee's benefit.

Mr. AuCOIN. They would be welcomed. Thank you very much.

[The following information was received for the record Questions of Mr. AuCoin to the Alumni Associations:]

U.S. MERCHANT MARINE ACADEMY,
ALUMNI ASSOCIATION, INC.,
Kings Point, N.Y., February 1, 1980

Congressman LES AuCOIN,

Chairman, Ad Hoc Select Subcommittee, Maritime Education and Training House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN The Alumni Association of the United States Merchant Marine Academy respectfully submits its further responses, as requested, to questions and issues raised at the December, 1979, hearings held on H.R. 5451.

We will address first those written inquiries posed subsequent to our testimony on December 11, 1979, and then follow with our response to other questions and issues raised at the hearings. We will be glad to provide such further responses as may be appropriate or required to issues or questions from the Chairman, other Members of the Subcommittee, or as a result of further hearings to be held on this Bill.

Question 1 What is the primary function of the U.S. Merchant Marine Academy?

Response Simply stated, the Alumni Association believes that the primary role of the Academy is to train highly qualified deck and engineering officers for the U.S. Merchant Marines who concurrently are commissioned officers in the United States Naval Reserve and who ultimately will become leaders for this nation's increasingly important maritime industry.

This function is amplified more fully in the Mission of the Academy:

"To graduate outstanding young Americans with definite ambitions to serve as leaders in the United States Maritime Industry.

"To impart to them the necessary academic background and the fundamentals of a nautical and military education essential to a successful maritime career;

"To develop in them a high sense of honor, uprightness, and loyalty;

To instill in them a pride in their profession, and a determination to uphold the traditions of our Maritime heritage; and

"Through effective teaching, training, and guidance, to send them forth to their calling with a deep respect and affection for the United States Merchant Marine Academy and its Corps

Question 2. What is the primary function of the US Merchant Marine Academy Alumni Association?

Response. The Association's primary functions are set forth in its Constitution. "The Alumni Association shall exist to serve, assist and perpetuate the United States Merchant Marine Academy, its Regiment of Midshipmen, faculty and alumni, and the United States Merchant Marine. The Association shall foster and encourage the development of the Academy and Merchant Marine and shall enhance the prestige thereof by acquisition, preservation, and dissemination of information pertaining to their history, activities, methods and objectives, and shall render moral support and material aid thereunto."

Question 3. What role, if any, did the Alumni Association have in the position of the Maritime Administration on this Bill? (a) Did the Alumni Association meet with the Maritime Administration concerning the Bill? How often, and what was the result? (b) Were the recommended amendments in your statement rejected by the Maritime Administration?

Response. The Association received a copy of H.R. 5451 in or around October, 1979, following which there was one meeting by an Alumni representative with two staff members of the Maritime Administration. In addition, there were several telephone calls between two Alumni representatives and one or more MarAd staff members in November, 1979. In each instance, the communications were solely to obtain and exchange views on the Bill and some of its provisions and neither sought to prepare or change the other's position. In fact, the Association's final position on various matters did not occur until approximately December 8, 1979, following the Association's completion of its internal review and comments procedures. These occurred long after any communications with MarAd and hence were not discussed with MarAd.

The results are evidenced by written and oral presentations of the Maritime Administration and the Alumni Association indicating that both are appropriately concerned with the importance of the American Maritime Industry, and the value of maritime education and training. However, we do not necessarily concur in all respects regarding the best means for effecting adequate training.

Question 4. On page 9 you say: "The need for coordination of training on a national level is further evidenced by the limited number of employment opportunities at sea."

(a.) I thought shipping was excellent at the present time. Perhaps you can tell me why there is a shortage of licensed officers on the Great Lakes?

(b.) Why would an American licensed officer want to sail on a US owned/foreign flag vessel?

(c.) Would you put any tonnage limitation on your proposed amendment set forth on page 11 of your statement?

Response. The Chairman is correct in his understanding that shipping at the present time is generally good, but seagoing employment historically has been very cyclical, increasing dramatically during periods of National Emergency such as World War II, Korea, and Vietnam, and decreasing severely thereafter. Shipping was very poor in the early 1960's and particularly following the end of the Vietnam conflict.

An analysis of shipping produced by the Maritime Administration in 1977 indicates present employment opportunities are due substantially to the retirement of many seamen whose careers began during World War II. However, this is only a temporary condition. The US merchant fleet has been decreasing substantially in numbers over the past several years and the number of crew members per vessel and per ton of cargo moved on new ships has been dropping drastically. It has been projected by some persons familiar with the industry that as early as 1982 the present shortage of officers may be reversed. This will lead to a possible surplus of officers for our ocean-going fleet. However, employment opportunities should exist for all where considering the many facets of the marine industry utilizing licensed ship's officers, i.e., inland, waterways and offshore drilling.

The Great Lakes shipping situation is complex. Indeed the Maritime Administration's "1977 Officer Supply and Demand Study for 1976-1985" projected no shortage of officers for the Great Lakes. The Alumni Association is unable to identify "the" reason for the shortage. However, there are various factors which we believe may have affected this situation. To illustrate, with some notable exceptions Great Lakes vessel operators until recently did not actively recruit mariners outside that region. Thus ocean-going ship's officers gained little insight and awareness of opportunities on the Lakes.

During recent years there have been decided changes in the employment situation on the Great Lakes as well as the attitude of all parties involved. Not only are the Great Lakes carriers now actively recruiting personnel, but Kings Point has sought diligently to contribute to the Great Lakes fleet's needs. For example, approximately 10 percent of the graduating class of 1979 obtained employment on the Great Lakes. Furthermore, the Academy has sponsored various diesel training courses for Great Lakes marine engineers in an effort to help them meet the responsibilities of a changing fleet.

With regard to the question of why an American licensed officer would want to sail on a U.S. owned but foreign registered vessel The Association believes all officers would prefer sailing on U.S. flag vessels when adequate employment opportunities are available. However, in the event that jobs are not available, American officers may seek work on modern foreign vessels owned by U.S. companies. In this way they keep their skills intact and upgrade their licenses and prepare for the time when jobs on American registered vessels become available. With their professional seagoing skills sharp, ships officer personnel are obviously more readily available for national contingency planning and mobilization. However, few Kings Pointers have to date sailed on foreign flag ships.

There is at least one additional highly significant factor to be considered. The availability and reliability of the foreign flag ships in the "U.S. Effectively Controlled Fleet" for national emergency planning is the subject of much debate. Were such vessels, manned by licensed American officers with Naval Reserve commissions, these vessels could more reliably be included in contingency planning than is presently the case.

With regard to the tonnage limitation: The Alumni Association feels that rather than prescribe what may be an artificial tonnage limitation, it would be preferable to stipulate "commercial vessels" upon such terms and conditions as the Secretary of Commerce may prescribe. We note the harbor and inland waterway fleets are critical components of our national commerce and we believe the Secretary can best determine the needs of the nation at any given point in time.

Question 5. The Chairman asked the Alumni Association to comment on published statements asserting that from 1973 to 1976 only \$134,704 out of \$3,546,264 was allocated as contributions, gifts and grants to the Academy's student body and that in 1977 only \$141,590 was allocated as gifts and contributions to the Academy while \$979,650 was spent on expenses related to the America's Cup Race.

Response. The Alumni Association and its related activities (including the Kings Point Fund) are supported primarily by graduates who give freely of their time, expertise, and energy to benefit the Regiment of Midshipmen and the Academy. For example, during the past five years the Association has contributed approximately \$2,298,595 to the Academy and its student body:

Through the Kings Point Fund, the Alumni Association provides financial support to the U.S. Merchant Marine Academy in two main areas:

1. Direct contribution to midshipmen programs such as the student loan fund, cultural activities, social function and athletics
2. Contribution of real estate, yachts, other small craft, maritime memorabilia and other equipment to improve or expand the Academy's facilities.

The Fund raises money from essentially three sources including direct contribution by the Alumni, special gifts from foundations and private citizens, and contributions of material.

The figures referred to by the publication for the period 1973 to 1976 were taken out of context and hence were misleading. Of total expenditures (\$3.6 million) approximately \$1.2 million was contributed to Academy program support including the sailing program, athletics and student loans. An additional \$1.5 million was invested in the America's Cup program.

With regard to the investment in the America's Cup program, some background history is pertinent in order to understand the purpose of the Fund's participation. This activity not only returned the investment expenditures but returned an additional \$500,000 which was used to benefit the Academy and Regiment.

In 1974, a group of yachting enthusiasts inquired as to the possibility of developing a program through the Kings Point Fund for building the vessel *Mariner* to

defend the Cup. The concept was developed to build this sailing yacht and involve midshipmen in various phases of the design, tank testing, and construction of the vessel. The program was developed and operated to ensure that only money contributed for this specific purpose would be used for the vessel. There was no diminution of funds otherwise contributed to the Academy and the Regiment of Midshipmen. The benefits to the Academy and its Regiment included national recognition for the Academy, involvement of midshipmen on the tender and the testing and trails of the yacht, and substantial residual financial benefits.

In part because of Kings Points' involvement with the America's Cup competition, the sailing program at the Academy has developed to the point where for the past several years the Academy sailing team has been ranked as one of the best in the nation.

Question 6. The Chairman asked the Alumni Association to comment upon the published statement that although the Academy's fundamental purpose was to train officers for ship board duty, the Academy only owned eight life boats and three motor launches while the Kings Point Fund maintained a fleet of 60 dingies, several larger sailboats, and two large power craft.

Response. The statement was incorrect as all of the vessels are owned by the federal government which is responsible for their operation and maintenance. Furthermore, when these craft are no longer required for the Academy's sailing program, they are sold and the proceeds used for other needs of the Academy or Regiment.

The sailing program is part of the athletic program of the Academy and as such receives financial support from the Alumni Association through the Kings Point Fund.

Question 7. The Chairman asked the Alumni Association to explain the facts surrounding the assertion that the Fund spent tax-exempt monies on lobbying.

Response. The Kings Point Fund spent no tax-exempt funds in lobbying. Certain funds were expended upon public relations efforts, with the advice of tax attorneys, but even for these purposes, the Fund only spent non tax-exempt contributions, many of which had been specifically earmarked by the contributor for such purposes.

Question 8. At the hearings the Chairman questioned the need for some of the recommendations presented by the Association, noting that the Oversight Report concluded that the current system of maritime officer training and education was basically sound.

Response. The Association's recommendations were and are intended to provide for a stronger national maritime training program, one able to more effectively meet the requirements of advanced technology in our peacetime merchant marine and the needs of the nation during periods of national emergency. The Oversight Report reported that the current system of maritime education and training is basically sound insofar as the mix of institutions brings into the merchant marine persons with a healthy diversity of backgrounds, skills and goals. The Oversight Report and its recommendations did not specifically address major maritime problems such as the shortage of available officers for manning the additional vessels used during the Vietnam expansion or the shortage of job availabilities following the end of the Vietnam War which resulted in the virtual closure of sea-going employment to graduates of Kings Point and the several state maritime academies during the period 1970 through 1976. The Oversight Report noted that additional merchant marine officers would be needed in a national emergency and suggested certain remedies.

H.R. 5451 contemplated, as noted by the Chairman in his opening statements, the "most complete and thorough attention every accorded maritime education and training". For these reasons and the fact that the totality of maritime training and education is not being balanced in the best interest of the nation, the Alumni Association feels that it is appropriate and necessary to consider major problems not specifically addressed in the Bill. It is not the desire of the Association to encumber an already highly regulated industry with additional regulation nor to encourage federal incursion upon states' rights or state training procedures. However, because of the taxpayer's activities, we feel the national interest requires that this program be efficiently and economically administered. To this end we urge that the federal government, through the Maritime Administration, exercise an oversight and coordinating responsibility.

The Alumni Association for many years has advocated legislation requiring graduates of the U.S. Merchant Marine Academy to serve in the Merchant Marine or in the Armed Forces and thus favors that provision in H.R. 5451. We note this obligation would not differ from that of graduates of the other federal service academies.

Question 9 As indicated during the hearings, the Chairman was apparently of the opinion that, based upon the Oversight Report, the question of eligibility criteria at the US Merchant Marine Academy had been considered very thoroughly and it was deemed necessary to include statutory language stating that "no preference to members of the immediate family of the Academy Alumni shall be granted in selecting cadets"

Response. The Association does not seek or favor the use by the Academy of any criteria for appointment which is not reasonably related to the mission of the institution and the suitability of the candidate being considered

The Association believes it is inappropriate to place candidate selection criteria in a statute. However if the Congress feels this necessary, we would suggest that the following be substituted for lines 22 to 24 of Section 1303(c) of H.R. 5451 "No preference shall be given to any candidate because of family relationship"

Question 10 During the hearings the Chairman expressed interest in the degree to which graduates of the Academy went or returned to sea in the Merchant Marine during the period of the Vietnam expansion to meet the manpower shortage then existing

Response Graduates of the Academy played an important role in meeting the needs of the nation during the Vietnam War period. During the years 1966 through and including 1969, 97 percent of the graduates of that period sailed in the Merchant Marine while others served on active duty in the Armed Forces. In January, 1966, 199 members of the Academy class of 1966 wrote the President of the United States stating that their class was "anxious to do something concrete in aid of the war effort". They further declared that they looked forward to helping fill the shortage of officers to man the ships being removed from the reserve fleet, and proudly stated that they "stand ready, willing, and able to do what we can for our Country". On March 3, 1966, the Alumni Association telegraphed the Secretary of Commerce recommending the advancement of graduation.

With the full cooperation and support of the Alumni Association, the class of 1966 graduated two months early and the graduation date of the class of 1967 was advanced by five months. The Alumni Association also made substantial efforts to encourage graduates of earlier classes to continue sailing at sea or if ashore, to return to help fill the shortage. Beginning January, 1966, the Alumni Association, through its publications, issued special notices to all Kings Pointers pointing out the shortage of ship's officers. The contribution such graduates made is also shown in part by the fact that on August 23, 1966, a graduate of the class of 1946 was killed when the S/S *Baton Rouge Victory* was sunk due to military action while entering Saigon, Vietnam.

The number of Kings Pointers returning to sea during this period is not known, although believed to be substantial. In this regard they followed the example of other Kings Point graduates who returned to sea to serve the nation during the Korean War.

The Alumni Association is proud of the record of the Kings Point graduate body, as the Alumni has made significant contributions in serving the nation and in supporting their alma mater.

We trust that the foregoing will be of assistance to the Subcommittee.

Yours very truly,

W McNAB MILLER III, Vice President

Mr. YOCUM. Thank you very much, Mr. Chairman. I hope you don't judge the entire Academy, which we think is a national treasure, by we three people up here.

Mr. AU COIN. As long as you don't judge the entire Merchant Marine Committee from the chairman of the subcommittee.

Dr. Frank Trutneff, director, Human Resources, Masters, Mates and Pilots.

Welcome. I am sorry to keep you waiting so long, but we look forward to your testimony.

STATEMENT OF DR. HENRY F. TRUTNEFF, DIRECTOR OF HUMAN RESOURCES OF THE INTERNATIONAL ORGANIZATION OF MASTERS, MATES, AND PILOTS

Dr. TRUTNEFF. Mr. Chairman, and members of the committee, it is a pleasure to be here.

My name is Henry F. Trutneff, director of human resources at the International Organization of Masters, Mates, and Pilots, representing Capt. Robert J. Lowen, our international president.

The Masters, Mates, and Pilots is an autonomous union, affiliated with the International Longshoremen's Association, AFL-CIO.

The Masters, Mates, and Pilots is concerned with H.R. 5451, a bill to provide for education and training for many reasons. Primarily, we are a professional ships officer union, comprised in great part of Academy and school ship graduates who have chosen careers at sea. And in this role we are proud to represent the most well-trained ships officers in the world who entered the industry through the M.M. & P. They graduated from Kings Point, Maine, Massachusetts, New York, Texas, California, the Great Lakes, and the now defunct Pennsylvania Academy.

Mr. AUCOIN. Dr. Trutneff, I hate to interrupt, but I have been informed there are 10 minutes left for a quorum call and that will be followed by a 5-minute recorded vote. I would like to be present at that vote, and if you would continue testifying, I will return just as soon as I can go to the floor and record my presence and my vote. You can continue and counsel will follow the testimony.

Dr. TRUTNEFF. Very good.

Our members are also the product, which is very important, of civilian and military schools, including both the Naval and Coast Guard Academies.

Second, the Masters, Mates, and Pilots also trains and educates; we have trained job entry licenses, and we have trained graduate students. During the Vietnam sealift, when shortages in officer personnel were acute, the Masters, Mates, and Pilots trained 700 job entry officers at our own cost with no Government assistance.

This did draw, however, from benefits desired for the entire membership, and I will elaborate on that some, but today the Masters, Mates, and Pilots no longer educates for original licenses, leaving that role to the various maritime colleges.

Our focus is in the area of graduate level education, particularly for the advancement, retraining, and furtherance of careers at sea. We see this as union responsibility, an eminent domain area, for our membership, preemptive to what other schools may be offering. Our educational arm, the Maritime Institute of Technology and Graduate Studies, known as MITAGS, Linthicum Heights, in Maryland, is already world renowned as the finest institution for the advanced education and training of licensed officers.

It is currently in a state of expansion, doubling in size, installing among other sophisticated aids, two of the most advanced full bridge training simulators the state of current technological art has developed. And by definition in H.R. 5451, MITAGS would be classified as a civilian school.

So you see that we of the Masters, Mates, and Pilots share the concerns of this committee for quality maritime education and training because we are the products of education and training, emotionally involved and dedicated to the advancement of skills.

We are also dedicated to broadening the frontiers of maritime knowledge. And for these reasons and by this testimony, hopefully, we may provide some suggestion to improve upon H.R. 5451 so that it may become a bill of true significance.

• Our initial problem is over some grave conceptual questions raised in the context. How does one legislate for interest and motivation? How can one legislate the compulsory job entry of personnel to a civilian enterprise governed by world economics? Perhaps these questions lead to a basic underlying question in educational philosophy as stated on page 2, lines 14 through 16, that a purpose of H.R. 5451 "is to assure that the training available at the Merchant Marine Academies is consistent with Navy standards and needs."

Is this to be interpreted as a naval-dominated curriculum which in many ways is diametrically opposed to merchant marine training purpose, methodology, lifestyle, and career planning?

Heuristically speaking, the American Merchant Marine has been described as our first arm of commerce. It is a part of the maritime industrial complex, a civilian component of a very intricate amalgam of civilian and Government components comprising the commercial structure in our free enterprise system.

It is not military. Goals are different. Objectives are different. Lifestyles are different. By that I mean the Navy, for example, whose standards we are asked to emulate, represents more than a career—it is a way of life—almost a society within itself, having its own career patterns and social structure.

On the other hand, the maritime industrial complex varies in career opportunities; from the ships, themselves, to marine insurance; the oil rigs, the fishing fleet, maritime law, oceanography, Government agencies, and a myriad of other subset industries within the complex. Each subset enterprise has its own unique career pattern from job entry to the top of the ladder with between-group movement by individuals switching career goals.

The formulas are many, and prerequisite to some are advanced degrees such as an MBA, J.D., master of science, electrical engineering, or perhaps a doctorate. Other careers require advanced training in other skills. How this is achieved by each individual is generally contingent upon his own planning and purse. It is not provided for or built into his career growth pattern as the naval structure provides with its own post-graduate school and appointments to prestige universities.

Each segment of the maritime complex has its own unique remunerative structure, retirement policy, fringe benefit program, travel and relocation policies, whereas the Navy is an industry comprised of many subsets. All operate under uniform policy within a well-defined military, social structure.

The point I am making is this: But for possibly navigation, shiphandling, seamanship, and marine engineering, there are few professional subjects common to naval and maritime cadet midshipmen.

If, on the other hand, the phraseology in the lines cited simply refers to naval science course requisite to naval reserve status, then there is little pause for debate.

Historically, in times of national emergency, World War II, Korea, Vietnam, it has been demonstrated that all academy and school ship graduates responded to call with valor and commitment. As naval reservists, licensed merchant marine officers, and/or National Oceanographic Atmospheric Administration, or Coast

Guard officers. The Coast Guard today remains a popular occupational choice of graduates, and perhaps it is only through oversight that this agency is not mentioned in subsection (iii), page 8, lines 9 through 19, as an avenue of service commitment.

There is no quarrel with that purpose of the bill to exact a bonafide commitment from Academy graduates and Naval Reservists and to impose penalties should a student default. However, is it fair that the State maritime colleges be painted with the same brush? After all, there is much more commitment made by a student entering the State maritime college, and I can explain; I would say this student has visited the institution, made a vocational choice by investigation, and then, above all, sealed the pact with a substantial financial tuition payment for which he or she is obligated each of the 4 years.

This is not the case for Kings Point or the Academy entrants as the bill would state. They need not make such emotional or financial investment on accepting appointment, and should they decide to leave immediately or remain for a period of time, there is no financial loss. It is realized that Kings Point graduates are equal to and rival the best school ship graduates, but this is not the issue or the case in point. It simply seems that far more severe and inequitable penalties are being imposed upon the State college students in light of their responsibilities for tuition and board.

Returning to the discourse on basic philosophy, it was stated earlier in this testimony that career growth patterns of many business activities within the maritime industrial complex called for graduate degrees. Yet this bill does not provide for career growth through approved graduate study. There should be some possible incentive provision for the employee in private or public U.S. maritime-related industries, professions, or marine sciences, to advance in a chosen career educationally.

This is in light, particularly if he is required by the passage of a bill to be in such a particular position.

This, however, is somewhat tangential, let's say, to the original basic problem, the prime cause of this bill, namely, the attrition among maritime graduates for sea-going careers. It has been suggested by various studies that interest for sea-going careers waned with the increased sophistication in school curricula. That is to say, when schools such as California and Maine, for example, maintained 3-year professional schools for job entry as ships officers alone, and did not offer a baccalaureate or license to pursue diversified careers and/or graduate study, graduates were locked into that occupational choice for a career at sea.

Nowadays, the realities of life dictate that maritime academies, colleges, must justify their existence as part of the State university systems wherever they be located, and that singular career choice curricula is far too limiting, particularly in times of industry depression when sea-going jobs are unavailable.

If, however, the graduate does opt for a career at sea, then his graduate school, in our instance, I would say, is MITAGS, as previously cited. So then these be a few of the complexities which do not seem adequately addressed by H.R. 5451.

In another section, the bill speaks to the noncompetitive appointments of Academy midshipmen on page 3, lines 21 through 24, but

fails to define what is meant by limited number and qualified individuals.

May it be suggested that qualified individuals be defined for the purpose of this section as individuals who attain at minimum an academic competitive examination score no lower than that of the cut-off point or lowest competitive scoring peer. This is suggested as just one possibility.

The last suggestion is more directly related to the Masters, Mates, and Pilots membership as it refers to civilian nautical schools per section 1308(a). We ask, would this definition include pilot apprentice programs which have been in existence for many, many years? You see, we represent most all the State pilot organizations in this country. Now, what if our own professional school, MITAGS, as previously cited, were to procure a vessel as part of the training process? Would this then bring the school under the purview of subsection (b)? It would appear that this section of the bill needs further clarification.

In closing, one thought does come to mind. These United States are bordered by many seacoasts: The Atlantic, Gulf, Pacific, Arctic and Great Lakes. We are also insular when thinking of Alaska, Hawaii, Puerto Rico, the Virgin Islands, and Guam. We probably have more seacoast than any other nation in the world.

We are dependent upon trade and in a time of war the maritime complex turns to being the first arm of commerce—we say the first arm of defense, or as others would say, the first capability and sustenance—and, as such, this complex is as vital as blood to the Nation's needs. A strong reserve cadre of trained professionals is always needed in readiness, a ready reserve of merchant mariners to keep our country strong and give logistic support to the armed services.

And for these reasons, maritime education and training can stand on its own, without buttressing by other agencies. Perhaps thinking in terms of a merchant marine ready reserve might prove to be a fruitful alternative or addition to the options provided.

If I can get off a little on a tangent, we saw, during World War II, when that ragtag merchant fleet we had at the outset of that conflagration was commandeered, we were the Navy. We are the 1108'ers who provided the nucleus for the U.S. Navy's auxiliary fleet, the APA, the AKA, AP, AK, AO-AE; in fact, the record will indicate our deck officers and our engineers ran the amphibious and service forces, and thinking in those particular terms, we are looking at these particular points in light of a strong merchant marine reserve.

Now, may I further suggest that the subcommittee, from various diverse testimony received, possibly consider an ad hoc committee from the many maritime educators affected by this bill in order to assist in guiding H.R. 5451 to serve the Nation's interest in the manner for which it is intended.

That is the end of our prepared testimony.

Mr. PANSIN. Thank you for your testimony. I would like to offer a comment on your testimony before I start the questioning. On page 5, you indicated that perhaps it was through oversight that the Coast Guard is not mentioned in subsection (iii), page 8, lines 9 through 19 of H.R. 5451. I believe the Coast Guard is. The third

option, the one to which you refer, speaks of service as commissioned officers on active duty in an Armed Force of the United States, and the Coast Guard is defined as one of the Armed Forces of the United States.

Dr. TRUTNEFF. I was thinking of it being under a different department there. That, you know, wasn't specifically stated.

Mr. PANSHIN. I wasn't absolutely sure, myself, and I checked this morning before the hearing and was assured by the Coast Guard they are one of the Armed Forces.

Dr. TRUTNEFF. That is gratifying to know.

Mr. PANSHIN. Your comments concerning section 1301, the policy section, you take issue with the wording as it presently is set forth. Do you have alternative wording to suggest, and, if you don't have it today, we would be happy to receive it for the record.

Dr. TRUTNEFF. I would be delighted to comply with your request. It was just that the possible strength of the wording in its current form did suggest kind of a blanket.

[The following was received for the record:]

INTERNATIONAL ORGANIZATION OF MASTERS, MATES & PILOTS,
New York, N.Y., December 12, 1979.

Hon. LES AU COIN,

Chairman, Select Subcommittee on Maritime Education and Training, Committee on Merchant Marine and Fisheries, U.S. House of Representatives, Washington, D.C.

DEAR CONGRESSMAN AU COIN: Per our testimony on H.R. 5451, Tuesday, December 11, it was stated that Sec. 1301, lines 14/16, page 2 was unclear and in need of further refinement. It was then requested that we submit a possible re-write of this problem section for your further considerations.

May we suggest that the sentence lines 11 through 16, page 2 which reads: "It is the sense of the Congress that the Secretary of the Navy should work with the Assistant Secretary of Commerce for maritime affairs and the administrators of the several merchant marine academies to assure that the training available at these academies is consistent with Navy standards and needs." Be changed to read: "It is the sense of the Congress that the Secretary of the Navy should work with the Assistant Secretary of Commerce for maritime affairs and the administrators of the several merchant marine academies to assure that the training available at these academies is consistent with standards and needs of the times, as mutually agreed upon by all agencies concerned."

The historical background on the job entry training of original 3rd Mates performed by this Organization at government request during the Viet Nam crisis, which you also asked for will be forwarded in the near future.

Sincerely,

HENRY F. TRUTNEFF,
Director, Human Resources.

Mr. PANSHIN. There are a number of areas where the bill does need further amendment. You are not the only one who has commented on that section, and we would be appreciative of receiving your suggestions on it.

Further, on section 1301 in particular, you may already know that the Maritime Administration and the Navy have proposed to amend this section. At this time, it is not clear how it will be reported out by the committee.

In this regard, do you believe that the Federal and State academies should offer naval science training so that their graduates may be called to active duty in the U.S. Navy during times of national emergency, or do you believe that such training should be more limited, with a view to having such graduates be knowledgeable in naval matters but serving in the merchant marine during such time?

Dr. TRUTNEFF. We are particularly prejudicial, I guess, whatever word one wants to use, toward the concept of a strong Merchant Marine Reserve, and having been a former 1108'er of World War II vintage, myself, we see ourselves as possibly being of great assistance to the Navy who does have their own attrition problems, at a time through service possibly with the craft which we function and man so well in the service forces; and amphibious fleets, which we did then and possibly could be most useful in it this time.

Also, when you speak to a strong Merchant Marine Reserve, I must come back and say it does seem to be another option the committee could think of in terms of an alternative option because we go back to the time of the Vietnam crisis, for example, where not only did we have our own cost in pocket to the union, by Government askance, train 700 more people for the industry, but we did go out to the farms and countryside and take 300 more former members out of retirement.

Of course, they came back and then with the devolution of the sealift and block obsolescence within the industry, all of a sudden it became much like the Navy had at one particular time with this horrible hump question that they had, and where do the youngsters go who graduate from academies during such times as these, and one can empathize with their particular position. There is no job within the civilian complex, no job within—

Mr. PANSIN. Dr. Trutneff, this may be in part a confusion in semantics, but both the Maritime Administration and the Navy last week testified in favor of a Merchant Marine Reserve, U.S. Naval Reserve. Is that the type of Merchant Marine Reserve you are speaking of, or is it something different?

Dr. TRUTNEFF. No, it is the same, the Merchant Marine Reserve, but, as we were a participant in the Partners-at-Sea Symposium, this is the way we would prefer it, though, is through a partnership, not where one party is more or less dominant over the other, but with a true realization that the merchant marine is an equally capable partner in such a union or arrangement.

Mr. PANSIN. It would be helpful for the hearing record if you would briefly describe the Vietnam era entry level deck officer training program that your union conducted, and if you wish to provide a fuller description for the written record, we would be happy to receive that.

Dr. TRUTNEFF. In capsule form, I can state that it was actually the birth of what is now MITAGS. It started at the, I think, Lord Baltimore Hotel was one place. I would have to go back and do a little more research on it, but it was at the Government request that we did train job entry people at this particular time, and I think what was germane to the discussion here today, as I saw it, and just brought it up on the particular point, was the fact it was one reason why we could not have consistent job entry flow of graduates from the various academies into the industry once this devolution process started not only from the sealift but also matters of block obsolescence, of which we were aware within the industry, itself, transitional period.

I will get something to you on that.

Mr. AUCOIN. If you will do that, Dr. Trutneff, I would appreciate it. We appreciate your testimony today, and thank you for waiting so long to appear as a witness.

[The following was received for the record:]

QUESTIONS OF MR. AUCOIN TO DR. TRUTNEFF

Question 1. On the first page of your testimony, you say "Primarily, we are a professional ships officer union, comprised in great part of Academy and School Ship graduates who have careers at sea". From your experience with these people over the years, would you respond to the following questions:

a. Overall, how would you rate the training provided by the federal and state maritime academies?

Answer. Good

b. Are there areas of professional expertise where you have found them to be deficient?

Answer. The area of Maritime Labor Relations explaining mission, purpose, hiring practices, areas of influence, contractual agreements and shipping life styles in cohabitation aboard ships with other seagoing unions—the independent companies and the non-affiliated companies. The newly graduated third officer entering the merchant service should know more about his shipboard work and shipmates than he does. His ignorance in these eco/social matters often leads to errors in judgment and strained relationships.

c. Are you in a position today to make any suggestions as to how the training at the federal and state academies could be improved upon?

Answer. I firmly believe that requirements and provisions be made that instructors in maritime/seagoing subjects spend two weeks on a seagoing U.S. flag merchant vessel every two years as part of their in-service continuing education. They might serve either as licensed officers or as observers. This would be on a paid basis of course, with payment coming either from the shipowner when the officer serves as a member of the crew or from the academy when serving as an observer.

The purpose of this provision is rather obvious. For an instructor to remain empathetic and in ongoing awareness of the practices and attitudes afloat associated with his specialty—on-site association is ever necessary. Far too often practical applied skill subjects are presented in a detached, pedantic style—lacking also in current application and treatment.

Also, see answer to questions 1(d) and 1(e).

d. As you know, these men are criticized for not making a career at sea. Is this criticism justified?

e. Why do some of these men come ashore after a short period of time?

Answer. Please indulge me in a rather lengthy discourse on these questions (d) and (e), which are difficult to separate. Answers may be found in the psychological areas of personality and vocational choice theory which I addressed in two papers: (1) H. F. Trutneff, "A Comparative Study in Occupational Choice Using the Mod Rep Test with Groups of Maritime Cadets," National Maritime Research Center, Maritime Administration, Kings Point, 1971; and (2) my doctoral thesis, "A Longitudinal Study in Occupational Choice with the Class of 1974 USMMA, A Comparison of the Mod Rep Test and F Scale Scores and Categorized Criteria, 1974. The thesis was funded NMRC project, an extension of the 1971 study and but a part of the complete study which compares three maritime academies.

Briefly in both studies popular vocational choice theories were tested as they related to maritime cadets. D. E. Super for one stated that occupational entry was akin to applying for and entering a specialized school such as medicine, law, or engineering and that implementation was the training period while job actualization was fulfillment of career goals with graduation and entry into profession. Subsequent changes made by a career entrant would be organizational—not professional. Few, if any, would give up or change from the career they trained for.¹

It was hypothesized that maritime academies were specialized schools like law, medicine and engineering ergo the theory should be equally applicable to them.

In the 1971 study, the freshman to senior classes in three maritime academies: USMMA; Massachusetts; and New York were compared using the Mod Rep Test a projective, idiographic, morphogenic instrument, modified to answer the needs of maritime careers—and especially designed and proven to test theory cited—particu-

¹ D. E. Super, Self Concepts in Vocational Development, in Career Development & Self Concept Theory, Super, et al New York College Entrance Examination Board, 1963, Monograph No 4.1.

larly that seniors close to graduation identify more strongly with seagoing careers than they did as freshmen.

Findings generally supported theory, the seniors scoring higher and more congruent with seagoing careers, particularly at Massachusetts—with one exception. At the USMAA significant incongruence was noted, the seniors scoring dramatically lower for seagoing careers than the freshmen—signifying extreme loss of interest in seagoing careers even with job actualization imminent.

The 1974 study was longitudinal in that it followed up the freshman class of the 1971 study again as seniors—in all three schools. This eliminated one uncontrolled variable of the 1971 study, that of different class groups.

Again, findings were basically similar to the 1971 study.

Why?

Another eminent vocational theorist, E. Bordin, stated that patterns of interest vary with the degree to which the subject accepts an occupational stereotype as self-descriptive and that changes in career will occur with changes in knowledge of the occupational stereotype.²

This theory would appear to hold true in the case of USMMA cadets where it was found that the greatest periods of cadet attrition occurred: (1) Within a week after entry; and (2) during and after sea implementation periods.

Only USMMA has provided "reality testing"—cadets shipping on actual merchant vessels. The world as it is, plus interactions favorable/unfavorable with crew, impact heavily on the occupational stereotype. It had been demonstrated in occupational title tests performed by Schwimmer among USMMA cadets that "Captain of a passenger vessel," scored higher on the career prestige ladder than "Master of a freighter." In short, many youngsters who see themselves as "Captain of the Love Boat" have their fantasies shattered once they are sent to sea. The State schoolships, on the other hand, provide but floating classrooms, a field trip adventure, molding greater esprit-de-corps among classmates—a sheltered school environment.

May it also be noted that at the time of the 1971 study and also in 1974 Massachusetts (in 1973) went to a four year college: The Class of 1974 was its first four year class. Scoring the highest for seagoing careers in both studies bears out the observations noted on page 6 of our original testimony concerning three year programs and school sophistication presented to your Committee.

One other element least often discussed but much in evidence is the theory of A. H. Maslow which integrates self-actualization with a human need hierarchy. The gratification of basic needs is pre-requisite to job self-actualization.³ Close to the top of the needs ladder behind hunger and shelter are actual needs. The deprivation and non-conforming social life associated with seafaring life and identifiable through "reality testing" by USMMA cadets at their pivotal ages must be realized as a deciding factor in changing the knowledge of, and consequently congruence with this occupational stereotype.

Although this be but a capsule treatment of the reasons associated with both cadet and career attrition, within a short time after graduation—a third phase was suggested beyond the 1974 study. This would follow-up on the graduates of the three academies tested, seeking career patterns in the Maritime field—now 5/6 years removed from graduation.

The IOMM&P through its research arm if given financial support and encouragement would be particularly suited to do such a follow-up study. The results would provide factual evidence not only as to how maritime graduates self-actualize, but could provide some understandings as to shipping life styles in number of years, trends, and behavioral patterns. It could ascertain what may be expected of, and for how long of various academy graduates.

This information is needed for maritime career planning by both management and the unions, yet, it is presently unknown.

A formal in-depth proposal may be easily provided.

As a fitting corollary to the findings presented above, it may help to realize that faculty feelings may at times prove to be counter-productive and merely reflect and reinforce an opportunistic philosophy. This is substantiated by the following statement extracted from a printed interview of one of the state school professors published in that school's newspaper, quote: "The biggest thing to help yourself out, to make some kind of preparation while you're still at school here, especially if you don't plan on going to sea as a full time career, for like 20 years. You must realize that eventually you're going to have to come ashore. You should keep your eyes open for something else you might like to do while you are still here at school, and

² E. Bordin, "A Theory of Vocational Interests as Dynamic Phenomenon," *Educational Psychological Measurement*, 3:1943, 49-66.

³ A. H. Maslow, *Motivation and Personality*, New York: Harper, 1954

take advantage of the various people at the college who have a background in these fields. You could set up some kind of program for yourself while you are sailing. With vacations of four months you could get a semester in at some college and work towards a masters degree. So that when you do come ashore you are fully prepared."

Question 2. On page 2 of your statement you indicate that "the Masters, Mates and Pilots no longer educates for original licenses, leaving that role to the various maritime colleges. Our focus is in the area of graduate level education particularly for the advancement re-training and furtherance of careers at sea." In this regard.

a. Your school has been structured to complement the training provided by the federal and state maritime academies. Is this correct?

Answer. Yes.

b. What sort of training does your school provide?

Answer. Upgrade in licensing, re-training and reinforcement of skills; new technology; engineering supplements; LNG supervision; emergency medical technician with Life Support System (CPR) training; management techniques in shipboard administration; advanced electronic technique; advanced marine cargo stowage/supervision/handling, and advanced collision avoidance training—among others.

Many of the technological subject areas employ sophisticated simulators of the latest operational design. An LNG simulator and the full bridge operations simulator are currently in process of construction.

A brochure will be sent to you in the near future.

c. How is your school funded? Is there any cost to the student?

Answer. By contributions from member companies contractual agreement without cost to the student either for tuition or room and board.

d. You have made it very clear that you perceive this area of maritime education and training as a union responsibility. Why?

Answer (1) Unions have prime responsibility for the quality of personnel provided for contract companies and, therefore, we believe that the obligation for type and quality of this education and training is an area for joint management/union decision. In our case these decisions are made by MITAGS Trustees, half of which are union and half management. The direction of advanced training, therefore, is kept in step with industry needs and projections. This would not likely happen if the mission for training were left to management alone.

(2) With more than 7,000 members, adding up to millions of hours and days worth of practical and theoretical professional seagoing supervisory experience—who else is as capable, possesses such a vast frame of reference, the body of knowledge necessary for such a leadership role in the advancement of deck officers' maritime education? There is no other service or agency capable of such claims.

(3) This system of contractual funding and joint supervision has provided at MITAGS the best staffing, most advanced technological training hardware and one of the best in-house study-oriented residences in existence.

(4) MM&P men work on a wide range and type of vessels from break-bulk, to Ro-Ro, to LASH, to tanker and need specialized training on particular type sophistications. Say, a container mate for a number of years is terminated because his company fails—his basic skills license him to work tankers, but specialized training is helpful to master the obviously diverse work skills of the job and build the self-confidence needed. It is our responsibility to provide in these areas.

(5) Recently the Coast Guard sent 3 flag rank officers to MITAGS to examine our training methods and technology for the purpose of advanced training of their own officers and men.

e. Does the so-called Supplementary Training provided by the Maritime Administration complement or duplicate the training provided by your school?

Answer. Duplication is noted in the areas of radar training (collision avoidance), gyro-training and firefighting to name a few.

f. I understand that there are other union training facilities and am curious whether there is any overall coordination as to what schools offer what courses? Should there be?

Answer. There is no coordination, and none is needed. Each union pursues subject areas relevant to its specialized areas. Some overlap is expected. Some unions believe in training for original licenses. Whatever, the less intervention the better, inasmuch as these schools and curricula are determined by industry-wide contractual arrangements and is an area of labor management relations that government has traditionally stayed out of.

Question 3. On page 2 you indicate that "by definition in H.R. 5451 MITAGS would be classified as a civilian school."

a. How do you arrive at this conclusion? If you are referring to Section 1308, that is a restatement of the old Civilian Nautical School Act which is currently law. If you came under the Act before, you would come under H.R. 5451.

b. As far as I'm aware, the only provision of the bill that could affect you is Subsection 1309(b) which generally authorizes the Maritime Administration to lend you surplus shipboard equipment if your school is found to be an "approved merchant marine training school." Do you agree?

Answer. Yes.

Question 4. Let me see if I understand your comments with respect to the student commitment provisions of the bill. Essentially, you are saying that as the students at the state maritime academies do not receive the same benefits as the students at the federal academy, fairness dictates that they should not incur the same obligations.

a. Is that a correct statement?

Answer. Yes.

b. If that is the case, are you recommending that this Committee amend the state academy loan obligation provisions so that they are generally pro-rated to the benefits received, as compared with the benefits and obligations of students at the federal academy?

Answer. Inasmuch as funding seemed to be a sore point and viewed differently by the many state academies, we suggested an "ad hoc committee of maritime educators" be formed by you to address these sensitive areas and hammer out some sensible common solutions (if possible).

It was suggested that an alternate option for mandatory Reserve status in the Merchant Marine Reserve Component of the USNR—say five years with two weeks per year active training duty—be a realistic alternative to the mandatory commitment options presented in the H.R. 5451 (some which appear to us to be not too realistic).

c. More than one witness has recommended that both the federal and state academy graduates be permitted to sail on U.S. owned, but foreign flag vessels, as part or all of their at-sea obligations. What are your views on this?

Answer. We view this as generally unacceptable in present circumstances but with mixed emotions. It is an area that needs much more thought and study and further development.

Mr. AUCOIN. I would like to call Hazel Brown, President of the Harry Lundeberg School of the Seafarer's International Union. Hazel, we welcome you before the subcommittee today. I want to indicate to you as well that I am sorry it has taken so long to get you to the witness table, but I think you can understand why. We look forward to your testimony.

STATEMENT OF HAZEL BROWN, PRESIDENT, HARRY LUNDEBERG SCHOOL, SEAFARER'S INTERNATIONAL UNION

Ms. BROWN. Thank you. I feel that this is fairly appropriate. This is really a man's world, and so for the lady to be the wrap-up speaker is not unfamiliar to me.

Mr. AUCOIN. That is not the Chair's intention. Think of it in terms of being a cleanup batter.

Ms. BROWN. Very good.

Mr. AUCOIN. With a high priority on this.

Ms. BROWN. As President of the Harry Lundeberg School of Seamanship, an industry school sponsored jointly by the Seafarer's International Union and its contracted companies, I wish to discuss some broad concepts of maritime education which may be relevant to your deliberations on H.R. 5451.

During 1979 we have graduated approximately 1,300 trainees who have entered the maritime industry for the first time in entry-rated jobs aboard deep sea, Great Lakes, and inland waterway vessels. These young men and women attend a 3-month general course prior to taking their first trip. They are all encouraged after achieving adequate sea time to return to the Lundeberg School to

begin their advancement up a career ladder in the industry which includes phases of work experience and training. These young seafarers realize they will attend our school as many as seven or eight times during their career. The initial training prior to employment serves only as a basic orientation to the industry, an attitude development period, and an opportunity to make realistic choices according to their interests and abilities.

We recognize that when a person is going into the industry for the first time he really does not know what he might be facing.

While these entry-rating seafarers are attending the school, they are studying side by side with upgraders, seasoned seafarers and boatmen who are back at Lundeberg School to improve their knowledge, skills, and techniques. During 1979 over 2,000 upgraders in the deck, engine, and steward departments have attended courses at the school. These professionals seek self-improvement, advancement of their rating, acquisition of a license or additional training for new equipment or shipboard operations.

This advancement of the crewmember up the career ladder has been commonly called movement up the hawsepipe. These seafarers are professionals. They are long-term employees and seek a career, not just a few years of experience aboard ship as the steppingstone to shoreside positions.

The bill, H.R. 5451 is a response to much-needed change. It begins to address some of the areas of concern, but seems to present solutions based totally on past experience and the existing system. There are many exciting things happening in education today which should be given some consideration for their possible application to maritime education and training.

The maritime industry has been changing rapidly over the past 20 years. With these changes have come technological, organizational, and environmental conditions never existing before. The advent of automation/mechanization and reduced crew size has created changes in job responsibilities aboard ship. The tasks required during the normal watch in the engine room are quite different from those of a watchstander just 10 years ago. The chief steward with as few as four members in his department has to learn the newest food handling and food preparation techniques. Making prepackaged foods tasty is a real challenge even with the help of the microwave oven and cafeteria-style feeding. The Qualified Member of the Engine Department—QMED—has special skill requirements when he is faced with a diesel powerplant rather than the more conventional steam plant.

These are just a few examples of the need for changes in training methods, techniques, and especially format. Even though all the shipboard systems require more technical knowledge to operate, the seafarers upon their return tell me that many of the so-called automated systems fail during the voyage and manual operating procedures are often necessary until shipyard repairs can be made. This requires the knowledge of the manual system in addition to the advanced technology of the electronic and computerized equipment. There is a need for a knowledge of theory and practical training with the new equipment in much more depth than demonstrations and observations can provide. The seafarer needs real experiences or relevant simulations.

The concept of the training vessel with a huge crew of cadets seems like an unrealistic solution to training for our present needs. The economics and present conditions would suggest that duplication of costly facilities and equipment is diluting the total effort of maritime education and providing quantity at the expense of quality. The realities of the industry must be considered and teaching methodology commensurate with skill requirements should be provided.

Young people today have had very few opportunities to participate in the real world of work during their adolescent years. They need employment experiences prior to accepting the full responsibilities of an officer aboard ship. If the youth has not had such opportunities, the educational institution should have a program which provides such learning experiences. Being a leader first requires some close working relationship with an experienced leader. Most behavior and skills are learned from models/journeymen. The training vessel concept provides peer working experiences but is not the reality of the maritime industry where the young recruit must work alongside the older seafarer.

Contact with all segments of the industry must be an integral part of maritime training. The industry consists of many segments. Of these, management, labor, and governmental agencies play significant roles and must be understood and dealt with in meaningful ways. The training must be industry-oriented and not molded to fit educational and institutional constraints.

Maritime education institutions must be a part of the industry. They need active participation in the concerns of the user of their graduates. The graduates should be prepared for real jobs with adequate skills to handle these assignments. Active advisory committees are essential. These committees should consist of maritime educators, union, management, and Government representatives. The committees should annually critique curriculum and help to establish goals and objectives so that the manpower needs of the maritime industry are being met.

Seafarers of the future live in the real world which today includes marriage, a home and community, as well as a job. The seafarer's life is not entirely male-dominated today. At the Harry Lundeberg School almost half of our teaching staff are female. Learning to cope with the seagoing lifestyle and still maintain social contact is essential if the retention rate of young people aboard ship is to improve. Providing a more realistic environment at the training institutions might be a worthwhile first step in this evolutionary process.

Today's graduates often require additional specialized training. Several companies have sent maritime academy graduates to our school upon graduation to learn the "how to," practical hands-on training prior to putting them in responsible positions such as boat handling and engineering. The graduates have adequately passed the required-USCG evaluation procedures, which are written examinations, but they are not always able to prove competency in the required skill areas. Knowing the theory of boat handling is quite different from demonstrating one's competency in boat handling.

Our courses are taught with a competency-based education methodology. The examinations are task-oriented and require the demonstration of an established level of competency. No one gets a towboat operator's license until he can perform the competencies required of a boat handler as established by our management advisers. It would be hard for us to feel safe on the highway if most drivers of vehicles had passed only the written part of the exam, but this is similar to what management is asked to accept from many of the maritime graduates.

Maritime training and education does need to be reevaluated. The present financial conditions make it imperative that learning experiences be provided utilizing the most economical and meaningful procedures, equipment, and facilities. By encouraging more articulation between maritime educators and the industry which employs the products of education, the needs of the industry may be better defined and then addressed in more relevant ways.

I appreciate this opportunity to express the educational philosophy of the Harry Lundeberg School, recognizing that it offers a nontraditional concept of maritime education, in comparison to what we have talked about today.

Mr. AUCOIN: I do recognize that, Hazel, and I appreciate the statement that you have just given to the subcommittee. I want to also note that when the staff of the subcommittee visited your institution, it was extremely impressed with not only the philosophy of education there, but also the personnel who are in positions of authority there. I want to acknowledge that at this point.

Ms. BROWN: Thank you.

Mr. AUCOIN: You have offered a number of valuable points to the subcommittee. What I would like to do to spare you time at this late hour is to focus on the major questions I had in mind, and then perhaps allow you to respond in writing to the remainder, so that we do not keep you here all night. Let us proceed on that basis.

On page 2 of your statement, you have indicated, using your words:

There are many exciting things happening in education today which should be given some consideration for the possible application to maritime education and training.

My question is, do you believe that the training at the Federal Maritime Academy, to the extent that you have been able to observe it, gives the necessary recognition to this era of rapidly changing maritime technology?

Ms. BROWN: Not adequately.

Mr. AUCOIN: If that is the case, in what respects would you see it being deficient?

Ms. BROWN: I think there are several areas that really need to be addressed in regard to the learner and the methodology of education.

Mr. AUCOIN: You are talking about classroom teaching methods?

Ms. BROWN: Yes, that being one area. There are a lot of things being done in individualizing instruction which can help a person reach his potential. There is a lot being done in the area of open entry and open exits. When people learn more at their own rate,

they have some self-motivation. Competency-based education is being used widely in vocational-technical schools.

Mr. AUCOIN. When you say a lot is being done, you are talking about lots being done in the educational field?

Ms. BROWN. In education, yes.

Mr. AUCOIN. You are not saying a lot is being done in those areas at Kings Point?

Ms. BROWN. No.

Mr. AUCOIN. That is the deficiency?

Ms. BROWN. Yes, and I also see, as I tried to mention before about the training vessels, and some of the equipment. Our concept is one of rotating people in and out of the industry over a period of time, where they are actually in the real world, they are working on the real equipment. Even if we tried to construct simulators, about the time we had one built it would be out of date, and so there is nothing any better than some of our very old concepts of working with someone on the job, I think we need to address more of that. I am in support of simulation-type training where it can be kept relevant, but I think that we need to do a lot more of getting the cadets out into the real world as soon as possible.

Mr. AUCOIN. What role do you see for simulators then in training both unlicensed and licensed personnel?

Ms. BROWN. I would hope that initially they would be used for examination in some form, because we have no type of proficiency examination, to me that is a first step. We have to make sure that the people are really able to perform before they get that license, and then I would think that it could be used in some forms of training, in cooperation with real experience.

Mr. AUCOIN. These are very expensive. If you believe that changing the technology can put these simulators out of date almost as soon as they come off the assembly line, then are you pretty skeptical when it comes down to the bottom line about the use of simulators?

Ms. BROWN. Very much so, especially if you try to simulate one type vessel. I guess you realize there is no standardization in our fleet, and even with a certain class of vessel, every time a new ship even under that same class comes out, there is new and different equipment onboard. So to try to provide a total-type simulator, I think would be unrealistic, and not cost-effective at all. But there are certain types of training aids that can have computerization and simulation included which are smaller components, which would be a lot less expensive than total grand-scale things like we have in CAORF, which is beautiful, but no one could afford to continue to duplicate that kind of thing or to keep it up to date.

Mr. AUCOIN. Especially when using resources for other secondary or peripheral purposes?

Ms. BROWN. Yes.

Mr. AUCOIN. Do you use simulators in your training program?

Ms. BROWN. We build our own. We do not spend the money for all those kinds of gadgets unless we can use them for a period of time or modify them on our own. So our instructors got really involved and we have designed our own for the engine room console: It is no one particular type of simulator, but it is a compilation of all the different-type things that our people might be faced

with in the area of gages and automatic shutdowns and so on. So it is not any one system, but it includes all the components of a system, and it has a teaching console so that you can put trouble into it, and the people can trace the systems and come up with whatever troubleshooting they need to do.

Mr. AuCOIN. What did it cost?

Ms. Brown. With all the materials, there are miles and miles of wire, timers and all, it was less than \$30,000.

Mr. AuCOIN. On page 4 of your statement you say, "The training must be industry oriented and not molded to fit educational and institutional constraints."

What do you mean by training needing to be industry oriented?

Ms. Brown. The industry has a variety of needs, and one thing is quite unrealistic, and that is the availability of manpower. Having our school associated with the Seafarer's Union, I realize they need manpower on a daily basis, and so our program is set up so that we have people graduating every 2 weeks, meaning that an available source is there. Just in the constraint of graduation coming only at a certain time of year, and then having all those people available for job placement one day, that is just not relevant to the industry needs in the area of manpower.

Mr. AuCOIN. You obviously think your program is industry-oriented. What programs or institutions do you point these remarks toward?

Ms. Brown. I think that we respond to every industry need. We have been training in the area of liquid natural gas handling for about 3 years now, knowing that some of the companies were constructing those ships. We have instituted special training programs within a month's notice, because a certain company needed some qualified manpower to run a certain new type of equipment on board. I heard in testimony today that a program may be started in 1983 after the concept was created in 1979 or something. I mean, we would not stay in business if we did not react to the industry, and when they have a specific need, they have a new piece of equipment coming out, you cannot take 2 or 3 years to develop a program to meet that need.

Mr. AuCOIN. Why do you feel it is necessary to tell the subcommittee that maritime training must be industry-oriented, and not molded to fit educational and institutional constraints, if you feel that that is not a problem at your institution? You must see this as a problem somewhere else. Where is it that you see that as a problem?

Ms. Brown. In every academy I visited.

Mr. AuCOIN. That includes Kings Point?

Ms. Brown. Also the States academies, yes.

Mr. AuCOIN. Do you agree with Mr. Brown of Gulf Oil that at Kings Point the midshipmen are being confronted with educational overkill?

Ms. Brown. No, I am too much of an educator to make that statement.

Mr. AuCOIN. More academic training than is needed to meet their professional and industry-oriented—

Ms. Brown. I think that the course offerings may not be appropriate.

Mr. AUCOIN. Pardon me?

Ms. BROWN. They may not be appropriate for the needs.

Mr. AUCOIN. What may not be?

Ms. BROWN. Some of the course offerings may not be appropriate for the needs. I am not familiar with each of the course titles, but I do know that the young men that we have had at our school, after they have graduated from the State schools or the Academy, have gone to our employers, and they sent them to us for retraining. We even had to go through management courses to teach them how to be a leader in dealing with a crew. And so I would guess that those courses were not adequately covered.

Mr. AUCOIN. I have no further questions at this time. Minority counsel has a few questions.

Mr. LOSCH. Thank you, Mr. Chairman.

In your opening statement you say that the school is sponsored jointly by the Seafarer's International Union and its contracted companies. Could you elaborate on that? What do you mean by jointly sponsored?

Ms. BROWN. Our school is sponsored by a trust, and we have 133 or 134 companies which are party to our school, and they have as much input as the Seafarer's Union does in what we do at the school. In fact, they are the advisers to the programs, and we depend on them as the people who would designate what the curriculum content should be.

Mr. LOSCH. All your revenues, then, all your budget comes out of the trust fund, the training trust fund established by the SIU collective-bargaining agreements for these member companies?

Ms. BROWN. Yes.

Mr. LOSCH. How many members or how many billets are subjected to this collective-bargaining agreement, approximately?

Ms. BROWN. I really do not know, with all the different segments of the industry.

Mr. LOSCH. For the record, the data we have from the Maritime Administration indicates that there are about 5,000 billets covered by SIU collective-bargaining agreements, in which the trust fund, the training trust fund provisions apply. Does that sound about right? That would indicate about 10,000 SIU seafarers.

Ms. BROWN. Are you including inland waterways and Great Lakes?

Mr. LOSCH. No, these would be in the dry cargo. This is all the deep-sea vessels.

Ms. BROWN. That might be. We also train for all our industry, river and inland waterways companies as well. They are party to the trust fund as well.

Mr. LOSCH. Do you know what the annual or the daily trust fund contribution is?

Ms. BROWN. It varies per contract company. It is not an across-the-board sum.

Mr. LOSCH. For the sake of the record, the 5,000 billets that the Maritime has indicated subsidized dry cargo, nonsubsidized dry cargo, and tankers, the daily contribution seems to be \$3.65. Does that seem to be in the ballpark?

Ms. BROWN. For deep sea?

Mr. LOSCH. Yes.

Ms. BROWN. I would guess so.

Mr. LOSCH. Then just to run through these numbers for the record, these 5,000 billets at a rate of \$3.62 a day for 1 year would be about \$6.6 million contributed by the members of your organization to your budget. Does that seem about right for the deep-sea contributions?

Ms. BROWN. That is saying that every ship is running and every one is totally crewed. Every ship is not sailing every day, nor are all the members at work.

Mr. LOSCH. This is billets under contract to SIU?

Ms. BROWN. Yes, but we do not get paid on the fixed contract basis. We get paid on the day worked.

Mr. LOSCH. Then approximately what is the contribution from your member companies on an annual basis?

Ms. BROWN. It varies according to the industry.

Mr. LOSCH. The deep-sea vessels there, is it something more or less than \$4 million a year?

Ms. BROWN. It is less than that. I do not know where you got that figure.

Mr. LOSCH. I ran it through the numbers, the 5,000 billets times the daily contribution times the number of days in the year, and these are Maritime Administration statistics.

Ms. BROWN. I am saying that that is the total maximum. That is every ship under contract, if it was sailing and the full complement of all the crew were onboard working every day.

Mr. LOSCH. Could you provide us then with what you would believe would be an accurate accounting of the contributions from deep-sea vessels to the Lundeberg School budget?

Ms. BROWN. Sure, it is public record.

Mr. LOSCH. Yes, I know that, but if you would like to just clarify for our own benefit what the amount of moneys are being contributed by these operators. What we are really concerned with here is the breakdown into subsidized and nonsubsidized, because these subsidized shares are underwritten by the Government to the tune of about 73.8 percent as a Federal contribution to this element of the collective-bargaining package, and about one-fifth of the total number of billets under contract to SIU are subsidized billets, which would indicate a Federal contribution to your school's budget of about \$1 million a year, and when we are talking about Federal subsidies to the various training schools, we should evaluate all the aspects of the subsidies. Frankly it looks like we are getting a bargain out of the union schools in our cost evaluations. It appears that they are the lowest for graduates of all the schools. So these questions are certainly not hostile, but I think it would help us to get the cost benefits laid out on the record.

Ms. BROWN. Certainly the total number of people that we train each year is significant.

Mr. LOSCH. Yes, and that is what I am saying. The cost per graduate is very low in comparison to some of the other schools. I have not had the opportunity to visit your facility, and I hope that in the next several months perhaps I can get out there and look at it. I know that you have quite a few boats out there, both skipjacks, yachts, and whatnot in your maritime museum. Are they used for training or are they a different part of your operation?

Ms. BROWN. The historic vessels are not in the water. They are not used for training, and they are part of the maritime museum, which is not part of the Lundeberg School. There is a separate museum corporation.

Mr. LOSCH. Is the SS *Dauntless* part of the museum corporation or a training vessel?

Ms. BROWN. The *Dauntless*? It is part of our training fleet, and we use it for teaching the steam cycle, and we also use it on occasion for housing.

Mr. LOSCH. We had some questions about the inspection standards for these various vessels. Do you have any problems with Coast Guard inspection of the *Dauntless*? Are you subjected to passenger vessel requirements or otherwise? Have you had any problem in that regard?

Ms. BROWN. Under the Nautical School Ship Act, if we were using it as training vessel under that act, yes, we would have difficulty.

Mr. LOSCH. Passenger vessel standards?

Ms. BROWN. Yes, it would have to be.

Mr. LOSCH. Have you had any problems meeting those standards?

Ms. BROWN. We have met with the Coast Guard, and they are mostly concerned about fire and safety regulations.

Mr. LOSCH. But it has not caused you any undue hardship, the specific standards?

Ms. BROWN. The costs of inspections are very high.

Mr. LOSCH. What other training vessels do you have besides the *Dauntless*?

Ms. BROWN. We have vessels more appropriate to what we are training right now, which are people for the inland industry and harbor. We have a river push boat that we got from the Gulf area, and we have a harbor tug. We have a tank barge, and we have four other barges which we use for handling and many other small vessels.

Mr. LOSCH. Just going back to the issue of financing again, are all your contributions coming from your training fund, all your operating budget contributions? Do they come from your training fund?

Ms. BROWN. Yes.

Mr. LOSCH. Then why in the tax return for the Transportation Institute dated June 30, 1978, do they show docking and maintenance of the *Dauntless* at \$27,800?

Ms. BROWN. I cannot speak for Transportation Institute.

Mr. LOSCH. Are you aware of the transfers of these funds to the *Dauntless* or to the Seafarer's International school?

Ms. BROWN. The transfer of funds?

Mr. LOSCH. It seems that in the tax year 1978, and it has shown up in 1977, that the Transportation Institute transferred funds to maintain the *Dauntless*.

Ms. BROWN. Oh yes? They had borrowed the *Dauntless*. It was docked in Washington. I thought you were speaking of recently. Back in 1977?

Mr. LOSCH. And 1978.

Ms. BROWN. Yes, it was docked in Washington and the Transportation Institute was using it at that time.

Mr. LOSCH. Do you know what they were using it for?

Ms. BROWN. No.

Mr. LOSCH. Was this some kind of charter arrangement?

Ms. BROWN. Yes.

Mr. LOSCH. Thank you, Mr. Chairman.

Thank you, Ms. Brown.

Mr. AUCOIN. Ms. Brown, thank you for your testimony. I appreciate your coming, and I appreciate the ideas you have left before the subcommittee today. The subcommittee is going to stand in adjournment. I do want to observe that a number of witnesses have suggested over the course of the 2 days of hearings not only a number of ideas about the legislation before the committee, but also a number of amendments. Having heard this wide variety of opinion and suggestions, I think that additional hearings will be required, and thus, it is my intention to conduct additional hearings after the first of the year. The committee will bring in some of the witnesses who have already testified and have them speak not only to ideas that have been developed here, but also to information the committee has asked for and expects to receive in a short period of time.

I also intend to have witnesses from other organizations, who have not testified thus far, and I will announce the date of those hearings at an appropriate time after the first of the year.

Ms. Brown, one final question of you. I am sorry I neglected to ask you this earlier. Do you or do you not support this legislation? I would not want to let you go without responding.

Ms. BROWN. Basically I support it, because I do not see any hope of doing the kinds of things that I propose at this moment, but could not help but make a part of the record that there are some other things going on other than the traditional type of academy program, which the Government seems to be in support of.

Mr. AUCOIN. You are in basic support of the bill?

Ms. BROWN. Basically, yes.

Mr. AUCOIN. The committee stands adjourned.

[The following was received for the record:]

QUESTIONS FROM MR. AUCOIN TO MS. HAZEL BROWN

1 Overall, it would appear that you are recommending more maritime industry input into maritime education and training that is conducted by the Federal and State Academies?

(a) If this a fair statement?

(b) Would the various elements of the maritime industry be willing to take the time and effort to provide such input?

2. On page 2, you say "There are many exciting things happening in education today which should be given some consideration for their possible application to maritime education and training"

(a) Do you believe that the training at the federal maritime academy gives the necessary recognition to this era of rapidly changing maritime technology? If not, why is it deficient?

(b) How about the training provided by the state maritime academies?

(c) Does the so-called Supplemental Training provided by the Maritime Administration at Regional Training Centers assist in this regard?

3 On page 2 of your statement, you indicate that "These professionals (your students) seek self-improvement, advancement of their rating, acquisition of a license or additional training for new equipment or shipboard operations"

(a) Does the Lundeberg School provide any Coast Guard license preparation courses?

(b) If so, what are they?

4. On page 5 of your statement you indicate that "Today's graduates often require additional specialized training. Several companies have sent maritime academy graduates to our school upon graduation to learn the 'how to' practical hands-on training prior to putting them in responsible positions such as boat handling and engineering".

(a) Were these people graduates of the federal academy, the state academies, or both?

(b) I should think they would have received adequate training in boat handling and engineering at the academy from which they graduated. Why was it necessary to provide them with additional training?

(c) Do you charge for such training at the Lundeberg School?

(d) Does the so-called Supplementary Training provided by the Maritime Administration fill a real need in this area?

(e) What type of training does your School offer that the Maritime Administration does not?

(f) Should such training be provided by the Federal Government or private industry?

5. I am very interested in your statement on page four that: "Active advisory committees are essential. These committees should consist of maritime educators, union, management, and government representatives. The committees should annually critique curriculum and help to establish goals and objectives so that the manpower needs of the maritime industry are being met."

(a) Do you believe that the Advisory Board of the U.S. Merchant Marine Academy is adequate in this regards?

(b) So far as you know, how is this function handled by the state maritime academies? If they have advisory boards, are they, in your opinion, doing a proper job?

ANSWERS TO FOREGOING QUESTIONS

1(a) Yes. I feel that the Federal and State Academies should have much more input from industry, into the quality and type of training taking place in the schools. Technical panels and/or active advisory boards should meet frequently to indicate the technical needs of the industry, proposed and anticipated industry changes, and to critique curriculum and performance objectives.

If the industry was actively participating in the education process, i.e., guest lecturers, discussion leaders, seminar leaders, the graduates would be more knowledgeable of the industry and the industry leaders might tend to be more supportive in financially assisting the schools and in hiring the graduates.

(b) Industry leaders are very busy with their own concerns but many do recognize the need for motivated, qualified manpower. They seem willing to participate when the meetings are of substance and results may be forthcoming.

2(a) The process of course development seems slow. Changes take place rapidly in our industry and training must precede or at least keep pace with new construction. New automated equipment costs so much that the officers must be prepared prior to taking charge of these new vessels. One example is the advent of diesel power plants in deep sea vessels. Equipment is also very expensive.

(b) Most of our maritime training schools do not have adequate access to the necessary training aides. Each school has its special equipment but finances hinder us from each having all the equipment we would like.

Also, there is no significant source of maritime instructors. Some schools have been able to attract young instructors with new techniques while others attract the retired military men who have not been aboard the new commercial vessels and are teaching with methodology they learned many years ago.

(c) The MarAd Regional Training Centers are assisting the officers to meet regulations for updating the license in the use of radar. The firefighting schools sponsored by MarAd are a great benefit to the entire industry. Environmental regulations make it impossible to have firefighting schools in many areas. We must transport our seafarers to Earle, New Jersey for firefighting training. I do not feel that MarAd should expand its role in training so that it would duplicate training already taking place by private or state schools.

3(a) Yes, at Lundeberg School we offer courses which prepare seafarers and boatmen for licensed positions. At the end of the course, the seafarers can take a Coast Guard examination. These are not just prep courses but also include theory, boat handling, industry economics, leadership and communication.

(b) Original Towboat Operator, uninspected vessel, 200 miles. 2nd Class Towboat Operator, uninspected vessel, 200 miles. Master/Mate Uninspected Vessels not over 300 gross tons upon oceans. Towboat Operator Oceans over 200 miles offshore.

Celestial Navigation First Class Pilot Assistant Engineer Uninspected Motor Vessel Chief Engineer Uninspected Motor Vessel

(b) The graduates were from the State Academies and the federal academy. The graduates had been hired by deep sea and inland waterway towing companies. They had the necessary USCG license but did not have adequate boat or barge handling skills to satisfy the unique needs of the companies. Also they were unfamiliar with the overall work routines and lifestyle of boatmen. The engineers were capable watchstanders but needed more hands-on practice to be diesel mechanics. They all needed very basic skills in communicating with the crew and planning the work routines.

The academies do not have the equipment used in the inland industry so the graduates were unfamiliar with handling tugs and barges.

(c) The upgrading and retraining courses are offered free of charge to all seafarers working aboard equipment under SIU contract.

(d) The only areas I am familiar with are firefighting training and radar observer. So in response to this question, I think not.

(e) Attached find a catalog of course offerings. I will mention a few here. Able Seaman, Lifeboatman, Quartermaster, Fireman, Watertender, Oiler, QMED, Marine Electrical Maintenance, Pumproom Maintenance and Operation, Automation, LNG Safety, LNG All Ratings, Maintenance of Shipboard Refrigeration Systems, Welder, Diesel Engines, Assistant Cook, Cook and Baker, Chief Cook, Chief Steward, Original Towboat Operator, Mate/Master, Celestial Navigation, First Class Pilot, Chief Engineer, Tankerman, First Aid.

We also offer academic courses, study skills, Math, Reading, English, Political Science, Social Studies, Literature, Psychology, Biology, Industrial Relations, Sailing, Art.

(f) I feel the private sector is doing a more relevant job in the education area. The needs of industry keeps the private schools more efficient and relevant. I would personally not recommend an expansion of the federal government in maritime training.

(g) I feel the Advisory Board of the US Merchant Maritime Academy is adequate as a prestigious body. I recommend that technical panels and/or sub-advisory boards also be established to advise and assist the nautical science and engineering departments. These technical panels could critique programs, course content, and provide a closer liaison with shipping company personnel.

(h) I am unfamiliar with them but never met any industry representatives who served on any. I have just recently been asked by Maine Maritime Academy to serve on a one day evaluation panel to be held in February, 1980.

[Whereupon, at 6 p.m., the subcommittee was adjourned, to reconvene at the call of the Chair.]

MARITIME EDUCATION AND TRAINING ACT

MONDAY, APRIL 28, 1980

HOUSE OF REPRESENTATIVES, AD HOC SELECT SUBCOMMITTEE ON MARITIME EDUCATION AND TRAINING OF THE COMMITTEE ON MERCHANT MARINE AND FISHERIES,

Washington, D.C.

The subcommittee met, pursuant to notice, at 10:05 a.m., in room 1301, Longworth Building, Hon. Les AuCoin (chairman of the subcommittee) presiding.

Present: Representative AuCoin.

Staff present: Leonard Sutter, Dan Panshin, Ronald Losch, and Suzanne Bohn.

Mr. AuCoin. The committee will please come to order.

This morning we are holding the third, and what will be the final, day of hearings on H.R. 5451, the Maritime Education and Training Act of 1980.

I think it should be observed that every recodification effort of this kind involves a number of drafts as the legislation is attempted to be perfected. This bill is no exception.

Indeed, it represents the most comprehensive effort in the area of maritime education and training since the Merchant Marine Act of 1936.

In order to enact this legislation in the 96th Congress which is the Chair's intention and the committee's intention, not to mention the intention of the full committee's chairman, it is now necessary that we move without further delay.

In order to accomplish this, this latest draft of the bill, dated April 2, 1980, was sent to every witness who appeared at our December hearings, and with it was a request for written comments.

The committee staff and I have analyzed all of these written comments extremely closely, in order to narrow the issues. We have called today representatives of the U.S. Navy, the U.S. Coast Guard, and the Maritime Administration to appear this morning to answer questions.

Gentlemen, I want to welcome you to the committee today, and I want to say that the subcommittee appreciates your being here this morning and appearing as a panel.

The Navy, the U.S. Coast Guard, and the Maritime Administration have submitted written comments with respect to the draft in question.

Also, each of you has received a copy of the written comments submitted by the other two Government agencies in the panel that you are participating in this morning.

(319)

324

The subcommittee has a number of questions for each of you, in order to attempt to reconcile any differences that may remain. However, if any of the witnesses not being questioned has any comment, at any time, I urge you to speak up. We will take your silence on any interpretation, or any comment as acquiescence or endorsement of the statement of the person who is responding.

Do any members of the panel have any questions as to the procedure we will be following this morning? Once again, I want to thank each of you for being here.

For the purposes of identification let me identify the witnesses. The witnesses are Hon. Samuel Nemirow, Assistant Secretary of Commerce for Maritime Affairs, Department of Commerce; also Rear Adm. Henry Bell, Chief of the Office of Merchant Marine Safety of the Coast Guard, and Rear Adm. Frank Collins, Director of Logistic Plans Division, the Department of the Navy.

STATEMENT OF A PANEL CONSISTING OF: HON. SAMUEL NEMIROW, ASSISTANT SECRETARY OF COMMERCE FOR MARITIME AFFAIRS, DEPARTMENT OF COMMERCE; REAR ADM. HENRY H. BELL, CHIEF, OFFICE OF MERCHANT MARINE SAFETY, U.S. COAST GUARD; AND REAR ADM. FRANK C. COLLINS, U.S. NAVY, DIRECTOR, LOGISTIC PLANS DIVISION, DEPARTMENT OF THE NAVY

Mr. AUCOIN. Mr. Nemirow, I note that you have two associates with you, and I think it would be appropriate if you identify them for the record and for the subcommittee.

Mr. NEMIROW. Yes. If I might make a brief statement. I have no formal remarks, but I would like to concur in the statements that the Chair just made about the endeavors of this subcommittee, and the efforts it is undertaking to recodify the many statutes which now exist pertaining to maritime education and training.

We look forward to the efforts through the remainder of this Congress, and working as directly with you and the staff as possible in coming to a bill which can be presented to the floor for adoption in this session.

We do look forward to this effort.

I have Mr. Arthur Friedberg, who is responsible in the Maritime Administration in Washington for maritime education and training; and also Mr. Howard Casey, who is the Acting Superintendent of the U.S. Merchant Marine Academy.

I hope their presence will enable us to answer any question you may have, in the detail that is required, so that we can move forward.

Mr. AUCOIN. We appreciate that, and we welcome both men to the panel.

Let me begin by posing some questions to both the Navy and MarAd. Section 1301 of the bill sets forth the policy of the Maritime Education and Training Act of 1980. Now, both the Navy and MarAd have recommended a complete revision of this section, and each of the departments have submitted identical language for this revision, and for this purpose.

I have the text of the proposed amendment before me. I must say that I do not necessarily disagree with the rationale for the suggested amendments, that is, that the primary role of Federal and

State maritime academies is to train and license officers for the U.S.-flag merchant marine.

Additionally, there would appear to be no dispute between us, and we agree that it would be beneficial for the students at these schools to receive naval science training.

But the fundamental questions posed by your recommended policy section are, Why is such Navy science training limited under the language you proposed to the Merchant Marine Reserve, U.S. Naval Reserve? Because that is the thrust of your language as I read it in your suggested revision.

Would either the Navy or MarAd respond to that question?

Mr. NEMROW. I am not sure that we do not have a problem here of drafting on our part. It seemed to us that particularly this statement of policy in 1301 should identify that the major objective of the Academy is to train merchant marine officers.

In order to train merchant marine officers, we should be training a cadre of people competent to serve in the Merchant Marine Reserve, and I do not think that it is exclusive of service in the Navy, where we say, service in the Merchant Marine Reserve.

I think we mean Navy, naval auxiliary, whatever that means today, and Merchant Marine Reserve, Naval Reserve.

I do not think it is intended to be restrictive.

Admiral COLLINS. I would certainly agree. To me, the Merchant Marine Act of 1936 speaks of the merchant marine as being prepared to serve as an auxiliary of the Navy in time of war; and for that reason it appears to me that honing in on that in our initial paragraph, pointing out that the primary purpose of the academies is to train officers in the efficient operation of merchant marine ships, while in addition we would like them sufficiently indoctrinated in naval science to be able to perform duties either as Naval Reserve officers, should a mobilization require an augmentation of the Navy, but what we consider even more importantly now, the ability to operate merchant ships in conjunction with and in support of Navy ship operations.

For that reason, to me, the defining of purpose as training not only for merchant marine officers, but as Naval Reserve officers, makes a lot of sense.

Mr. AUCOIN. Let me call your attention to subsection two in the proposed amendment. That is line 6, and the language I referred to is the language which says; in the operation of merchant marine vessels—so that the substance would read:

The Secretary of the Navy should work with the Assistant Secretary of Commerce for Maritime Affairs, and the head of each State maritime academy to assure that the training of future merchant marine officers at the U.S. Merchant Marine Academy and at the State maritime academies, includes programs for naval science training in the operation of Merchant Marine vessels having naval and military auxiliary, and that Naval Reserve Officer Training Corps programs for the training of future naval officers, insofar as possible, be maintained at designated State maritime academies, consistent with Navy standards and needs.

It seems to me that that language really limits the Navy—limits the Navy by focusing almost exclusively on the new, proposed merchant marine-U.S. Naval Reserve.

Why would the Navy want to be limited in that way? Why would the Navy not want to be able to designate an individual who is going through the Merchant Marine Academy as a potential officer

for the Naval Reserve, and others, perhaps under this new program, as potential officers in the U.S. Merchant Marine-Naval Reserve?

Admiral COLLINS. I do not read it as being exclusive. It may very well appear that way, but it says that the training of future merchant marine officers includes programs for naval science training in the operation of merchant marine vessels as a naval and military auxiliary and Naval Reserve officers, if they so desire.

I think that is one of the constraints that we would like to see. It would seem that attendance at the Academy would indicate a proclivity for being in the merchant marine. But at some point, if one should elect to become a naval officer and take his commission in the Navy, we would certainly welcome him.

It should be a voluntary function, we believe.

Mr. AUCOIN. Let me ask you this: In the bill, section 1303(f)(1)(c) and section 1304(g)(2), allow students to serve as commissioned officers on active duty in the Navy, and if accepted, to serve for a number of years following graduation.

How could they do that if they were limited in their curriculum to having just naval science training for the Merchant Marine Reserve?

Admiral COLLINS. Once again, I really do not read that exclusive language.

Mr. AUCOIN. Let's assume it was exclusive. Would that not be a problem?

Admiral COLLINS. It could be.

Mr. AUCOIN. It is your testimony, then, that in the view of the Navy, it should not be exclusive? There ought to be an option?

Admiral COLLINS. Yes.

Mr. AUCOIN. So whatever comes out of the subcommittee, you would still like to see that as an option?

Admiral COLLINS. Yes.

Mr. AUCOIN. Mr. Nemirow, do you concur with that?

Mr. NEMIROW. I concur with that with no problem.

Mr. AUCOIN. Admiral Collins, in the December hearings, Captain Leopold of your staff testified on H.R. 5451 and the relationship of the U.S. Merchant Marine to the U.S. Navy. Captain Leopold discussed the new Merchant Marine Reserve program, but some aspects, I must say, were not entirely clear.

They remain unclear to a number of members of the subcommittee, and the chairman of the subcommittee as well. I would like to ask you a few questions, so that I can come to a better understanding of this proposed new program and just what the change entails.

What is the naval midshipman status of cadets at King's Point today?

Admiral COLLINS. The naval midshipman cadet status as it relates to what, sir?

Mr. AUCOIN. Do they have Navy midshipmen status, or do they not? And if so, to what degree?

Admiral COLLINS. They have Navy midshipmen status to the degree that they have an option to select a commission in the U.S. Navy reserve and in the Merchant Marine Reserve; and for that matter, if they are shifted to a NROTC program, to go the path

and be commissioned in the Navy, they have an option of serving as a Navy reserve officer.

Mr. AU COIN. Mr. Casey, I wonder if you might respond to that question?

Mr. CASEY. As I understand the question, Mr. Chairman, it relates to whether or not the midshipmen are, for example, midshipmen in the Merchant Marine Reserve, U.S. Naval Reserve, versus some other component of the U.S. Naval Reserve.

At the moment, it is unclear as to what the intent is. Presently, there is no Merchant Marine Reserve, U.S. Naval Reserve status for a midshipman. He is a midshipman in the U.S. Naval Reserve.

Mr. AU COIN. He is a midshipman in the U.S. Naval Reserve. That is the answer I wanted to receive.

Mr. CASEY. He can, on graduation, of course, elect to go into the new designator, or he can go on extended active duty as a Naval Reserve line officer.

Mr. AU COIN. Mr. Nemirow, what is the Navy midshipman status at State maritime academies, other than those enrolled in the NROTC units?

Mr. NEMIROW. I believe they have no status in the Naval Reserve. I stand to be corrected on that, but I know of no status in the Naval Reserve for the cadets at the various State schools.

Admiral COLLINS. Unless they elect to get into the NROTC aspect at the State maritime schools.

Mr. AU COIN. They have Navy midshipman status only if enrolled in an NROTC unit?

Admiral COLLINS. Yes, sir. I would agree with Mr. Nemirow.

Mr. AU COIN. How does it differ within State academies, or does it, between those who receive Federal assistance and those who do not?

Mr. NEMIROW. As to your earlier point, as to the status within the Naval Reserve, there is no difference.

Mr. AU COIN. If the current draft of H.R. 5451 is enacted, how will the midshipmen status of students change, Mr. Nemirow.

Mr. NEMIROW. Under the current draft of the bill, at least my reading of the bill, technically it would not change. I am not positive on that.

Perhaps Admiral Collins or Mr. Friedberg might want to address that.

I believe the language of the bill, as I have read it does not change that status.

Mr. AU COIN. Admiral Collins?

Admiral COLLINS. I would agree.

Admiral Bell. We made a technical comment on that point.

Mr. AU COIN. What would be the practical differences between being appointed a midshipman, U.S. Naval Reserve, as opposed to a midshipman, Merchant Marine Reserve, U.S. Naval Reserve?

Admiral Collins?

Admiral COLLINS. I do not think the difference would be other than semantic?

Mr. AU COIN. Then why have a new program? Why have this new reserve program? We are not here to legislate semantics.

Admiral COLLINS. I think probably to identify more clearly the desire that the merchant marine officers will be primarily serving

in the merchant marine in support of a naval auxiliary program, rather than in a status where in the event of mobilization, they could all expect to be scooped up and put into the Navy on active duty. That is my understanding of the primary reason.

Mr. AU COIN. So were any midshipman—or any person in the Merchant Marine Reserve, the U.S. Naval Reserve, in the event of mobilization, that person could stay within the occupation that he is serving?

Admiral COLLINS. That is correct.

Mr. AU COIN. And his vocation would not be interrupted in the event of such mobilization?

Admiral COLLINS. That is the intent of it. Once again—

Mr. AU COIN. How does the Navy gain by that proposition?

Admiral COLLINS. We feel the Navy is advantaged in having licensed officers in the merchant marine, who throughout their sailing, are encouraged to establish a unique relationship of training and association with the Navy that permits them, in the event of mobilization, to act in more effective concert with the Navy.

Mr. AU COIN. Sam, do you have a comment to make?

Mr. NEMIROW. Yes.

I think the comments of Admiral Collins are most apt. I would also say that the Merchant Marine Reserve program is a program which has been established recently, quite independent of this legislation, and I think recognition of that program—

Mr. AU COIN. The committee recognizes that.

Mr. NEMIROW. Recognition of that program within the context of this legislation is important.

Mr. AU COIN. Is it recognized by statute anywhere?

Mr. NEMIROW. I believe it is not. I believe it is a regulatory procedure which has been adopted within the Naval Reserve program to identify a certain category of reservists as Merchant Marine Reserve.

The important point is, I think as Admiral Collins has said, that we maintain this ongoing relationship between the merchant marine and the Navy.

I think there is no question—especially for the need for the merchant marine support for Navy operations; particularly in reinforcement, resupply.

I also believe that the continuing communication between the merchant marine officers and the Navy is critical, if we are to continue our obligations into the future; and I think the Merchant Marine Reserve will serve us well.

We have found in the past that merchant marine officers have found it difficult to maintain their status within the Naval Reserve, the traditional Naval Reserve programs. For example, they have not been able to attend the Naval Reserve meetings, because they have been at sea sailing. You do not get credits for sailing. You get credit for going to the meetings.

I think the Merchant Marine Reserve program will avoid those kinds of technical problems which have driven people out of the Naval Reserve program who have merchant marine backgrounds.

We are optimistic.

Mr. AU COIN. I see some merit to the program. When was it implemented by regulation?

Mr. NEMIROW. I think it has been in existence technically for several years, but I believe it was just this April that it became fully operative. I believe it goes back probably to 1972.

But the major impact of that program is now being felt, and has just been, since April of last year.

Mr. AU COIN. Is it true that no committee of Congress has explored the whole policy question involving this program, and in fact, Congress has not spoken on the subject?

Mr. NEMIROW. I think it is true that the Congress is aware, through the various hearings such as this, of the program; but it is also accurate that, at least to my knowledge, Congress has not spoken legislatively or definitively on the program.

Mr. AU COIN. That is why I had a number of questions on this program today, and I have a few more.

I would like to know how the naval science curricula at the Federal and State academies will change, or have changed since April, as a result of the merchant marine program?

Mr. NEMIROW. I think they have not.

As to when or how, perhaps Mr. Casey can answer that.

Mr. CASEY. No, Mr. Chairman, there have been no significant changes in the naval science curriculum. At the U.S. Merchant Marine Academy we have four courses in naval science: Introduction to naval science; naval weapons; and two courses in naval operations.

We have an additional course for those who are going to elect to go on to active duty, which is a more advanced course on Navy practices and so forth.

But it has not significantly changed our curriculum.

Mr. AU COIN. Do the cadets who are opting for the merchant marine program, take courses in weaponry?

Mr. CASEY. Yes. It is a required course in the core curriculum, a course in naval weapons.

Mr. AU COIN. Admiral Collins, we are curious about the practice with regard to the State academies and the NROTC programs. Have there been any changes in their naval science programs?

Admiral COLLINS. No, sir, not to my knowledge.

Mr. AU COIN. Mr. Nemirow, in your remarks about the merits of the Merchant Marine Reserve program—would this allow at a time of mobilization, persons who have opted for the Merchant Marine Reserve who find themselves on shoreside duty, continuing to serve on shoreside during a time of mobilization?

Mr. NEMIROW. I think it depends on what our requirements are. I think within certain limits service should be to support services at sea, be they in the merchant service or in the Navy service.

I believe the answer to that is yes. Is that an accurate answer, Mr. Friedberg?

Mr. FRIEDBERG. Yes.

Mr. AU COIN. I think you would agree that leaves a pretty broad range of jobs that could be performed shoreside in the time of a mobilization. A person could be a senior executive at a shipping company on shore, and mobilization could be before this country, and that person could continue to sit behind his desk, simply because of a whole set of circumstances that puts him on shore in the first place.

Is that wise?

Mr. NEMIROW. I do not know that it is unwise to have people managing steamship operations in the event of a military contingency. I am not sure that it is unwise that some of that management take place on shore.

Mr. AUCOIN. But isn't it wise for the Government to be able to make some choices here? Is it wise to have that person insulated and beyond the reach of the country's call if a mobilization is ordered?

That is the question. Mr. Nemirow. I do not believe he is beyond the reach of the Government if the Government elects to—

Mr. AUCOIN. Could you explain how that is the case?

Mr. NEMIROW. The technical regulations as to how this program is to work are really more familiar to Mr. Friedberg, and perhaps he can address that.

Mr. AUCOIN. Mr. Friedberg?

Mr. FRIEDBERG. First of all, the maintenance of a U.S. Naval Reserve. Merchant Marine Reserve commission for a number of years after graduation is conditioned on the individual having a certain amount of sea time for—

Mr. AUCOIN. Let me just interrupt there. A person can serve shoreside for 5 years, can he not, and then after 5 years, he must be reexamined in order to maintain that commission. Isn't that correct?

Mr. FRIEDBERG. With regard to the Merchant Marine Reserve, U.S. Naval Reserve, if he goes straight shoreside, he will ultimately have to decide either to resign his commission, or move into an unrestricted line commission, that is, shift to another reserve component.

The Merchant Marine Reserve—

Mr. AUCOIN. I want you to repeat that so I am sure I understand it.

Mr. FRIEDBERG. It is my understanding with regard to the retention of a Merchant Marine Reserve, U.S. Naval Reserve commission, for individuals who have just graduated, for a number of years following graduation, that if the individual goes into shore-side employment, that individual will be faced with a need to decide to have his commission lifted, or give it up in the Merchant Marine Reserve, or to shift to a different Naval Reserve component.

A condition for retention of a 1600-series commission, Merchant Marine Reserve, is a requirement that the individual spend a certain amount of time at sea for a certain number of years following graduation.

Mr. AUCOIN. Admiral Collins, do you have anything to add to that?

Admiral COLLINS. No. I would just like to emphasize the point that Mr. Nemirow made, that the needs of the service during times of mobilization certainly would govern whether or not we allowed a person who had a skill or talent that we needed in the Navy to remain ashore or not.

I do not think that we foreclose any possibility of calling a person who has a commission, a U.S. Naval Reserve commission, to active duty in the event of mobilization in the event of need.

As I say, the whole thrust of the program now is to state an intent to let people, licensed officers who elect to go this route, to remain at sea in the merchant marine. But it does not foreclose the possibility of them being called to active duty.

Mr. AuCOIN. Thank you, Admiral.

Is it correct, Mr. Nemirow, that the primary purpose of these naval science programs under the Merchant Marine Reserve is to produce officers who will serve on active duty in the Merchant Marine Reserve? Is that a correct understanding?

Mr. NEMIROW. I think that from the sense of the discussion, they are to serve in the merchant marine. I also happen to believe personally from the events we have been witnessing that it is necessary for our merchant marine officers to be as familiar as reasonably possible with Navy requirements and Navy training.

I think the purpose of the act, since 1936, which we are sure will be reinforced here, is that we have a merchant marine capable of serving as a Navy auxiliary.

If you are going to provide that function, you have to be familiar with what the Navy is doing, and able to communicate on an immediate basis with the Navy, if that is required.

I think that should be encouraged, and certainly not discouraged.

Mr. AuCOIN. Is there, to any extent, a secondary purpose to produce officers who will serve on active duty in the Navy?

Mr. NEMIROW. The answer is yes. We have in the past had a number of midshipmen who, upon graduation, have gone directly into the Navy. It has been fairly limited in number, but there have been some.

Again, that is a benefit of the program, although it is not its direct intent.

Mr. AuCOIN. The committee has a number of questions with regard to the students' Naval Reserve status under sections 1303(c) and 1304(h). These are questions for both the Navy and for Marad.

At this point I would like Len Sutter of the staff to conduct the questioning.

Mr. SUTTER. Section 1303 of the bill provides that any citizen who is a cadet at the Merchant Marine Academy may be appointed by the Secretary of the Navy as a midshipman, U.S. Naval Reserve, including the Merchant Marine Reserve. These U.S. Naval Reserve students may be commissioned upon graduation as ensigns for service in the U.S. Naval Reserve, including the Merchant Marine Reserve or the U.S. Coast Guard Reserve.

Similar provisions provide also for students at the State maritime academies in 1304(h). Now the Coast Guard is formally advising that section 1303(c) should be amended to compel the cadets at King's Point to apply. They recommend that the section be amended so that the cadets must apply for midshipman's status. Otherwise, they say that the payback provisions of 1303(f) are not enforceable. They may have something.

If you look at 1303(c), it just reads: "Any citizen of the United States may be appointed by the Secretary of the Navy." They want a provision in there that would turn it around that would require the cadet to apply for midshipman's status.

First, I would like to ask the Coast Guard if the comments are enough for understanding the proposed amendments that were

made by the Coast Guard staff at one of the meetings held along the way? This appears to be a technical amendment. As a matter of law, I am not sure that it is necessary. I am just sort of curious.

First of all, do I read this amendment right? And second, why wasn't it applied to section 1304(h) concerning the State schools?

Admiral BELL. Sir, I think it was intended to both—it was pointing out in our comment that there is an anomaly here both in the Maritime Academy and the State schools where the bill makes the provision that the Secretary of the Navy may with consultation and everything, call this individual up for active duty service to discharge part of his obligations.

But the way we see it, he is a private citizen in respect to that call-up until he has applied for the status of a midshipman, U.S. Naval Reserve.

I think it may be a technicality, but I think it is an important one. If the fellow does not apply for and is accepted as a midshipman, U.S. Naval Reserve, I do not see what authority you have to call him up for active duty.

We thought there was a loophole.

Mr. SUTTER. We appreciate the help you have given us over the weeks.

Sam, how do you feel about that one?

Mr. NEMIROV. I wasn't confused when the question started, but I am afraid I might be now.

I have read the language on page 10 of the redraft which requires that each individual who is appointed as a cadet is to apply for an appointment, and accept if tendered, as a commissioned officer in the U.S. Naval Reserve or the U.S. Coast Guard.

I think we had indicated in proposed substitute language that we would say the U.S. Coast Guard Reserve or other Reserve components of an armed force of the United States at least 6 years following graduation from the Academy.

So I read the language on page 10 to say, each cadet is required to apply; and I read the language on page 9 to say that any citizen who is a cadet may be appointed by the Secretary.

So the Secretary may or may not appoint, and each cadet is required to apply. I may be misreading the relationship of these two sections, but it seems to me the obligation to apply is clear on page 10, and the option for the Secretary to accept any particular cadet is set out on page 9.

I hope I am accurate.

Mr. SUTTER. Admiral Bell, does that dispose of your problem?

Admiral BELL. No. 1, I think the question still remains. I do not see anything in here that requires cadets on entry to apply for midshipmen's status. He is required to apply—he signs an agreement to say he will apply for appointment as a commissioned officer. I do not know if that covers as a subset—a midshipman during the period he is a cadet or not.

If it does not—

Mr. SUTTER. Could I interrupt?—The Chairman's time is very busy. I appreciate the time and effort, but we have reached an area where we are in a technical area. There is no disagreement between any of the parties, is there, that the cadets should apply, in both the Federal academies and the State academies, that the

cadets be required to apply for an appointment as a midshipman, and if offered, accept it? And then the same thing upon graduation?

Then we can work this out in a technical drafting session.

Admiral BELL. I subscribe to that.

Mr. NEMIROW. I think the point Admiral Bell raises I now understand. Under the existing draft, the midshipman during his time at the Academy is not subject to the provisions on page 10. What page 10 requires is, if on graduation he is offered a commission, he must take it.

Admiral Bell's point I think is a valid one, that we should make this obligation occur earlier in the process during their tenure at the Academy.

Mr. SUTTER. But this is technical and we can work this out.

Mr. NEMIROW. I agree with Admiral Bell that that can be done.

Mr. PANSHIN. I have some questions dealing with the service obligation section for State academy graduates. That is 1304(g)(2)(d) of the bill, page 21, of the April 2 draft.

This is a question really for all three. For State academy graduates who have received the MarAd student incentive payments, the April 2 draft specifies that the 3-year service obligation pertains for the civilians at sea, or shoreside options, but 5 years if they select the active duty option.

On further reflection by the subcommittee and staff, it seems that perhaps the length of service would be more applicable and equitable if it were the same for all three options.

Admiral Collins, would there be any problem for the Navy with regards to a 3-year tour of active duty for State academy graduates?

Admiral COLLINS. No, I do not think so.

Mr. PANSHIN. Mr. Nemirow, given the difference in amounts of Federal assistance by graduates at the Merchant Marine Academy, contrasted with those for the State academies who receive Marad incentive payments, does the service obligation of 3 years seem equitable to you and your agency for those State academy graduates?

Mr. NEMIROW. The quick answer is, yes, 3 years is acceptable to us. As you know, we originally thought treatment of that obligation as a loan would be adequate. Three years is acceptable. And I also think your point of consistency between these various provisions is well taken, and would be a useful change.

Mr. PANSHIN. The matter of the loan—at the December hearings, especially on the part of the State academy superintendents, was a point of some discussion and controversy, and that is, why we now have a draft that deals with the service obligation.

I think then the question is, if we go to the service obligation, is 3 years a good and acceptable length of time?

You have said, your initial reaction is yes. Do you have any range of time that would seem fair? Is 3 years acceptable as it is?

Mr. NEMIROW. Three is acceptable to us. We noticed in our review of this redraft these differences in years that are spelled out on page 21. We could live with either the formulation in the bill as it is now redrafted, or with your suggestion. We thought that since this was a debate that arose out of hearings before the subcommit-

tee, it was probably best resolved by the subcommittee and the staff.

We find the formulation you are now suggesting acceptable.

Mr. PANSKIN. Admiral Bell, since one of the options for a State academy graduate is to go on active duty in the Coast Guard or Coast Guard Reserve, would a 3-year tour fall within the range of current Coast Guard programs?

Would that create any problems for you?

Admiral BELL. No, sir, it would not create any problems.

Could I ask one question? So far as I understand it, you propose that the incentive payments shall be some sum not to exceed a maximum. Is this correct? The way I read it, you say each individual student—page 20, lines 12, 13—10 to 14. I presume the intent of the subcommittee is that they will receive an incentive payment, and is it the intent of the subcommittee that any payments per se would incur the obligations for service you have noted in the bill, or would this be for the maximum incentive pay?

Mr. SUTTER. The intent was that a \$1,200 so-called subsidy that the State student now receives would be continued, but in the form of a student incentive payment. Does that answer your question?

Admiral BELL. No, sir. That will be the only payment? There is not a possibility of a student receiving \$600 a year in lieu of \$1,200 if we can use those sums? If he only receives \$600 in lieu of the \$1,200, does he incur the same length of service obligation? That is basically my question.

Mr. SUTTER. Have you ever paid a student, Mr. Nemirow, \$600 a year, under the \$1,200 a year student subsidies?

Mr. NEMIROW. No, we have not. We have been paying \$1,200 a year. I assume where it says, incentive payments not to exceed \$1,200 a year, that it might be feasible that we could double the number of payments and give \$600 each and still be consistent with the language of the draft.

That would not be what we expect to do. We have administered the program in the past on a \$1,200 per student basis, and that is what we would expect to do in the future.

Mr. SUTTER. I want to thank you for pointing out that language. It will be corrected in the next draft. I see what you are reaching for.

Mr. PANSKIN. Admiral Bell, certainly the 3 years was formulated with the expectation that it would apply to those students who received \$1,200 a year for 4 years.

In its remarks that have been transmitted to the subcommittee, the Coast Guard has indicated that it feels that a 3-year obligation, given the amount of assistance received, even up to the \$100 a month, 48-month total, may be too long.

I wonder if you and your staff have pursued that further to a matter of formulating any recommendations for a different length of time that you feel may be more equitable?

Admiral BELL. No, sir, I have not. Reviewing it, I do feel that we were not able to justify it on a pro rata basis. And other than pointing that out, we feel this probably is a policy matter as to how you want to arrange the bill and the obligated service.

I just wanted to point it out to you. We have not formulated any other regime.

Mr. PANSHIN. Thank you, Admiral Bell.

Mr. AUCOIN. I want to turn to the definition of merchant marine officer. This is section 1302, page 4 on the committee April 2 draft.

Section 1302 is the definitional section of the bill. There would appear to be some problems with the definition of merchant marine officer as set forth in section 1302(6).

The genesis of this definition was a MarAd recommendation, at the December 6 hearing, that the bill include a definition for merchant marine officer, and another for maritime academies which are colleges. The result of those proposed amendments would be that schools such as the Louisiana Marine and Petroleum Institute would qualify as a maritime academy, or that their graduates would qualify as "merchant marine officers."

This was followed by a King's Point Alumni Association comment. The association testified, "It even may be appropriate to consider assigning certain roles to certain training institutions such as having one train for oceanography, one for fishing, another for mining, et cetera. In this way training facilities might be concentrated, professional development enhanced, and competition for available sea-going employment billets virtually ended."

The result of these two recommendations in my judgment would severely exacerbate the current and projected shortage of fully licensed merchant marine officers, and as a result, I think I can say that in the minds of the members of the committee, the suggestions were dismissed.

MarAd's recommendations would also necessarily raise expectations on the part of training institutions, such as the Louisiana school, people in the towing industry, and other small vessel operations.

At the February 25 hearing on MarAd's authorization bill, Secretary Nemirow admitted that this agency had no present intention to fund schools such as the Louisiana school, raising the question of why such expectations ought to be lifted in the first instance.

This subcommittee is very well aware that the so-called M. & O. industry, tow-boat operators, and operators of other U.S.-flag vessels under 1,000-gross tons have some peculiar and unique problems; we know that.

This committee is also aware that some of the problems are being addressed in this Congress and in other subcommittees of the parent committee that we are a part of.

H.R. 5164, a bill under the jurisdiction of the Coast Guard Subcommittee chaired by Mr. Biaggi of New York, would amend certain inspection and manning laws applicable to small vessels carrying passengers or freight, for hire and for other purposes.

It is for those reasons that I believe it would be prudent, to say the very least, to wait until the next Congress, or until that subcommittee moves that legislation, before this subcommittee holds indepth hearings on this range of problems.

Without such hearings, I think it would be extremely rash for the subcommittee to accept the recommendation of MarAd and Navy for the defined term, merchant marine officer.

In view of the history of this proposal, I am frankly surprised to find that the Navy and MarAd are again recommending, in the

face of the April 2 draft of this piece of legislation, this very same definition.

I would like to ask you, Admiral Collins and Mr. Nemirow, first you Admiral Collins, why the Navy reports this definition?

Admiral COLLINS. We feel that with the increase in the number of offshore drilling rigs and other areas of endeavor that are supported or supplied by smaller vessels, that 1,000-ton definition is really restrictive as far as recognizing the fact that these smaller than 1,000-ton gross ton vessels are ships which require the skill of a person designated as a merchant marine officer.

Mr. AUCOIN. Sam, why does MarAd continue to insist and press for this definition, given the history that I have just cited?

Mr. NEMIROW. I am not sure that I should say that we are continuing to press or insist. I think that raises this to a fairly significant level. There are a couple of points I would like to make.

First, as I indicated in my testimony on the authorization, it is not our intent with the money which would be authorized in our 1981 authorization to fund additional schools such as the school in Louisiana. That is a separate issue there between the authorization issue and whatever issue we are discussing here.

If I can go on for just one moment—

Mr. AUCOIN. There is a significant question of the leverage when one changes definitions. There is a question, then of leverage on authorization, and leverage on appropriations.

Mr. NEMIROW. No question, but I would like to go on. I am glad we both recognize that.

The next point on this bill is that I would like to, if we can, for the consideration of the subcommittee, separate out the question of funding additional schools for unique types of services, from the definition of merchant marine officer.

The definition of merchant marine officer was changed by us in several ways, and not only the 1,000 or 100 gross ton change. For example, we read the committee draft on page 4 to limit qualification of a merchant marine officer to those officers who are serving on documented vessels.

Public vessels of the United States, Naval vessels, for example, would not be encompassed within the term documented vessels.

So we thought that change was important. We also had a question in the definition concerning 100 versus 1,000 tons. We believe that the training and the experience of the Merchant Marine Academy is valid and important for people who serve on the Great Lakes and who serve on the inland rivers on vessels less than 1,000 tons.

As I say, we look at that issue separately from the issue of funding additional State schools, or schools for special purposes. I think I would concur in what Admiral Collins has said in his indication that there is a value in having these people on the inland waterways and Great Lakes in vessels less than 1,000 tons.

I would recommend that for the committee's consideration, independent of the school funding.

Mr. AUCOIN. We do have a jurisdictional question at the very minimum. There is another bill before the full Merchant Marine Committee, assigned to another subcommittee, and that bill is not exactly rocketing through the House at this particular moment.

I would have to indicate that I think it would be a rash move for this subcommittee to take steps in that direction in a way that I think would be clearly seen as, and probably would be, undercutting the jurisdiction and the work of another subcommittee.

That is at least one major problem with the proposal.

Admiral BELL. I do not know if it is right to volunteer, but there are a couple of points. Being familiar with 5164, I am not sure of the conflict. I see no conflict between what you are doing here and the purpose of that bill.

But I might go on, sir. I think one of the problems, other than a couple of technical problems which we can address in a redraft is—with respect to engineering and operators, it seems to me we have two things at stake in the definition. One is that you desire the graduates of the State schools and academies to apply for the highest license for which they are qualified. I think that is one of the intentions in talking of an unlimited license. Certainly it is not the intent through some quirk in the drafting of the legislation that he could spend 4 years of education and come out and ask for a motorboat operator's license. I think it is your intent that he apply for the highest unlimited ocean or engines over 4,000 horsepower. Then we get mixed up, back when we talk about—whatever we call it, involuntary servitude of these graduates—I do feel in that case that any restrictions on the size of the vessels they can perform their service, or as a valuable member of the merchant marine should not be restricted. I would subscribe to the idea that if the man has obligated service to perform, and he cannot find shipping in the deepwaters, that in the towboat industry, M. & O. industry, there are excellent jobs he is capable of performing.

The two things are separate. In the redraft, if the two things can be recognized separately, then we do have to address the question of serving your obligated service down to 1,000-ton vessels. But we still insure that the man gets the highest license for which he has been qualified.

Mr. AuCOIN. I appreciate your comment. Let's come back to the variation on the concept of service obligation in just a moment.

In the meantime I am wondering how MarAd and the Navy might feel about a definition that would roughly read as follows:

The term "merchant marine officer means a person who holds a license issued by the U.S. Coast Guard which authorizes his service as, (a) a master, mate, or pilot aboard any U.S. documented vessel of 1,000 gross tons and upwards which operates on the open seas, or of the Great Lakes; or (b) an engineering officer on board any U.S. documented vessel impelled by machinery of 4,000 horsepower and above."

Could MarAd or the Navy comment on that definition?

Mr. NEMIROV. I will make one comment and then I would like to hear "a" again.

The comment I would make is, we still have the documented vessel problem, and I wonder whether that is the intent of the committee, to maintain that distinction between documented and public.

Mr. AuCOIN. No, it is not the intention of the subcommittee.

Mr. NEMIROW. I thought I would ask so I can be clear. That is very helpful. I just raise that question as a technical drafting question.

Could I ask you for "a."

Mr. AUCOIN. A master, mate, or pilot on board any U.S. documented vessel of 1,000 gross tons and upward, which operates on the open seas or on the Great Lakes.

How does the definition strike you? The Chair likes the precision of that definition, and I am wondering if MarAd does as well.

Mr. NEMIROW. I think it accomplished what I understand to be the Chair's wishes concerning this definition.

Mr. AUCOIN. How do you feel about the definition?

Mr. NEMIROW. I have the same problem I have with our definition, and perhaps, without having a chance to study the language, because it is so precise, my problems are heightened a bit. I would prefer that the definition be broader in scope, and more along the lines that we have recommended. I understand that might not be acceptable to the committee.

However, I would still press the committee to reconsider the definition which we have put forward, knowing that the definition that you have just read to us accomplishes in a very specific way what I understand to be your purposes under the redraft.

Mr. AUCOIN. Can the Chair assume that MarAd is not violently opposed to the definition?

Mr. NEMIROW. Someone once said: I don't get violent; I get even. But I don't mean that.

We would hope we could get more consideration of our language. I think, for purposes of this bill that the language which you have read to us is language we can operate under and can administer and understand, I think, clearly at this point.

So from a language, technical, and legislative point of view, the language can be administered and is understood, I think, clearly by the Maritime Administration, and I think that is one of the purposes of these hearings.

Mr. AUCOIN. And the Navy?

Admiral COLLINS. I do not think I could express it any more eloquently than Mr. Nemirow has.

Mr. AUCOIN. Admiral Bell, what is your view about broadening that definition to bring vessels in the manner that Mr. Nemirow and I were discussing?

Admiral BELL. I see no problem, sir. If he has an unlimited license, he would be qualified to serve. That is the criteria. The documented vessel I do not think is the right criterion.

Mr. AUCOIN. The staff and I are discussing some of the implications of trying to approach what we were discussing, Sam, by adding public vessels to this definition.

One of the first questions that comes up is, are there additional types of vessels that might be included by language of that kind that we did not contemplate in the discussion we just had?

I am wondering if the panel can tell the committee what specific types of vessels would fall under a definition that would include public vessels in addition to U.S. documented vessels?

Mr. NEMIROV. I think we can provide the committee with a specific draft of what we mean, or language on what would be included in a definition or description of a public vessel.

I think for our purposes here it would include basically military vessels, Coast Guard vessels, and the Military Sealift Command, vessels on the rolls of MSC. I also assume that for some of our vessels in the national defense fleet, if we are broken out under GAA arrangements at some point in the future, they are also treated as public vessels, and the same is also true with the academy training vessels.

Those are the kinds of ships that are undocumented ships that would fall within the definition.

Mr. AUCOIN. And reasonably fall within the embrace of that definition.

Can either of the other panelists suggest any other examples that come to your mind?

Admiral COLLINS. Yes, sir. Perhaps the National Oceanic and Atmospheric Administration vessels.

Mr. AUCOIN. Sam, would you work on that?

Mr. NEMIROV. There are also some State-owned vessels that are used for research. But we can provide a list. If not examples, an exhaustive list.

Mr. AUCOIN. Let me move to the question, Admiral Bell, of service obligation.

What you were discussing earlier was an additional wrinkle to the suggestion that this subcommittee has made in its approach to service obligation. We had set up a series of steps that one would have to reach to meet one's service obligation, the first being deep sea; the second being military; and the final one, and only in a final instance, shoreside.

What you are suggesting is, for the lack of a better term, option 1(a). If deep sea is option 1 and military is option 2, and shoreside is option 3, then your suggestion would be aptly labeled 1(a), which is to say, in the absence of positions in the deep draft fleet, it might be desirable to allow the meeting of a service obligation in these smaller vessels which normally are less than 1,000 gross tons.

That strikes me as a very creative suggestion. I am wondering whether you would like to amplify on that point, since I more or less cut you off a moment ago, or whether you think that summarizes it.

And I would like to hear from the other panelists.

Admiral BELL. I have nothing to add to that.

Mr. AUCOIN. The thrust of this is that it is the best policy to devise a system of steps for service obligation, thrusting people into a sea capacity to the greatest possible extent, and making sure that we get to the most criticized option, the shoreside option, only as a last resort, and making sure there are plenty of possibilities along the way.

That sounds like an interesting suggestion to me.

Mr. NEMIROV, what is your view?

Mr. NEMIROV. Not to belabor the point, if we were to extend the definition section of the merchant marine officer in the manner that we have suggested, then that problem would not arise in option 1.

Since the definition we have presented is one that we could, I think, live with; we could also live with an expansion of option 1, to permit service aboard smaller vessels to be qualified under the service obligations. I am not sure however what would trigger that, Mr. Chairman.

You said in your preliminary remarks—

Mr. AUCOIN. Before you get there, Sam, let me put it this way: You would not have to change the definition of merchant marine officer in the manner that you want in order to have a service obligation structure of the kind I have just described, because even leaving the definition in the manner I was discussing, you could still have a service obligation indebtedness this way.

Frankly, a person who ends up shoreside, if I am not mistaken, after 5 years, must be retested in some manner in order to be relicensed. Is that essentially right?

Mr. NEMIROW. There is a renewal. I am not exactly sure.

Mr. AUCOIN. Admiral Bell indicates it is after 5 years. If option 1(a) were to be followed, the same would be true; but in that instance, the advantage over option 3, which is the shoreside service, is, that person is still holding duty at sea, even though he may be close at shore—

Mr. NEMIROW. I believe under the current licensing procedures of the Coast Guard, since the person would be receiving an unlimited license, with option 1(a) in existence, or without 1(a) in existence, anyone who serves in a smaller vessel near shore would still be sailing on his license.

Therefore, relicensing would not be required. But to your point on 1(a), if we use your definition for the definition section, we would not object to adding 1(a) here. The only question I would raise for representative staffs, perhaps, is how we identify that point in time when service under 1(a) qualifies.

Mr. AUCOIN. How would you identify that point in time when option 1 is not reached?

Mr. NEMIROW. I think the point you made in your reading of a proposal about 1(a) was that at such time as service aboard merchant marine vessels over 1,000 gross tons is not available, then someone could qualify under 1(a). I am not sure how we find that point.

Mr. AUCOIN. At what point do you anticipate, in the absence of 1(a), allowing someone to go through all the steps to shoreside service? You must make some distinctions, and then determine that point somewhere along the way. You must be prepared to do this.

If that is the case, then what is the great difficulty in making a determination in triggering option 1(a)?

Mr. NEMIROW. I raise for your consideration the question of whether the items spelled out on the bottom of page 21 and the top of page 22 are really a series, or whether they run in parallel?

Mr. AUCOIN. Explain to me a little bit more fully what you mean by that question. Are you raising the question as to whether each of these options are coequals?

Mr. NEMIROW. I think as to options 1 and 2, they are. As to the question of shoreside, that can only qualify after a determination that other employment is not available.

Mr. AUCOIN. So then the answer is that it is a little bit of both; options 1 and 2 are coequal. They are concurrent, and then there is at some point a determination as to whether a person is allowed to fulfill his service obligation, or escape it, depending on how you view the matter, in a shoreside capacity.

That requires a determination on the part of your agency, whether we want to call this new suggestion 1(a) or 1-2(a), it has to be triggered; a determination has to be made.

It would be up to you. You have to do it anyway. What is the great difficulty?

Mr. NEMIROW. As I prefaced our remarks earlier, I hope our respective staffs could work out appropriate language for 1(a), and I raise a question only as to how we find out where these trigger points are.

Mr. AUCOIN. There is an enormous significance attached to how you make the determination. It is not simply a technical drafting question. The subcommittee is very anxious to put the thrust, not shoreside, but seaside, and if that is the understanding we have between us, then there should not be any problem whatsoever in structuring this in that manner.

Mr. NEMIROW. I was going to say, not only is that our understanding, but the thrust is in what we would prefer in terms of service by our graduates.

Mr. SUTTER. Admiral Bell, there is a small problem. If a man graduates from one of the academies, he has an unlimited license. That man also undertakes certain obligations.

One of his obligations is that he will maintain that license for 6 years. In order to maintain that license for 6 years, he would have to make one renewal of the license.

It is my understanding, and I would like you to confirm it for me, that if he does not sail on that license, in order to have that license renewed, he must take a complete examination all over again.

Admiral BELL. It is not a simple yes or no. For the deck officer, he takes a partial exam. But he has to have some degree of service during the period of his license.

Mr. SUTTER. That service during the period of the license—at what tonnage limitation? Is there a requirement that goes beyond a limited tonnage, or can he run a ferry at 500 gross tons?

Admiral BELL. It is unlimited. It does not require any size, sir.

Mr. SUTTER. He can actually operate a small vessel, and that would qualify to renew his license?

Admiral BELL. Yes.

Mr. SUTTER. Please continue.

Admiral BELL. For the engineer, he does not need service. The engineer is based on horsepower, not on route or size of the vessel. So there is a difference between the deck and the engineering people to that extent.

Similarly, that is one of the problems I think we are dealing with this morning, the horsepower and the gross tonnage do not necessarily match. Most of the boats you are talking about are in the mineral and oil industry, a great majority do require an engineering officer with an unlimited license. They have large horsepower.

They are very powerful, even though they are below the gross ton limit.

So there is a disparity of service if you leave the gross ton restriction in the definition as no written.

Mr. SUTTER. The only concern is that we would be putting a person in the position of, when renewing his license, if service was for the deck officer less than 1,000 tons, and the engineer 4,000 horsepower—

Admiral BELL. No, presuming he has been sailing.

Mr. SUTTER. Right. Thank you.

Mr. AUCOIN. I have a question for the Coast Guard and MarAd with regard to a recommendation to delete the provision requiring State maritime academy training ships to be subject to passenger ship inspection laws, and in lieu thereof, a proposal to go well beyond that.

I am not sure if members of the panel have suggested ideas in formal proposals or not. Admiral Bell, do you know if they have?

Admiral BELL. I am not sure.

Mr. NEMIROW. I have it now.

Mr. AUCOIN. Have you had an opportunity to examine it?

Mr. NEMIROW. No, but perhaps if Admiral Bell goes first, I can read it.

Mr. AUCOIN. Why won't you describe it?

Admiral BELL. What we would propose, sir, is that as of now, there would be a specific set of regulations drafted, and go through the APA procedure addressing school ships of the category we are discussing here, and putting them exclusively in that category.

The concern we see is that if they are not specifically identified, and it is not identified that those regulations take precedence over others, we get to the problem of the definition of passengers for hire, in a passenger vessel, particularly a State school ship, where it could be alleged that if a student contributes through his tuition, and that tuition—part of it flows to the operation of the vessel, and you go back to the courtcases talking about payment, or payment in kind, we can get into a sticky question of whether they did not have a passenger ship under passenger for hire situation, even though I believe it is the desire of the subcommittee that the school should continue to be inspected and regulated as they have been in the past.

That is why we were trying to prepare to make sure to have inadvertently, through the payment of tuition on passage of moneys, this may occur, or for other reasons, we did not invoke some other law that the subcommittee never intended for the safety of the ship or the cadets there on board.

Mr. AUCOIN. Admiral Bell, as I read this proposal, it goes far beyond State training vessels. It applies to vessels well beyond the five training vessels of the State academies. It would bring in vessels that belong to other institutions.

Unless I read it incorrectly, it would not bring in the Coast Guard's own training vessels, but it would go far beyond the State academy vessels that you have referred to. That is kind of a sweeping proposal.

Admiral BELL. I think you are referring to the large ships. The sail ships, as we had originally thought of them—as the chairman

is probably aware, there are proposals to use smaller craft for specific training either suitable modified towboats, or suitably designed vessels that could be owned by the school itself, or under a lease or something.

What we are trying to do is not just focus on the vessels that we have currently, but to prevent any future proposal, if they come up with a specific training vessel with their own design and construction and cost, not to have that tripped up by some law inadvertently because of the way moneys were passed or the vessels was specifically used.

Mr. AUCOIN. Isn't the Coast Guard's feeling that a position of this kind ought to apply, or be targeted on, the training vessels of the State academies?

Admiral BELL. I think the answer is "yes," but I do not understand what the period meant.

Mr. AUCOIN. End of statement.

Admiral BELL. You would not exclude another class of vessel?

Mr. AUCOIN. I want to know if you are trying to provide a definition that deals exclusively with the training vessels of the State academies, or whether you are trying to suggest that it would be a good idea to expand this to apply to a range of other vessels.

Admiral BELL. Our intent was to use any vessel that is used for training under the title which would be governed by this proposed wording we have, for the reason I think I spoke of before.

Mr. AUCOIN. So any training institution, or maritime institution, would fall within this guideline?

Admiral BELL. No. This was written within the definition. I think there is a limit back here—now I am lost.

Where we talk about, for other training—other training institutions where they were berthed on board. I think there was a limit within the definition. Perhaps I can rely on—

Mr. AUCOIN. You mean civilian nautical schools?

Admiral BELL. It was written within the intent of the bill, and using the limitations within the bill. The only other point I wish to make, sir, is that in using language such as we have here, it allows the Coast Guard to address the problems of training ships with able-bodied young men on board, because they are somewhat of a unique category. We certainly do not have the problems that you normally face in the passenger vessel, where you must address all of these aging and physical characteristics of anybody that would be on board.

Similarly, the midshipmen are involved in the maintenance of the vessel. They are much more familiar with it. Wordings such as this does allow those to be addressed to the level of safety that is necessary.

Mr. AUCOIN. You are convinced that this additional level of safety is really of paramount importance for the students who would fall within the protection of this language?

Admiral BELL. Yes, sir.

Mr. AUCOIN. Would you name, specifically, the additional vessels, and from what institutions they would come from, that would be newly included under this language that are not included now by this standard of the section?

Admiral BELL. I am advised that this language would encompass any vessels that Kings Point operates that are not currently included within the regulations.

Mr. AU COIN. Are there any such vessels?

Admiral BELL. The tug at Kings Point.

Mr. AU COIN. The tugboat?

Admiral BELL. Yes, sir.

Mr. AU COIN. Is that the limit of the expansion? Are we talking about one tugboat at Kings point? You are suggesting the amendment for one tugboat?

Admiral BELL. Excuse me. According to the two experts here, we cannot come up with any other instance.

Mr. AU COIN. There is no inclusion of the Coast Guard's training vessel under this definition?

Admiral BELL. No.

Mr. AU COIN. So you would operate under a lesser standard of protection?

Admiral BELL. Different standard, sir.

Mr. AU COIN. Do you know of any standard that is equal to this one, from a safety point of view? Isn't the passenger vessel safety standard the highest standard?

Admiral BELL. Yes, sir.

Mr. AU COIN. Can you think of any other that is equal to it?

Admiral BELL. As far as personnel protection, sir?

Mr AU COIN. Yes.

Admiral BELL. No, sir.

Mr. AU COIN. Then that tells me what I need to know about the Coast Guard's level of protection on its training vessels.

I was informed by the California Maritime Academy, in its written comments to the committee, in response to the April 2 draft of the bill, that it is not subject to inspection as a passenger vessel, but it is inspected under subchapter R of 46 U.S. Code of the Rules and Regulations of Nautical Schools.

Can you explain that?

Admiral BELL. Yes, sir. That is what we were trying to use; the wording in here for. There is a specific subchapter within the regulations addressing the nautical school ships. It tries to take account of the fact that—of the type of vessel involved, the type of training people on board, the age, the ability, the agility, as opposed to a passenger vessel where you have essentially untrained, uninitiated people whose health standard can range all the while from a child to an aged and infirm. He must be accommodated.

It is not reasonable, I do not believe, to have to address the same level of personnel of safety on a cadet training ship with able-bodied young men, and hopefully, able-bodied instructors and officers, as you do on a standard passenger vessel, where you may encounter any physical or mental condition of a passenger.

I do not find a parallel. That is why we have public nautical school ships, in recognition of the facts I just spoke of I do not believe it is a lessening of the safety standard. I think it is a recognition of the type of people on board. The same way we have no lesser concern of the safety of the officers and the crew on a cargo vessel, but the standards are lower in recognition of who, is

on board, their professional knowledge, their training and physical ability.

Mr. AUCOIN. I have the impression that what you are suggesting is a tightening of the standards.

Admiral BELL. No, sir.

I do not see it that way. I consider it a continuation of our current subchapter, permission to continue our subchapter approach to the inspection of nautical school ships, as opposed to what I read in the bill, that they want them to read passenger safety standards, and I felt that was too restrictive, considering the operation of the school ships.

Mr. AUCOIN. I understand you now. Would this impact on small crafts operated by Federal and State academies? Your aide is nodding his head, and you are shaking your head.

Admiral BELL. Let me find out. I am not sure, sir—maybe you can rephrase the question to make it easier. I think it is tied into this question of civilian nautical school ships, again, which we do not have now, but which is defined within the bill—

Mr. AUCOIN. I was only interested in knowing what the impact would be, if any, to the smaller craft, not the training vessels, that may be operated by the Federal and State maritime academies?

Admiral BELL. It would cover the towboat at Kings Point, and perhaps I could defer to them, because I am not sure if there would be an impact.

Mr. AUCOIN. In the event of the towboat in question, are we talking about a relaxation of current standards or, a strengthening of current standards?

Mr. NEMIROW. As I listened to Admiral Bell this morning, it seemed to be the intent of the Coast Guard—the fact that we have all members of the ships complement, both its crew and officers that are physically fit, rather young people—that the standards which are now set out for passenger vessels could be modified and alleviated.

Mr. AUCOIN. In reflection of that fact.

Mr. NEMIROW. I recognize that the language is a step in the right direction. I do have a question about the language.

It says, such a vessel even if subject, to inspection by some other law, shall be inspected by special regulations promulgated by authority of this section.

I take it what they intend is not two inspections but one, and that inspection would be less rigid than the normal passenger inspection. Because when you read this language, it appears it might be inspected twice under the special language, and—

Mr. AUCOIN. Admiral Bell?

Admiral BELL. The intent was, there would be only one inspection. It would be governed by only one set of regulations, or the law that is derived from there.

So we would not get into the anomaly of getting into it as a passenger ship or oceanic vessel. It is still a training vessel, and would be covered by that set of regulations addressing training vessels.

So it is intended once only, one status of the vessel.

Mr. AUCOIN. We have a technical question that seems at variance with the responses we just had. I would like Mr. Sutter to explore that.

Mr. SUTTER. Admiral Bell, as I read this proposed section 1308, it would supersede the provisions in the bill that have been taken from the Civilian Nautical School Act almost in toto, and are also in title XIII, so the inspection standards applicable to the vessels that would normally come under the Civilian Nautical School Act would be the requirement set forth in your proposed 1308?

Admiral BELL. Yes, sir, that is correct, if I understand your question correctly.

Mr. SUTTER. It would supersede the Civilian Nautical School Act that has been on the books for umpteen years?

Admiral BELL. I believe they are in reference to the passenger vessel standards of 1940, or something which are, by current standards—they do not address many of the items that we address in maritime safety today, by calling out that one specific act, and not having it updated.

So the standards in there are so—they do not truthfully address the problems one faces today in the maritime world, and therefore—I will not say that people—they are following the intent of that act, but the words sure have changed over the years.

Mr. SUTTER. Are you referring to the Civilian Nautical School Act?

Admiral BELL. Yes.

Mr. SUTTER. It is my understanding that is used as a deterrent to keep unscrupulous people from going into business and using a vessel for a training school.

Admiral BELL. I think we are getting into—probably you have received the same complaints I have, and that gets into square riggers, tall ship organizations, the organizations that want to train young men in going to sea on sail vessels. It is not that at all that trips them up, or is intended to exclude them of that. It is the law that talks of contributing for their passage or passengers for hire.

They fall within that category unless the training is giving to the young men without any remuneration involved. It happens to be just the way the law is written, and the courts have interpreted. We are not trying to address that, but it is a problem for those people who want to train young men in going to sea, not as a profession, but for character building, and for other reasons they profess to exist.

That is outside our consideration today. It has to do with passengers for hire, and remuneration thereof.

Mr. SUTTER. Would one alternative be taking your proposed definition and modifying it so it only applies to the five training ships at the state academies?

Admiral BELL. Then we leave in limbo, don't we, the other vessels that they might get, that they might wish to have for training vessels? I wonder what would be the status of those.

Mr. SUTTER. What is the status of those now? You must be inspecting them under certain standards?

Admiral BELL. To my knowledge, the State academies do not own any vessels that are used exclusively, except the Kings Point vessel.

Mr. NEMIROW. It is an ex-Navy tug, so it is a public vessel.

Admiral BELL. But you would be leaving in limbo, if you did that, sir, an academy that obtained or bought or built a smaller craft for training their cadets in ship handling or any other area.

I know several of the academies have proposals in or have looked at doing just that. Then we come up with the question, these vessels are in limbo, and I am not sure how they are inspected or approved.

Mr. AU COIN. I understand your point. Having made it, let the Subcommittee think about it, and we will see what we can do about it.

I want to turn to MarAd's suggested amendment to the substitute for the existing section 1303 (b)(3) through (g). This is a fairly comprehensive amendment, and I have two or three questions regarding it.

First of all, I would note that in 3(a)(i), the language of the suggested amendment suggests that the number of vacancies allocatable—residents in each State should be proportional in Congress to the representation from the State.

That does not indicate that the nominations must be on a state-by-state basis. It leaves open the possibility of the whole shopping around argument, and the criticism we have heard in the hearings on this bill.

But that was only a point that I wish to note.

What I would like to know is how would your proposed system for nominations and appointments at Kings Point differ from the current system?

Mr. NEMIROW. As you know, Mr. Chairman, I believe it was in February of last year that we modified our existing regulations concerning appointments to positions at Kings Point, in order to avoid and perhaps respond to the criticism we have had in the past concerning shopping around for appointments.

I believe that our regulations, which are now in force, remedy that problem, and I believe that this language which we are now suggesting for incorporation in the legislation would also remedy that problem.

So the answer to your question is that the proposal set forth by us in our most recent letter to you is not substantially different from the current admission policy and procedures but is significantly different from the procedures which were followed up to February of last year.

Mr. AU COIN. But under this language, it is true, is it not, that if nominations from a State do not reach its proportional representation within the Congress from that State, that the difference can be made up, and that difference can be made up by appointments elsewhere, and that a person can shop around elsewhere?

Is that not the case?

Mr. NEMIROW. The way I understand the procedure to work, and I think we can address the question of the language itself perhaps once I say this, is that each state will be allocated a number of positions based on representation in Congress, and if there were unfilled quotas, let's say from Oregon, and there was an extra position from Oregon, five from Wisconsin, and one from Nevada, those seven positions which have not been filled by residents of the

States, even though the quota would have permitted there being filled, would then go in a national pool and the admissions office at the academy would select the first seven candidates in order of merit out of the national pool.

That is the way the procedure is intended to work.

Mr. AuCOIN. I thank you for that explanation.

Mr. PANSHIN. I have read your regulations that were published last February, and I am still confused. It gets to the difference between nominations and appointments.

My understanding, and this is what I want to check, is that your current practice is that in the competitive process those who receive a nomination are considered only from the State of residence; is that correct?

Mr. NEMIROW. Stage one, yes.

Mr. PANSHIN. If we back up and look at the nominations, a person is not considered for appointment unless he or she has a nomination. In seeking such a nomination, may that person obtain that nomination only from his or her State of residence under current practice?

Mr. NEMIROW. Under current practice, I am told no, but perhaps Mr. Friedberg, you might want to address that.

Mr. FRIEDBERG. Under current practice—and to be absolutely clear about it, the practice existed prior to the previous subcommittee's comment on this whole point—an individual can get a nomination from any Congressman or Senator. What we have done is to achieve the results that the Studts report wanted by not considering the individual on the basis of what State the nominating Congressman is from, but on the basis of what State the individual is from.

So shopping around no longer has any effect.

Mr. PANSHIN. Would your proposed amendment continue that practice?

Mr. FRIEDBERG. This nails it down.

Mr. PANSHIN. Isn't that satisfying only half of the Studts committee recommendation in that it eliminates appointments, or consideration for appointments, from more than one State, but it seems that a young person may still obtain one or more nominations; that is, may shop around for nominations.

Am I correct?

Mr. FRIEDBERG. The individual can shop around, but I think it was the Studts report's intent to eliminate any unfair advantage and that has been eliminated.

Remember, we still have the case of—in a mobile society, particularly—say servicemen's sons and daughters who may be maintaining a residence in one State, while they have been located all over the country, and in fact, have difficulty getting nominations or attention of their home State Congressmen.

It enables any Congressman to nominate anyone, but it does link the nominee to his State of residence. It eliminates the unfair advantage. It does not bind Members of Congress.

Mr. PANSHIN. Isn't there then a flexibility for the U.S. Merchant Marine Academy, that does not pertain to the other service academies?

Mr. FRIEDBERG. I don't know about that in terms of the other service academies.

Mr. AUCOIN. Maybe Mr. Nemirow does. I am sure there must be an answer on the part of MarAd to that question.

Mr. NEMIROW. Perhaps Admiral Collins would know how the situation works at Annapolis.

Mr. AUCOIN. Let me ask this question: Is it possible to get more than one nomination? Yes or no.

Mr. NEMIROW. Yes.

Mr. AUCOIN. Admiral Collins, is it possible to get more than one nomination to the U.S. Naval Academy?

Admiral COLLINS. Yes, it is.

Mr. AUCOIN. So an applicant from Oregon who wants to go to the Naval Academy can petition his or her Member from the Oregon delegation and secure a nomination, and also can petition a member of a delegation from the State of Colorado for a nomination and secure one?

Admiral COLLINS. No, sir, that is not correct. An applicant from Oregon may receive more than one congressional nomination but they must all be from Oregon. For instance, an applicant may obtain a nomination from his or her Representative plus both Senators.

Mr. AUCOIN. Well, let's move along to one other point. This is the last major point I want to cover.

Once we are done with this, I would like to have the cooperation of each of your agencies to help in the final doctoring and technical work on this bill by designating people who are capable of speaking for your agency on matters regarding policy.

I would like the cooperation of each of your agencies for the provision of such a person, so we can get this done and ready for markup.

Can I have your assurance that you can do this?

Mr. NEMIROW. You will have our cooperation. We will try to find such a person.

Mr. AUCOIN. You will find such a person?

Mr. NEMIROW. Yes, sir.

Mr. AUCOIN. And, Admiral Bell, you as well?

Admiral BELL. Yes.

Mr. AUCOIN. Admiral Collins?

Admiral COLLINS. Yes, sir.

Mr. AUCOIN. Thank you very much, gentlemen.

The April 2 draft authorizes the nomination of 20 cadets having qualities of special value to Kings Point on a noncompetitive basis. This gets also into a controversial subject. The provision in the April 2 draft results from the Studds committee finding that although the law requires all admissions to be decided by competitive examination, the practice has been to permit the admission of about 40 qualified students a year on a noncompetitive basis, for such purposes as demographic balance, as well as athletics and certain other skills.

The Studds committee recommended that the merits of this noncompetitive procedure should be examined, and that the matter ought to be resolved in the recodification that we are going through at the current time.

In MarAd's written comments about the April 2 draft, the agency proposes to substitute the words: "limited number of" for the number "20". It uses as a rationale for that substitution the *Bakke* decision of the Supreme Court.

In the alternative you have requested that the number 40 be inserted in lieu of the number 20.

I would like to have some additional justification for the first suggestion and why you believe that 40 is better than 20, if the open-ended discretionary authority that you seek in the first instance is not granted to you.

Mr. NEMIROW. As to the second point, we thought it was important to indicate in the record some general zone number that we had in mind. As you know, 40 is the number we have used in the past.

Actually, our lawyers have indicated to us that the specification of a particular number, whether it's 20 or 40, does raise questions in their minds under the *Bakke* decision.

I haven't gone into that decision in any detail, but it has been recommended to us by our lawyers that we not set a numerical quota but, rather, establish in more general terms what we would contemplate doing under that provision. What we have tried to do here is avoid setting a specific number, and indicate at the same time to the committee, in a general way, the numbers of candidates we have in mind at least at this time.

Mr. AUCOIN. I understand the desire of MarAd and the Academy to comply with the *Bakke* decision, and that this is a difficulty for any educational institution.

The problem is, what does "limited number" mean and how can we prevent that from being abused. It seems to me—and I don't have the transcript of the previous hearing available to me at this moment—that at least on one occasion a football player was admitted who fell below the absolute minimum academic requirement at Kings Point. I think we discussed this, Sam, in a previous hearing.

That's an example of an abuse, which brings up the question, if we're going to go to language such as "limited number of", how can this committee be satisfied that that latitude won't be abused, and why not specifically take a number and find out whether it applies legally or doesn't apply?

Mr. NEMIROW. I have no problems in specifying the number, but for the *Bakke* decision our lawyers have raised the issue. If Congress is satisfied that a number can be specified through legislation, which is not the case in the *Bakke* decision, that would not create the kind of issues that are raised in that case, the specifying of a number does not present a problem to us. We then address the question of what the number should be.

As I say, I have not researched the *Bakke* decision. Our lawyers have indicated to us that we should try to avoid specifying a number. If the Congress feels differently, then I'm sure the committee will specify it.

Mr. AUCOIN. Admiral Collins, how does the Naval Academy handle the question of allowing the entrance of midshipmen who have qualities of special value, and admitting them on a noncompe-

titive basis? How does the Naval Academy handle the same question?

Admiral COLLINS. I'm sorry, sir. I'm not familiar enough with that to comment. I should be happy to supply it for the record if you like.

[The following was received for the record:]

U.S. NAVAL ACADEMY ADMISSION

The Naval Academy no longer uses the competitive examination as a method of selection. They now use SAT or ACT scores furnished through the American College Testing Program as one input toward determining eligibility. The applicant must first receive a nomination which can be Congressional, Presidential or through Secretary of the Navy auspices. Actual selection is then made by the Naval Academy Admissions Board employing the SAT/ACT scores and factoring in such considerations as ranking in high school, difficulty of courses taken and grades obtained, participation in extracurricular activities (both athletic and non-athletic), and recommendations of teachers and professional acquaintances. Selection is then made on both scholastic ability and subjective determination of the applicant's aptitude to undertake technical courses, his ability to complete the Naval Academy curriculum and his officer potential.

Applicants are encouraged to apply to each of their Senators as well as their Representatives in seeking a Congressional nomination. In several states, a "pooling" arrangement has been established within the state to preclude nomination of applicants by more than one Congressman, thereby permitting the maximum number of nominations to be fruitfully utilized.

Mr. AUCOIN. Admiral Bell, do you have any information on this in regard to either the military institutions or—

Admiral BELL. No, sir. We're on a competitive examination basis.

Mr. AUCOIN. Totally?

Admiral BELL. As far as I know, sir. But I'm not in the "people" business, and I would have to answer for the record, other than it is competitive. I cannot speak now to that.

Mr. AUCOIN. Could you just consult with your staff to see if—

Admiral BELL. They're not in the "people" business, either.
[Laughter.]

Mr. AUCOIN. I thought we all were.

Admiral BELL. Not that kind of people, sir.

[The following was received for the record:]

All U.S. Coast Guard Academy cadets are selected via competitive examination.

Mr. AUCOIN. Well, this is difficult. It depends on all the choices, and we'll have to think more fully about it and make a decision.

This will conclude the hearing. I want to thank each of the witnesses for the thoroughness of your written comments, both the formal ones as well as the informal ones, and thank you as well for the cooperation you have shown in today's panel. I think we have covered a number of topics.

If any one of you at this point has further comments on any topic we have covered today, or any other topic related to this bill, please feel free to make them at this time.

Mr. NEMROW. As far as our staff working closely together, I think we can resolve any matters that need to be settled.

Mr. AUCOIN. Good, because we do have some technical complexities, that do have to be worked out so we can proceed with the drafting. That will be very satisfactory.

Minority counsel has a question or two to ask.

Mr. LOSCH. Thank you, Mr. Chairman.

Just a couple of brief questions to nail down the Administration's position for the record.

The draft allows that all apparel for a training ship be included. What is the Administration's position on that? When the training ship supplies all apparel as well as navigation equipment, they are included, blocks and tackle, I would imagine.

Mr. NEMIROW. Can you give us the citation for that?

Mr. LOSCH. It's page 16, section 1304(c)(1)(A)(i), lines 7 through 9.

Mr. NEMIROW. I think that's consistent with current practice, and when we do make training vessels available they are made available with all appropriate operating gear.

Mr. LOSCH. Does that include all apparel? I believe that's in addition.

Admiral BELL. Well, if all apparel is charts, books, and instruments—

Mr. LOSCH. I believe they're all separate, and apparel would include blocks, tackles, running gear, et cetera.

Perhaps Mr. Friedberg could help us along in our drafting, whether or not the Administration would support that additional equipment. I believe it's additional.

Admiral BELL. I'm not sure that it is additional, and that's the point.

Mr. LOSCH. Should the Coast Guard—should the service on a U.S.-foreign-flag vessel be creditable toward sea time? If, for example, we have two few vessels and too many officers or cadets. For foreign-flag vessels as they are in the LNG vessels, the El Paso vessels, with U.S. crews, should that be creditable toward sea time for a U.S. license?

Admiral BELL. It is now for a license, sir. As far as its holding of the license, it is. Whether for purposes of this bill, for this service, it is the wish of the committee that that be to fulfill that obligation. It has nothing to do with this licensing.

Mr. LOSCH. What I'm asking is, what is the Administration's position. For example, the El Paso is running foreign-flag vessels, LNG vessels, which are now manned by U.S. crews.

If an engineer was on that vessel, would that time be creditable toward sea time for his initial license?

Admiral BELL. Certainly.

Mr. LOSCH. It would be either for the license or subsequently for the service obligation? It's a two-part question.

Admiral BELL. I can answer the first part, sir, that it would be creditable. Whether the committee wishes as far as the discharge of obligated service, I don't believe that is for me to answer.

Mr. LOSCH. You're saying that it's creditable towards licensing, but it's a policy determination by the committee as to sea service time?

Admiral BELL. In discharge of the obligations incurred under this proposed legislation, yes, sir, that's correct—not the Coast Guard.

Mr. LOSCH. It has been suggested that training vessels be documented as public vessels of the United States, so that they have expedited procedures in entering ports and whatnot and have certain additional privileges.

What's the Administration's position on that?

Mr. NEMIROW. They are undocumented public vessels as far as I know, if there is such a phrase as "undocumented as public vessels".

Mr. LOSCH. This was a suggestion made by some of the State school superintendents. Apparently they have some question as to the classification of the training vessels and that they would prefer an expedited procedure upon entering ports primarily for customs.

I see Mr. Friedberg is nodding his head. Maybe he could help us on that.

Mr. FRIEDBERG. I think you may want to talk to customs and give them some directives on this point that they will therefore, regardless of anything else, treat these vessels as public vessels.

The point is they are public vessels and they always have been public vessels.

Mr. LOSCH. So it would be custom's determination whether or not they be given special privileges?

Mr. FRIEDBERG. And certain other agencies, yes.

Mr. LOSCH. Under the civilian nautical school section, Section 1307, what would be the Administration's position on striking the words "quartered on board any vessel," lines 13 and 14 on page 25, which would broaden the applicability of that section?

Mr. NEMIROW. I think it changes the thrust completely of the language suggested by the Coast Guard concerning inspections of the vessels. The vessels that fall within the definition suggested by the Coast Guard are vessels that have quarters aboard and are 15 gross tons and above. If you drop the quartering requirement out of this language, you bring many, many other vessels within that definition.

I think we would have to leave the suggestion you just made, along with the proposal made by the Coast Guard earlier this morning.

Mr. LOSCH. The primary objective of leaving that language in is to inspect those vessels that are being used as living quarters at maritime schools?

Mr. NEMIROW. I wouldn't say that's the primary purpose, but if you read that in connection with the proposal made by the Coast Guard, we have accommodations and living quarters aboard that are somewhat different than the conventional inspection laws for passenger vessels.

That would not be so if you were to modify this language as I understand it.

Mr. LOSCH. On page 27 the Secretary is required to assist any nonprofit—is given the option of assisting any nonprofit training institution which has been approved by the Secretary of the Coast Guard and Secretary of Commerce which offer courses meeting Federal regulations for maritime training.

Are such Federal regulations in effect currently? Would this require a new set of regulations? Do you have standards for maritime presently on the books?

Mr. NEMIROW. There are a number of schools that offer certain courses that the Coast Guard maintains regulations for, and also maintains testing procedures for. Perhaps Admiral Bell can address that.

But to my knowledge, but for some typical regulations, we do not have regulations in this specific area.

Admiral BELL. I think, to answer your question, sir, as I understand the drift of your proposal in context, it would not require any new regulations. We currently approve the training institutions as we do now for existing procedures.

Having said that, however, it would take a little while to study the effects of your previous proposal to drop out the berthing on-board restriction. This does make this a much wider field. So with that one caveat, I do not believe it will take additional Federal regulation to allow this portion of your bill to come into effect.

Mr. LOSCH. And following on that, those schools which have courses meeting Federal regulations are eligible for excess of surplus equipment from the Federal Government, and upon such terms as the Secretary deems appropriate.

What is the Administration's position on providing surplus equipment to nonprofit schools and what terms would you believe would be appropriate?

Mr. NEMIROW. The purpose was to not spell out here in the statute, I assume, the regulations under which we might provide excess property and make it available for various instructional purposes. We have discussed this matter within the Administration. I notice you keep indicating what is the Administration's position, and we have been around the Administration on this point both with OMB and GSA, and we deem that, in appropriate circumstances, for State training and other purposes, excess equipment can be and should be made available. That is a new position taken and one that has been batted around for a long time.

We look forward to using whatever resources are available to us to upgrade some of the physical equipment in the schools that are now being run, and perhaps in new schools. We have not reached all the way down to the point of establishing the regulations pursuant to which these pieces of equipment will be made available. We have determined that we will do it in the Administration. Precisely what schools, has not been determined.

Mr. LOSCH. That's the thrust of my question. I just wonder how broad these provisions are and the extent of current regulations, what terms you think would be appropriate. But you haven't really done that yet.

Mr. NEMIROW. No. We have not made these pieces of equipment available in the past, and we have agreed now that we will do that. We haven't spelled out in detail what the terms are.

Mr. LOSCH. In your discussions does it appear that the administration believes these provisions should be interpreted broadly and that surplus equipment should be given to various private and nonprofit schools?

Mr. NEMIROW. Yes, and I think that's indicated by the fact we have proposed in this most recent round a significant broadening of the proposal in the April redraft.

Mr. LOSCH. Thank you.

Thank you, Mr. Chairman.

Mr. AUCOIN. Thank you, and I want to thank the panel again for your cooperation today. We will be in touch on the followup matter we suggested.

The subcommittee will stand adjourned.
 [The following documents were received for the record:]

U.S. DEPARTMENT OF COMMERCE,
 Washington, D.C., April 21, 1980.

Hon. LES AU COIN,
 Chairman, Ad Hoc Select Subcommittee on Maritime Education and Training, Com-
 mittee on Merchant Marine and Fisheries, House of Representatives, Washing-
 ton, D.C.

DEAR MR. CHAIRMAN: This is in response to your letter of April 3, forwarding a redraft of H.R. 5451 and requesting our views and comments. These we are providing in detail in the enclosure to this letter.

The redraft text is significantly different in a number of key areas from the original text of H.R. 5451, both in substance and in phraseology or style. Regarding major issues of substance, we have attempted, in our review, to accept compromise solutions where possible. I can agree with your solutions to the issue of shoreside maritime-related employment for graduates of Kings Point and the state academies and to your change in the service obligation and sanction for state maritime academy graduates. Several of our comments on substantive matters request your further consideration of the issues.

We are also proposing for your consideration a complete rewrite of the important statement of policy in Section 1301, which we feel more appropriately introduces the entire proposed new Title XIII. As worded in the redraft, the entire curriculum at the maritime academies would be required to meet Navy standards and needs, stresses the training of naval officers at these academies, and does not mention the primary objective of the academies as training officers for service in the U.S. merchant marine. We have attempted to correct this with language which I believe is in conformance with our mutual understanding of the basic role of the academies and the sense of Congress concerning the joint interest of the Navy in these schools, while also serving as an overall policy statement for the entirety of Title XIII. These and other issues are covered in the enclosure.

I will be pleased to appear before the Subcommittee on April 28 for the final day of hearings

Sincerely,

SAMUEL B. NEMROW,
 Assistant Secretary for Maritime Affairs.

Enclosure.

MARITIME ADMINISTRATION COMMENTS ON REDRAFT OF H.R. 5451 "MARITIME
 EDUCATION AND TRAINING ACT OF 1980"

Section 1301, page 2, line 7 through page 3, line 6

The following text is recommended as a complete replacement text for Section 1301:

"Sec. 1301 It is the policy of the United States that merchant marine vessels of the United States should be operated by highly trained and efficient citizens of the United States and that the United States Navy and the merchant marine of the United States should work closely together to promote the maximum integration of the total seapower forces of the United States. In furtherance of this policy:

"(1) the Secretary of Commerce is authorized to take the steps necessary to provide for the education and training of citizens of the United States as officers and crew capable of providing for the safe and efficient operation of the merchant marine of the United States in the domestic and foreign commerce at all times and as a naval and military auxiliary in time of war or national emergency; and

"(2) the Secretary of Navy should work with the Assistant Secretary of Commerce for Maritime Affairs and the head of each State maritime academy to assure that the training of future merchant marine officers at the United States Merchant Marine Academy and at the state maritime academies includes programs for naval science training in the operation of merchant marine vessels as a naval and military auxiliary and that Naval Reserve Officer Training Corps programs for the training of future naval officers, insofar as possible, be maintained at designated state maritime academies consistent with Navy standards and needs."

Explanation

Although the redraft version of this Section has been somewhat reworded from the original text in H.R. 5451, the naval training references have retained the same meaning as the original text. The comments in the Maritime Administration State-

ment of December 6, 1979, continue to reflect our views on the naval training references in this Section.

As worded, this Section, which is an important policy preamble to all that follows in the bill, stresses the training of officers for the U.S. Navy at the Federal and state maritime academies, and does not reflect that the primary role of these schools is to train merchant marine officers, capable of operating their merchant ships in peacetime commerce and as a "naval and military auxiliary in time of war or national emergency." (Merchant Marine Act, 1936, as amended; Title I—Declaration of Policy, Section 101(b))

Sec. 1302(6), page 4, lines 19-24

It is recommended that the definition of "merchant marine officer" be revised as follows:

"... the term 'merchant marine officer' means any master, mate, pilot, engineer, or operator licensed by the United States Coast Guard to serve on board U.S. documented merchant vessels or vessels owned and operated by the United States or by any state or territory, of over 100 gross tons."

Explanation

Since one of the principal objectives of the programs of the Federal and state maritime academies is to train individuals to obtain licenses issued by the United States Coast Guard, the definition of the term "merchant marine officer," for purposes of this title, should not be more restrictive than the scope of activities that such licenses is licensed to engage in. Graduates of the academies receive unlimited tonnage licenses which by their nature entitle the graduate to serve in a broader scope of the maritime industry than the draft language of this definition encompasses. Furthermore, it is in the national interest that academy graduates have the ability to engage in as wide a range of sailing capacities as possible, due to the periodic shortages of employment opportunities on vessels operating in the open seas or on the Great Lakes. The use of the term "any United States documented vessel" alone excludes a great number of merchant vessels, including public vessels owned and operated by the United States or by any state or territory.

Sec. 1303(b)(1), page 5, lines 4-10

It is suggested that this subsection be reworded as follows.

"(b)(1) To be considered for appointment as a cadet at the Academy, an individual must be nominated for the year of appointment by a Senator, a Member of the Bureau of Representatives, the Panama Canal Commission, the Governor of the Northern Mariana Islands, or the Governor of American Samoa (until a delegate to the House of Representatives from American Samoa takes office)."

Explanation

Proposed language change is to add clarity to this subsection. Since the position of Governor of the Canal Zone no longer exists, the nominating authority has been designated as the Panama Canal Commission. Also, it is proposed that the Mayor of the District of Columbia be deleted as a nominating authority since currently nominations are being made by the Delegate to the House of Representatives from the District of Columbia, and this official is included in the designation of each "Member of the House of Representatives" as a nominating authority.

Sec. 1303(b)(2)(A), page 5, lines 11-14

It is suggested that this subsection be reworded as follows:

"(2)(A) The Secretary shall establish minimum qualification requirements for the individuals nominated pursuant to paragraph (1) and shall establish a system of competition for the selection of qualified nominees for appointments."

Explanation

The purpose of the proposed rewording is to make clear that the "minimum requirements" refers to basic qualifications that the individual must meet to be considered for appointment to the Academy. It is also to clarify that the appointment procedure is a two-step process, first, to determine that the individual nominee meets the minimum qualification standards; and, second, that the selection for appointment will be determined by an established system of competition from among such qualified nominees.

Sec. 1303(b)(3)(A) through (G), page 5, line 2 through page 7, line 12

The following substitute language is proposed for these paragraphs:

"(3)(A) Qualified candidates nominated pursuant to paragraph (1) shall be selected for appointment to the Academy to fill vacancies established in accordance with the following allocations:

"(i) The number of vacancies allocable to individuals resident in each state shall be proportional to the representation in Congress from that state.

"(ii) Two vacancies shall be allocated each year to individuals resident in the areas and installations in the Republic of Panama, made available to the United States pursuant to the Panama Canal Treaty of 1977 and related agreements, to be filled by qualified candidates from among sons and daughters of citizens of the United States.

"(iii) One vacancy shall be allocated each year to an individual resident in Guam.

"(iv) One vacancy shall be allocated each year to an individual resident in the Virgin Islands.

"(v) One vacancy shall be allocated each year to an individual resident in American Samoa, and admission of such individual shall not be denied by reason of being a national but not a citizen of the United States.

"(vi) One vacancy shall be allocated each year to an individual resident in the Northern Mariana Islands, and admission of such individual shall not be denied by reason of being a national but not a citizen of the United States.

"(vii) Four vacancies shall be allocated each year to individuals resident in the District of Columbia.

"(viii) One vacancy shall be allocated each year to an individual resident in the Commonwealth of Puerto Rico.

"(ix) Individuals receiving an appointment under the provisions of subparagraphs (iii), (iv), (v) and (vi) above and paragraph (4) of Section 1303(b) shall not be entitled to hold any license authorizing service on any merchant vessel of the United States by reason of graduation from the Academy until such individual becomes a citizen of the United States.

"(B) The Secretary shall make appointments of qualified nominees to fill vacancies established pursuant to paragraph (A) from among residents of each respective geographic subdivision in the order of merit determined by the competitive system established under paragraph (2)(B). In case vacancies remain after such appointments, the Secretary shall fill such vacancies from among qualified nominees in the order of merit without regard to the area of residence of the nominees."

Paragraphs lettered (H) and (I) should be relettered as paragraphs (C) and (D) respectively.

Sections 3(A) through 3(G) of the redraft of the bill relating to the allocation of vacancies and the appointment process represent a drastic departure from the text of the original draft of H.R. 5451 and set forth procedures that are contrary to the recommendation of the Ad Hoc Select Subcommittee on Maritime Education and Training in its Oversight Report issued in 1978. It also sets forth procedures that are generally difficult to administer. The major thrust of the recommendation of the Ad Hoc Subcommittee was that the state or other geographic area of residence of the applicant should be the determining factor for the filling of vacancies and not the area of representation of the nominating official. This was to eliminate an applicant's use of multistate nominations to gain an unfair advantage in the admissions process. The proposed redraft language of paragraph 3(A) makes clear that vacancies to the Academy are allocated to states and other geographic areas based on the candidates' residency in such state or other geographic area.

Paragraphs 3(B) through 3(K) of the redraft provide that a certain number of individuals shall be appointed each year from among individuals nominated by designated nominating authorities representing specific geographic areas. This would be difficult to administer if there are no qualified candidates nominated that are residents of one or more of these geographic areas. The proposed redraft language restates these paragraphs to make clear that these geographic areas are allocated a certain number of vacancies to be filled, if possible, from qualified nominees that are residents of each of these geographic areas.

Language similar to that provided with respect to residents of American Samoa, who are nationals but not U.S. citizens, has been proposed for appointees from the Northern Mariana Islands since the same considerations should be equally applicable to individuals receiving appointments who are residents of this area.

Provision has been made for the allocation of one vacancy for an individual resident of the Commonwealth of Puerto Rico which does not appear to have been otherwise provided for.

Under the redraft version of H.R. 5451, the selection of qualified candidates that were not appointed to fill vacancies based on their state of residence is limited to the vacancies allocable only to the fifty states. The original draft included the vacancies allocated to the other designated geographic areas in this selection process. The proposed redraft of relettered paragraph (3)(B) adopts the approach of the original draft.

The proposed revision of paragraph (3)(B) is also intended to clarify the procedure that appointments will be made: first, to fill vacancies from among qualified nominees, in the order of merit, who are residents of the state or other geographic area to which the vacancies apply; and, second to fill any remaining vacancies from among qualified nominees, in the order of merit, without reference to the residence of the nominees.

Sec. 1303(b)(3)(H), (relettered (3)(C)), page 7, line 15

It is proposed that the phrase "not more than 20" be changed to "a limited number of."

Explanation

In the Supreme Court decision on *Bakke*, establishment by the school in question of a numeric quota set aside was a major point of objection by the Court which found the school's minorities admissions procedure to be faulty. For this reason, the Maritime Administration, in its original comment on this subparagraph, proposed use of the phrase "a limited number" rather than a specific value. Past experience has shown that to achieve effective results of the objectives of such appointments, approximately 40 noncompetitive appointments of qualified individuals have been necessary. The actual number of noncompetitive appointments varies from year to year. If the Subcommittee nevertheless decides to specify a particular number, the number should be "40."

Sec. 1603(b)(4)(B), page 8, lines 2-10

It is proposed that this paragraph be reworded as follows:

"(B) Any individual receiving instruction under the authority of this paragraph shall receive the same allowances, and emoluments (to be paid from the same appropriations) and, subject to such exceptions as shall be jointly agreed upon by the Secretary and the Secretary of the Interior, shall be subject to the same rules and regulations governing admission, attendance, discipline, resignation, discharge, dismissal and graduation as cadets at the Academy appointed from the United States."

Explanation

In the Maritime Administration's Statement, dated December 6, 1979, it was pointed out that the close of the parentheses in this paragraph should be after the word "appropriations" rather than after the word "Interior." MarAd's proposed change was adopted in the redraft of paragraph 1303(b)(5)(B), but the change was not made in redrafting this paragraph. The addition of the words "appointed from the United States" at the end of this paragraph restates the language that was in the original draft of the bill and that appears to be significant in the interests of clarity. Commas have been inserted to set off the words "subject to such exceptions as shall be jointly agreed upon by the Secretary and the Secretary of the Interior" also in the interests of clarity. The word "and" on line 7 has been deleted as superfluous in the proposed redraft of this paragraph.

Sec. 1303(b)(5)(A) through (C), page 8, line 15 through page 9, line 10

The following text is recommended as a substitute for Section 1303(b)(5)(A) through (C):

"(5)(A) The President may designate not more than 12 individuals, from nations located in the Western Hemisphere, other than the United States, to receive instruction at any one time at the Academy. No more than two individuals from any one nation may receive instruction at one time. Individuals so designated are entitled to the same allowances, and emoluments (to be paid from the same appropriations) and shall be subject to the same rules and regulations governing admission, attendance, discipline, resignation, discharge, dismissal and graduation as cadets at the Academy appointed from the United States.

"(B) In addition, the Secretary is authorized to permit upon designation by the Secretary of State a sponsor, not more than 30 persons at any one time from foreign countries to receive instruction at the Academy. A foreign country sponsoring a cadet at the Academy under this section shall reimburse the United States, at a rate determined by the Secretary, for the cost of providing such instruction, including the same allowances and emoluments as received by persons appointed from the United States, unless a written waiver of reimbursement is granted by the Secretary."

Subparagraph (D) should then be relettered as (C).

Explanation

This text incorporates the Maritime Administration recommendation that 30 foreign nationals may be permitted to attend the U.S. Maritime Academy on a

reimbursable basis. However, the text imposes two limitations which we consider unnecessarily restrict the use of these appointments. The limitations are that no more than two individuals at any time may be from the same nation, and that the 30 reimbursable appointments cannot be made available to Western Hemisphere nations. It is the intent of the Maritime Administration that these 30 appointments be utilized in cooperation with the Department of State in the interest of promoting good international relations. These 30 attendees at any one time translate to an average of less than eight appointments per year overall if appointments are made on a regular basis. The text would limit attendees from any one nation to no more than two in any four year interval, a severely restrictive number in terms of use of this provision for international relations purposes. Further, these are cost reimbursable appointments and differ from the twelve existing American Republics appointments which are in effect scholarships. We see no reason for excluding the American Republics from these reimbursable appointments. In our view the two limitations should be removed in order to provide a more effective provision where programs of international cooperation may be desirable.

Sec. 1303(c), page 9, lines 15-22

It is proposed that this section be revised to the following:

"Any citizen of the United States who is a cadet at the Academy may be appointed by the Secretary of the Navy as a midshipman in the United States Naval Reserve (including the Merchant Marine Reserve, United States Naval Reserve) and may be commissioned upon graduation from the Academy as an ensign in the United States Naval Reserve (including the Merchant Marine Reserve, United States Naval Reserve)."

Explanation

In each of the parentheticals, the designation "the Merchant Marine Reserve of the United States Naval Reserve" has been changed to "the Merchant Marine Reserve, United States Naval Reserve" in order to conform the language of the bill to the publicized title of this Naval reserve component.

The word "and" has been inserted before the word "may" on line 19 which apparently was inadvertently omitted in the redraft text.

It is proposed that the words "or the United States Coast Guard Reserve" at the end of this paragraph be excised. The paragraph provides an authority to the Secretary of the Navy, but in peacetime the Coast Guard is not under the Secretary of the Navy and reference to the Coast Guard is not relevant to this paragraph. In the past graduates from the Academy have been commissioned in reserve components other than the US Naval Reserve in an armed service other than the US Navy. This has applied not only in the case of the United States Coast Guard, but also with respect to the United States Army, the United States Air Force and the United States Marine Corps. This is covered in a proposed amendment to Section 1303(f)(1)(C) below.

Sec. 1303(d), page 9, line 24

It is proposed that the words "allowances for" be deleted from this paragraph.

Explanation

The purpose of this change is to conform the provisions of the bill to the current procedure. Annual appropriations of funds for the operation of the Academy include provision for the cost of furnishing of all required uniforms and textbooks to midshipment at the Academy.

Sec. 1303(f)(1), page 10, lines 6-7

It is proposed that these two lines be changed to read as follows:

"(f)(1) Each individual appointed as a cadet to the Academy six months or more after the date of enactment of this Title, who"

Explanation

This paragraph addresses the effective date of the new service obligations on entrants to the US Merchant Marine Academy. It is important that there be a sufficient interval between enactment and the effective date of these service obligations on new entrants so that applicants can be adequately informed in advance of their commitments. The paragraph may also be in technical conflict with Section 4 of the bill (page 30, line 18) which states "This Act shall take effect on October 1, 1980", depending on the actual date of enactment and the date which finally appears in Section 4. The nomination and appointment procedure at the US Merchant Marine Academy extends over a six to nine month interval prior to an entering class reporting in July of each year. Recruitment and selection at the state academies similarly covers a span of several months prior to the individual report.

ing dates at each state academy. We propose that a minimum six-month interval be provided in the Statute before these service obligations are effective so that information material can be prepared, distributed and all applicants can be adequately informed. An identical change is proposed in Sec. 1304(g)(5) on page 23, lines 7-9 relative to the state maritime academies. Further, the word "to" is more appropriate in line 6, in the context of this sentence. It makes clear that the provisions of this paragraph apply only to cadets appointed to the Academy after the effective date of this paragraph.

Sec. 1303(f)(1)(C), page 10, line 18 through page 11, line 3

It is proposed that this paragraph be amended as follows:

"(C) to apply for, and if tendered, accept an appointment as, and to serve as a commissioned officer in the United States Naval Reserve (including the Merchant Marine Reserve, United States Naval Reserve), the United States Coast Guard Reserve, or other reserve component of an armed force of the United States for at least six years following graduation from the Academy."

Explanation

The purpose of inserting the parenthetical phrase "including the Merchant Marine Reserve, United States Naval Reserve" is to conform this paragraph to Section 1303(c) of the bill. It is also proposed to add to this paragraph a provision that the obligation to accept an appointment as and to serve as a commissioned officer in a reserve status may be fulfilled in any other reserve component of an armed force, such as the United States Army Reserve, the United States Air Force Reserve or the United States Marine Corps Reserve. Some Academy graduates elect to serve on active duty in another branch of the armed forces and while they are on active duty and for a period subsequent to the completion of their tour of active duty they are members of the reserve component of that service. Under such circumstances the individual should be found to have complied with this obligation if the period extends over six years following graduation from the Academy.

It is also proposed that subparagraph (ii) of Paragraph (C) be deleted on the basis that active duty as a commissioned officer in an armed force of the United States or in the National Oceanic and Atmospheric Administration is more appropriately considered within the purview of paragraph (D).

Sec. 1303(f)(1)(D)(i), page 11, lines 7 and 8

It is proposed that this subparagraph be amended to read as follows:

"(i) as a merchant marine officer on a United States-documented vessel or on a vessel owned and operated by the United States or by any state or territory."

Explanation

As pointed out in the Maritime Administration Statement, dated December 6, 1979, the reason for proposing this additional language is to insure that service as a merchant marine officer aboard public vessels owned and operated by the United States or a state or a territory, but which are not United States-documented vessels, qualifies as fulfilling this obligation option.

Sec. 1303(f)(1)(D)(ii), page 11, lines 9-10

It is proposed that this subparagraph be amended as follows:

"(ii) as a commissioned officer on active duty in an armed force of the United States, or in the National Oceanic and Atmospheric Administration; or"

Explanation

As noted above in connection with the discussion of paragraph (C), it appears more appropriate to deal with periods of active duty in paragraph (D) since it relates to compliance with the obligation of the Academy graduate "to serve the national defense or the foreign and domestic commerce of the United States." When an Academy graduate enters on active duty, the individual does so in a reserve status so that during the tour of active duty, the individual is simultaneously serving as a commissioned officer in a reserve component and serving on active duty. Accordingly, that period of active duty is creditable to the fulfillment of both the obligation imposed by paragraph (C) (a six-year obligation) and the obligation imposed by paragraph (D) (a five-year obligation). If the tour of active duty is less than six years, the individual is required to maintain the reserve commission until at least six years following graduation in order to comply with the obligation established by Paragraph (C). If the tour of active duty is less than five years, the individual is required to make up the balance of the five-year obligation established by paragraph (D) by employment under subparagraph (D)(i) or subparagraph (D)(iii).

Sec. 1303(f)(1)(E), page 11, lines 17-18

It is recommended that the phrase "at intervals determined by the Secretary" be added at the end of this paragraph.

Explanation

In the redraft of this paragraph of the bill, no reference has been made to the frequency of reporting on the compliance by the individual. It is proposed that the intervals reporting be left to the discretion of the Secretary.

Sec. 1303(h), page 13, lines 1-6

It is proposed that this subsection be modified to read as follows:

"(h) The Superintendent of the Academy may confer the degree of Bachelor of Science upon any graduate who has met the conditions prescribed by the Secretary and who, if a citizen of the United States, has passed the examination for an entry-level merchant marine officer's license, but the degree shall not be denied to a citizen who is not permitted to take the examination solely because of physical disqualification"

Explanation

The purpose of this modification is to make provision that a citizen cadet at the Academy who has developed a physical condition during the period of matriculation at the Academy which renders him or her disqualified medically to sit for a license examination in accordance with Coast Guard regulations is not precluded from receiving the Bachelor of Science degree solely as a result of such physical disqualification.

It is not considered equitable to deny a degree to an individual who is not allowed to sit for the examination through no fault of the individual, but has met all other requirements for the award of a degree.

Sec. 1304(c)(2), page 17; lines 11-13

The following text is recommended for lines 11 through 13 on page 17 of the redraft:

"The Secretary may pay to any state maritime academy an amount determined by the Secretary to assist in paying for the costs of all fuel consumed."

Explanation

Lines 11 through 13 of the redraft read: "(2) The Secretary shall pay . . . an amount . . . equal to not less than one half of the costs of all fuel . . ." Since funding is subject to annual authorization and appropriation actions of the Congress, the language of the redraft appears to be inappropriate and in conflict with budget procedures. Therefore, we are recommending alternate text.

Sec. 1304(C)(1)(A), page 16, lines 3

Line 3 of the redraft should be revised by substituting the term "paragraph (1)(B)" in lieu of "paragraph (2)", since "paragraph (1)(B)" actually describes how vessels may be obtained by the Secretary. The citing of "paragraph (2)" would appear to have been an inadvertent typographical error.

Sec. 1304(c)(3)(B), page 18, line 1

The word "shall" on page 18, line 1 should be changed to "may".

Explanation

Paragraph (3) of subsection 1304(c) permits the Secretary to arrange for training assignments of the state maritime academy students on U.S. ships other than the training ships, and in shipyards, plants, etc. Subparagraph (B) would require the Secretary to pay for transportation and travel if the Secretary were to arrange such training. Use of the word "shall" would prevent the Secretary from making any such training arrangements unless funds for transportation and travel were authorized and appropriated, even if the state academies or the individuals were willing to take advantage of possible arrangements in the absence of Federal funding.

*Sec. 1304(d)(1), page 18, lines 5-6**Comment*

Page 18, lines 5 and 6, of the redraft state that "The Secretary may enter into an agreement, which shall be effective for not more than 4 years."

Our existing agreements with the academies, copies of which have been previously provided to the Subcommittee, contain an automatic year-to-year renewal clause under which the agreements are automatically renewed unless terminated by either party. We have concluded that the proposed wording does not preclude the continued incorporation of this type of renewal clause in the agreements. The renewal

clause was introduced in 1969 solely to eliminate a significant paperwork flow in the periodic reissue of complete contractual documents. At no time do the agreements extend beyond a four year effective interval.

Sec. 1304(f)(2), page 10, lines 2-6

It is suggested that the language beginning on line 2 be revised to read "territories, or both, supporting such academy. The number determined by the Secretary shall not at any time exceed one-third of the total number of students attending such academy."

Explanation

The language of the existing statute is intended to place a limit on the Secretary with regard to the number of out-of-state students the Secretary can require a state academy to admit in order for the state academy to be eligible for the \$100,000 annual payment. The redraft language places this limit also on the individual academies. We do not concur with this change. It is not our intention to place an upper limit on the number of out-of-state students voluntarily enrolled. Maine Maritime Academy, for example, voluntarily enrolls a large percentage of out-of-state students and may be seriously affected by the redraft language. Therefore, we are recommending the above revision.

Sec. 1304(g)(2)(E), page 11, line 9

It is recommended that the phrase "at intervals determined by the Secretary" be added after the word "paragraph."

Explanation

In the redraft no reference has been made as to the frequency of reporting on the compliance by the individual. It is proposed that the intervals of reporting be left to the discretion of the Secretary. An identical recommendation has been made on page 11, line 18, with regard to the Federal Academy.

Sec. 1304(g)(2)(D)(i) and (ii), page 11, line 23, through page 12, line 1

It is proposed that subparagraphs (i) and (ii) be revised as follows:

- (i) as a merchant marine officer on a United States-documented vessel or on a vessel owned and operated by the United States or by any state or territory,
- (ii) as a commissioned officer on active duty in an armed force of the United States, or in the National Oceanic and Atmospheric Administration, or"

Explanation

As pointed out in the Maritime Administration Statement, dated December 6, 1974, the reason for proposing this additional language is to insure that service as a merchant marine officer aboard public vessels owned and operated by the United States or a state or a territory, but which are not United States-documented vessels, qualifies as fulfilling this obligation option.

Also, it appears more appropriate to deal with periods of active duty in paragraph (D) since it relates to compliance with the obligation of the Academy graduate "to serve the national defense of the foreign and domestic commerce of the United States." When an Academy graduate enters on active duty, he does so in a reserve status so that during the tour of active duty the individual is simultaneously serving as a commissioned officer in a reserve component and serving on active duty. Accordingly, that period of active duty is creditable to the fulfillment of both the obligation imposed by paragraph (C) (a six-year obligation) and the obligation imposed by paragraph (D) (a three year obligation). If the tour of active duty is less than six years, the individual is required to maintain the reserve commission until at least six years following graduation in order to comply with the obligation established by Paragraph (C).

Sec. 1304(g)(3), page 11, lines 7-12

It is proposed that this paragraph read as follows:

- (b) This subsection shall apply only to individuals first entering a state maritime academy six months or more after the date of enactment of this Title. Section 6 of the Maritime Academy Act of 1958 (46 USC 1383) shall continue to apply to individuals who first entered a state maritime academy prior to the date of applicability of this subsection.

Explanation

The purpose of this rewording is to provide a sufficient interval between enactment and the effective date of these service obligations on new entrants so that applicants can be adequately informed in advance of their commitments. An identical change is proposed for Sec. 1303(f)(1) on Page 10, lines 6-7, regarding the Federal

Academy. These changes would be particularly necessary if H.R. 5451 were to be enacted in the spring or early summer before freshman classes actually report to the academies but after most processing is completed under currently existing terms.

Sec. 1304(h), page 23, lines 13-21

It is recommended that the words "of the" on lines 16 and 19 be deleted and replaced with a comma and that the phrase "or the United States Coast Guard Reserve" on lines 20 and 21 be deleted.

Explanation

Paragraph (h) provides an authority to the Secretary of the Navy, but in peacetime the Coast Guard is not under the Secretary of the Navy, and reference to the Coast Guard is not relevant to this paragraph. In the past graduates from the academies have been commissioned in reserve components other than the US Naval Reserve in an armed service other than the US Navy. This has applied not only in the case of the United States Coast Guard, but also with respect to the United States Army, the United States Air Force and the United States Marine Corps.

Sec. 1308(b), page 27, lines 9-14

The following text, following the word "training" on line 9, is recommended concerning procedures for making surplus marine equipment available to approved non-profit training institutions:

"by making shipboard equipment and other marine equipment owned by the United States which have been determined to be excess or surplus, available pursuant to sections 202 and 203(j) of the Federal Property and Administrative Services Act of 1949, as amended, to any such institution for instructional purposes."

Explanation

The Maritime Administration did not comment on this paragraph in its original form as contained in H.R. 5451, since discussions were still underway with other agencies interested in the disposition of surplus equipment. It has been determined that the appropriate sections of the Federal Property and Administrative Services Act of 1949, as amended, should apply.

Sec. 1308(d), page 28, lines 1-6

Section 1308(d), which provides for employment and compensation of faculty members should be amended to clarify that the Secretary, or the person to whom he delegates his authority, is solely responsible for determining faculty salaries. We recommend that the following text be added after line 4:

"provisions of chapter 51 and subchapter III of Chapter 53 of such title (relating to classification and General Schedule pay rates). Notwithstanding any other provision of law, the Secretary is authorized to establish such compensation schedules without further authorization or negotiation"

Explanation

Addition of reference to subchapter III is technical in nature and reflects earlier bill drafts.

For the record, we would like to offer the following background information for our proposed amendment. Subsection 1308(d) is in need of revision because it does not resolve problems previously identified and communicated to the Subcommittee. It is recommended that the original text of H.R. 5451, Section 1309(d), as modified by the proposal in the Maritime Administration Statement dated December 6, 1979, at pages 18-19, be substituted.

The faculty of the U.S. Merchant Marine Academy were Administrative Enrollees in the U.S. Maritime Service with ranks, ratings, compensation and allowances at rates similar to those provided by law for the U.S. Coast Guard. Effective January 1, 1962, pursuant to Public Law 87-93 (63 Stat. 964), Administrative Enrollees were changed to General Schedule or Wage positions with compensation as for other Federal civilian employees, except for the faculty. The statutory authority exempting the faculty and its legislative history indicate the Congressional intent that compensation for the faculty should be similar to that of the civilian faculty of the U.S. Naval Academy. It is of special note that the compensation of the civilian faculty of the U.S. Naval Academy is fixed, and not negotiated, by the Secretary of the Navy.

The Merchant Marine Academy Faculty Salary Schedule is established to include 48 steps, corresponding to the first 48 steps of the Naval Academy Schedule, which are increased to 120 percent of the Naval Academy schedule in recognition of the 12-month year at the Merchant Marine Academy. (The Naval Academy has adjusted

its salary schedule to 120 percent to compensate only those faculty members who work a 12-month year.) For some years the American Association of University Professors has shown that the average compensation for each faculty rank at the Merchant Marine Academy has the highest rating out of ten possible ratings for academic institutions awarding the baccalaureate or equivalent degree.

The Merchant Marine Academy faculty labor organizations, during negotiations around 1971, proposed to change the number of steps from entry to the top of the grade and the percentage factor for adjusting the Naval Academy Faculty Salary Schedule from 120 percent to 133 1/2 percent to compensate for our 12-month year.

The position of the Department of Commerce was that the union's proposals were nonnegotiable and several grounds were cited.

The union appealed the agency decision to the Federal Labor Relations Council. The Council rejected the Department's asserted grounds and specifically held that the union proposals were negotiable and not contrary to (1) the Merchant Marine Act, (2) Office of Management and Budget directives, (3) various pay acts, or (4) agency regulations. With reference to the Superintendent's lack of authority over faculty salaries, it was determined that the agency should provide representatives who are employed to negotiate. Due to other matters arising between the Department and the faculty labor organization, salary negotiations have not yet taken place. Copies of the Council's decision, FLRC No 71A-5 of November 20, 1972, have been provided to your Subcommittee's staff.

Notwithstanding any other provision of law, clarification is desired of the intent of Congress with respect to negotiation of faculty salaries. Section 1303(d) of H.R. 5451 would clarify and change the decisional premise for determining the system of faculty pay. The work "authorization" would clarify that the Secretary may fix the faculty pay and need obtain no approval or concurrence of any other agency; for example, the Office of Personnel Management. The words "or negotiation" reverse the Federal Labor Relations Council decision concerning negotiability so that the salary schedule is not itself negotiable but the words "notwithstanding any other provision of law" would clarify the fact that negotiations on the salary schedule are not needed as an impact of implementation pursuant to title VII of the Civil Service Reform Act of 1978. This would be consistent with removal of the dollars from negotiation.

The reason for this proposal are as follows:

Negotiation of salaries is inconsistent with the basic authority of the President to control and fix salaries of Executive Branch employees. No reason ever has been advanced to justify an exception to this fundamental principle for the Academy faculty.

The existing law contains a reasonable standard capable of being applied with fairness, as has been done in the past. The Congress clearly indicated that faculty compensation should be similar to that of the civilian faculty of the U.S. Naval Academy. The Secretary of the Navy fixes, and does not negotiate, the compensation of the Naval Academy civilian faculty.

The necessary exception from the General Schedule compensation system by no means provides any basis or argument to justify negotiation of faculty pay. The exception is required because of the impossibility of testing college level teaching professionals and the need for some flexibility in order that specialized individuals be brought aboard as needed for the unusual requirements and schedule of the Academy.

In our opinion, events over the last decade show that the issue of Academy faculty compensation has had and will have serious adverse consequences for the Academy. The compensation question has stalled resolution of the normal issues of personnel policies and practices and working conditions in the established program of elderly employee labor relations. An extensive period of negotiations may be expected which would disrupt the highly concentrated classroom teaching of our cadets, i.e., four years of college completed in three with one year at sea. The very atmosphere needed for health labor-management relations based on mutual respect and a commitment to common goals has been tainted by the distraction of the compensation question.

Additional comment—Conversion of former administrative enrollees in the USMS to civil service status

We note that this redraft omits completely and repeals the statutes pertaining to the conversion to civil service position of former administrative enrollees in the United States Maritime Service. Carry-over of certain portions of the statutes was contained in the original text of bill H.R. 5451 as Section 1307. The Maritime Administration Statement dated December 8, 1979, beginning on page 17, explains the background of our concern for retention of certain protections for the employees affected, as well as continuation of certain disclaimers of benefits to such employees

There has been further discussion between our staffs on the need for explicitly retaining the carry-over language in the new statute. Your staff advised that not carrying forward these old statutes would in no way deny to former employees those protections which were conferred in the about-to-be-repealed statutes or revive benefits to which those employees were not entitled. Your staff further advised that the legislative history of H.R. 5451 could make clear the sense of Congress that repeal of the old statutes is not intended to eliminate the protection for those civil service employees affected or revive entitlement to denied benefits. We believe it is possible that former administrative enrollees may be employed in other Government agencies, and issues related to their conversion to civil service status may still arise. Thus, we prefer retention of the prior draft text of Section 1307. However, if the carry-over provisions of the old statutes are omitted from and repealed in the final text of H.R. 5451, we consider it important that the legislative history of H.R. 5451 clearly express the sense of Congress on this point.

DEPARTMENT OF THE NAVY,
OFFICE OF LEGISLATIVE AFFAIRS,
Washington, D.C. April 23, 1980

Hon LES AU COIN,

Chairman, Ad Hoc Select Subcommittee on Maritime Education and Training, Committee on Merchant Marine and Fisheries, House of Representatives, Washington, D.C.

DEAR MR CHAIRMAN: Your request for comment on a redraft of H.R. 5451, a bill "To provide for education and training in maritime subjects" has been assigned to this Department by the Secretary of Defense for the preparation of a report expressing the views of the Department of Defense.

The purpose of this bill is to state the national policy for maritime education provided at the federal and state level and to state certain procedures to be followed relative to the administration of the United States Merchant Marine Academy at Kings Point, New York. The Department of the Navy, on behalf of the Department of Defense, strongly supports the redrafted bill subject to incorporation of the changes below.

The following recommended changes, along with rationale, are presented for your consideration:

a Page 2, Sec 1301 — Delete entire section and replace with the following text for Section 1301.

"Sec 1301. It is the policy of the United States that merchant marine vessels of the United States should be operated by highly trained and efficient citizens of the United States and that the United States Navy and the merchant marine of the United States should work closely together to promote the maximum integration of the total seapower forces of the United States. In furtherance of this policy:

"(1) the Secretary of Commerce is authorized to take the steps necessary to provide for the education and training of citizens of the United States as officers and crew capable of providing for the safe and efficient operation of the merchant marine of the United States in the domestic and foreign commerce at all times and as a naval and military auxiliary in time of war or national emergency.

"(2) the Secretary of the Navy should work with the Assistant Secretary of Commerce for Maritime Affairs and the head of each State maritime academy to assure that the training of future merchant marine officers at the United States Merchant Marine Academy and at the State maritime academies includes programs for Naval Science training in the operation of merchant marine vessels as a naval and military auxiliary and that Naval Reserve Officer Training Corps programs for the training of future naval officers, insofar as possible, be maintained at designated State maritime academies consistent with Navy standards and needs."

Rationale

As worded, this Section, which is an important policy preamble to all that follows in the bill, stresses the training of officers for the U.S. Navy at the federal and state maritime academies and does not reflect that the primary role of these schools is to train merchant marine officers capable of operating their merchant ships in peacetime commerce and as a "naval and military auxiliary in time of war or national emergency".

b Page 4, Line 22-24 — Delete "of not less than 1,000 gross tons which operates on the open seas or on the Great Lakes" and replace with "or vessels owned and operated by the United States or by any state or territory, of over 100 gross tons".

Rationale

The use of the term "any United States documented vessel" alone excludes a great number of merchant vessels, including public vessels owned and operated by the United States (i.e., MSC vessels) or by any state or territory. Graduates of the academies receive unlimited tonnage licenses which by their nature entitle the graduate to serve in a broader scope of the maritime industry that the draft language of this definition encompasses.

c. Page 9, Line 18.—Delete "of the" and replace with "."

Line 19.—Insert "and" before "may".

Line 21.—Delete "of the" and replace with "."

Line 22.—Delete "or the United States Coast Guard Reserve".

Rationale

In each of the parentheticals the designation "the Merchant Marine Reserve of the United States Naval Reserve" has been changed to the "Merchant Marine Reserve, United States Naval Reserve" in order to conform the language of the bill to the publicized title of this Naval Reserve program.

The word "and" has been inserted before the word "may" on Line 19 which apparently was inadvertently omitted in the revised text. It is proposed that the words "or the United States Coast Guard Reserve" be deleted. The paragraph provides an authority to the Secretary of the Navy, but in peacetime the Coast Guard is not under the Secretary of the Navy and reference to the Coast Guard is not relevant to this paragraph.

d. Page 10, Line 20-23. Replace entire text as follows, "A commissioned officer in the United States Naval Reserve (including the Merchant Marine Reserve, United States Naval Reserve), the United States Coast Guard Reserve, or other reserve component of an armed force of the United States for at least six years following graduation from the Academy."

Rationale

In the past, graduates from the academy have been commissioned in reserve components other than the U.S. Naval Reserve, in an armed service other than the U.S. Navy. This has applied not only in the case of the United States Coast Guard, but also with respect to the U.S. Army, the U.S. Air Force and the U.S. Marine Corps.

e. Page 11, Line 8.—Insert "vessel" after "or on a vessel owned and operated by the United States or by any state or territory, of over 100-gross tons".

Rationale

Same rationale as subparagraph 2b.

f. Page 21, Line 10-13.—Replace entire text as follows: "a commissioned officer in the United States Naval Reserve (including the Merchant Marine Reserve, United States Naval Reserve), the United States Coast Guard Reserve, or other reserve component of an armed force of the United States for at least six years following graduation from the academy".

Rationale

Same rationale as subparagraph 2d.

Line 24.—After "vessel" insert "or vessels owned and operated by the United States or by any state or territory, or over 100 gross tons."

Rationale

Same rationale as subparagraph 2b.

g. Page 23, Line 16.—Delete "of the" and insert "."

Line 19.—Delete "of the" and insert "."

Line 20.—Delete "of the United States Coast Guard Reserve".

Rationale

Same rationale as subparagraph 2c.

Sincerely,

L. C. LATTSCH,
Captain, JAGC, U.S. Navy, Director, Legislation.

CALIFORNIA MARITIME ACADEMY,
Vallejo, Calif., April 15, 1980.

Hon. LES AU COIN,

Chairman, Ad Hoc Select Subcommittee on Maritime Education and Training,
Washington, D.C.

DEAR CONGRESSMAN AU COIN In accordance with the provisions of your letter of April 4, 1980, which enclosed the draft of H.R. 5451, I wish to request a change in wording to the draft proposal.

Section 1304(c)(1)(A)(vi) on page 17 of the draft bill reads as follows "(vi) shall be subject to the vessel inspection laws of the United States under the same terms as are passenger carrying vessels or vessels carrying passengers for hire"

The Training Ship *Golden Bear*, as a public nautical schoolship, is currently not subject to inspection as a passenger vessel but is inspected under Subchapter R of Chapter 1, Title 46, U.S. Code of the Rules and Regulations for Nautical Schools Placing the Training Ship *Golden Bear* under passenger inspection regulations could require increases in manning requirements such as additional radio operators and junior watch officers and costly structural changes to install remote controlled water-tight doors, stairwell enclosures and motorized lifeboards as a few examples.

The draft bill does not repeal Subchapter R of Chapter 1 to Title 46, U.S. Code. It is considered that it is not your intention to change existing inspection requirements. The present inspection system is effective, reasonably complied with and provides for proper safety of students in a maritime environment.

It is strongly recommended that the following substitution be made in lieu of the present Section 1304(c)(1)(A)(vi): "(vi) shall be subject to the vessel inspection laws of the United States under the Rules and Regulations for Nautical Schools"

Section 1304(c)(1)(A)(i) of Draft Bill 5451 requires the Secretary to provide support for public nautical schoolships including apparel, charts, books, and instruments of navigation.

Charts, books, and navigation instruments and equipment are currently being furnished in a satisfactory manner and meet the present training requirements aboard the Training Ship. However, apparel such as mooring lines, running rigging and bedding are not furnished, and consumables are not provided.

It is recommended that subject section be reworded to read as follows "(i) shall be repaired, reconditioned, and equipped (including supplying all apparel, consumables, charts, books, and instruments of navigation) as necessary for use as a training ship."

Sincerely,

J P RIZZA,
Rear Admiral, USMS, President

MAINE MARITIME ACADEMY,
Castine, Maine, April 15, 1980.

Hon. LES AU COIN,

Chairman, Ad Hoc Select Subcommittee on
Maritime Education and Training,
Washington, D.C.

DEAR MR CHAIRMAN, Thank you for the opportunity to comment on the revised text of H.R. 5451, sent me under your letter of 4 April 1980. There continues to be a number of concerns I trust can be resolved before the bill is sent along to the House for passage, but overall it seems to me to have been drafted to accommodate a number of the suggestions my colleagues and I made last December. I trust that my further comments submitted herewith will assist you in the final draft. It is essential, I feel, that we attempt to clarify these matters while in the process of rewriting the basic legislation, rather than being obliged to pursue further amendments at a later date.

1. With reference to the basic annual grant of \$25,000, or \$100,000, as stipulated in Sec. 1304 (d)(1) as equated to sums furnished to each academy for its maintenance and support by the respective state (states) or territory, the situation today is almost ludicrous.

State appropriations are now in every case well over the multiple million level and climbing. In the case of Maine, the appropriation is over 2.5 million, and in that of New York over 5 million per year. Although other provisions of the bill authorize potential expenditures by the Secretary for fuel supplies, equipment and training, it is this specific appropriation which continues to give concrete expression to the concept of equality of support and it is most obviously in no way equal. I would like to recommend that the annual payment be stipulated as no less than fifteen percent

of that appropriated in the preceding year by the respective state legislatures, or a minimum of \$250,000 whichever is greater. This change would go far to demonstrating in the most immediate and striking fashion that the federal government recognizes the support the states are providing the academies and would consciously implement the spirit of partnership implicit in the relationship between the two sovereign entities.

II In 1304 (X2) the language providing fuel support to the academies changes the formula from the cost of fuel utilized in training cruises, to not less than one half of the cost of all fuel consumed by any vessel while being used for training purposes. I would suggest that the provision of not less than half the cost of fuel leaves open ended the potential cost to the academies to the point that at some time in the future they may still face bankruptcy, if obliged to bear half of the cost of ship operations. I respectfully request that the text of the bill be changed to state as follows:

"(a) The Secretary shall pay to any state maritime academy an amount determined by the Secretary which is equal to the costs of all fuel consumed by any vessel furnished under paragraph (1) while such vessel is being used for training purposes by such academy, except that the Secretary will not be obliged to provide fuel for the dockside upkeep of the vessel while not engaged in the annual training cruise periods."

III I would like to suggest two changes in the text which would eliminate some potential for federal interference in the academic freedom of the state academies. The first arises from some ambiguity in the text of Sec. 1304 (X2) which gives the Secretary authority to require a one third proportion of "out-of-state" students at the academies. The wording of lines 23 and 24 of page 19 is sufficiently imprecise as to suggest the Secretary may require the admission of specific individuals rather than a quota of non-resident students. In order that there be no question of the limited authority of the Secretary regarding the standards of admission to the state academies, I suggest the text of lines 23 and following be amended to read:

"State maritime academy shall agree to admit to such academy on the requirement of the Secretary a number of individuals who meet the admission requirements of that academy and who are citizens of the United States and

My second comment is with the requirement that students obtain a license as an officer in the Merchant Marine of the United States as a precondition of graduation. As I maintained earlier in testimony before the committee, I consider the qualification for graduation from the academies to be a matter of individual academies' privilege, not necessarily related to the licensing process. The requirement to pass the license examination prior to graduation will disrupt the academic calendar and possibly have a deleterious effect on student morale and behavior. I would propose that a time limit such as three months after graduation be allowed in which a student who received federal aid must complete his licensing qualifications, or face being called to active military duty under the penalties outlined in Section 1304 (X3), pg. 22, line 10.

The effective text, found on pg. 21, line 3-7 could be amended to read as follows:

"(B) to qualify and obtain no later than three months following graduation from the state maritime academy, a license as an officer in the Merchant Marine of the United States, and to maintain such license

IV With regard to the service obligations proposed for graduates of Kings Point, as contrasted with those proposed for graduates of the state academies, it still appears that there is a considerably more onerous requirement for the latter, when the financial obligations the state academy graduates are forced to meet on their personal account are taken into consideration. I would suggest further that an opportunity is being lost for the creation of a meaningful merchant marine reserve by unduly limiting the period during which graduates of both types of institutions are required to maintain current licenses and be available for reserve duty. I would suggest the following requirements in the place of those currently in the draft bill:

	US Merchant Marine Academy	State Maritime Academy
B. Maintain current license as officer in merchant marine	12	6
C. Apply for appointment as and accept if tendered as and to serve as (1) a commissioned officer in the U.S. Naval Reserve or U.S. Coast Guard Reserve for at least	12	6
(2) a commissioned officer on active duty in an armed force of the	3	3

—Continued

(in years)

	U.S. Merchant Marine Academy	State Maritime Academies
(D) To serve the national defense or the foreign and domestic commerce of the United States for at least (following graduation from the respective academy)	5	3
(E) To maintain his registration in the Merchant Marine Reserve of the United States	12	6

I further recommend that the language relating Section (DXi) should be expanded to allow service on domestically owned foreign flag registered vessels of the United States. While this change may not be of great importance at the present time, when there is a shortage of officers for the domestic flag fleet, this situation is not historically the prevailing situation a majority of the time. The inclusion of the foreign flag alternative will encourage officers of the merchant marine to remain at sea during times of domestic officer surplus, rather than to utilize the escape clause provided in (DXiii) to work in shoreside marine related employment.

I would also recommend that consideration be given to expanding the Secretary's authority to grant this exception by adding the following phrase to page 11 (line 13) and page 22 (line 5):

"Secretary determines that such service is a satisfactory alternative to service under clause (i) or (ii) of this subparagraph, or if the Secretary determines that service under clause (i) or (ii) of this subparagraph is not available to such individual; and

Finally in this regard I would suggest that in Sec. 1306, language be added authorize the establishment of a merchant marine reserve register composed of all licensed merchant marine officers, to be subject to call to service in the merchant marine in times of national emergency as detailed by the President, and further that the authority of the Secretary be amended in Section 1305 to provide additional training on maritime subjects to the personnel of the merchant marine, personnel of the merchant marine reserve, and to individuals preparing for a career in the Merchant Marine of the United States.

If the suggestion above are not considered feasible, there remains some confusion in my mind as to the intent of the service requirement of the present text on page 21 (Sec. 1304(g)(1)(D) beginning line 19, particularly that of provision (ii) calling for service as a commissioned officer on active duty pursuant to subparagraph (CXii), in that the basic length of service required in subparagraph D is three (3) years, and that in subparagraph (C) is five (5) years. Furthermore, since NROTC requirements for active service upon completion of the scholarship program is only four (4) years, it would appear that the five (5) year requirement of Section (CXii) is more onerous than warranted and may justify reconsideration.

V. I have two suggestions relative to the training vessels supplied by the government to the academies. One relates to the documentation of the vessel on which I recommended before that the training vessel, being the property of the United States government, be documented as a Public Vessel of the United States. The purpose being to simplify documentation and procedures in visiting foreign ports and to reduce domestic paperwork on clearing from the returning to U.S. ports. This is no way need prevent the U.S. Custom Service from inspecting returning vessels for legitimate purposes, but it would guarantee favored treatment abroad where courtesies are generally extended to U.S. Public Vessels.

The other problem is the Coast Guard inspection of all floating equipment used in training as passenger vessels. I have no quarrel with the general requirement of 1304 of (CX)(X)(iii) that the training ships, designed to carry the student body as a whole should meet this requirement.

However, when we attempt to utilize smaller vessels, such as surplus Navy tugs and other small displacement units for alternative training, it is impossible to modify these vessels to meet Coast Guard requirements and still preserve their unique characteristics.

An exception seems to be granted in Section 1307(c)(1) in the provision of a vessel or other floating equipment "other than a vessel of the United States Navy or the United States Coast Guard used by or in conjunction with any civilian nautical school." The definition of a civilian nautical school expressly excludes the U.S. Merchant Marine Academy and the state maritime academies. I would suggest that, if my reading of this text is correct, i.e., that a civilian nautical school may use surplus U.S. Navy or Coast Guard vessels without meeting Coast Guard regulations

for passenger vessels, that the same phraseology be applied to the section dealing with Coast Guard requirements of vessels operated by the state academies Section 1304(c)(1)(B), pg. 17, line 10, would be amended to stipulate that vessels supplied under this paragraph when utilized for training purposes, shall be subject to Coast Guard regulations for safety and seaworthiness to an extent compatible with their designed purpose.

VI. Finally, one minor qualification of the right of the Secretary to provide surplus and excess property to the state academies, I would suggest the text of Section 1308(h), lines 9 and 10 of pg. 27, be modified to read:

"training, by making vessels, shipboard equipment, marine equipment and other property owned by the United States which have been . . ."

This modification would entitle the various institutions to acquire useful equipment, office machinery, furniture and possibly vehicles, when available, to support the overall program, rather than be limited strictly to "marine equipment" as the text now prescribes.

I trust that the suggestions above will meet with the approval of the committee and that they may contribute to the overall improvement of the proposed legislation.

Sincerely,

E. A. RODGERS,
RADM, USMS, Superintendent.

MASSACHUSETTS MARITIME ACADEMY,
 Buzzards Bay, Mass., April 15, 1980

Hon. LES AU COIN,
 Chairman, Ad Hoc Select Subcommittee on Maritime Education and Training,
 Washington, D.C.

DEAR CONGRESSMAN AU COIN: This is in response to your kind letter of 4 April offering me yet another opportunity to comment on the most recent draft of H.R. 5451, the Maritime Education and Training Act of 1980. None of the parties concerned with the drafting of this important piece of legislation, especially myself, can complain that he has not had the opportunity to be heard on this important matter. My comments on the current draft of H.R. 5451 will be brief and to the point. Reference Sec. 1304, (d), (1), (B), (2), p. 17, Lines 11 through 15

Comment

I note and applaud the change from "may pay" to "shall pay" over the earlier draft with respect to the Maritime Administration's responsibility for payment of fuel oil consumed by training ships on cruise. I urge that the words "shall pay" be retained in the final legislation. Also, please refer to my answer to question No. 5 of Enclosure (1), previously submitted to your office.

Reference Sec. 1304, (d) (1), p. 18, Lines 13 through 21

Comment

I am disappointed that the latest draft does not incorporate the recommendations for increased Federal support which I and my chief executive officer-colleagues of the state academies and colleges have expressed before your Subcommittee. In this regard, please refer to my Statement of 6 December 1979 (pp 3 and 4) of Enclosure (2).

Also, it seems to me that the second section of this paragraph (lines 13 through 21) is ambiguous. Suggest rewording as follows:

"The amount of each such annual payment shall be equal to the amount furnished to each academy for its maintenance and support by the State or Territory in which such academy is located or, in the case of a regional academy an amount equal to the amount furnished to such academy for its maintenance and support by all States or Territories, or both, cooperating to support such academy, except that each such annual payment shall not exceed \$25,000, or \$100,000 if such academy meets the requirements of subsection (f) (2)."

Reference Section 1304, (f), (2), p. 19 (Lines 21 thru 25) and p. 20 (Lines 1 thru 6).

Comment

Again, I am disappointed that the latest draft does not incorporate the views that I have previously expressed on this point. In this connection please refer to my answer to question No. 7 of Enclosure No. (1) and to my Statement of 6 December 1979 (pp 7 and 8) of Enclosure No. (2).

With further reference to the phrase "determined by the Secretary" (p. 19, line 24), I am not clear as to whether the Secretary will determine the number of

individuals to be admitted or the specific individuals to be admitted. Suggest that this sentence be reworded as follows:

"(2) As a condition to receiving an annual payment of any amount in excess of \$25,000 under subsection (d), a State Maritime Academy shall agree to admit to such academy individuals in such numbers as the Secretary shall determine, who are

Reference Section 1304 (g), (1), (A), p. 20 (Lines 15 and 16)

Comment

I am surprised and keenly disappointed that wording of this subparagraph is unchanged from the original version. As you may recall, the 1978 Oversight Report of the Ad Hoc Select Subcommittee on Maritime Education and Training commented that the "Distribution of student subsistence allowance quotas among academies was arbitrary, their imposition was not permitted by the wording of the law, and the quota policy has not been properly incorporated into agency regulations." As you also know, the Assistant Secretary of Commerce for Maritime Affairs recently testified before your subcommittee that it was his intention to maintain the present cadet subsidy allowance based on the so-called "1965 level of enrollment rule". The following data, provided to me by the Maritime Administration, illustrates dramatically the inequity of the present subsidy distribution formula:

Academy	Enrollment ¹	U.S. citizen graduates 1979	Subsidy quotas
California	425	91	110
Michigan	154	22	50
Maine	633	133	150
Massachusetts	872	190	77
New York	792	416	251
Texas	232	32	35
Total	3,108	584	673

¹ As of December 31, 1979

For the past several years the Massachusetts Maritime Academy has been the largest single non-Federal source of new Merchant Marine officers in the United States. We are the only state academy which annually produces more new officers than the number of subsidies received. To put it another way, each of the other five state academies has a subsidy allocation which exceeds the total of each year's graduating class.

In light of this evidence, I urge your subcommittee to re-word this subparagraph to assure that there will indeed be a "fair and equitable" allocation of the student incentive payments in the future. I should like to offer this rewording of Section 1304 (g), (1), (A), p. 20 (Lines 15 and 16):

"(A) Allocated among the various state maritime academies in numbers which are proportionate to each academy's total enrollment of U.S. citizens within the overall number of such student incentive payments made available to all state academies as determined by the Secretary."

Your careful and thoughtful consideration of my views on this significant legislation is deeply appreciated.

Sincerely,

LEE HARRINGTON,
Rear Admiral, USMS, President.

[The enclosures to this letter have been placed in the subcommittee files.]

GREAT LAKES MARITIME ACADEMY,
Traverse City, Mich., April 14, 1980.

Congressman LES AU COIN,
Chairman, Ad Hoc Select Subcommittee on Maritime Education and Training,
Washington, D.C.

DEAR CONGRESSMAN AU COIN: I appreciate the opportunity to submit written comments on this redraft of H.R. 5451. In general I am very well pleased with the legislation, however, there are several areas I would like to see modified, if possible

On page 10, lines 14-17 "to obtain before graduation from the Academy a license as an officer" (These same words are used on page 21, lines 3-4.)

I would hope that this does not mean that a cadet at the Great Lakes Maritime Academy can't graduate if he/she does not successfully pass the licensing examination. During committee hearings, Academy superintendents testified quite forcefully on this issue and the difficulties inherent in such wording.

With reference to page 20, lines 7-16 — In earlier testimony of mine and others, there was expressed a strong feeling that stipends, with the proposed service obligation, should be made available to all applicants admitted. This section does not reflect that expressed viewpoint.

With regards to the topic on page 17, lines 1-4 — In respect to training ships meeting vessel inspection laws, I fear that this wording will unnecessarily restrict the use of certain small vessels serving a very valid training function. These vessels could not possibly meet the vessel inspection laws for passenger ships or vessels carrying passengers for hire. An example would be small tugs used for dock bumping exercises that have no berthing and no galley aboard. They are used for only a few daylight hours per day, in the very best part of the season, in protected waters, and by only a few cadets at a time. It seems that more reasonable inspection requirements should be applied to vessels used in this way.

Finally, I am indeed disappointed that the desperate need for ship handling simulators at state academies is not addressed at all in this proposed legislation.

Again, I am grateful for the opportunity to submit these written comments. Perhaps in your review of these comments and those of other academy directors, you will see your way clear to modify the draft of H.R. 5451 to recognize these concerns.

Sincerely,

GEORGE B. RECTOR,
RADM, USMS, Director

STATE UNIVERSITY OF NEW YORK, MARITIME COLLEGE,
Fort Schuyler, Bronx, N.Y., April 16, 1980

Hon LES AU COIN,
Chairman, Ad Hoc Select Subcommittee on Maritime Education and Training,
House of Representatives, Washington, D.C.

DEAR MR AU COIN: Thank you for the opportunity to submit written comment on the draft of H.R. 5451, the Maritime Education and Training Act of 1980, enclosed in your letter of 4 April 1980.

The Maritime College is pleased that your "current thinking" reflects many of the points on which we testified, and is in our opinion and significantly improved re-draft. Among the revisions that we believe represent constructive changes are:

1 The statement of policy commencing page 2, line 7. This establishes an appropriate perspective.

2 The elimination of the "loan" concept as a substitute for the Cadet stipend (or subsidy).

3 The provision of an allowance for transportation to be paid to a Cadet traveling under orders for the purpose of receiving shipboard training.

4 The provision for payment by the Secretary of not less than one-half of the training ship fuel costs for the training cruise (Especially appreciated!)

The Maritime College has carefully reviewed the revision. There is enclosed suggested amendments which we believe will further improve the Bill.

Thank you, Mr. Chairman, for the privilege of contributing to the formulation of this significant legislation. We at Fort Schuyler admire the time and effort that you have personally invested in this work and the acumen demonstrated in the conduct of the hearings and decisions when confronted with conflicting points of view.

Fair winds for H.R. 5451.

SHELDON H KINNEY,
Rear Adm. USN (ret), President

Enclosure

COMMENTS ON REVISED H.R. 5451

P 16.L 1—Suggest that in enabling the Secretary to furnish a training ship that the word may be replaced by shall.

Rationale is that State schools have looked in an instruction mode which includes schedules, programs, and personnel for operating their training ships.

P 16 L 7—Authorizes the loan of a training ship that is "equipped (including supplying all apparel, charts, books, and instruments of navigation)" while P 17 L 7 allows the loan of the "vessel (including equipment)".

Suggest therefore that P 16 L 4 add "and equipment" after "navigation".

P 17 L 1—Places the training ship in the category of "passenger carrying vessels or vessels carrying passengers for hire."

This is not in current legislation to our knowledge and was not in the first draft bill.

The implication of classification as a passenger ship is higher costs of equipment and perhaps level of manning. This must be an increase in cost to the Secretary who shall maintain the ship in good repair and is the authority who shall subject the vessel to inspection as a passenger ship.

We have no objection to this higher classification but we have little confidence in the administration's realistic effort to meet the costs required, as the Committee knows from testimony on the current authorization Bill.

A reasonable compromise to avoid costs exceeding training ship needs would be to add P 17 Line 17 after "hire, such terms being adapted to training vessel needs".

P 20 L 4-5—One-third is too high—suggest change to one-fifth.

P 20 L 13—Fixes the incentive payment at \$1,200. We believe that this fixed amount will sooner or later need adjustment, just as the \$1,200 ROTC payment is being considered.

Suggest that the wording read "not to exceed \$1,200, as adjusted for the cost of living or equal to ROTC payments."

P 20 L 15—Allocates the incentive payments in a "fair and equitable" manner. What is more fair and equitable than to add "except that no State allocation shall be less than that in recent years".

P 21 L 3—The cadet cannot guarantee he will obtain a license. The college cannot require it for graduation. Suggest change "obtain" to "seek".

P 21 L 6—Requires the graduate to maintain the license for "at least 6 years". We know of no rationale for 6 years that overrides the license period of 5 years. Perhaps, there is some remote assumption that the 6 year term of service commissions is relevant, but the reasoning escapes us.

Suggest that the 6 on page 21 line 6 be changed to 5.

We do not comment on the 6 years on page 21 line 12 since that is a service commission period.

P 21 L 17—Includes an active duty alternative of five years for State school graduates, which contrasts with the three years active duty on line 21. We believe that the three years on line 21 governs, and that five on line 17 should be three.

It would be gross inequity to expect five years from State school graduates after a maximum incentive of \$4,800, when compared to five years for federal academy graduates.

P 22 L 13—Threatens that the Secretary of the Navy may order a former student in non-compliance to active duty.

Suggest there be an alternative that the "Secretary (of Commerce) may order such individual to repay the incentive payments."

P 22 L 12—The two year provision is inconsistent with the policies presently in effect at several Service Academies. It is our understanding that:

U.S. Military Academy—no penalty unless refuse a commission

U.S. Coast Guard Academy—no penalty until proximity to graduation

U.S. Air Force Academy—no penalty until First Class (senior) year.

Apparently, only the Naval Academy commences a penalty after two years.

Suggest the Secretary be given the same latitude to administer this, that is granted the service secretaries.

TEXAS A & M UNIVERSITY AT GALVESTON,
MITCHELL CAMPUS,
Galveston, Tex., April 14, 1980.

Hon. LES AU COIN,

Chairman, Ad Hoc Select Subcommittee on Maritime Education and Training,
Washington, D.C.

DEAR CONGRESSMAN AU COIN: H.R. 5451 as rewritten, copy transmitted by your letter of April 4, 1980, is acceptable in principle to the Texas Maritime College.

It is my recommendation that the Maritime Administration discuss with representatives of each institution the allocation of incentive payments to the various Maritime Academies and Colleges before the specific number for each is determined. This would appear to be in keeping with the philosophy of "fair and equitable manner" as described on page 20, line 15 and 16.

I wish to commend you and your subcommittee for the efforts which have produced the current edition of H.R. 5451. In my view the revision appears to have addressed the most significant objections expressed by the Maritime Colleges and Academies at the December 1979 hearings, and is an improvement in the legislation affecting Maritime Education and Training.

It is my hope that we shall see H.R. 5451 enacted into law in the very near future.

Sincerely,

KENNETH G. HAYNES,
RADM, USMS Dean.

STATE OF LOUISIANA,
EXECUTIVE DEPARTMENT,
Baton Rouge, April 14, 1980.

Hon. LES AU COIN,
Chairman, Ad Hoc Select Committee on Maritime Education and Training,
Washington, D.C.

DEAR LES: Mr. V. J. Gianelloni, III, Director of the Louisiana Marine and Petroleum Institute, has informed me of a proposed revision of H.R. 5451, the "Maritime Education and Training Act of 1980." I am concerned that several provisions of the proposed revision will have a serious impact on the small commercial vessel industry in Louisiana.

The small commercial vessel industry is very extensive in the State of Louisiana. There are approximately 3,000 small commercial vessels in the offshore marine service industry alone. To assist individuals in qualifying for maritime positions on small commercial vessels, the State has established several training programs. The most ambitious of these programs is the vocational-technical training at the Louisiana Marine and Petroleum Institute in Houma, Louisiana.

The proposed revision of H.R. 5451 would exclude small commercial vessels from its coverage by defining "merchant marine officer" as one who serves "on board any United States documented vessel of not less than 1,000 gross tons which operates on the open seas or the Great Lakes." [Section 1302(b)] The proposed revision would also appear to exclude vocational-technical schools from the definition of "State Maritime Academy." [Section 1302(5)]

I feel this important legislation has been drafted too narrowly to address the problems of only a small segment of the maritime industry (i.e., large deep sea vessels) and fails to recognize the needs of the numerous small commercial vessels of our inland and offshore industries. The marine training problems facing these vessels are constantly increasing due mainly to the ever increasing training requirements of the Coast Guard. I would appreciate your efforts to amend the legislation to include small commercial vessels of less than 1,000 gross tons and vocational-technical training institutions. If Mr. Gianelloni, or Mr. Kai David Midboe of my personal staff (504-342-2791), can be of assistance on this matter, please do not hesitate to call on them.

With best wishes, I am,

Very truly yours,

DAVID C. TREEN, Governor.

STATE OF LOUISIANA,
LOUISIANA MARINE & PETROLEUM INSTITUTE,
Chauvin, La., April 11, 1980.

Representative LES AU COIN,
Chairman, Ad Hoc Select Subcommittee on Maritime Education and Training, U.S.
House of Representatives, Washington, D.C.

DEAR REPRESENTATIVE AU COIN: In my testimony before your subcommittee on 11 December, 1979, I stated, "We were very upset when not one word was mentioned in the subcommittee's oversight report (95th Congress, Serial No 95-E) concerning the unique marine training problems faced by the State of Louisiana."

ONLY OVER 1,000 GROSS TONS

With the Maritime Administration's workforce study (several copies attached hereto) and their testimony I was under the impression that the federal government had finally come to the realization that the "merchant marine" was considerably broader than just our deep-sea foreign commerce fleet.

The Maritime Administration study establishes the offshore mineral and oil support fleet personnel shortages at 8,567 licensed and/or certified persons. These shortages could lay up 35 percent of the vessels of this marine sector (page iii of workforce study) if marine laws were strictly enforced.

However the proposed changes to HR 5451 would exclude any federal recognition for comprehensive training for this sector of the marine industry. This is accomplished by defining (Sec 1302(6)) merchant marine officer "as licensed persons who serve on board vessels of not less than 1,000 gross tons.

The Maritime Administration study (page 3) establishes the fact that at present (and this would change after the US Senate ratifies the Tonnage Admeasurement Convention) only five (5) of the 2,851 vessels in this sector are over 1,000 gross tons.

Appendix A of that same study also verifies that training for these vessels (under 1,000 gross tons) will be even more critical when the US Senate ratifies the proposed IMCO Convention on Standards of Training Certification & Watchkeeping of Seafarers.

IS A DEGREE NECESSARY TO BE LICENSED A MARINE OFFICER

The definition of "State Maritime Academy" proposed in Sec 1302(5) may be interpreted as requiring a training program culminating in a degree. The State of Louisiana had decided to keep its marine training program wholly professional and vocational in nature similar to the industry/union schools.

We feel that the additional academic requirements, e.g. English, History, Economics, etc. do not sufficiently add to the competence of a licensed marine officer to justify the increased time required to obtain that degree. Louisiana has therefore decided to provide professional marine training which is vocational in nature rather than academic.

We would prefer if the definition in Sec 1302(5) stated on its face that a degree program was not necessary for federal recognition if a national need is being met.

NATIONAL NEED

In this regard, the enclosure gives a breakdown of those enrolled in our "Core Program" in Marine Operations, by residence upon beginning training. You will note that only 35 percent of the cumulative total are from Louisiana and only 18 percent of the currently active students are Louisianians.

With this large a majority being non-Louisiana natives, the student body is definitely national in scope. Also we are meeting a national need by providing training to those directly involved in energy production on our Continental Shelf.

We hope that you recognize the national significance of what the State of Louisiana is attempting to do with the Louisiana Marine & Petroleum Institute. We therefore request that consideration be given to modifying the two definitions, in the proposed revision, as referred to above and as discussed in our previous testimony.

Truly,

V. J. GIANELLONI III, Director

[The attached study submitted with this letter has been placed in the subcommittee files.]

FISCAL YEAR 1980 CUMULATIVE TOTAL

STATE OF RESIDENCE OF CORE STUDENTS

Louisiana, 11, Panama Canal Zone, 6, Florida, 2, Texas, 2, Maine, 1, Maryland, 1, Tennessee, 1, Arkansas, 1, Massachusetts, 1, New Hampshire, 1, Nebraska, 1, New York, 1, Kentucky, 1, and Georgia, 1.

ACTIVE CORE STUDENTS AS OF APRIL 1, 1980

Canal Zone, 4, Louisiana, 2, Arkansas, 1, Tennessee, 1, Maryland, 1, Maine, 1, and Massachusetts, 1.

U.S. MERCHANT MARINE ACADEMY,
ALUMNI ASSOCIATION, INC.
Kings Point, N.Y., April 17, 1980

Hon. LES AUCOIN,

Chairman, Ad Hoc Select Subcommittee on Maritime Education and Training,
House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: We appreciate your letter of April 4, 1980 and this opportunity to comment on the revised draft of the Bill proposed as the Maritime Training and Education Act of 1980.

For the consideration of the Subcommittee our comments follow:

Appointment to the U.S. Merchant Marine Academy

(a) On page 6 lines 9 through 25 and page 7 lines 1 through 12 in sections B through G applicants to the Academy are mandated on an annual basis from the Canal Zone, Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands and the District of Columbia.

Comments.—It should be noted that in the past there have been few, qualified candidates from some of these areas. We therefore suggest that the words "shall be appointed" in sections B through G be deleted and replaced with "may be appointed."

(b) On page 7 lines 19 through 22 in section I the intent is to insure no preference is given to an applicant from the immediate family of an Academy alumnus.

Comment.—The Alumni of Kings Point feel that if enacted into law this section will result in denying qualified candidates admission to the Academy merely because members of their immediate family are alumni. On the other hand we do agree that no preferential treatment should be accorded applicants for appointment and suggest the present language of section I be deleted and instead the following wording be used "No preference shall be granted in selecting individuals for appointment as cadets because of race, creed, color or family relationship."

Composition of the U.S. Merchant Marine Academy's Academic Advisory Board

On page 14 lines 23 through 25 and page 15 lines 1 and 2 in section (j)(2) the membership of the Advisory Board is provided for.

Comment.—The Alumni Association feels that graduates of the Academy are particularly well qualified to advise the Assistant Secretary of Commerce for Maritime Affairs and the Superintendent on the course of instruction. We note the Maritime Administration by General Order issued to the state maritime academies requires that representatives of their alumni be appointed to the advisory boards of those institutions. Accordingly we recommend that in line 25 after the word "Academy" and before the word "who" the following be inserted: "including the President of the Academy's Alumni Association or his designee."

Authorization for Federal assistance to a regional maritime academy

On page 15 lines 16 through 25 provision is made for the establishment of regional maritime academies which would be eligible for federal assistance. (Section 1304(b)).

Comment.—The Alumni Association believes that existing maritime training institutions are adequate in number and facilities to meet the current and foreseeable requirements of the U.S. Merchant Marine. The language of this section would encourage the establishment of additional academies which are not needed. We recommend that this section (1304(b)) be deleted.

Authorization for Federal assistance to nonprofit maritime training institutions

On page 27 lines 4 through 14 Federal assistance is authorized under certain conditions for any non-profit training institution which has been jointly approved by the Secretary of Commerce and the Secretary of the department in which the U.S. Coast Guard is operating.

Comment.—The funds and other forms of Federal assistance for maritime training are limited by budgetary constraints. We believe that the language of this section referring to non-profit institutions will encourage the establishment of additional unneeded maritime training institutions as well as to provide federal assistance to training institutions now existent which do not now receive direct federal support. The likely result would be to decrease federal funds for the federal and state maritime academies through the transfer of part of their present funding to "non-profit" training institutions. Under these circumstances the greatest loss will be that of the nation for the quality of the maritime education provided at Kings Point and the six state maritime academies will be diminished. We strongly recommend that the language "non-profit training institutions" be deleted from Section 1308(b).

Pay for cadets at the U.S. Merchant Marine Academy

On page 10 lines 4 and 5 section (e) "Cadets at the Academy shall receive no pay from the Secretary."

Comment.—During World War II cadets at the U.S. Merchant Marine Academy were paid at the same level as the Cadets/Midshipmen at the military service academies. In a future period of national emergency it would be appropriate that Cadets at Kings Point again be paid. We therefore recommend that the referenced provision be deleted.

Definition of merchant marine officer

On page 4 lines 19 through 24 the term "merchant marine officer" is defined for the purpose of Sec. 1302

Comment.—The requirement for service on a vessel of not less than 1,000 gross tons operating on the open seas or on the Great Lakes in order to be considered a merchant marine officer is unrealistic and not in accordance with current practice. The limitations by tonnage and areas of operation would automatically exclude all service on inland waterway vessels i.e., Mississippi River, harbor craft, off shore drilling service craft and other commercial craft of small tonnage. These vessels and their crews are part of the U.S. Merchant Marine and officers serving on such vessels should not be excluded for the purpose of the proposed legislation.

We trust that you will find our comments constructive and that the Bill can be amended as may be deemed appropriate in light of the information provided. If we can be of further assistance in this or any other matter we are at your disposal.

Sincerely,

MILTON G. NOTTINGHAM, JR.,
Legislative Representative.

THE AMERICAN WATERWAYS OPERATIONS, INC.,
Arlington, Va., April 18, 1980.

HON. LES AU COIN,

Chairman, Ad Hoc Select Subcommittee on Maritime Education and Training,
House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: The American Waterways Operators, Inc., representing the interests of the U.S. barge and towing industry, wishes to submit comments on H.R. 5451, the Maritime Education and Training Act of 1980.

We are supportive of the draft of H.R. 5451, enclosed with your letter of April 4, 1980 to this Association. The only suggested amendments we wish to make are as follows (underscored):

Section 1303(g) (1) and (2) on page 12 of the draft:

"(1) on any vessel owned or subsidized by the United States, such training to be accredited toward the onboard experience required for obtaining the license under Section 1303(f)(1)(B) of this Title;

"(2) on any other United States documented vessel if the owner of such vessel cooperates in such use; such training to be accredited toward the onboard experience required for obtaining the license under Section 1303(f)(1)(B) of this Title, and

Section 1304(c)(3)(A) (i) and (ii) on page 17 of the draft:

"(i) on any vessel owned or subsidized by the United States; such training to be accredited toward the onboard experience required for obtaining the license under Section 1303(f)(1)(B) of this Title;

"(ii) on any other United States documented vessel if the owner of such vessel cooperates in such use; such training to be accredited toward the onboard experience required for obtaining the license under Section 1303(f)(1)(B) of this Title;

The inclusion of the suggested language would serve to encourage cadets to engage in training on commercial vessels, under such terms as the Secretary may require, and enhance and widen the scope of such training.

We might point out the absence of the parenthetical language, to wit: (under such terms as the Secretary may require) in Section 1304(c)(3)(A). We do not know whether the omission was intentional or inadvertent.

Respectfully,

HAROLD D. MUTH,
Vice President, Government Relations.

OFFSHORE MARINE SERVICE ASSOCIATION.
New Orleans, La., April 14, 1980.

Hon. LES AU COIN,

Chairman, Ad Hoc Select Subcommittee on Maritime Education and Training,
Washington, D.C.

DEAR MR. CHAIRMAN: The Offshore Marine Service Association deeply appreciate this opportunity to provide further comments on the proposed Bill H.R. 5451 intended to revise the laws pertaining to Maritime Education and Training.

The Association and its members have deep concern with the bill as presently drafted and believes that its worthwhile intent to provide training and sources of qualified manpower will be narrowly limited to the extent that only a small portion of the United States Merchant Marine will be served.

We have estimated that there are nearly 10,000 vessels less than one thousand gross tons which all have serious shortages in manpower resources. Definition six (6) in Section 1302 restricts the definition of Merchant Marine Officer as a person licensed to serve on a vessel of over 1,000 gross tons. We respectfully suggest that the language in line 43 page 4 be amended to read 100 gross tons, as requested by this Association, MarAd and others. We believe the Coast Guard has erred in suggesting this limitation, for hands-on training aboard smaller vessels would benefit the cadet at the Academy or State schools. Further, it must be pointed out that the present draft is flawed in that a license for "operator" is not written in that tonnage nor is the license to engineers written in tonnage, but horsepower. By reducing the tonnage to one hundred, both operator and Engineer would be correct statements.

Definition 5 on page 4 also causes some concern. By defining the State Maritime Academy, as an academy or college, it leaves the connotation that the program described in Section 1305, 1307, and 1308 would require programs leading to a degree. Such a program may be deemed appropriate for the existing Kings Point or State Maritime Academy; but it would serve no useful purpose for the majority of professional seamen who require valid training for advancement.

We would suggest that Section 1307, which establishes the "civilian nautical school" is unnecessarily restrictive and contains archaic language from another day. Lines 13 and 14 on page 25 requires that individuals being trained be "quartered on board". In this day and age the obligations for meeting such requirement is neither cost-effective or practical in that the numbers of candidates must of necessity be limited by the size of the vessel and prohibitive costs maintaining such a plant. Uses of simulators, radars, and boiler systems are best used in shoreside classrooms and ashore dormitories. It is accordingly suggested that the words "quartered on board any vessel" be deleted from Section 1307.

Again we would wish to thank you for this opportunity to comment.

Very truly yours,

Capt. W. A. MAYBERRY,
Executive Director.

LAKE CARRIERS' ASSOCIATION,
Cleveland, Ohio, April 10, 1980.

Hon. LES AU COIN,

Chairman, Ad Hoc Select Subcommittee on Maritime Education and Training,
House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: Thank you for your letter of April 4, 1980 and revised H.R. 5451. There were several aspects of the original bill that I was very concerned about and I find most of these concerns still exist in the revised bill.

SIMULATION EQUIPMENT TRAINING FOR OFFICERS

The recent IMCO Agreement on manpower and training includes a requirement that cadet sea time be increased to 12 months. While there is a provision for equivalence, this is not spelled out, nor has a usable interpretation of this provision been furnished by the Maritime Administration or Coast Guard.

The net effect of 12 months sea time on state maritime academies without a training vessel, and each academy will be in that position ere long in view of obsolescent and increasing fuel costs, will be catastrophic. There is a simple, cost effective remedy. Use modern simulation equipment for training in lieu of the much more costly training vessels, costly as to first cost, operation and maintenance. Simulation equipment was used most effectively by the Navy in World War II for anti-submarine training (which I participated in), has long been used for flight

training and is currently being used for advanced, sophisticated training by the Navy.

As long as maritime training legislation is being revised it should look ahead beyond the IMCO Agreement that is already facing us. Simulation training is recommended by both MARAD and Coast Guard. See my letter dated February 29, 1980 to Dan Panshin attaching paper by Mr Arthur W Friedberg, Director, Maritime Manpower, Maritime Administration I am attaching a copy of that letter and statement for your convenience

To provide for the simulation equipment alternative I recommend the following subparagraph be inserted on Page 18 (c)(4) The Secretary may provide any state maritime academy meeting the requirement of Subsection (f)(1) with appropriate electronic simulation equipment for officer training in lieu of a training vessel"

CADET SUBSIDIES

I will repeat what I stated during last year's hearings "The provisions in the Bill for student loans have a great deal of merit They should increase the likelihood that those who do attend an academy or college will truly become maritime officers. For that reason we believe that the Secretary, in entering into agreements with individual academies or colleges, should not limit per se the number of students to whom such loans will be granted That should be a matter for the administrators of the individual academies or colleges, who are the persons best able to judge the required enrollment in relation to the demand for merchant marine officers. While it may not be practical to spell it out in the Bill, at least the Committee report should indicate that all students enrolled in the various academies and colleges are eligible for student loans without restriction as to number"

The wording of (g)(1)(A) on Page 20 indicates no change in the present method of providing cadet subsidies in spite of the recommendations of the Ad Hoc Committee in its report of academy visits two years ago

Not providing for subsistence to each cadet is inconsistent with the requirement of (g)(2)(D) on Page 21 that each graduate must serve three years. This is inequitable unless each graduate has received a cadet subsidy.

OBTAINING COAST GUARD LICENSE PRIOR TO GRADUATION

I will repeat my comments during the indicated hearings: "It is noted that as a condition to receiving any payments or the use of any vessel an academy or college must agree to require, prior to graduation, that a student pass the examination for an entry level merchant mariner officer's license. This is grossly unfair both to the institution and to the student. First, it is the administrators of the academy or college, and not the Coast Guard, who are best qualified to determine if a student's academic achievements warrant his entitlement to a degree. Second, vessel officers are professionals in every sense of the word and in no other profession, be it doctor or lawyer, is a student denied his degree because of failure to pass a government licensing examination. Licensing in these professions are both necessary and desirable, but one who has demonstrated academic proficiency should not be denied his degree because of a government licensing requirement. I believe the objective sought can be adequately handled through the proposed obligated service or loan repayment procedures."

Subparagraph (g)(2)(D) is out of line with academic practice and should be deleted. The three-year service required of Subsection (D) provides all the incentive needed

I appreciate the continued opportunity to comment on this important legislation, as well as your aggressiveness in pushing it through the legislative hopper.

Sincerely,

PAUL E. TRIMBLE,
Vice Admiral USCG (ret.), President.

[The attachments to this letter have been placed in the subcommittee files.

AMERICAN INSTITUTE OF MERCHANT SHIPPING.
Washington, D.C. April 21, 1980

Hon LES AU COIN,

Chairman, Ad Hoc Select Subcommittee on Maritime Education and Training, Committee on Merchant Marine and Fisheries, House of Representatives, Washington, D.C.

DEAR MR CHAIRMAN The American Institute of Merchant Shipping (AIMS) deeply appreciates this opportunity to comment on the ~~redraft~~ of H R 5451. We hope our views will be helpful in the effort to refine this important legislation.

1. Coast Guard inspections

If the full weight of the passenger vessel rules were to be strictly adhered to, few training vessels would be able to stay in business. We agree that basically speaking, such vessels should maintain a safety level comparable to that required of passenger vessels. However, it is essential for the statute to give the Coast Guard some discretionary authority to make exemptions, as appropriate. Flexibility in application of passenger vessel rules is particularly important on smaller, special purpose units which are highly productive and desirable for personnel training purposes and are cost beneficial.

2. Cost of fuel

With regard to the Federal Government's support for the cost of fuel for training vessels, we respectfully submit that limiting the contribution to one half the cost will prove inadequate. We urge that the full cost of fuel consumed while the vessel is being used for training purposes be paid by the Secretary.

3. Definition of merchant marine officer

We question the need for including a new definition of merchant officer, especially the unprecedented and illogical one found on page 4 of the bill. If a definition is deemed necessary for some reason, we would be glad to assist in drafting an appropriate one.

4. Service obligations

We commend the Committee for recognizing in this re-draft the disparity between the Federal support for King's Point and the state academies by providing for different service obligations. While a step in the right direction, the three years should, in our view, be reduced still further to achieve the proper ratio.

Thank you again for soliciting our views and please do not hesitate to let us know if you would like these comments amplified or if we can assist in any other way.

Sincerely,

W M BENKERT, President

UNIVERSITY OF WISCONSIN-SUPERIOR,
DEPARTMENT OF CHEMISTRY-PHYSICS,
Superior, Wis. April 18, 1980.

Hon LES AU COIN,

Chairman, Ad Hoc Select Subcommittee on Maritime Education and Training, House of Representatives, Washington, D.C.

HON LES AU COIN: I was sorry to learn that there will not be an opportunity for me to testify before your Ad Hoc Select Subcommittee on Maritime Education and Training. Here is my brief written testimony.

Briefly, may I suggest that on the basis of (a) maritime education is a function of the state, and (b) regionalism in post-secondary education limits diversity and results in very difficult recruitment problems, lines 15, 16, and 17 after "or," page 4, CAT059, be deleted.

These words, "regional maritime academies and colleges" (which are probably the brainchild of a 1978 subcommittee which had little representation from the Great Lakes area) should not appear in H.R. 5451.

My extensive work in regional higher education in Wisconsin, Minnesota, Illinois, Iowa, and Michigan for a period of five years as a director of resource personnel and implementation grants from the National Science Foundation leads me to the conclusion that regionalism in higher education, to say the least, is unrewarding and very, very difficult. I heartily recommend that MARAD encourage state maritime academies, not regional, for the Great Lakes, but only as manpower needs dictate. In my opinion, a University-level maritime academy, modeled after Texas Maritime, is needed now for the Great Lakes to complement the existing Junior-College model at Traverse City. Both academies are needed to meet existing and

project manpower needs I predict that a Wisconsin Maritime at the University of Wisconsin-Superior would fill a void now in Great Lakes Maritime education for the benefit of all concerned, if given the encouragement and the support of MARAD.

When H.R. 5451 is passed with the above deletions, I trust MARAD will again return to its role of helping in the development of new state maritime academies to meet manpower needs of the US Merchant Marine. "Regionalism" will no longer block progress in maritime education on the Lakes, and the rights of the states in maritime education will be once again secure.

Respectfully submitted,

GORDON O. C. BESCH, Ph. D (k.p., '47),
Professor of Physics

[Whereupon, at 12:20 p.m., the subcommittee was adjourned.]

MARITIME EDUCATION AND TRAINING ELEMENTS OF MARITIME APPROPRIATIONS AUTHORIZATION ACT

MONDAY, FEBRUARY 25, 1980

HOUSE OF REPRESENTATIVES, AD HOC SELECT SUBCOMMITTEE ON MARITIME EDUCATION AND TRAINING, OF THE COMMITTEE ON MERCHANT MARINE AND FISHERIES,

Washington, D.C.

The subcommittee met, pursuant to notice, at 9:32 a.m., in room 1334, Longworth House Office Building, Hon. Les AuCoin (chairman of the subcommittee) presiding.

Present: Representatives AuCoin and Emery.

Staff present: Dan Panshin, Len Sutter, Ron Losch, and Suzanne Bohn.

Mr. AuCOIN. The subcommittee will come to order.

This morning we commence hearings on the maritime education and training elements set forth in H.R. 6554, the authorization request of the Maritime Administration for fiscal 1981. These elements generally pertain to the U.S. Merchant Marine Academy, the State maritime academies, and the so-called supplementary training conducted by the Maritime Administration.

* The subcommittee also is in the midst of a series of hearings on H.R. 5451, the Maritime Education and Training Act of 1980. I anticipate that we will have 1 more day of hearings on that piece of legislation, a piece of legislation that is one of the more far-reaching bills of its kind concerning maritime education and training in the history of the Merchant Marine and Fisheries Committee.

H.R. 6554, the Maritime Administration authorization bill before us this morning, will fund many of the legislative initiatives set forth in the Maritime Education and Training Act of 1980. Therefore, the elements of the bill before us today require closer scrutiny than is usually the case.

Indeed, until Congressman Murphy appointed this subcommittee in the 95th Congress, it would appear that the major emphasis of the annual authorization hearing was on other elements of the authorization request of MarAd. This is readily understandable in view of the dollar amounts involved in maritime education, but as a result there is an open question whether maritime education and training activities of the Maritime Administration have been receiving the attention and scrutiny that they deserve. If these activities have, in fact, been neglected, then this subcommittee intends to rectify that situation, for U.S.-flag merchant vessels can only be as good as the professional personnel who crew them.

(379)

When I became chairman of this subcommittee, I began to familiarize myself with the statutes pertaining to maritime education and training. This was a very interesting exercise. What struck me is that case law pertaining to maritime education and training is just about nonexistent. As a result, the Maritime Administration appears to enjoy unusually broad discretionary authority in the education and training area.

In recent months, my own education in these matters has been markedly enhanced by three events in particular. The first was a rather unflattering series of articles in the Philadelphia Inquirer dealing with the U.S. Merchant Marine Academy. While many of the points raised in these articles are not relevant to either H.R. 5451 or the bill before us this morning, some of them do require further investigation by the Congress.

Second was the investigative visit I made to the U.S. Merchant Marine Academy last fall, allowing me to see the Academy and its programs at first hand. I must say that in many ways I was impressed.

I also found the hearings on H.R. 5451 enlightening, and the subcommittee is grateful to the witnesses who cooperated by furnishing facts and recommendations within their own spheres of expertise and interest in those hearings.

The committee requires facts if we are to discharge our responsibilities with respect to this legislation and the part of this legislation that we have the responsibility to scrutinize. This necessarily includes facts to resolve certain questions that have arisen during the course of the hearings on H.R. 5451. Among them are these:

One, the Philadelphia Inquirer reported that it cost the American taxpayer \$42,000 to educate a student at the U.S. Merchant Marine Academy. In December, Secretary Nemirov testified that the cost, quote, "excluding modernizations now being incurred" is \$32,188. The difference between the two figures of \$10,000 is substantial, and must be resolved before we complete action on this bill.

Two, the Maritime Administration proposed an amendment to H.R. 5451 that would allow designation of training institutions like the Louisiana Marine and Petroleum Institute as State maritime academies, but I am unaware of any provision in the authorization bill before us that would assist in funding such schools.

Three, the Maritime Administration has made provision in the authorization bill to fund the administration of the proposed student loan program for students at State maritime academies. Provision has been made, even though there is no statutory authority for the loan program, and this subcommittee has not yet determined the merits of such a loan program. The burden falls on the Maritime Administration to demonstrate to this committee's satisfaction that this action is not presumptuous.

Four, the so-called supplementary training provided by the Maritime Administration is an area where we enter these hearings with a dearth of information, to say the least. Testimony on H.R. 5451 would indicate possible duplication with programs offered by others, such as State academies and unions, and there are certainly divergent views concerning what is needed and who should offer this type of training. We require factual information now, not only

to pass upon the authorization request, but also for dealing with H.R. 5451.

Fifth, I am especially concerned with the proposal to impose a 5-year service obligation on the graduates of both the U.S. Merchant Marine Academy and the State maritime academies. This strikes me as a classic example of what, in the nautical sense, would be called a two-pot system, to use a seagoing term. In general, it seems to me that the markedly different levels of Federal support and attention for Kings Point, by contrast with those accorded to State maritime academies, represent a substantial inequity.

These are only a few of the issues that we will be exploring today in this hearing. I enter these hearings with an open, but, I must say, a curious mind, and I am determined to fairly and thoroughly examine the maritime education aspects of the MarAd authorization bill, at the request of Chairman Murphy and also following my own interests. So let us approach our task in a constructive and cooperative manner. The committee will be satisfied when we have received detailed and comprehensive information, but only then. These are the ground rules.

[A copy of the bill follows:]

96TH CONGRESS
2D SESSION

H. R. 6554

To authorize appropriations for the fiscal years 1981 and 1982 for certain maritime programs of the Department of Commerce, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 20, 1980

Mr. MURPHY of New York introduced the following bill; which was referred to the Committee on Merchant Marine and Fisheries

A BILL

To authorize appropriations for the fiscal years 1981 and 1982 for certain maritime programs of the Department of Commerce, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act may be cited as the "Maritime Appropriations
4 Authorization Act for Fiscal Years 1981 and 1982".

5 SEC. 2. Funds are authorized to be appropriated with-
6 out fiscal year limitation as the appropriation Act may pro-
7 vide for the use of the Department of Commerce, for the
8 fiscal years 1981 and 1982 as follows:

1 (1) For acquisition, construction, or reconstruction
2 of vessels and construction-differential subsidy and cost
3 of national defense features incident to the construc-
4 tion, reconstruction, or reconditioning of ships, not to
5 exceed, \$135,000,000 for fiscal year 1981, and such
6 sums as may be necessary for fiscal year 1982;

7 (2) For payment of obligations incurred for operat-
8 ing-differential subsidy, not to exceed \$347,697,000 for
9 fiscal year 1981, and such sums as may be necessary
10 for fiscal year 1982;

11 (3) For expenses necessary for research and de-
12 velopment activities, not to exceed \$28,750,000 for
13 fiscal year 1981, and such sums as may be necessary
14 for fiscal year 1982: *Provided*, That of the amounts
15 authorized for research and development there is spe-
16 cifically authorized \$10,000,000 for the sole purpose of
17 conducting a sealift readiness exercise prior to the end
18 of calendar year 1980, with a report on the outcome of
19 the exercise made to the appropriate committees of
20 Congress prior to February 1, 1981;

21 (4) For maritime education and training expenses,
22 not to exceed \$26,763,000 for fiscal year 1981, includ-
23 ing not to exceed \$18,201,000 for maritime training at
24 the Merchant Marine Academy at Kings Point, New
25 York, \$6,680,000 for financial assistance to State

1 marine schools, and \$1,882,000 for supplementary
2 training courses authorized under section 216(c) of the
3 Merchant Marine Act, 1936, and such sums as may be
4 necessary for fiscal year 1982; and

5 (5) For operating expenses, not to exceed
6 \$38,864,000 for fiscal year 1981, including not to
7 exceed \$7,208,000 for reserve fleet expenses, and
8 \$31,656,000 for other operating expenses, and such
9 sums as may be necessary for fiscal year 1982.

10 SEC. 3. There are authorized to be appropriated for the
11 fiscal year 1981 and 1982, in addition to the amounts author-
12 ized by section 2 of this Act, such additional supplemental
13 amounts for the activities for which appropriations are au-
14 thorized under section 2 of this Act, as may be necessary for
15 increases in salary, pay, retirement, or other employee bene-
16 fits authorized by law, and for increased costs for public utili-
17 ties, food service, and other expenses of the Merchant Marine
18 Academy at Kings Point, New York.

Mr. AUCOIN. My colleague Lester Wolff was unable to attend this morning's hearings. He, however, would like to submit a statement, and without any objections, it will be included in the record at this point.

[The following was received for the record.]

PREPARED STATEMENT OF HON. LESTER L. WOLFF

Mr. Chairman, I would like to take this opportunity to express my support for H.R. 6554, the Maritime Appropriations Authorization Act for Fiscal Years 1981 and 1982.

As the Representative from the Sixth Congressional District of New York State, I am fortunate to have the United States Merchant Marine Academy at Kings Point located within my district, and to have served as Chairman of the Academy's Board of Visitors. It is a permanently accredited college which has been duly authorized to award bachelor of science degrees to its graduates.

In addition to the baccalaureate degree, a graduate of Kings Point receives a license as a Merchant Marine Deck or Engineering Officer and a commission as an Ensign in the United States Naval Reserve. They are bona fide "triple threats" in our de facto ready reserve.

Graduates of the Academy have served our nation with distinction in time of peace and in time of war. Not only in the Merchant Marine, but in the United States Navy, the Coast Guard, and the Marine Corps. One of the first civilian astronauts was a graduate of Kings Point. Other graduates have gone on to lead great steamship companies; to outstanding careers in naval architecture; and flag ranks in our Navy.

At this very moment, when we are considering the possibility of a draft, we have a ready, superbly trained group of Naval Reserve Officers—graduates of the Merchant Marine Academy.

The goal and purpose of the United States Merchant Marine Academy is to train, develop and impart to outstanding young men and women, the academic background, training, motivation and ambition to serve as officers in the American Merchant Marine and as leaders in the United States maritime industry. The Academy ranks as one of the world's foremost institutions in the field of maritime education.

The graduates of the United States Merchant Marine Academy are highly trained to assume command positions in our merchant marine. Their scholastic requirements are reinforced while at the Academy, by actual sea experience aboard American merchant vessels. Our continued support of the Academy enables the United States to produce highly competent, well qualified officers which lessens our dependence on the skills or availability of foreign merchant shipping.

The United States has always been dependent upon extensive foreign commerce to supplement its own industrial output. In order to adequately maintain this desired level of trade, the United States clearly requires the merchant ships and the Officers and men and women that serve on them. Recent world-wide developments and serious complications with the Soviet Union and other nations have demonstrated the inherent dangers in being dependent upon foreign ships and foreign seamen. A continuous supply of superbly trained merchant marine personnel can only be assured if the United States trains its own merchant marine Officers and crews.

However, Mr. Chairman, it is indeed regrettable that we have not maintained an adequate American Merchant fleet. Many United States companies, for a plethora of reasons, register their ships with foreign nations. These ships, flying the so-called "flags of convenience" are commanded and operated by foreign personnel. Whether these ships and their crews would remain loyal to their American owners in a time of crises, is a question that has not been adequately addressed and which is increasingly important. If Panama and/or Libya, undertakes to freeze American assets, similar to the United States withholding Iranian investments, then the damage to American trade would be disastrous. International exchanges, including our tenuous oil supply, would be struck a crippling blow. The United States, in too many areas, has simply allowed itself to become subordinate to the whim of foreign nations: from the tiny little despots in their tents, that I have so often referred to on this floor, to the so-called "student radicals" of Iran, to the latest "Colombian guerrillas."

In addition, Mr. Chairman, the training of foreign seamen and the manning of vessels flying "flags of convenience" is apparently inadequate. Documentation has arisen indicating that some of the recent tragic accidents at sea, including the

tragedy of the "Argo Merchant", could have been averted with more experienced and better trained personnel. American companies register their ships with foreign countries, manined by foreign crews, and then "accidents" release millions of gallons of oil into the oceans, polluting them and American as well as foreign shores. Mr. Chairman, we must end this potentially catastrophic subservience.

A partial solution lies with continuing the programs of the United States Merchant Marine Academy. The Academy is responsible for an integral part of the defense of our country. Upon graduation, cadets are designated officers in the Merchant Marine/Naval Reserve Officer Training Corps. In the event of war, eminently qualified officers will be present on board our merchant ships and will also serve on our Navy's warships and supply vessels.

These officers will have undergone the extensive and rigorous training provided by the Academy. There are three major curricula offered by the Academy: nautical science for the preparation of deck officers, marine engineering for engineering officers, and a dual degree which provides certification in both nautical science and maritime engineering. Subjects studied include containerization, chemical transportation, and environmental concerns, which are highly advanced technical aspects of maritime commerce as well as courses in the humanities which contribute to the development of well-rounded young men and women who are loyal and dedicated to the United States of America.

Furthermore, the Merchant Marine Academy requires a conclusive comprehensive examination to evaluate the professional competence of its prospective graduates. Of the four other federal service academies, only the Naval Academy offers a similar method of evaluation. Thus it is possible to maintain high performance requirements for those seeking Merchant Marine commissions.

A Board of Visitors, consisting of two Senators and three Members of the House of Representatives, visit the Academy annually. Having chaired and served on this Board for the past seven years, and being privileged to now serve, I have had the opportunity to observe closely the operations of the Academy. The Academy has demonstrated through the years the effectiveness of its programs and the necessity to continue them. I am proud of the Academy, of its administrators and faculty, and particularly proud of the outstanding young men and women midshipmen I see regularly in my home District. They come from all over this great nation and are a credit to their families, their schools, and to each and every member here who has had a part in their appointments.

As mandated by H. R. 6554, the Academy will receive an increase for Fiscal Year 1981 of slightly more than one million dollars. This 6.2% increase is clearly below the nation's inflation rate and will represent a reduction in some programs. However, I believe and have confirmed that this funding level will be sufficient to adequately maintain the important programs and high criteria of the Academy. Therefore, I am not requesting any increase in the proposed authorization, only the strong support by my colleagues of the recommendations of the Maritime Administration.

Mr. Chairman, I strongly assert my support for H. R. 6554.

Mr. AUCOIN. I would now like to call our first witness, the Honorable Samuel B. Nemirow, the Assistant Secretary of Commerce for Maritime Affairs.

Sam, we welcome you to the committee. I hope you understand the thrust of these hearings.

STATEMENT OF SAMUEL B. NEMIROW, ASSISTANT SECRETARY FOR MARITIME AFFAIRS, DEPARTMENT OF COMMERCE

Mr. NEMIROW. Thank you, Mr. Chairman. Your opening statement is most clear to me. I would like to say that we do appreciate the interest which you have shown toward the proper functioning of the merchant marine academies and the various training programs we administer, as well as your attention to the programs of the State schools. I welcome your interest and this careful study which you and your staff have been undertaking, particularly in light of the Philadelphia Inquirer articles. We believe, as I stated in the hearings you held in December, that our record is a most acceptable record in the administration of a most adequate institution, and I am certain that as a result of these hearings and the

other efforts you have undertaken that we will have an opportunity to demonstrate that to you and to the committee.

I would turn my attention now directly to the issue of our authorization which now appears before this committee.

Appropriations authorizations requested for maritime education and training in this budget request total \$26,763,000. The requested authorization provides for operation of the U.S. Merchant Marine Academy, financial assistance and program support to the State marine schools, and for supplementary training authorized under section 216(c) of the Merchant Marine Act of 1936. The goal of these activities is to provide and maintain a program to assure trained and efficient personnel for the U.S. merchant marine to meet the demand for deck and engineering officers in the foreign and domestic waterborne commerce of the United States, and to provide a military auxiliary in time of war or national emergency. I will briefly describe each of these three education and training programs and the 1981 funding required to continue these programs.

The Merchant Marine Academy at Kings Point, N.Y., offers a 4-year undergraduate program which leads to a bachelor of science degree and to a merchant marine license as a third mate or third assistant engineer. In addition, cadets may be enrolled as midshipmen in the U.S. Naval Reserve and may be commissioned upon graduation as ensigns in the U.S. Naval Reserve as required by the Secretary of the Navy. The Academy graduates about 250 new officers annually.

The sum of \$18,201,000 is requested in the fiscal year 1981 budget for operation of the Academy. This entails an increase of \$1,069,000 above the 1980 authorization, basically for the following purposes:

First, \$724,000 is required to cover the October 1979 pay increase and for other unavoidable cost increases at the Academy.

Second, \$208,000 is for midshipmen support service. The increase is necessitated by a rise in average enrollment at the Academy. Enrollment has increased from an average of 1,041 in 1977 to 1,115 in 1979 due to reduced attrition. The requested funds would cover the costs of uniforms, textbooks, and food service for the increment of students.

An additional \$137,000 is required for an additional instructor to train deck officers in newly required electrical engineering courses, and for additional heating costs and custodial services for new facilities at the Academy constructed as part of the ongoing modernization program.

The modernization program funding level is \$3,360,000, which is \$320,000 below the fiscal year 1980 level. Projects planned for 1981 include replacement of the outdated and operationally unreliable steam propulsion laboratory, construction of a new public works building, and completion of the barracks project to replace portions of the utility system and to provide for fire protection that will meet current standards. The proposed 1981 total would also cover seawall repair and replacement, consolidation of media and audio-visual activities in the Bland Library, plus architectural engineering related to 1982 projects.

The Maritime Administration also assists six States in the training of deck and engine officers by providing grants of \$100,000 to each school, making subsistence payments to selected cadets, and providing suitable vessels to five schools for use as training vessels. Federal costs for the schoolships cover maintenance and repair to meet U.S. Coast Guard certification requirements and American Bureau of Shipping standards of insurability.

Also, \$6,680,000 is requested in the fiscal year 1981 budget for the State school program. This is \$5,603,000 less than the amount authorized for 1980. The 1980 authorization included \$1,998,000 for training ship fuel costs which were not appropriated. In addition, the fiscal year 1980 authorization included \$3,500,000 to replace a schoolship for the Massachusetts Maritime Academy and \$305,000 for reduction of the maintenance and repair backlog on the schoolships. The 1981 request was reduced by these amounts, less an amount retained to cover the increased costs of maintaining the larger replacement Massachusetts ship.

Finally, the Maritime Administration operates small schools in each of four regions to provide certain ship operations training not generally available from other sources. Courses are available in collision avoidance radar, loran, gyro, and shipboard firefighting. Specialized marine diesel engine operating and maintenance courses are offered at the U.S. Merchant Marine Academy. The sum of \$1,882,000 is requested for continued operation of these schools, an increase of \$11,000 over amounts currently available from appropriations.

Mr. Chairman, as you indicated in your opening remarks, you have a great many issues of particular interest to the committee. I have tried in my opening statement to present a general overview of our budgeting for fiscal year 1981, and I look forward to your questions and, hopefully, satisfying your concerns in the course of this hearing. Thank you.

Mr. AuCOIN: Thank you, Mr. Nemirow. Of course, we cannot deal with this legislation and the issues in it without, at certain points, talking also about H.R. 5451, and so throughout my questions we will be bouncing back and forth between the two, which leads me to my first question.

As introduced, H.R. 5451 sets forth service obligations for students and graduates of both the Federal Maritime Academy and the State maritime academies. You know as do I, that these provisions were taken from H.R. 603 and 604, bills sent up as executive communications dated, I think, last September, or September of 1978.

It turns out that there is some general public questioning as to the genesis of this legislation that I have referred to. As you know, with respect to H.R. 604 concerning the service obligation of students at the Federal Academy, the Philadelphia Inquirer is of the view that the Kings Point Alumni Association wrote the bill. The newspaper reported, quote—this is a quote within a quote—“A group of us in the Alumni Association wrote the bill and took it to the Maritime Administration,” Mr. Nottingham said. “They steered it through the Department of Defense, which concurred with the Department of Commerce on it, and it was submitted as an Administration measure.”

What I would like to know, Sam, is if that is a reasonably accurate scenario of the events preceding the submission by the Administration of this executive communication, and if not, I wonder if you might like to tell us about the sequence of events in your own words.

Mr. NEMIROW. I would say that given the general character of the article in the Philadelphia Inquirer and the approach to careful reporting that was taken there in general, I find this statement to be as accurate as anything else in the article. That does not make it accurate.

Mr. AUCOIN. That does not necessarily, on the face of it, make it inaccurate either.

Mr. NEMIROW. If I can continue, Mr. Chairman.

Mr. AUCOIN. Please do.

Mr. NEMIROW. In the course of appropriation and authorization hearings about 4 years ago, the then Deputy Assistant Secretary, Howard Casey, who is now Acting Superintendent, had a dialog particularly on the Senate side, as I recall, in the Appropriations Committee concerning the advisability of a service obligation. That was something that had been discussed within the Maritime Administration for several years, and no specific action on it had been taken. In the course of those hearings, Mr. Casey committed himself to the presiding Senator, whose name at the moment I cannot recall, to submit through the Administration a service obligation bill for Kings Point. At that time, I know of no pressure, demand, request, or coordination of that statement or that answer with the alumni.

After that commitment had been made on the part of the Maritime Administration, we engaged in the process of drafting legislation. In the course of that drafting, we did have meetings with interested parties, including some staff people on the Hill, including people at OMB and including members of the alumni association. It was in the course of the technical drafting that they did participate, but the decisions were not theirs. As is so true with most things that go on at the Academy, the decisions are made either in Washington by the Maritime Administration or at Kings Point by the Superintendent.

Mr. AUCOIN. So when you say "we," you mean MarAd, when you refer to who it was that was doing the drafting?

Mr. NEMIROW. Yes. As a matter of fact, at the time, I was the General Counsel of the Maritime Administration. I personally participated in a number of drafts, and I personally participated in the course of that drafting in one meeting and several telephone calls over language with lawyers from the alumni association.

I do not recall ever meeting with either the president of the alumni association or any of the people you normally associate with the alumni association. They were lawyers, and it was technical issues that we were discussing.

Mr. AUCOIN. Why would it be desirable to consult so thoroughly with the Kings Point Alumni Association and not consult with representatives of the State academies, because that latter category is one category you omitted in your list of those who were brought into the consultation process? They are affected too, as you well know, and this committee has heard that they feel a 5-year service

obligation, rightly or wrongly, based on the extent of Federal support to them, is unfair, being as it is equal in its obligation to that imposed on Kings Point graduates. Why would they be excluded?

Mr. NEMIROW. Well, I do not think that they were excluded, first of all. Second, if I have those series of events in historical perspective in my mind, at that time this committee or its predecessor, was considering a different course of action vis-a-vis the State academies; namely, the question of—and also OMB, as well, was considering a different course of action—treating the State academy/Federal dollars involvement as a loan, which would be paid back. At that time, the service obligation was treated differently vis-a-vis the State academies, and it was not until later in the process that the service obligation language was expanded the way it has been to include as directly as it now does the State academies.

That having been said, the other answer to the question is that the representatives of the alumni association and other parties contacted us concerning how we were drafting legislation and what we were intending to do. We had no contact that I personally know of from the State academies. The meetings that I have referred to in my earlier statement are meetings that I attended personally. Now, whether or not any one on the staff met with the State academies on this language, I cannot testify to that this morning.

Mr. AUCOIN. Sam, tell me why is it, because this is something of a mystery to the Chair, that the alumni association, a group of private persons largely, is consulted and brought into policy questions of this kind to such an extremely deep extent.

It seems to me that everytime I turn around I find the alumni association being consulted on one thing or another, and in this event, public officials, that is, the State academy people who are affected by this service obligation, apparently were not consulted to the same degree. Why is it that everytime I turn around I find the alumni association always there, consulting, bringing their lawyers in, offering advice, and many times that advice being heeded? What is the deal here anyway?

Mr. NEMIROW. I know you have a lot of issues that you would like to pursue, but I think that issue really blows out of proportion the involvement of the alumni association.

Mr. AUCOIN. How is it blown out of proportion?

Mr. NEMIROW. I thought I had indicated in my statement about the involvement of the alumni association that they were not, in my recollection, involved in the policy decision in any way; that they contacted us concerning the drafting, technical drafting of the legislation. They were not involved in the policy decision, and I would say nearly every policy decision that is made vis-a-vis the Merchant Marine Academy is made without the involvement of the alumni association. It is difficult, apparently, to get that message across, but that is a fact. The alumni association is not involved on a regular basis with the policy decisions that are made vis-a-vis the Merchant Marine Academy.

They were, in this context, allowed to participate in the technical drafting of some of the language of the bill which was ultimately submitted. That is not unusual. Almost any private group that has an interest in legislation and would like to participate, especially on the technical side, is welcome to do that at the Maritime Ad-

ministration. We find, frankly, that it ultimately saves our time and the time of the various committees of Congress to have at least tried to work out some of the technical aspects of these bills prior to presenting them to the Hill for consideration.

Mr. AUCOIN. Your testimony to the committee then is that it was not the alumni association's idea that the service obligation for State academies be identical to the Kings Point obligation, and that instead of a subsidy to the students of State academies, that there would be a conversion to a student loan instead? That was not an idea born of the alumni association at Kings Point. Is that your testimony?

Mr. NEMIROW. To my knowledge, the alumni association did not dictate or in any way control that decision.

Mr. AUCOIN. Well, of course, they did not dictate. Was that their strong position, though, within the consultation process?

Mr. NEMIROW. I participated to a certain extent at the time. I was a little confused by your statement, and the reason I am reluctant to answer it directly is I do not know what their position is. They were so directly and so intimately involved that I do not even know what their position was with any detail. So I cannot answer yes or no, whether what you just said was their position or not, because I do not know.

Mr. AUCOIN. You were there in the drafting process?

Mr. NEMIROW. I was there in the process of drafting legislation which the Maritime Administration had proposed, and the position in the bill that came forward from the Administration was the Maritime Administration's position.

Mr. AUCOIN. You were in the consultation process?

Mr. NEMIROW. I was there in one meeting which was held in my office when I was General Counsel to review the text of the bill.

Mr. AUCOIN. Who was in charge of the consultation process with all these groups before MarAd reached its—

Mr. NEMIROW. I do not know that there were any.

Mr. AUCOIN. No one was in charge?

Mr. NEMIROW. As I indicated to you, it was several years ago that Mr. Casey, who was then Deputy Assistant Secretary, testified before the Senate that he would be submitting a bill on a service obligation.

Mr. AUCOIN. I understand that.

Mr. NEMIROW. From that time, Mr. Casey was very concerned that the Maritime Administration machinery produce that bill, because he had committed to provide it to the Senate, which we ultimately did.

Mr. AUCOIN. You were General Counsel. It was your responsibility to develop the legislation, is that not correct?

Mr. NEMIROW. It was the responsibility of my office; yes, it was my responsibility.

Mr. AUCOIN. And you cannot tell me, after you went through a series of consultations, what one of those groups that you consulted with recommended in terms of the two points that I raised?

Mr. NEMIROW. I do not recall suggesting that I went through a series of negotiations or consultations with anyone. I said I attended a meeting which was held in my office.

Mr. AuCOIN. Well, wait a minute now, Sam. Let us make sure this hearing gets off on a sound and constructive footing. I do not want these hearings to be negative in any sense of the word, but I do want them to be thorough and I do want information, complete and detailed, on the record. I am not after anyone's hide; I am not grinding any axes. This committee has no intention of that kind. But I do expect some answers from MarAd, and, frankly, this committee—and I am referring to the full Committee on Merchant Marine and Fisheries—has not had adequate information about what goes into the maritime education quotient of the authorization bill or the procedures within your agency, and I expect some answers.

You just testified earlier in your statement about a consultation process. With no malice intended toward you whatsoever, I want to know who was consulted and who was arguing what. That is my prerogative, and I am asking you the question; I expect the answer.

Now, where did the Kings Point Alumni Association stand on this question of the State academies and their 5-year obligation and also on the changing of the subsidies to loans?

Mr. NEMIROV. If I might preface my remarks with just one statement, I understand the spirit in which you are undertaking these hearings, and there is no problem that I know of ~~as~~ between the chairman and myself on these issues.

Mr. AuCOIN. There is absolutely none.

Mr. NEMIROV. And I can assure you that there will not be any.

My statement was and continues to be, and I hope it is clear, that the policy decision was not made in the course of any consultation with the alumni association that I know of. Also, at the time the alumni association was involved in my presence with the issue of the technical language in our proposal on the service obligation, the service obligation and its impact on State schools did not, to my recollection, come up.

I will be very happy to review with other members of the staff who had met with the alumni in that period of time, what the character of those conversations were and whether the service obligation and conversion of a loan to a service obligation was discussed with the alumni.

But at the level that I participated at, which at the time was a fairly high level in the Maritime Administration, policy attitudes of the alumni association were not even discussed, to my knowledge, and were certainly not controlling.

Mr. AuCOIN. Please provide that information to the committee.

[The following was received for the record:]

STATE MARINE SCHOOL SERVICE OBLIGATION

The Merchant Marine Academy Alumni Association has not been consulted by the Maritime Administration regarding any aspect of policy or legislation on service obligations for state marine school graduates and there is no record of the Association ever commenting on any aspect of this program. However, the state marine school superintendents were individually notified in January 1978 of the Administration's intentions to institute a service requirement and to convert direct assistance payments to loans forgivable if the Federally subsidized graduates meet a service requirement. Two of the state marine school superintendents commented on the subject of service obligations during hearings held by the Ad Hoc Select Subcommittee on Maritime Education and Training of the 95th Congress on April 24, 1978, which was prior to the Administration forwarding bills in September 1978. Further, the state marine school superintendents were furnished copies of the

Administration's bill regarding the state marine school service obligation prior to the annual Maritime Administration meeting with the state school superintendents held in December 1978. The proposed service obligation was an item on the formal agenda for that meeting as well as for the meeting with superintendents held in December 1979.

Mr. AUCOIN. You know, I am sure, what I meant when I referred in my opening remarks to a "two-pot" system, to use the seagoing term. My definition of a two-pot system refers to discriminatory treatment of some sort.

I understand the term comes from the past practice aboard ship where officers were fed better food from one pot and the men received inferior food from another, and it has come to mean discrimination of some sort.

In your opinion, would you characterize the provisions in H.R. 603 and 604 as providing that kind of discriminatory treatment—one for the U.S. Merchant Marine Academy and one for the State maritime academies? I refer to the service obligation based on the amount of Federal assistance provided to the students that attend the two different kinds of institutions. If you do, I would like to know why, and if not, I would like to know why.

Mr. NEMIROW. I think that basically in all of our programs, if you want to call it a two-pot system, the State schools do not fare as well as the Merchant Marine Academy; that is the design of the process. We have had several discussions with the State schools, and I never expect in this context that everyone will be satisfied.

The cadets at the Merchant Marine Academy at Kings Point are totally federally assisted; they have a unique obligation to the Federal Government as a result of that. The students at the State schools are only assisted to a certain percent, up to \$1,200, and only a certain number of those students are affected by Federal programs in terms of funding.

If you want to call it discrimination between the State and Federal graduates, then there is discrimination, but there is discrimination based upon major differences and major undertakings by the Federal Government. I do not believe, in this context, that that is mistaken; I think that happens frequently.

If there are different classes and different obligations vis-a-vis the classes, it is not discrimination in the legal sense. There are differences.

Mr. AUCOIN. Well, there are differences, but the question is, Is it fair? We have the ability to change those instances where there are instances of unfairness. As a point of curiosity, I am asking you how it can be defended that the same service obligation would apply to graduates of the two distinctly different kinds of academies based on the extent of Federal support.

Mr. NEMIROW. My recollection of these bills is that while the service obligation may be similar, the penalty for failing to comply with the service obligation is quite distinct. I think that in the case of the State schools, you have a repayment of a loan obligation as a penalty for failure to serve. In the Federal academy, you are subject to being called to active duty by the Secretary of the Navy.

I think there is a recognition, at least on the penalty side, of the difference in obligation and difference in financial assistance to the cadets at Kings Point and the cadets at the various State schools.

Mr. AuCOIN. The draft executive communication on this authorization bill states, in part, as follows:

Funding is requested in 1981 to provide for a program to convert State maritime academy student allowances to a forgivable loan program conditioned on subsidized students meeting prescribed military service and employment requirements.

It goes on to state—

The legislative authority for this program is set forth in H.R. 603, 604, and 5451.

I find this a surprising statement. Seldom have I seen an administrative agency quote bills pending before the Congress as legislative authority for proposed action.

I am curious as to how MarAd can point to bills in the hopper, the fate of which, at this point, is unknown, I think, to any of us, and certainly the form of final passage of those bills is unknown to any of us. How in the world can MarAd cite those bills as "legislative authority" to proceed in this manner?

Mr. NEMIROV. I had the germ of that question during your opening statement, and it did trouble me, because as a technical matter, I know that I cannot disagree with the Chair on a procedural matter.

Mr. AuCOIN. My statement itself troubled you, or that I caught you on it troubled you?

Mr. NEMIROV. Now I will try to tell you why we are not caught, if I might. The budget process, as you know, in the Federal Government is a very difficult one, because we are asked, on the one hand, to speculate as to what our requirements are going to be for a budget which will go into place 2 years from now.

If we do not budget for everything that the Congress enacts, immediately after enactment the Congress comes to us and says, "Why are you not implementing this legislation?" Then we say, "We do not have enough people." It is a wonderful process, but it puts us in a very difficult position.

Just as an example, the budget call, as it is referred to, for the 1982 budget has already been made. We are now trying to budget, through the OMB process, our budget for fiscal year 1982. We have to take into account what we expect the Congress may do; otherwise, we are not going to have the required staffing or funds available to implement these programs.

In the course of the 1981 budget process, we were able to convince the Department and ultimately OMB, on an ongoing basis, that in our judgment there was a very high probability of legislation along those lines being passed.

Mr. AuCOIN. Whom did you talk to?

Mr. NEMIROV. Pardon?

Mr. AuCOIN. Whom did you talk to? I do not recall your talking to me.

Mr. NEMIROV. At that time, I did not speak with you about it.

Mr. AuCOIN. Do you have a crystal ball down at your office in which you see these things?

Mr. NEMIROV. Well, unfortunately, that is part of the process. In the process here, I am asked to tell you how many ships we are going to build in 1982 at a hearing which is going to be held tomorrow.

Mr. AuCOIN. Right now, I am talking about conversion to a forgivable loan program, and it would seem to me that there are

certain people on the Hill that you could call to find out the probability of such a matter. I certainly know that there was no contact with me. This committee would have jurisdiction over that question. I do not believe my staff had any contact.

Mr. NEMIROW. If I might, Mr. Chairman, just to indicate what I think the nature of this problem is between us, it is really one of timing. I think that at the time this budget was prepared, you were not serving as chairman of this subcommittee; I would have to check that.

The process, as I suggested, is really one of timing, and it has been our judgment that we would need these people in this time frame. I can assure you that one of the biggest problems we have in the budgeting process is people and funds for people. Every single slot that we try to fill with a new body is reviewed in great detail 10 times before it is ever presented to the Hill.

These two positions were deemed to be warranted, which is amazing in and of itself.

Mr. AU COIN. With that, I would agree. Still, you would have to agree that you have no legislative authority for this request, and to say that you have legislative authority under three bills in the hopper is stretching imagination, I think, to some degree. Would you not concur in that?

Mr. NEMIROW. I would say that those three bills in the hopper do not provide legislative authority for us to carry on those programs.

Mr. AU COIN. Ergo, you are minus legislative authority, if I am not mistaken.

Mr. NEMIROW. To implement the program, not to ask for the people or the funds to implement a program if the program is enacted.

Mr. AU COIN. One of the things that bothers this committee, of course, because of the history long preceding you, is when MarAd begins to take steps that presuppose actions on the part of the Congress and puts Congress in a corner on policy questions and pretty much preempts policy questions that Congress ought to be deciding itself.

It is an irritant, and it predates you. I am not singling you out, but I would have to say that it is an irritant and it is one that I hope that you, Sam, will note, because presumptions of that kind are presumptuous.

Mr. NEMIROW. I understand the comment. I believe that what we were trying to do was not to impose a policy on the Congress, because we know that we have failed on that in the past; that is always a very difficult thing to do. I think, simply, what we were trying to do was to prepare for carrying out a program which we believed was going to be enacted.

If that is erroneous, I agree with you that we do not have the authority to establish such a program. But I still believe that this committee can act on the authorization permitting us to establish these positions.

Mr. AU COIN. It can; whether it will is another question, but it can.

Mr. NEMIROW. I did not want to be presumptuous. [Laughter.]

Mr. AU COIN. From the information that your staff has furnished to the subcommittee, it would appear to me that the proposed

student loan program, the one that you want, would be more expensive to administer by your agency. Let me give you an example.

The justification for part of your authorization request concerning the proposed student loan program is to enable you to "maintain financial records of amounts owed the Government on defaults, amounts repaid, and the computation of interest charged on the balance, and institute and administer collections from students and graduates in default."

Let me ask you this: What would be the savings to the taxpayers, in your judgment, if the above functions did not have to be performed by your agency, if the Congress were to legislate a uniform service obligation not involving student loans for Kings Point and the State maritime academies; a single program rather than having a two-function program? Is there not a cost savings involved there?

Mr. NEMIROW. There is a cost savings, I think, after you get over the initial costs of certain implementation and new program implementation. After the first couple of years, the cost savings would probably relate almost directly to five additional people which we contemplate will be needed to administer the program.

I think there will be some startup costs; we are going to try to computerize the monitoring and enforcement issues. Those software costs of developing the model—I do not remember the number; I think it is \$200,000 to \$300,000. After you get over that initial period, the costs that you are talking about are the costs of maintaining positions, and they are not senior positions, but that is the cost.

Mr. AU COIN. Has there been any expenditure out of any discretionary funds whatsoever under MarAd for any preliminary work in setting up the computerization for that program, or any preliminary work for that program?

Mr. NEMIROW. Not to my knowledge; no.

Mr. AU COIN. Could you consult with your aides behind you to verify that fact?

Mr. NEMIROW. I heard a whisper say "No."

Mr. AU COIN. The Kings Point Alumni Association and MarAd have proposed the service obligation program for the U.S. Merchant Marine Academy. I would like to suppose just for a moment that Congress decides to legislate that proposed program not only for Kings Point, but also for those State academies.

In that event, would you anticipate problems in implementing the legislation; in other words, implementing a standard service obligation program for all of the schools? If you do, I think the committee needs to know the nature of the problems that you would anticipate, so we can have a specific idea of the kinds of programmatic difficulties you might have.

Mr. NEMIROW. As a preface to my remarks, I might say that I do have some concern when you say again that the Maritime Administration and the alumni association have proposed legislation. I believe that we have proposed legislation. The committee which preceded this committee proposed legislation. You have asked the alumni to comment on it, and they have commented on it.

Mr. AuCOIN. Sam, I am not trying to reargue the same old argument. I am referring here to the alumni association's statement of support for the service obligation program; I did not mention the legislation here. As you well know, they did make such a statement in the hearings on 5451 when they were held, and that is what I am referring to.

Mr. NEMIROW. I understand; it is just the way the record appears.

Mr. AuCOIN. You did not like the juxtaposition.

Mr. NEMIROW. Now, to the answer to the question, if I can remember the question, the implementation of a uniform program of service obligation—again, the difficulty is going to be maintaining records on location and employment of all graduates, whether they be State schools or Kings Point; that is just expanding the data base, I suppose, once you have a mechanism for getting names into a data base.

I suppose there will be some problems in coordinating our machines with the State school machines, but I do not think that that is anything that cannot be overcome. I think the problems in relation to what is qualified employment and what is not qualified employment will be the same for the State schools and the Academy.

I think that in terms of administering the program, it would just be a broader program with more people to locate and more people to monitor. But I think that if you enact the same standard for State schools and Kings Point, it is only a matter of size and not a matter of any significant distinction in terms of how the program will be administered.

Mr. AuCOIN. Well, are there not fairly substantial questions of cataloging the records and the equipment to process the records, whether it is microfilm or whatever else may be involved? Have you contemplated the capital costs involved in that as well as the operational costs?

It seems to me that there is a myriad of problems here that could escape the eye. It is easy to say that we can do these things, but if you really start thinking about how it would shake out, we are talking about a fairly complicated procedure, it would seem to me.

Mr. NEMIROW. Yes; I think we are, and I think we should not understate how complicated the procedures are. I thought the question went to whether we could administer a State school program as well as a Federal program. The answer I tried to give was "yes"; it was just a matter of magnitude and perhaps some other problems.

It is a most significant undertaking to administer a program at all. Clearly, you need to have a machine data base in order to do this. You need some technical people and machine capability.

I am assuming at this point, and I would have to check this, that our current machine capability could accommodate a new program in order to perform this function. I am not sure whether our current machine could do that, but I believe it could.

Mr. AuCOIN. Now, these added functions that would be involved here would fall within that \$300,000 request. Is that not accurate?

Mr. NEMIROW. For the startup period in 1981; yes.

Mr. AUCOIN. And you are confident that all the problems and difficulties that you are conjuring up in your own mind now in response to my questions can be met within that dollar figure?

Mr. NEMIROW. In 1981.

Mr. AUCOIN. What do you estimate the costs would be in subsequent years, not in specific dollar amounts, but twice as much, half as much, less, or more?

Mr. NEMIROW. Again, we will have to presume that you pass this legislation. I would think that in the initial 2 to 3 years, there may be some increase. As I say, the 1982 budget call has gone out and I have not seen it at this point. I do not know what that number is. I think there might be an increase in this category, and I think it will level off after the first 2 to 3 years to something not more than the \$300,000.

Mr. AUCOIN. Staff has just given me information that apparently was on the basis of conversations with your staff, and the indications are there that the dollar amounts, extended out to 1985, would go from \$300,000 in 1981 to \$151,000 in 1982, \$111,000 in 1983, \$126,000 in 1984, and \$157,000 in 1985, and the positions would grow from two to five over that same time frame. Do you vouch for those figures?

Mr. NEMIROW. I cannot comment on the specific figures. What I was trying to say in my testimony does square with those figures, and that is that there would be some initial costs which will be unique startup costs. As the program goes on, we have expected that people will be added, but the startup costs will have already been covered and the program will get less expensive as time goes on as opposed to more expensive, because you will be dealing basically with people, not new programs and new machines.

Mr. AUCOIN. Would you anticipate that the problems, and therefore the costs, would be greater, the same, or less if you had to implement one program for the Federal academy and the State academies, as opposed to two?

Mr. NEMIROW. Well, if the question is as straightforward as it seems to be, a unified, one-program system would, it seems in my mind, be less expensive.

Mr. AUCOIN. So it is reasonable to assume that there would be additional costs and more expense by converting to a student loan program for State academies alone?

Mr. NEMIROW. I would think that there would be additional expenses incurred. Without taking issue with what is the proper policy approach, I think that this decision is not one that could be made on budgetary terms alone, basically because the amounts of dollars involved to administer either of these programs, both of these programs, or one of these programs are not overwhelming.

Mr. AUCOIN. I want to come back to the alleged two-pot system on service obligation, and relate that to the point I made in my opening remarks about the costs involved to educate the cadets at the various academies.

If we accept your figure of \$32,188, which incidentally I am unable at this point to accept—if we accept that amount, though, as the amount that it costs the Federal Government to educate a student at the Federal academy and we use the figure of \$4,800 for State maritime academies, then on a pro rata basis, if the service

obligation for Kings Point graduates is 5 years, using that pro rata basis the service obligation for graduates of State academies would be 9 months. Does that surprise you in any way?

Mr. NEMIROW. No. I think we tried in our discussions with your staff to supply you with backup information on where the number of \$32,188 came from. I am concerned that we were not able to satisfy you, evidently, that that number has some basis in fact.

I thought we had tried to indicate, particularly to members of your staff, the derivation of that number in some detail.

Mr. AU COIN. We can get into that question later.

Mr. NEMIROW. I would hope we do not.

Mr. AU COIN. But we will.

Mr. NEMIROW. OK.

Mr. AU COIN. What I am getting at here is the question of service obligation, and some degree of equity. I have no conclusion on this; I am just exploring a subject out of fascination and some degree of curiosity.

If we were to take the \$32,000 figure and compare it to the \$4,800 figure that I cited for State academies, and look at the extent of Federal commitment to cadets in those two kinds of academies and then apply the same ratio to the Federal service obligation, the State academy graduate would really have an obligation, as compared to the 5 year obligation of the Federal academy graduate, of only 9 months.

Obviously, 9 months is minimal, hardly measurable, and not realistic. That either says something about the extent of Federal support, or it says something about the inequity of the service obligation. I am wondering if you can respond to that from either of those two vantage points, or perhaps both.

Mr. NEMIROW. First of all, on the service obligation and the derivation of the numbers, I take it that your \$4,800 number for the State academies refers to those subsidized, if we can call them that, students at the academy who receive a direct subsidy of \$1,200 a year. You do not take into account in that number any other expenses incurred by the Federal or State Government for educating these cadets.

There are expenses such as the requests that appear before you today—the \$100,000 for academy expenses plus the additional expenses for scholarship maintenance and repair, and expenses for scholarship acquisition. There are many other items which go into the education of a State cadet which are not included in that \$4,800 number. So, I think that our numbers are not the same and they are based on different assumptions, first of all.

Second, I do not know whether it is necessary to have the same type of service obligation on the State schools as exists on cadets at Kings Point, and we discussed that earlier. I thought it was your suggestion that the same service obligation would be appropriate.

If it would not be appropriate, that is a matter which is before this subcommittee in the course of the various pieces of legislation it is now considering.

Mr. AU COIN. Obviously so. You would agree too, though, would you not, that in terms of determining what is fair in the length of a service obligation for these cadets, whereas State academy cadets may be receiving Federal assistance over and above the Federal

subsidies, the Kings Point education figure also does not include certain items involving Federal support as well, including perhaps the modernization program? Would you not agree?

Mr. NEMIROW. It does not include the modernization program and certain other major repair programs, but it is a much more comprehensive number.

Mr. AUCOIN. One could really jack up the cost of educating Kings Point cadets as well by including some of these programs.

Mr. NEMIROW. Not as significantly as you could at the State schools. As far as this debate is concerned, I understand your point, and I think that the State schools are not getting the same kind of support from the Federal Government that Kings Point is.

I find nothing inappropriate about that, and if it is the wisdom of this committee to impose a different service obligation on State schools, or no service obligation on State schools, such legislation could certainly be administered by the Maritime Administration; we have no objection.

Mr. AUCOIN. Administered and supported?

Mr. NEMIROW. Frankly, I think we could support it. I would like to talk to the State schools about it, because I think that in that context, they are probably the losers, and I think we ought to discuss it with them before we take a position before this committee.

Mr. AUCOIN. Let me make it clear that I am not trying to argue against the service obligation, because I certainly hope I established at the initial hearings on 5451 that I strongly support a service obligation.

What I am trying to deal with here is what is reasonable, what is fair, and what is equitable, given the extent of Federal support to the different categories of graduates from these academies. One way to measure that, of course, is the extent of the Federal commitment to the education of those students.

One way that my staff and I looked at it was to measure the dollar commitment, and then use the same ratio and look at what that would do to the service obligation. In doing that, we ended up with 9 months, as compared with 5 years. As I said just a moment ago, that is obviously totally impractical.

Let me pose a proposition to you. What if the Congress were to double the allowance, just hypothetically—and I am not committed to this, but I am interested in discussing it—for students at the State academies from \$1,200 to \$2,400 a year? This would come to about \$9,600 in 4 years.

At \$9,600 on a pro rata basis, the service obligation at State academies would be 1½ years, using that same ratio. One could easily round that off to 2 years, and then you would have a 5-year, 2-year service obligation, and maintain the principle of the service obligation, and then be able to argue that that service obligation perhaps bore some relationship to the extent of the Federal Government's assistance to the students, remembering, of course, from the beginning that the service obligation is derived from the proposition that graduates who benefit from this support and this education have some degree of responsibility to serve the country as a consequence.

Mr. NEMIROW. I think that if you go about doubling the allowance for the cadets, you might as well triple; then we could have two for one and it would be easier to administer. You could probably get 2½ years vis-a-vis 5 years, as opposed to 2 years versus 5 years, and that is an easier thing to administer.

Frankly, on that calculation, I would really have a couple of comments. First, if we were going to increase the funds available to the Maritime Administration for paying these allowances to cadets at State schools, my preference—and again I would have to talk to the State school people about it—would be to use those funds to pay a greater number of allowances than we are now paying.

As you know, a great part of the problem we have had with the program is that there are certain qualified, funded cadets who receive allowances, and at the same school there are cadets who do not receive allowances. So, to double the allowances to the cadets who are already getting them and continue to deny them to the others just compounds a problem which we have had in the past.

Leaving that issue, there is always the question of fiscal constraints and budgetary problems, which we can discuss forever, but those are always problems before this committee, particularly when it considers authorization bills.

Finally, I think that in this whole context, I would like to comment that I believe it is a little narrow to look at this issue in terms of how much the Government is paying. I happen to look at the graduates of Kings Point and the graduates of the various State schools as a very important asset of the United States, and particularly in terms of its national defense and its national security.

I think that in recent months, that has come home to us even more than it has in the past. I think that the service obligation not only serves as an opportunity for these cadets to work off their obligation to the Government, but it also provides the Government with access to some very competent and capable people who could be most important to our Government in times of need.

So I think you have to look at both sides of that, and I say that with great sincerity; it is more and more obvious to us as the days go by.

Mr. AuCOIN. Well, I think the recent events clearly bring out the need for the service obligation, from a national defense point of view and from several other points of view.

This is the last question I will pose on the subject. Does it not strike you as somewhat unfair that a graduate of Kings Point, who gets a free education, has no greater obligation to the Nation's defense or to the Nation under what you are proposing than does a graduate of a State academy who receives only a small Federal subsidy? Is there not something inherently unfair in that?

Mr. NEMIROW. As I say, I have no problem if the committee wishes to change the service obligation for State schools. I suggest that the State schools should be heard on this, because I believe, and I suppose I can say it here, that they have been concerned throughout this and other processes with being considered second-class citizens.

They feel that they have an obligation to the Government as well, and I am not sure that we are serving their purposes by

indicating to them and the world that we care less about them or that they are less valuable or needed by their Government than someone who attends Kings Point.

As far as I am concerned, Kings Point is my primary responsibility in this area, and the obligation is fair and acceptable and, I think, should be imposed. I think we ought to look at the State school issue separately, and I think we should look at it with the representatives of the State schools on hand.

Mr. AUCOIN. Well, I would agree that it ought to be looked at separately, but it also ought to be looked at in relationship with what we are doing in a policy sense with the U.S. Merchant Marine Academy.

Let me turn to another subject; this has to do with the Louisiana Marine and Petroleum Institute. You will recall that during the hearing on H.R. 5451, you were kind enough to recommend that the definitional section of that bill be amended to include the terms "merchant marine officer" and "maritime academies or colleges."

These proposed amendments were similar to those recommended by the witness for the Louisiana Marine and Petroleum Institute. In fact, as I read your proposed definitions, the Louisiana Marine and Petroleum Institute and other schools like it would qualify, under the terms of that language, as a State maritime academy or college, and the U.S. Merchant Marine Academy would be authorized to give similar training. I am correct in this; am I not?

Mr. NEMIROV. I believe you are, from what I know. I have not reviewed the charter of that academy against the language in the bill. From what I understand, that is a correct statement.

Mr. AUCOIN. What strikes me about this is that unlike your efforts in the legislation before us to seek an authorization for funding to implement the State maritime academy student loan program, which we have not approved yet, but you are nevertheless asking for authorization for, I can find no authorization request for this particular proposal.

I am wondering how that might have happened and how it is that you come seeking this, testifying in support of it in the previous hearing, and now in the authorization bill I find no request for funds. Why is that?

Mr. NEMIROV. There is a leap in your statement from our testimony, which was addressing the specific definitional section of that legislation, in which we indicated that the definition should be broad enough to include that type of an institution.

There is no statement that I recall having been at that time or since that simply because any institution might qualify under the definitional section, the Federal Government would fund any amounts for assistance in those institutions. I think that is a separate matter.

The first question is, who qualifies from a statutory sense, and the second question is, does the Federal Government and the Congress wish to expend resources in order to enhance that qualified applicant.

I might go one step further and say that I believe that at the time the budget which you are now considering was prepared, the

issue of that particular institution was not before the Maritime Administration.

Mr. AUCOIN. I beg your pardon? I did not hear your last statement.

Mr. NEMIROW. I believe that the issue concerning that particular institution was not before the Maritime Administration at the time that this particular budget was prepared, but I consider that to be a secondary point.

Mr. AUCOIN. Let us then be clear for the record and for all those who might be interested in this question. The recommendation you gave to the subcommittee, in the hearing on H.R. 5451, to expand the definition of State academies in a way that would include that institution and others like it in no way represents a recommendation by MarAd that it be so designated, nor is MarAd prepared at this point to recommend authorization of whatever financial resources would be necessary to create and designate and operate it as a State academy. Is that correct?

Mr. NEMIROW. That is a correct statement.

Mr. AUCOIN. I want to thank you, Sam, for promptly furnishing me the information that is set forth in my memorandum of February 21 to the members.

The first observation I have about that is that the subcommittee is almost totally dependent on your agency for the information that will determine what action we will take, both with respect to your authorization request, as well as for the information from your agency for our work on 5451.

Because of that, I think it is extremely important at this hearing to go over in some detail the information you have furnished the subcommittee in the memorandum I referred to. On the second page of that memorandum, we have the language provided by section 2(4) of H.R. 6554.

I am quoting (4):

For maritime education and training expenses, not to exceed \$26,763,000, including not to exceed \$18,201,000 for maritime training at the Merchant Marine Academy at Kings Point, New York, \$6,680,000 for financial assistance to state maritime schools, and \$1,882,000 for supplementary training courses authorized under Section 216(c) of the Merchant Marine Act of 1936.

That is the language.

What I want to know is, is the Maritime Administration authorized to reprogram funds between those three activities that I have just mentioned and cited figures for, as long as you remain within the total authorized amount of \$26,763,000? Is that the way it works?

Mr. NEMIROW. As to this specific issue of this training item in the program, I believe that we can reprogram from one item to another, but in order to do that, I believe, and I have to check this, we must clear it through appropriate people within the administration, and notify the cognizant committees of the Hill.

Mr. AUCOIN. You can reprogram subject to approval from what quarter of the administration?

Mr. NEMIROW. My recollection of a reprogramming action which has been taken—and I believe it would apply in this instance as well—we make a determination that reprogramming is necessary. We go through our own budget people; we go up through the OMB process, through the Department first and then through the OMB

process. Then we are required to notify various committees on the Hill of our intent to reprogram.

It is possible, but obviously it is not contemplated at the time we submit a budget. I am quite certain that the Merchant Marine and Fisheries Committee, at least, would be informed of any reprogramming action we might consider.

Mr. AuCOIN. I may have missed this in your response, but did you indicate that this has happened in the past, reprogramming of fairly significant amounts?

Mr. NEMIROW. It has happened, but not within this program. I believe that there was a reprogramming action—and I would have to look this up for you, frankly—in this category of about \$30,000 or \$60,000 within the past few years. There was a reprogramming that seems to stick in my mind of not a significant amount. It is not something that we conventionally or typically do.

Mr. AuCOIN. Your understanding is that you can reprogram any amounts that might be necessary, subject to consultation with committees in the Congress and authorities within the Administration?

Mr. NEMIROW. You cannot reprogram entire budget items; I think you have to get new appropriations. I think there are limits for administrative purposes, at least, of \$250,000.

Mr. AuCOIN. With respect to the Federal Maritime Academy, I noticed that you are requesting an increase of \$1,069,000 over the amount authorized last year, and this change results from seven things. The first is an increase of \$208,000 associated with increased midshipmen enrollment.

How many additional students will be attending the Academy in fiscal 1981?

Mr. NEMIROW. I went over this issue myself this morning because, technically, the enrollment has not increased; the attrition has decreased. The enrollment is basically static, but from 1977, the onboard enrollment has increased from 1,041 to 1,115 in 1979.

Mr. AuCOIN. Could I have those figures again, please?

Mr. NEMIROW. 1,041 in 1977, and 1,115 in 1979.

Mr. AuCOIN. I notice that OMB cut \$16,000 from this request. Can you tell the committee why that was?

Mr. NEMIROW. From the request on the \$208,000 for midshipmen support?

Mr. AuCOIN. That is my understanding.

Mr. NEMIROW. On that subitem?

Mr. AuCOIN. Yes.

Mr. NEMIROW. No; I cannot, but I will check it. I believe it had something to do with travel of midshipmen to either meet ships when they are at sea or to various functions; I think it was a travel item.

[The following was received for the record:]

The \$16,000 reduced from this request was for additional funds for midshipmen travel related to the reduced level of attrition.

Mr. AuCOIN. So, even though you have a static enrollment and not an increasing enrollment, you are asking for an authorization increase of \$208,000?

Mr. NEMIROW. Because the onboard strength of the corps is greater than it has been in recent years.

Mr. AuCOIN. Because of the decrease in attrition?

Mr. NEMIROW. Yes.

Mr. AUCOIN. The second element in this overall million dollar-plus request is \$26,000 for an electrical engineering professor for a revised curriculum. What revised curriculum are we talking about, and what newly required electrical engineering courses are there for deck officers to make this item necessary?

Mr. NEMIROW. I cannot explain it; I do not know. I can try, but I think I had better not. I would rather submit that to you in writing.

Mr. AUCOIN. If you would, I would appreciate it. I would also like to know about the need for revising the curriculum at this particular time and if, in any way, this is related to the enrollment factor that we both cited a moment ago.

Mr. NEMIROW. I believe that as to the last one, I am comfortable in saying it is not related. As to the others, I would like to submit it for the record.

Mr. AUCOIN. That would be fine.

[The following was received for the record:]

REVISION OF CURRICULUM

The deck officer curriculum has been revised to institute a requirement for additional engineering science and electrical engineering courses. Expanded use of electronic navigation and automated bridge systems has necessitated additional instruction in electrical engineering and applied electricity. In addition, new ship types require a more detailed knowledge by deck officers of the mechanics of ship structures, particularly pertaining to cargo loading and storage. The curriculum revisions in no way relate to the increased enrollment levels now being experienced at the Academy due to reduced attrition. The additional curriculum requirements are proposed to better prepare deck officer candidates to sit for the Coast Guard licensing examination which now covers more material on engineering science and electrical engineering as well as to meet the currently increasing everyday demands of their profession in this area.

Mr. AUCOIN. The third element in the increase for the Academy is \$60,000 for janitorial services. Can you explain that one? Apparently, this is not contracted out, but is apparently being performed by Academy personnel.

Mr. NEMIROW. I think it is a combination. Again, on a specific item like that, I would prefer submitting something for the record.

Mr. AUCOIN. When you do, if they are contracted out, would you indicate for the committee why that is preferable from a cost point of view to using personnel?

Mr. NEMIROW. I will try. That seems to be a philosophical debate which goes on within the Administration and budgeters on an annual basis as to whether we should contract out or provide the services in-house, not only in our budget, but in every budget I know of.

I will be glad to try to address the question.

[The following was received for the record:]

COST COMPARISON OF CUSTODIAL CARE

A cost comparison showed that selected custodial functions could be contracted out for about the same cost as direct hire of personnel. Funds for contracting out were requested in furtherance of the President's program to restrict or reduce Federal Government.

Mr. AUCOIN. A fourth element in the million-dollar request is \$51,000 for heating oil for new facilities. What new facilities are

you talking about here? Are they part of the modernization program?

Mr. NEMIROW. Part of the modernization includes construction of a new public works building; this is in the 1981 budget. I think, also, part of the modernization has included upgrading a great number of these heating facilities, and I think it is attendant to the modernization program that some of these increases occur, as well as increases in the general cost of fuel oil.

Mr. AUCOIN. This is a new building that is under construction and near completion?

Mr. NEMIROW. We have in our modernization program for '81 an item for construction of a new public works building.

Mr. AUCOIN. And it will be heated with heating oil?

Mr. NEMIROW. Evidently.

Mr. AUCOIN. How large do you expect that budget item to grow over the course of the next several years, geared as it is to heating oil?

Mr. NEMIROW. Somewhat in proportion to the growth in my own budget in my own household, I suppose. I would not want to give you a number, because it might scare me.

Mr. AUCOIN. Heating oil, of course, is highly vulnerable to cost increase. It might be one that could be looked at from a different point of view from an alternative energy standpoint.

Mr. NEMIROW. I think you would have to look at converting all heating at the Academy, and whether that might be an advisable step and what the costs incurred in that might be. I would be very glad to do that. Most of the heating is done on a centralized basis, but we will look into other means of heating.

[The following was received for the record.]

ACADEMY HEATING

The Academy currently used a marine boiler installed in the 1940's for both centralized heating and educational purposes. The boiler is capable of being fired by either fuel oil or natural gas. In the interest of stretching the Academy fuel budget, natural gas is used when available. However, the Academy as a commercial user is forced off natural gas during the winter months from the end of November to the beginning of April when homeowners are given preference over commercial users.

An alternative method of fueling the boiler with coal or coal slurry was considered as fuel oil costs have escalated. Conversion to the use of coal would require provision for delivery systems and storage space, installation of pollution control systems, and additional maintenance to feed the boiler and to remove the build up of ashes and slag. Due to the enormous capital investment required to convert to coal, this alternative has been discarded for the time being.

In 1975, the Academy contracted with the Dubin-Mindell-Bloome Associates to conduct an in-depth study to determine methods of conserving energy and reducing operating costs in existing and proposed Academy buildings. Several of the recommendations set forth in the study have been implemented and others continue to be one of the primary objectives of the ongoing maintenance and repair and modernization programs.

For example, a relatively small investment having resulted in considerable cost savings was the installation of individual gas fired hot water heaters throughout the Academy. This decision permits the complete shutdown of the boiler plant for five months of the year from May until September. Another example was the replacement of single pane wooden hung windows with modern double pane thermal windows in the barracks and in the academic buildings as each has been renovated. Replacement of the windows has resulted in significant fuel cost savings and continues to be an important element in Academy moderation plans. Also, most modernization projects have included or are planned to include the installation of lower ceilings and double door foyer type entries in a further effort to reduce heat loss.

The 1975 study suggested investigating the use of solar domestic hot water heaters. A solar energy project encompassing the entire dormitory complex with the capacity to provide an estimated 50 percent of the annual dormitory energy needs is currently being studied in conjunction with the Department of Energy. Design work for future renovation and construction projects will include a solar energy feasibility evaluation by the architectural engineering design firm. Such an evaluation will be required for the design of the new public works building.

Mr. AuCOIN. Item No. 5 is nearly half a million dollars for the October 1979 pay raise and the sixth item is \$320,000 pay raise absorption taken from the modernization program.

On the next page you informed the subcommittee that the total amount authorized for the Academy for fiscal 1980 did not include the 1980 pay raise increases of \$285,000.

My question is, was the October 1979 pay raise \$285,000, \$455,000, or \$320,000, because I cannot understand the apparent difference in the three figures you have given me.

Mr. NEMIROW. I think we are talking about different years. I cannot follow you in your memorandum. Unfortunately, I am not as familiar with it as you are. But the numbers that you give me seem to indicate that the lower number was a 1980 number and the authorization we are looking for this morning is for a 1981 budget.

Mr. AuCOIN. Take a look at the memo on the second page, if you have it there.

Mr. NEMIROW. I do.

Mr. AuCOIN. Item B-5 cites the October 1979 pay raise, and that uses the \$455,000 figure. Item B-6 cites the pay raise absorption taken from the modernization program which is \$320,000.

Mr. NEMIROW. Can I interrupt? I cannot find you on this page. I now have it.

Mr. AuCOIN. And then turning a page, under C, you will find the history by fiscal year. You have five years cited there for 1976 through 1980, and then a footnote which indicates that excluded is the October 1979 pay raise of \$285,000.

What we have here are three figures dealing with a pay raise that seems to me to be the same pay raise. I would like to know what that pay raise was. If I am mistaken somehow on these figures, could you clarify them for me?

Mr. NEMIROW. The problem seems to arise out of the fact that the number we are talking about in this budget is the fiscal year 1981 cost of the 1979 pay raise and the items that you have reference to in this memorandum are the 1980 costs of the October 1979 pay raise.

Mr. AuCOIN. You are going to have to play that past me one more time. I do not understand.

Mr. NEMIROW. The number of \$285,000, which is on page 3 of your memorandum, is a 1980 fiscal year cost of the 1979 pay raise, 1980 cost was \$285,000. That pay raise, given the number of people employed, the grades of those people, what positions they are filling in fiscal year 1981 is going to cost us more than it cost us in 1980. But it is still based on the increase which was granted in 1979.

Mr. AuCOIN. That speaks to the \$285,000 figure. Which of the two figures then applies to that same cost adjusted for the next fiscal year, the \$455,000 figure or the \$320,000 figure?

Mr. NEMIROW. It is the \$455,000 figure that is the number that pertains to the item of the pay raise.

Mr. AUCOIN. Then we are left with the mystery of the \$320,000 figure.

Mr. NEMIROW. The \$320,000 figure apparently was a reprogramming from the modernization funds which had to be used for pay raise absorption since we had no funds for the pay raise of 1979. We reprogrammed in 1980 \$320,000 in order to pay the employees the amount to which they were entitled.

Mr. AUCOIN. Tell a layman what a pay raise absorption is.

Mr. NEMIROW. A pay raise absorption is something the Government has managed to work out wherein the Congress, in its wisdom, adopts a pay raise for all Federal employees below a certain level and then they do not authorize or appropriate any funds for paying for that increase. In other words, you absorb it. Somewhere in your program you have to find the necessary funds to pay the people at the level at which they were entitled by statute to receive income, even though you are not appropriating any money to do that.

Mr. AUCOIN. So you took it out of the modernization program?

Mr. NEMIROW. Yes, and I believe that was the reprogramming process that went through the process we went through earlier.

Mr. AUCOIN. You believe, or are you certain?

Mr. NEMIROW. It would have had to, so I believe it did. The answer is yes.

Mr. AUCOIN. How often have you reprogrammed funds from your modernization program for other purposes?

The reason I ask this question is in your testimony on this reprogramming question in the hearing on 5451, you indicated that this reprogramming capacity basically is for small adjustments, up or down 15 percent, and so forth, to make small adjustments, and then you indicated that there are times when you have to go for a larger amount, and you laid out the procedure for what you do.

But how often do you reprogram funds from your modernization program for other purposes?

Mr. NEMIROW. This is the only occasion that I know of. I do not believe in reprogramming actions in general. I think it is against the intent of this whole process.

Mr. AUCOIN. I would agree with that.

Mr. NEMIROW. And it does not make any conventional sense for me, once you are funded for a certain level. I do not think it is what Congress intends, and while I am not really being magnanimous, I am concerned that we do something Congress does not intend. It does not help us in the long run.

From time to time, we are confronted with no options. That is the situation we had here. I think we very rarely pursue any reprogramming actions, and if they are of any magnitude we inform the Congress.

Mr. AUCOIN. Of course, you do not have to if it falls under \$250,000.

Mr. NEMIROW. That is my understanding.

Mr. AUCOIN. I would like you to provide for the committee all the occasions you have reprogrammed under \$250,000 since, say, 1972, and see what that shows.

Mr. NEMIROW. Within this category of budget items?

Mr. AUCOIN. Yes.

Mr. NEMIROW. Fine.

[The following was received for the record:]

REPROGRAMMING ACTIONS

Within the modernization program, reprogramming actions have been taken to adjust for differences between actual project costs and budget estimates, and for year-to-year slippage of individual projects due to delays in contract awards or shifting of priorities in project accomplishment. In addition to these minor reprogrammings and the reprogrammings that have been reviewed and approved by the Committee on Appropriations, Subcommittee on State, Justice, Commerce, the Judiciary and Related Agencies, the following actions have also been taken with regard to the modernization program.

Fiscal years 1972 and 1973: Data Not available Budget records and work papers have been disposed of.

Fiscal year 1974: \$86,000 reprogrammed from waterfront improvement projects to maintenance, repair and operating requirements.

Fiscal year 1975: No reprogramming actions taken.

Fiscal year 1976 and 77: \$571,000 reprogrammed from the O'Hara Hall project to midshipment costs for increased costs of food service, and for additional maintenance, repair, and operating costs.

Fiscal year 1977: \$232,000 reprogrammed from electrical distribution systems renovation projects to maintenance, repair and operating requirements.

Fiscal year 1978: \$336,000 reprogrammed from maintenance, repair and operating requirements into the modernization program for additional costs of classroom and dorm modifications (\$56,000), O'Hara Hall furnishings (\$50,000), Crowninshield Pier renovation (\$16,000), electrical distribution systems (\$19,000), and Fulton Hall addition (\$201,000).

Fiscal year 1979: \$63,000 reprogrammed into the modernization program for additional costs of renovating Delano Hall from maintenance, repair and operating expenses.

Mr. AUCOIN. The seventh and final element in the proposed increase is \$589,000 for something called net unavoidable operating cost increases. This is almost half of the total proposed increase and I would like to know just exactly what a "net unavoidable operating cost" is. Why is it unavoidable? Why is it net, what do you mean, and how do you justify it in more detail?

Mr. NEMIROW. I think we can give you a listing of the items that come under that category. Mainly, they are fuel and energy related items.

The list follows:

NET UNAVOIDABLE OPERATING COST INCREASES

Net change in personnel costs	\$48,000
Utility cost increases	56,000
Major repair and service contracts	51,000
Food service contract	460,000
Heating oil and natural gas	296,000
Postal cost increase and postal fund transfer	74,000
Midshipmen uniforms and textbooks	86,000
Supplies	42,000
Nonrecurring costs	- 524,000
Total	589,000

Mr. AUCOIN. What percentage do you guess would those two items make up?

Mr. NEMIROW. Of the operating cost increase?

Mr. AUCOIN. Are we talking about 90 percent?

Mr. NEMIROW. If I am guessing, I would say 85, 90 percent. I would like for the answer to be more specific for the record. But I think that is a respectable number.

Mr. AUCOIN. What other things besides fuel and energy related things are unavoidable?

Mr. NEMIROW. I think there are certain fixed costs that escalate in terms of the equipment, services that are performed, food services.

Mr. AUCOIN. The longer you are on heating oil, the more you are going to have to have this budget item in future authorization bills. It is an unavoidable net operating cost increase.

Mr. NEMIROW. I suppose we can propose that we add to this or other budgets several tens of thousands of millions of dollars to convert the current plant to a more efficient plant. I am not sure it would be entertained.

Mr. AUCOIN. I am not offering that amendment, but I am pointing out a vulnerability of your operating cost, and that is a huge vulnerability.

What we have done is gone through several of the major elements that add to the requested increase of \$1 million, and that is just the increase over the base of \$17 million authorized and appropriated last year, and expended at the Academy. My staff and I are having difficulty with the form of the information we have received from MarAd. We are trying to understand whether the \$17,132,000 has been spent, and in what manner it has been spent.

What I would like from you, Sam, is a concise comprehensible delineated fact sheet or sheets that would show where the fiscal 1980 funds were supposed to be expended, where, in fact, they were expended, and where the fiscal 1981 funds are planned to be expended, showing in each of these instances where the increases or decreases are. I would also like a similar fact sheet for State Academies and your so-called supplemental training program.

Mr. NEMIROW. I am not sure that I can provide that kind of detail in response to your question about the State academies. The information will—

Mr. AUCOIN. To the extent that you have difficulty with that request, and it is a request the chairman makes and it is information that the committee needs, to the extent that you have difficulty with that, if you would work with my subcommittee staff in solving it, I would appreciate it. We need the information.

Mr. NEMIROW. I have no problem with that. I am only sorry we did not have it at this point. I know our staff has been working directly for some weeks. We will try to change the format and make it—

[The following was received for the record:]

MARITIME EDUCATION AND TRAINING, 1980-81

The table below shows the amounts appropriated for fiscal year 1980, now estimated for fiscal year 1980, and requested for 1981 for operation of the Merchant Marine Academy, and for the State Marine Schools and Supplementary Training programs. The amounts in parenthesis reflect the total planned funding levels which are composed of new budget authority and funds carried forward from 1979. Carryover funds are associated with Academy modernization projects which were not contracted for in 1979 but are planned for award in 1980, completion of the program to establish marine firefighting field training facilities on each of the

seacoasts as approved in the 1978 budget, and for one-time pay raise absorption in 1980.

(In thousands of dollars)

Program	Fiscal year—		Total planned funding level	1981
	1980 appropriated	1980 estimate		
Merchant Marine Academy:				
Midshipmen costs	\$2,770	\$2,785	(2,785)	\$3,555
Instructional program	5,096	5,172	(5,279)	5,118
Maintenance, repair and operating requirements	3,668	3,565	(3,580)	4,205
Modernization program	3,680	3,680	(6,289)	3,360
Program direction and administration	1,968	1,980	(2,040)	1,963
Total	17,182	17,182	(19,973)	18,201
State marine schools:				
Grants	600	600		600
Uniforms, textbooks, and subsistence of cadets	2,600	2,600		2,600
Maintenance and repair of vessels	7,085	*7,085		3,480
Total	10,285	10,285		6,680
Supplementary training:				
Region school operating costs	1,269	1,183	(1,194)	1,194
Radar school equipment replacement	410	410	(294)	410
Firefighting program training aids and training materials	176	176	(176)	176
Construction of firefighting schools			(1,291)	
Program direction and administration	102	102	(102)	102
Total	1,957	1,871	(3,057)	1,882

* Program level is the total of new budget authority, funds carried forward from the prior year, and reallocation for pay-rise absorption

* Includes one-time funds for activation of replacement schoolship for the Massachusetts Maritime Academy

* Funds advanced in 1979 to fully fund the contract to replace radar simulators and selected display units at two region schools

Mr. AuCOIN. You have been quite responsive and I want to make that very clear. The difficulty we have is assimilating the information in a form that makes it usable in an optimum way to us in the committee. So we are dealing here with form more than anything else. That is what I have reference to.

Mr. NEMIROV. I think the form that you just referenced in your earlier remarks can be complied with.

Mr. AuCOIN. I would appreciate that.

Before we get off of this, I would like to note that the Commerce Department did not cut a single one of your requests, if I am not mistaken, for the Academy, whereas the State academies were cut by the Department from \$208 million to \$14 million. That is a pretty whopping cut.

What is the justification for that: the Federal academy being unscathed and the State academies taking a cut of that magnitude?

Mr. NEMIROV. Well, the big item in the State academy budget, as we had requested it, was construction of two new schoolships, and that was approximately \$170 million. That is a big item to cut out. When you cut out that item, it takes care of nearly all of the decrease. Other items eliminated were related to that schoolship construction program, and because they eliminated seven positions which would have been needed to undertake the construction and design of those vessels, and, finally, we have proposed that we pursue a program of training with ship simulators in order to comply with new IMCO requirements. The Department of Com-

merce would not agree with funding that—to the level we had requested, but they did agree to the funding of a simulator on an experimental basis, on a kind of pilot project basis, and ultimately OMB thought this was not the year to do that.

Mr. AUCCOIN. So what we have—I understand the point, first of all, about the ships. It is a large budget item. I am sure that cut was not specifically for the State academies—then on the question of the simulators, which is a significant question, especially with IMCO requirements coming, the original request was for six. The Department dropped it to one and OMB eliminated it entirely.

Are you concerned that we are really preparing now for something that we can probably see on the horizon in terms of adequate preparation for seagoing personnel, the training of those seagoing personnel? I recognize that you are hamstrung by the little man with the green visor down at OMB, and a lot of us are frustrated by that. You do not have to characterize them at all for the public record today. But are you not concerned when you are cutting training ships, and when you are cutting simulators, that we are getting to the point where we are going to find ourselves in a potential crisis if we have these higher standards passed on an international basis through the IMCO Treaty?

Does that bother you?

Mr. NEMIROW. It does bother me. I have been concerned over that IMCO Convention for some time. This particular item, both the schoolships and simulators, and especially now in reference to the simulators, I personally appealed to the then Acting Secretary of Commerce and met with him to come up with one on a demonstration project basis. I then personally appealed this to OMB and had one of those meetings they like to have to explain to them what I thought the importance of this item was.

Ultimately, I lost. That is part of the process. We may think of the people at OMB as green visor people. I do not think I would want their job either, telling all of us we cannot have the money. It is part of the process and a part I do not particularly enjoy. But they have a tough job to do as well.

Also, at that meeting with OMB, where we discussed the need for this in the 1981 budget—it was agreed that it would be stricken from the 1981 budget without prejudice to a reinstatement of a similar request for the 1982 budget, and I expect we may be reinstating it for 1982.

Mr. AUCCOIN. You expect you may be requesting what?

Mr. NEMIROW. I was saying that the elimination of this item from our budget for 1981 was specifically without prejudice to reinstating that request for 1982. As I indicated earlier this morning, the 1982 budget call has already been issued.

Mr. AUCCOIN. On the State academy part, you are requesting \$6 million for fiscal year 1981, a decrease of \$5,600,000 from last year's authorized budget. As I understand it, that change results from three items, first concerning nearly \$2 million for fuel oil that was not funded. I would like to defer comment on that.

Mr. NEMIROW. By the Congress, I believe that was. I believe that \$1.9 million was authorized, but not appropriated.

Mr. AUCCOIN. That is right.

The second element concerns the \$3,300,000 to reactivate the Geiger. I think that item is self-explanatory.

The third and final element is a decreased amount of \$305,000, for something called reduction of schoolship major repair backlog. What is this amount? What is this item? What is involved in this, and is there, in fact, a backlog of major repairs for schoolships?

Mr. NEMIROW. Not today.

Mr. AUCOIN. What is the \$305,000 for?

Mr. NEMIROW. That is what was eliminated from the 1981 budget. In that time we had been falling back and we presented that request for \$305,000 to the committee in order to catch up.

Mr. AUCOIN. Can you tell the committee why OMB, and what thinking OMB had, in the elimination of the 100 additional student allowances that you requested for the Great Lakes and the Massachusetts Maritime Academies? What was the rationale there?

Mr. NEMIROW. Money. As far as I can tell.

Mr. AUCOIN. I understand that.

Mr. NEMIROW. Really, I think as far as the issue went, the discussion related to additional items of funding in the budget. Each additional item required special justification and OMB was under a burden to not increase the various Federal programs, and they understood our request. We made it quite specific and basically for monetary reasons they did not agree.

Mr. AUCOIN. The Massachusetts Academy has the lowest number of students that received the allowances. Is that not correct?

Mr. NEMIROW. Just a second. I will have to look that up.

Mr. AUCOIN. Is it among the lowest?

Mr. NEMIROW. Yes.

Mr. AUCOIN. This was an attempt to try to rectify that?

Mr. NEMIROW. Yes, and as you know, many of these discussions that take place within the executive branch are not made public. I know some of our friends in the State schools think we are not worried about them. So I am perfectly happy that you are bringing these out.

Massachusetts, their assigned quota is 77. That is the third from the bottom. Texas is 35. Michigan is 50.

Mr. AUCOIN. What was the reason that the Commerce Department gave you for the cut from six to one simulators, when they agreed to go along with the demonstration sort of program? What was their reason? What was the argument by the Department?

Mr. NEMIROW. There is a question, as you know, as to the treatment of simulator training under the equivalency test, and the IMCO Convention, and what kind of simulator training will be acceptable has not been defined within any degree of detail. We have been working with the Coast Guard and the State schools and ourselves, of course, in trying to define what will be acceptable equivalency. There was some debate as to whether this item for IMCO purposes might not be premature. That was a good part of the initial concern.

I then requested that ultimately we have an opportunity to operate one of these simulators on an experimental basis in order to demonstrate that they work and that they can be used for equivalency testing. That is how it got back in.

Initially it was taken out completely, and then ultimately it was taken out completely.

Mr. AuCOIN. Is it safe to say that this is a cause that you pressed with unusual effort and vigor, this effort to establish at least one?

Mr. NEMIROW. I do not like to say this normally, but the answer is yes. I recall meeting at 6:30 with the then Acting Secretary, to specifically ask that he reconsider the question of simulators, and he did, and he gave us one on demonstration basis.

Mr. AuCOIN. But lost later. What was the rationale that OMB gave for cutting the fuel oil allowance that you requested earlier? I indicated that I would return to that.

Mr. NEMIROW. They did not give me any rationale. My recollection, historical recollection, is that OMB has not, in earlier budgets, agreed that these fuel differentials should be funded through appropriated funds, and my recollection is that in the 1980 budget it was the Authorization Committee that included that, later to be deleted through appropriations. But OMB has not in the past, in my recollection, supported an appropriation request to cover the cost of schoolships' fuel.

Mr. AuCOIN. So what we have is just a conflict on the part of the budget managers in the administration as to the propriety of that form of assistance, and we can expect that to be a continuing point of opposition. Is that accurate?

Mr. NEMIROW. I believe so. It is not a question of whether it is proper. The phrase you used, the budget manager, is the appropriate phrase. In the way they are managing the budget they feel that these additional items of significant cost should not be funded through Federal appropriations.

Mr. AuCOIN. I want to move to the question of the cost of a Kings Point education. As I mentioned in my opening statement, in the Philadelphia Inquirer, the cost of \$42,000 per student at the U.S. Merchant Marine Academy was cited. We indicated in our exchange this morning that you have pegged the figure at \$32,108.

You testified that in arriving at that figure, the costs, excluding the modernization expenditures now occurring, brings you to that figure. I have found that it is fairly easy for the committee to compute the Federal cost for the State maritime academies, but it is certainly not the case for the Federal Academy. I would like to focus on this for a few additional minutes.

When I raised this question last December in a hearing on H.R. 5451, you and Mr. Friedberg responded at some length to this question, and I was puzzled at your testimony at the time, and when I went over the hearing transcript on that dialog it did not clarify my understanding of the question in any substantial way. So I would like to try it one more time.

On page 23 of the June 15, 1977, GAO report entitled "The Federal Role in Maritime-Merchant Marine Officer Education," we find the following quote, "to determine the cost in Government, one takes the total amount of Federal expenditures going to each academy and the number of students, and computes its Federal cost on an individual basis for each academy."

That strikes me as being a straightforward approach, and I would like to apply it to this little problem we have before us. You are requesting \$18.2 million to continue operating the Federal

Academy for fiscal 1981. You have also informed the subcommittee that the Federal Academy has an enrollment of 1,100 students.

If we take the GAO approach and divide the requested funds by the enrollment, we get an annual cost of \$16,545, or about \$66,000 for 4 years. But you say this does not exclude the modernization program.

Mr. NEMIROW. We say it does exclude. Our number of \$32,188 is footnoted in the table that you were given, that excludes modernization and major repair costs.

Mr. AUCOIN. But of the \$18.2 million requested, I understand that \$3.4 million is to continue the modernization program at the Academy. So if we subtract that \$3.4 million from the \$18.2 million we get \$14.8 million. Then if we use the GAO approach, we divide that \$14.8 million by the enrollment of 1,100 students, and we get an annual cost of \$13,000, or about \$54,000 for 4 years. So what I have done is made the adjustment you have asked, and still arrive at a figure much in excess of the \$32,000 figure that you testified on in the December hearing when you tried to make an estimate of what you felt the cost would be at Kings Point.

I made that adjustment and still came up with more than \$32,000. How do you respond to that?

Mr. NEMIROW. Leaving the GAO approach aside, there is another item that we indicated to you at the time, and at this time, and those are certain other major repair costs. Those, to my knowledge, are the only two major items that have been eliminated in our calculation of the \$32,188.

I have not, fortunately, or unfortunately, had the occasion to calculate this number for myself from any of the original data. The number which I have been giving repeatedly is the number which I have given you. I do not have a hidden agenda in my pocket. The number I have for my planning purposes is \$33,188. I would be happy to have our staff and your staff sit down together and tell you the items of cost which comprise the \$32,188.

Mr. AUCOIN. Well, Sam, I think that would be fine, because I would like to get that resolved. The reason it is significant, is the whole controversy of costs, free education, what the value of a free education at the Academy is, and a whole associated series of questions that have emerged as a result of that controversy. I think you are just as interested in establishing some of these facts as this committee is.

Mr. NEMIROW. I find the whole process to be very helpful. I have no objection to it whatsoever.

[The following was received for the record:]

COST PER 1979 GRADUATE USMMA

There are a number of acceptable but different ways to calculate the average cost per graduate at the Merchant Marine Academy. The primary considerations involve the assumptions made with regard to the costs appropriately attributable to Academy operations and the enrollment figures to which those costs are allocated. The \$32,108 figure is based on an annual average enrollment including midshipmen who are at sea compared to the graduating class size during the three years that the midshipmen in that class are actually on board at the Academy. Another calculation based on the same annual average enrollment but excluding midshipmen who are at sea compared to the graduating class size during the same three years that those midshipmen are on board produces a cost per graduate figure for the class of 1979 of \$44,029. This latter method is shown below and is felt to be a reasonable approach.

	1976	1977 ¹	1978	1979
Average total enrollment at the Academy.....	798	763	819	827
Estimate average in class of 1979	314	278	260	255
Percent of total	39	36	32	31
Obligations	\$12,688,000		\$11,589,000	\$16,559,000
Less modernization	-3,226,000		-354,000	-4,370,000
Less major repairs	-460,000		-284,000	-284,000
Less sea year travel	-101,000		-110,100	-120,000
Plus sea year travel		104,329		
Plus estimate subsidization		452,088		
Total	8,873,000		10,840,900	11,785,000
Percent of total	x39		x32	x31
Total	3,460,470	556,417	3,469,088	3,653,350

¹ Considered sea year

Note.—Estimated net cost per graduate equal \$11,139,325 plus 253 graduates equal \$44,029

Mr. AU COIN. I want to switch to student subsidies at Kings Point. Some of the students at the State maritime academies receive subsistence allowances of \$1,200 to assist them in the cost of things such as room, board, uniforms, textbooks.

You have informed the subcommittee that since 1971 MarAd has been providing 673 such allowances for each year's entering class. How did the Maritime Administration arrive at the figure of 673 allowances? Is that the same number of allowances that were provided when the Maritime Academy Act of 1958 was enacted?

Mr. NEMIROW. The number was derived, I believe, in 1971. At that time there was a concern that there were more officers being graduated than were required, and the Government was funding, in one way or another, more people than it had to fund. We then tried to determine what a logical base here would be for purposes of student allowances at the schools. They used for that purpose, I believe, 1964. How that number was derived was a mathematical type of computation. The number came out to be 673. That number has been applied since 1971. It is not a 1971 number. It is a reversion back to what I believe was a calculation of what it should have been in 1964. That is the number we have been using since. That is the number we are using today.

We have, from time to time, suggested increases in that number. The number has been constant since the early seventies.

Mr. AU COIN. When was the—refresh my memory. When were the Great Lakes Maritime Academy and the Texas Academy established? Do you recall the dates?

Mr. NEMIROW. I think that they were post-1971—I am wrong. The Texas was 1962, and Michigan was 1969.

Mr. AU COIN. Both of those were established prior to the ceiling of 673 student allowances?

Mr. NEMIROW. Both were in being at the time the ceiling was established.

Mr. AU COIN. Have there been any other academies since the time the ceiling was established?

Mr. NEMIROW. Can I answer that by saying not for our purposes?

Mr. AU COIN. What do you mean by that?

Mr. NEMIROW. I don't like to comment on the world in general, which I may not be aware of, and I think there may be institutions

that consider themselves maritime institutions that are not on any list I have seen.

Mr. AUCOIN. When you reach the point of recommending the Louisiana Institute as a maritime academy, I am assuming that concurrent with that there would be an increase in the 673 figure as well, just on the basis of fairness, would you not agree, when that moment does arrive?

Mr. NEMIROW. Fairness in this world is hard to find.

Mr. AUCOIN. Let me rephrase the question.

If MarAd should, now that it has indicated that it is all right to expand the definition so schools of this kind can have the expectation of qualifying, and you know that expectation will be created by your recommended amendment, if that should happen, and MarAd should then make good on the expectations that it has aroused, it would only seem fair, would it not, to increase the 673 figure, so that we are not pulling these numbers from other academies for student allowances?

Mr. NEMIROW. That would seem fair.

Mr. AUCOIN. That would certainly seem fair to the Chairman.

Sam, I also understand that if a student receiving an allowance at a State academy loses that allowance for any reason, those funds revert to the Treasury, rather than going to some other academy that might, as we have already pointed out in other hearings, be short in student allowances on a relative and comparative basis, is that correct? Is my understanding correct?

Mr. NEMIROW. I believe that is correct, in the course of any particular year. If someone were to drop out in mid-year, recovery would be the general receipts of the Treasury. However, I believe that the allocation technically, and I have not been confronted with this, to my knowledge, but I think the allocation can be made to another student in the next fiscal year.

In other words, that position is not lost.

Mr. AUCOIN. Staff tells me that it is staff's understanding that that is not correct, that if the funds are taken away, that they are lost, and not protected. Will you consult with your assistants?

Mr. NEMIROW. I think, as I indicated—I believe the money is lost for that year, but that quota position is reassigned the next year to another incoming member of the next class. So that number remains constant every year at 673. But if it is not all expended in one year, all of that is not expended—it is reallocated at the beginning of the next school year.

Mr. AUCOIN. So then if a student attends for a fourth of the year, and then drops out, three-quarters of the subsidy would be returned to the Treasury, and the following year the slot is still funded for some new student that comes in?

Mr. NEMIROW. The number of 673 continues to be the number, notwithstanding the fact that a student may drop out during the course of any year.

Mr. AUCOIN. But if we agree that the total dollar commitment to sustain the 673 figure is sound, would it not make sense to meet the needs of other academies that are short in receiving fewer student allowances than others are? I am sure ways could be found to put those funds to work in that fashion, rather than having the

money revert to the Treasury and be lost. In the example I gave you it would be lost for three-quarters of a year.

Mr. NEMIROW. We would be happy to look at that. It is a much broader issue. Unfortunately, when you involve yourself in these kinds of prophesies, once the Government money is considered spent, it is later recovered it goes into general receipts. You cannot augment your budget by recovering expenditures. If there is a way to administer this program differently, we would like to know it, and we will look into it.

Mr. AUCOIN. Is your authority, for the procedure that I just mentioned, one based on your regulatory powers, and specifically, is it based on 46 CFR 310? That is written by the Maritime Administration. I know you do not recognize that by number.

Mr. NEMIROW. Not off the top.

Mr. AUCOIN. And if you can respond, and give us the information at a later date, I would appreciate it. I want to be sure that I am clear—

Mr. NEMIROW. I do have it here, 46 CFR 310.

Mr. AUCOIN. It is reverting to the Treasury on the basis of the regulation—

Mr. NEMIROW. I believe that is not the case. We can answer that in detail. This is simply how we implement the admission and training functions of the Merchant Marine Academy, some issues as they relate to the State schools. I think the reversion of this money to general receipts is a matter of general Government policy Governmentwide, whenever Government funds are not completely spent because of the failure of the kind we are talking about. We will look into it. I do not think it is out of these regulations, but general budget law of the United States.

Mr. AUCOIN. Could you also tell us, in the past few years, what annual amount of dollars has reverted in this fashion? The subcommittee would like to have some sense of the total amount of dollars that have reverted to the Treasury through this procedure.

Mr. NEMIROW. Fine. We will endeavor to do that.

Mr. AUCOIN. The significance of it is, I think, fairly clear. A lot of the academies are screaming because they are not getting enough assistance. We have the disparities, and I think it is important to establish.

What I would like is the amount of dollars that has reverted to the Treasury, or has been reprogramed.

Mr. NEMIROW. I understand the question. I think there is no reprogramming of money. I do not think we can reprogram that money, because I believe once it is lost it belongs, so to speak, to the Treasury. But we will look at that as well.

[The following was received for the record:]

MONEYS APPROPRIATED

The Operations and Training appropriation, which includes funds for payments of allowances to state marine school students, is a no-year appropriation and funds remain available until expended. Accordingly, no funds made available for allowance payments revert to the Treasury. The number of new allowances granted each year is limited to 673, and payments accrue to the individual cadet for up to four years. MarAd's budget request to the Congress includes an estimate of attrition that will take place over the course of the funding year. These estimates invariably result in small surpluses or shortages in the amount budgeted compared to actual payments from year to year. In general, funds appropriated for the state marine

school program remain in this program. Unused allowance funds could be used for maintenance and repair of schoolships or, conversely, schoolship maintenance and repair funds could be used to make up a shortage in allowances. However, no funds have been reprogrammed into or out of allowances during the last five years.

Mr. AUCOIN. You have requested \$1.8 million for so-called supplemental training in fiscal 1981. I would like to look at that for a moment.

Let me start with the information you furnished to the committee. That is information set forth in that same memorandum to the members of the committee, the February 21 memorandum. I note that the itemized cost for the four regional training centers add up to \$1,183,000, whereas you are requesting \$1,882,000 for this activity. What is your intention with respect to the difference of \$669,000? Where and how do you intend to use those funds?

Mr. NEMIROW. I understand that there are other programs which are not included in the courses offered at those four regional centers, such as the marine diesel engine operating and maintenance course, which we provide at the Academy. That is not included in those four regional center courses.

Mr. AUCOIN. According to the memo I have, it is included.

Mr. NEMIROW. According to the memo you have, you are right.

Mr. AUCOIN. But the information comes from MarAd, the second to last page. We are using your figures. We have repeated them—repeated the information you have provided the committee for the benefit of the members. This is your information. According to you, it is included.

Mr. NEMIROW. I think that number is probably right, and I am probably wrong.

Mr. AUCOIN. So then how do we get at this \$669,000 figure? How will it be used?

Mr. NEMIROW. I really do not know that in any detail. I hear that there is some radar equipment requirement that is not included in those items and that there are some other training aids which will have to be provided. Next question is how they reach the level of \$700,000, and my answer will be I am not sure.

Mr. AUCOIN. But you will find out and let the committee know?

Mr. NEMIROW. Yes.

[The following was received for the record:]

EXPENDITURES

\$1,882,000 was requested for the supplementary training program of which \$1,183,000 was for annual operating costs of the region schools. The remaining funds are for program direction and administration (\$113,000), a program of systematic replacement of equipment at the region schools (\$410,000), and for training aids and training materials for the firefighting program (\$176,000).

Mr. AUCOIN. Looking at those same costs that I just referred to, in what instances, if any, are they net costs, left over after the charging of tuition or some other similar fees?

Mr. NEMIROW. I believe from these figures that they are not net costs and that I do not believe there has been a reduction for any user charges which may have been imposed. Again I would have to look to budget experts and go back to your earlier question as to whether user charges which are recovered in this context are moneys which stay within the program or whether they are moneys which also go to the General Treasury. I believe they go to

the General Treasury and I believe that will ultimately answer the question you have.

Mr. AUCOIN. I am seeing a couple of heads nodding and a couple of heads shaking behind you.

Mr. NEMIROW. I am right. I must say you are at an advantage over me. I cannot see them nod or shaking their heads. It is a lot less confusing.

Mr. AUCOIN. In your prepared statement this morning, you stated that the Maritime Administration operates small schools in each of the four regions to provide certain ship operations training not generally available from other sources.

Can you give the subcommittee an idea of what you mean there, particularly that ambiguous term "generally"? That is a very flexible word that can cover a pretty broad range. What do you mean by that?

Mr. NEMIROW. I think the courses that we offer, the radar range and the others, are unique and they are focused for the requirements of seagoing operations. They are used for renewing of licenses. There are radar courses taught at various institutions around the country. I believe one is taught at the University of Washington. They do not focus directly on radar at sea. To that extent, our course is rather unique. As a matter of fact, our course is rather unique. As a matter of fact, I think one of our professors was at the University of Washington. Our program has much more of a focus.

Generally there are courses of this nature carved out not with the degree of specification they are in these regional centers. Marine firefighting, I am sure there is firefighting taught at various institutions around the country. But the focus of our firefighting is to include marine fires, fires at sea, fires on ships, developing specific means of extinguishing those fires.

Mr. AUCOIN. When you provided your written response to the record concerning questions raised on H.R. 5451, you furnished the subcommittee a list of various nonprofit maritime education and training institutions around the country. Do you have a copy of that material?

Mr. NEMIROW. Yes, I do.

Mr. AUCOIN. I would like to ask you which of these nonprofit maritime education and training institutions offer the following courses, I would like to list them.

First, collision avoidance radar?

Mr. NEMIROW. I am not sure that I can answer with the kind of care you would like me to. I hope I know what we do in our training centers but, in justice to the record, I would like to submit it for the record if you would.

Mr. AUCOIN. That would be fine, and if you would include in that response the schools that offer courses in not only collision avoidance radar but all marine gear and ship firefighting. What the subcommittee is trying to do is determine the duplication, if any, and to what extent there is duplication in education programs provided by MarAd on the one hand, and other sources readily available elsewhere.

[The following was received for the record:]

MARAD TRAINING COURSES

In general, while similar facilities may be installed in some institutions, the clientele and training objectives are different. MarAd training courses are offered on a non-discriminatory basis to insure that all personnel who require such training are able to obtain such training. Non-profit maritime education and training institutions offer courses as follows in collision avoidance radar, marine diesel, and ship firefighting.

COLLISION AVOIDANCE RADAR NAVIGATION

The Maritime Institute of Technology and Graduate Studies (MITAGS) facility conducts radar training similar to the training provided by MarAd's regional schools. However, this training is only available to members of the Master, Mates and Pilots Union. Similarly, the State academies, with the exception of Great Lakes, California and Massachusetts conduct subject training for their own deck students. The Great Lakes, Massachusetts and California academies conduct the classroom portion of the curriculum only with the hands-on part being given at our regional schools. At the present time, only Texas and Maine Maritime academies make the subject training available to seagoing deck officers but on a limited not-to-interfere basis with their basic academic programs.

FIREFIGHTING

The key labor union schools and the State academies conduct only the classroom portions of the firefighting curriculum. MarAd's regional firefighting schools conduct the field training. Both segments are required for course completion.

DIESEL

This Supplementary Training Program, which incorporates both cognitive and manipulative education on medium and low speed diesel engines, is only conducted at the U.S. Merchant Marine Academy.

Mr. AU COIN. As you well know, hearings on 5451 indicated a lack of unanimity on the need for your supplemental training programs. The subcommittee is aware of the fact that continuing education is primarily a union function, whereas other people feel it ought to be a totally Federal function.

I believe it was the Gulf Oil Corp. that thought it should be in the framework of existing academies. So, what we have here certainly is not a consensus and within that area of controversy or difference of view, the extent of duplication is rather significant.

You have been very patient. Will you hold on for one additional moment?

We are almost done. I am sure you feel like you have made a visit to the dentist. Pleasure will arrive in a few moments. We will be done shortly.

You are in the midst of that modernization program that we mentioned at Kings Point. From all accounts it is an extensive one. From the information provided to the subcommittee staff, this program started in 1972 and through 1979 you have obligated something in the order of—in excess of \$15 million, over \$15.5 million. That is correct, is it not?

Mr. NEMIROV. The \$15.517 million.

Mr. AU COIN. For the record, what does obligation mean? Is that legal commitment? Define what the nature of the obligation is.

Mr. NEMIROV. These funds that we have reference to here, I believe, relate to work that has either now been completed or is in various stages of completion at the moment. They are ongoing projects which have all, to my knowledge, been awarded, and they are now underway or completed.

Mr. AU COIN. For those same years, 1972 through 1979, can you tell the subcommittee how much was authorized and appropriated?

Mr. NEMIROW. No; I cannot from the materials that I have. I do not know how much of that—whether we met our target in each of our annual authorizations and appropriations. I just don't know. I know there were some carryover moneys in a couple of the years involved and I would be glad to prepare a chart to show the amount appropriated on a fiscal year basis if that would be helpful.

Mr. AU COIN. That would be helpful and the subcommittee would appreciate it.

[The following was received for the record:]

MERCHANT MARINE ACADEMY MODERNIZATION PROGRAM

	Authorization	Appropriation
1979	\$3,485,000	\$3,331,000
1978	4,023,000	4,000,000
1977	3,394,000	3,176,000
1976	2,680,000	2,680,000
Transition quarter	840,000	840,000
1975	2,717,000	2,717,000
1974	1,479,000	1,479,000
1973	975,000	975,000
1972	995,000	995,000

Mr. AU COIN. Has your obligation in excess of what was authorized and appropriated, been made up by, say, the alumni association?

Mr. NEMIROW. No. That is a criminal violation. No; I am sure it is not in excess of that which has been appropriated.

Mr. AU COIN. I recognize that, but the point I would like to make is that \$15 million for modernization seems like one big piece of change, particularly for an institution the size of the Federal Maritime Academy.

What was the process that you used to determine the need for that, a program of that magnitude, and what projects were included within it? Fifteen million dollars, and you have an enrollment of 1,100 students.

When I was a college administrator, I worked on a campus with approximately a thousand students. If we had a \$15 million modernization program, we would feel like we were riding a gravy train.

Mr. NEMIROW. This was not a 1-year program. I know you can appreciate that.

Mr. AU COIN. If we had that over a 25-year period we would have been riding a gravy train.

Mr. NEMIROW. I do not know when that institution was built or what the state of repair was.

Mr. AU COIN. It was the finest university on the west coast, specifically Pacific University.

Mr. NEMIROW. But in 1970, 1971, it became obvious that major repairs and a program of major repairs were necessary at Kings Point. The buildings were all aging. They had been built to earlier codes, building codes. They were in quite a bad state of repair. We developed in 1972 what we perceived as a 10-year program for the modernization of facilities at the Academy. We presented it to the Congress. I believe it was presented as a package at that time, and

in our annual authorization since then. It is a major program. You were up there recently and I am sure it is most visible to you the kind of renewal done. It was a program we determined was necessary in order to maintain that institution as a physical plant, and it is one that we have been undertaking with the assistance of the Congress ever since.

Mr. AuCOIN. It was the alumni association, was it not, that put forward the funds to purchase that large tract of property adjacent to the campus? Those were not Federal funds?

Mr. NEMIROW. That is correct.

Mr. AuCOIN. What was the size of that expansion?

Mr. NEMIROW. To the Government?

Mr. AuCOIN. To the alumni association.

Mr. NEMIROW. I do not know. That is not because I did not know. It is because I do not recall.

Mr. AuCOIN. Let me move to the final series of questions for this morning.

One of the things I have done since taking this subcommittee of the Merchant Marine and Fisheries Committee is thumb through the catalog for Kings Point for 1979 and 1980. I found it interesting. I would like to discuss a couple of things I found for a few minutes. I want you to know that I never dreamed that I would be thumbing through the catalog of Kings Point Academy until this subcommittee became far more than obscure when the press began to point out all the controversies.

Mr. NEMIROW. It may be obscure to some, but it is not to all of us.

Mr. AuCOIN. Have you ever thumbed through the catalog?

Mr. NEMIROW. Yes; I have.

Mr. AuCOIN. On page 120 the following appears, medical and dental care is provided at the Academy by the U.S. Public Health Service. Am I correct that free medical care is provided by the Public Health Service? Do you know if that is a factual statement?

Mr. NEMIROW. As far as the cadets are concerned, yes. It is an ongoing expense of the Academy to maintain the facility and the medical personnel aboard. It is reimbursable to the Public Health Service.

Mr. AuCOIN. Do you factor that into the \$32,000 figure that you provided for the statement of cost per cadet for educating and putting that cadet through the Federal Academy?

Mr. NEMIROW. I believe so, but I am not sure. I indicated earlier that perhaps the best way to get to the bottom of the question is to go line by line and indicate to your staff—have our staff meet on it and tell you what that comprises.

Mr. AuCOIN. There is free medical care nevertheless?

Mr. NEMIROW. To the cadets, yes.

Mr. AuCOIN. That is a difference, too, for the purposes of the record, between the Kings Point cadet and the State maritime academy cadet. They have no such comparable benefit.

Mr. NEMIROW. I am not sure what arrangements they have. Again I am not sure that the subsidized cadets, if you can call them that, do not qualify for medical attention. I am sure the State school superintendent can answer that.

Mr. AU COIN. On another section, while assigned aboard ship, midshipmen are provided quarters, meals and currently \$351 per month by the steamship companies less certain minor charges which vary with each company.

With respect to quarters, meals, and the \$351 a month that is paid for each cadet, is this paid by the steamship company?

Mr. NEMIROW. Yes.

Mr. AU COIN. And so this does not show up in any way as an expense of the Federal Academy in the authorization bill, is that correct?

Mr. NEMIROW. Yes.

Mr. AU COIN. Is the steamship company which incurs that cost reimbursed in any way by the Federal Government?

Mr. NEMIROW. I am trying to determine. Some of that expense may be recoverable through operating subsidies, if it is a subsidized operator. Not all the cadets sail on subsidized vessels. Our construction program specifies certain numbers of crew quarters and certain ratings and crewmembers who are eligible for subsidy. I know there is always a footnote that says to U.S. Merchant Marine Academy cadets, if and when carried. I do not know if any items of subsidy is available to a subsidized operator if he has cadets on a particular vessel. It is a good question. I just do not know off the top of my head.

Mr. AU COIN. Will you please provide that for the subcommittee?
[The following was received for the record:]

OPERATORS REIMBURSEMENT FOR CADET TRAINING

Operators receiving operating-differential subsidy payments receive partial reimbursement for costs of providing berths for Merchant Marine Academy midshipmen and Calhoun School (MEBA) cadets. Non-subsidized operators do not receive any Federal assistance for trainees.

And do so in specific terms, because if it is true I would like to know in detail how it is that that might work, that arrangement might work.

Mr. NEMIROW. I know in detail how it would work if they are eligible. I know on the rating there is always a footnote that—

Mr. AU COIN. Spare yourself the explanation of detail.

On page 13 and page 133 in the catalog there are references to the National Maritime Research Center, which I visited when I made my stay recently at the Academy. On page 13 the catalog states that the location of the Center on the campus enhances faculty research opportunities, and enriches the program for midshipmen through infusion of state of the art knowledge through the Academy educational and research program.

On page 133 it is listed in a way that suggests that it is one of the faculty departments at Kings Point.

The question I have on the basis of that is, first, is the National Maritime Research Center one of the departments of the Academy?

Mr. NEMIROW. No.

Mr. AU COIN. How is the National Maritime Research Center funded?

Mr. NEMIROW. It is funded through our authorization, which will be heard by the committee tomorrow, but not as part of the O and T items in the Academy budget.

Mr. AUCOIN. Then it would not be part—that item, that authorization item, would not then be part of the maritime education and training element in the authorization bill that we are considering today?

Mr. NEMIROW. Correct.

Mr. AUCOIN. How can the catalog make such a statement if that is the case?

Mr. NEMIROW. I am not sure of the statement you are referring to.

Mr. AUCOIN. The statement I mentioned suggesting that this is somehow an integral part of the educational program at Kings Point.

Mr. NEMIROW. I do not have the booklet, but on page 13 there is a general statement, according to what you indicated, that it is a continuing resource available to staff members, professors, et cetera, and it upgrades their ability, knowledge—

Mr. AUCOIN. And enriches the educational program for midshipmen.

Mr. NEMIROW. To the extent that it enriches the professors, we hope they are enriched enough to have some of that trickle down on the midshipmen. The reference you made to page 133—that was the page, was it not?

Mr. AUCOIN. Yes.

Mr. NEMIROW. It seems to be erroneous, as you read it. It is not a faculty department of the Academy.

Mr. AUCOIN. The reference on 133 is this, it lists the National Maritime Research Center in the same section that it lists all the academic departments at Kings Point, which I think clearly is misleading. You know, and I know you know, because it came out in previous hearings, and I know you know I know, that this is a source of bitterness among the cadets at Kings Point. They really feel denied the opportunity to participate, and make use of the facility, and a lot of them told me when I had a late night rap session in one of the halls, where we talked from 8:30 to nearly midnight, about the pluses and minuses of the Academy. A lot of them told me they went into that place with the full expectation that they would have access to that on an academic basis, and found something altogether to the contrary. I would like to see that rectified.

Mr. NEMIROW. We will take that into consideration. There are certain constraints on the operation of that facility, and in the past it has been a factor that it has been made available to the midshipmen. We will review that at your request.

Mr. AUCOIN. Can you tell me also, while we are on the subject, how it is, in what way, that the faculty takes advantage of this facility? How did the faculty take advantage of the facility, and to what extent?

Mr. NEMIROW. I am not sure.

Mr. AUCOIN. I am not sure, either.

Mr. NEMIROW. To what extent—I am not sure.

Mr. AUCOIN. I have the distinct impression that it is not to any great extent, but I would like to have that response as well, because if that suspicion is true, then even the statement on page 13 of the catalog is misleading, and again subject to some bitterness.

Could you tell the committee, on the same question of this facility, what that acronym is?

Mr. NEMIROW. CAORF.

[The following was received for the record:]

CAORF

Since the establishment of the National Maritime Research Center (NMRC) at Kings Point in 1971, several members of the faculty have served as project managers for specific research projects involving basic maritime technology and human factor studies. Selected faculty members provided technical advice on the development and early operational implementation of the Computer-Aided Operations Research Facility (CAORF). Virtually all of this work has been performed on a part-time basis while still maintaining a significant teaching schedule. Unfortunately, the elimination of the Exploratory Research program in the 1980 budget and the limitations on faculty availability for nonclassroom activities without replacement faculty have forced the curtailment of Academy involvement with the NMRC. Nevertheless, several midshipmen continue to be engaged in independent study projects at the NMRC each quarter. This work, which involves gathering and processing data for CAORF projects and participation in the analysis of research outputs, is conducted under the supervision of Academy faculty. In 1979 a selected group of faculty and midshipmen participated directly in a pilot study of the feasibility of using simulators for training purposes in conjunction with a project to evaluate license certification standards. A follow-on project will be conducted in 1980 and will involve 10-15 midshipmen. CAORF is not used as a training device.

Mr. AUCOIN. What percentage of the operating time is made available for training students, do you know?

Mr. NEMIROW. It is not used as a training facility for students.

Mr. AUCOIN. Not at all?

Mr. NEMIROW. Some students may participate in training, either public or private training, but it is not used as a training facility.

Mr. AUCOIN. For Kings Point cadets?

Mr. NEMIROW. Correct.

Mr. AUCOIN. Is it used at any time on a time purchase for State academy cadets?

Mr. NEMIROW. I do not believe so. It is used on a time purchase basis—has been used in the past, for certain specific experiments or tests that have been run by various private institutions.

Mr. AUCOIN. Could you give me a couple of examples?

Mr. NEMIROW. One of the tests that was run, and I guess you have seen that facility, was that they did a model of the harbor at Valdez to see what constraints there would be on accommodating large sized tankers, and there was a great deal of testing of personnel, geographical, and other constraints, through that computer aided system in order to determine what kinds of vessels could use logically the facility at Valdez for oil.

Mr. AUCOIN. On the question of faculty access to the facility, I would like to have some quantifiable figure of a percentage of time, or something that would give meaning to that assertion in the catalog, that the faculty uses this facility in some way to upgrade themselves, and therefore in some way to enrich the students. Do you understand?

Mr. NEMIROW. I do. There is a little confusion in my mind between the use of CAORF as a physical entity, and the NMRC and their resources. They are not exactly coextensive. But we will try to answer within that constraint.

Mr. AUCOIN. It is baffling to the subcommittee as well. So we would appreciate the information.

[The following was received for the record:]

OPERATION OF CAORF

Manpower limitations make it necessary that Academy facility maintain regular teaching schedules and permit participation in National Maritime Research Center activities only on a part-time basis. As a result, the participation level has been restricted to one or two faculty members for three to six hours per week at any given time. Direct faculty involvement in CAORF projects currently amounts to no more than five percent of CAORF operating time.

Mr. AUCOIN. Minority counsel has a couple of more questions. I wanted to indicate that the Chair has the intention of recessing in about 7 or 8 minutes.

Mr. LOSCH. Just to follow up on the chairman's question about simulators, you originally requested money for five, and that was cut down to one. On the argument you wanted one simulator to evaluate equivalency, are you going to make that evaluation on CAORF?

Mr. NEMIROW. I have not thought about that. I suppose we will use CAORF as an example as to what simulators can do to provide equivalency.

Mr. LOSCH. Would you, given that Kings Point students want to evaluate and reduce the level of personnel as to the effectiveness of the simulators?

Mr. NEMIROW. We have not at this point, to my knowledge, developed a specific program for the use of CAORF in making these determinations. I think the thrust of what you are suggesting is quite logical, but that is one way to find out if it works, to have training on it. It is an interesting comment.

Mr. LOSCH. How did you arrive at \$5.5 million? Are there commercial simulators available at that cost?

Mr. NEMIROW. I assume the type of simulator we are talking about would be available at the price, at the time we were talking about it.

Mr. LOSCH. When OMB cut the \$27 million for the five simulators, did you consider as an alternative, to go back to Congress and OMB as to providing this simulator time rather than a direct purchase, a leasing arrangement?

Mr. NEMIROW. I did not at that time. As I say, I did discuss it personally. We thought we would like to use this device. I thought the amount of money involved, once you got down to one simulator, would be money well spent to prove issues coming out of the IMCO Convention. I have not looked at other commercially available simulators and their ability to be used for this purpose. But I do believe that the Coast Guard is now in the process of doing that, in consideration of implementation of the IMCO Convention, if it gets ratified by the Congress.

Mr. LOSCH. The IMCO will press our existing resources to the level in terms of providing adequacy, in terms of time and training?

Mr. NEMIROW. Yes, and then some.

Mr. LOSCH. In that regard, how much mileage do we have left in the schoolships? When are we going to face the critical question of buying two new schoolships?

Mr. NEMIROW. In the 1982-90 time period.

Mr. LOSCH. So you have maybe 5 years before it becomes critical?

Mr. NEMIROW. No. We have two, for some of the ships. My recollection is that the nominal useful life—if we can use that phrase in this context—for at least two of the ships, is to expire in 1982. Several of the remaining vessels, in terms of useful training purposes, should expire in the 1990 time frame. We are in that time frame of 1982 to 1990, whether we are going to address new ships, whether we are going to share ships, whether we build two new vessels, or whether we go to classroom simulators.

We think that new schoolships supplemented by simulators is the way to go.

Mr. LOSCH. It looks as if you do not get the money available you will be faced with the critical question, at least in the next 2 years, on at least some of these, is that correct? In order to have a ship to meet 1982 requirements you have to begin the process right now.

Mr. NEMIROW. Yes. It is the same kind of problem we have with the Bay State. You get to the point where you can stretch the facilities so far and feel safe that it is manned with cadets. We get to the point where we could not even show that it was seaworthy at the time it was taken out.

Mr. LOSCH. On this issue of providing maintenance and repair for the schoolships, that is MarAd's responsibility, is it not?

Mr. NEMIROW. Yes.

Mr. LOSCH. It was alleged in Admiral Rodger's testimony, "five years ago such items as paint, mooring lines, metal stocks, engine spares, electrical spares, wire, gauges, packing and gasketing equipment were provided as part of the Government's responsibility for the upkeep of these ships, but this year many essential spare parts have been disallowed. Last year it cost Maine Maritime Academy \$30,000 for items that the Maritime Administration has conveniently reclassified as consumables."

Are you aware of this reclassification process?

Mr. NEMIROW. Not specifically, but I am not surprised, that that is probably an accurate statement.

Mr. LOSCH. What would be the effect on the maintenance and repair of these ships if you are nickle and diming it to get money on some of these repair parts?

Mr. NEMIROW. As far as that is concerned, the ships are seaworthy and in class. As far as expendables, they are probably running short. I think our obligation is to maintain a ship in class and in service under Coast Guard standards. You know that the class items for ABS and the Coast Guard do not include some of the items you just listed in the statement you made quoting Admiral Rodgers.

Mr. LOSCH. Thank you..

Thank you, Mr. Chairman.

Mr. AUCOIN. Mr. Nemirow, thank you for your testimony this morning. I appreciate your responses to the questions. On those questions that you are forced to provide written answers to, if you would do that as quickly as possible, the subcommittee would appreciate it.

Thank you again for your testimony.

The subcommittee will be in recess until 2 o'clock this afternoon, at which time we will meet in Longworth 1302, which is not this committee room.

We stand in recess.

[Whereupon, at 12:25 p.m., the subcommittee recessed, to reconvene at 2 p.m., the same day.]

AFTERNOON SESSION

Mr. AUCOIN. The Subcommittee on Maritime Education and Training will reconvene.

This afternoon's resumption of the hearings brings together four witnesses from various State maritime academies and colleges.

I would like to call forward Rear Admiral Rizza, president of the California Maritime Academy; Rear Admiral Rodgers, superintendent of the Maine Maritime Academy; Rear Admiral Harrington, president of the Massachusetts Maritime Academy; and Rear Admiral Kinney, president of the State University of New York Maritime College.

Gentlemen, we appreciate your taking the time to be with us today for these hearings. I recognized most of you at this morning's session when Mr. Nemirow was appearing as a witness. I think you all were here, and if you were not, I will repeat my greetings now. I think you would probably all agree that it is time that some segment of the Merchant Marine and Fisheries Committee, in considering the reauthorization of the MarAd bill, give particular attention to this crucial area of maritime education, and that is what this subcommittee, with its own jurisdictional responsibility, is doing with regard to this portion of the reauthorization bill today. Your testimony will be very helpful to us in this respect.

I would like to ask each of you, if you would, to summarize your statement, rather than read it line for line, and I do that for a number of reasons. First, to give us maximum time to ask questions. The statement will be entered into the record fully so that you will have that on record. But the questions are important, and the answers to them are important because I recognize, even though I am calling you forward as a panel, you as State institutions have similarities and you also have differences. An answer from one of you to a question that I might pose might not be the same answer that another one might have and, therefore, we might get into a lengthy question-and-answer session this afternoon. And for that reason, we need to allow as much time as possible for the questions and the answers.

So, with that understanding, and with that assurance to you that the Chair recognizes similarities and differences among the State academies, I look forward to your testimony.

At any time during your testimony or the summary of your testimony, if you would care to preface, or to add as an addendum to your remarks comments pertinent to any subject discussed this morning, it would be most welcome because a lot of territory was covered, as you well know.

What I would like to do at this time is to call Admiral Rizza to lead off the panel.

Admiral Rizza, we welcome you back.

STATEMENTS OF PANEL CONSISTING OF REAR ADM. JOSEPH P. RIZZA, USMS, PRESIDENT, CALIFORNIA MARITIME ACADEMY, VALLEJO, CALIF.; REAR ADM. E. A. RODGERS, USMS, SUPERINTENDENT, MAINE MARITIME ACADEMY, CASTINE, MAINE; REAR ADM. LEE HARRINGTON, USMS, PRESIDENT, MASSACHUSETTS MARITIME ACADEMY, BUZZARD BAY, MASS.; AND REAR ADM. S. H. KINNEY, PRESIDENT, STATE UNIVERSITY OF NEW YORK MARITIME COLLEGE, FORT SCHUYLER, BRONX, N.Y.

Admiral RIZZA. Thank you for inviting me back to another hearing. I will skip the preliminaries and try to get to the main points.

Let me start out by emphasizing the critical nature of the time to our State maritime academies and the importance of this legislation to their health and their potential for survival. To us, the tremendous escalation in the cost of fuel oil has assumed preeminent importance. It is my urgent recommendation that the entire amount of the fuel oil cost for the annual training cruises should be paid by the Maritime Administration as a fair share contribution to the cost of educating officers for the U.S. merchant marine, our recognized fourth arm of defense. The State academy training vessels are U.S. public vessels conducting officer's training for young men and women who will be licensed officers of the U.S. merchant marine. Most of them also will be officers of the U.S. Naval Reserve. U.S. support of the International Maritime Consultative Organization Agreement doubling the existing U.S. Coast Guard sea training time requirement poses even more severe and impossible financial problems for our State academies in the immediate future.

This continued escalation in oil prices at this time is very unfortunate. I think the cost of fuel oil now exceeds what the States can fund. The States are now funding the major portion of the cost of education and training for cadets in the State maritime academies. The Federal contribution has lagged far behind the amount contributed by the States and the amount paid by the cadets in tuition and fees. In the eyes of the States, the Federal Government is not contributing its fair share. The financial burden grows daily, and the cost of fuel oil is a major factor.

As I testified previously, I think that the IMCO Convention agreed upon by the United States is inappropriate and unfortunate. We all desire to improve standards, but the big emphasis on time at sea as implied by the convention is disproportionate to the emphasis that should be put on the quality and type of training received by a cadet aboard a State schoolship. It should be obvious to anyone who has had much experience in the training of ships officers that the quality, intensity, and type of training that a cadet undergoes aboard a schoolship is far more effective and important to the development of a third mate than his mere presence on a merchant ship as a cadet observer under training. The quality of the training received by a cadet aboard a merchant ship for 10 months does not compare to the intensity and quality of training provided a cadet at a maritime academy aboard a training schoolship for 6 months. The primary role of the merchant ship is the carrying of cargo and passengers in a highly competitive international trade. Under those circumstances, the practical training a

cadet receives is very limited. In other words, we feel that a six months training aboard a schoolship should be accepted as equivalent to a year as an observer on a merchant vessel.

On board a training schoolship, and I am going into some detail here, the cadet actually performs functions, rather than only observing them. He can maneuver the ship, anchor the ship, and moor the ship. A training ship can spend time stopped, conducting boat drills and shiphandling drills, while a ship making money cannot afford to stop. Casualty drills, disassembly of equipment, and maneuvers cannot safely or practicably be performed on a merchant ship whose mission is cargo port to port. There is no comparison between the time spent in an organized and intensive instructional program aboard a training schoolship and time spent merely observing watch routine aboard a commercial vessel.

Aboard a schoolship, there is a 24-hour-per-day program dedicated to intensive and comprehensive training and instruction, all under the critical eyes of competent licensed instructors. In the course of the three cruises a cadet goes on, he or she moves through the ratings from seaman to watch stander. This training provided at sea includes a preliminary period of intensive shake-down training and subsequent advanced underway training. Various schoolship training activities, such as emergency and boat drills, man overboard, deck damage control drills, abandon ship, Williamson turns, radar navigation, engine maneuvering, engine change over from maneuvering to cruising and vice versa, rubber docking, anchoring and getting underway, towing, linehandling, signaling, steering, piloting and celestial navigation, lookout watch, electronic navigation, various casualty exercises, and a host of other training operations which are conducted with the objective of achieving mastery of those subjects and tasks, rather than merely satisfying operational or inspection requirements.

The long ocean legs are filled with a daily routine of supervised watch standing drills, simulated crises situations, and a full schedule of professional instruction. Seniors serve as watch officers with a licensed faculty member in the background for safety purposes. Other cadet responsibilities include operation and maintenance of the vessel and its power plant repairs when necessary; and the supervision and training of underclassmen. Every effort is made to insure that midshipmen develop the technical skills required to be a competent marine officer.

The California Maritime Academy has proposed to the U.S. Maritime Administration and the U.S. Coast Guard a compromise solution, a comprehensive program of "equivalency" which would satisfy the IMCO Regulations. We intend to use our current 30 weeks—7 months—of sea time in conjunction with a period of intense simulator training, practical training on smaller, more economical vessels and laboratory periods aboard the training ship and other ships to meet the requirement. We are convinced that the above approach will produce a far more skilled and experienced officer than one who merely rides and observes.

Several types of simulators and models will be used to accomplish the 1-year sea time equivalency. A radar simulator will be used to give the students training and experience in collision avoidance, coastal piloting and rules of the road. A computerized tanker

loading simulator will be used to train and give experience in the loading, discharging, stability, trim and stress of the liquid cargo. Models and ship's cargo, container, lash and Ro/Ro ships. A low-speed diesel engine room simulator will provide qualification training for engineers and orientation for the deck midshipmen. The use of the above simulators and models will allow the student much more opportunity for real cost effective and efficient time training and experience than many times the same period of routine exposure aboard a ship. In addition, no environmental dangers exist, so the student will be totally responsible for the activity.

Training and experience aboard smaller vessels and tugboats is the most efficient way to develop seamanship skills and shiphandling ability. Vessels from 30 to 90 feet in length are excellent for the training of young officers. With smaller vessels, skills and techniques can be developed over a period of time by repeating various maneuvers, while building up in vessel size.

The California Maritime Academy already has taken initiative to add the required simulators, lengthen its training cruise to the aforementioned 7 months and improve the quality of practical training. We have no doubt that this program meets the intent of the 1 year or equivalent provisions of the International Convention. The California Maritime Academy, therefore, concludes that much more effective and cost effective training can be accomplished in the combination of activities described above rather than maintaining a strict adherence to the stated requirement of 1 year at sea.

I would like to point out that these superb training media offer the best possible training available to officers of our merchant marine, with no expenditure of fuel and no danger of environmental damage from mistakes that occur in the learning process. At this juncture, the Congress would be wise to invest the necessary funds to place on our campus a shiphandling simulator. The Congress also would be well advised to invest in engine room simulators for the State academies. My preference would run to a marine slow-speed diesel engine, as our industry, under the press of rapidly rising fuel costs, now is following the rest of the world in that direction. The costs of these training systems are modest, indeed, in the light of the rising cost of fuel oil and the mounting worldwide public concern for our environment. I might say that if these simulators prevent one accident, the cost of that accident could buy many simulators. These simulators can do the training job.

The time is long overdue when simulators must be utilized in training to supplement the present training. The quality of our merchant marine officer can be improved substantially through the use of simulators as a supplement to present training. In my view, required training on simulators would greatly reduce the casualties at sea resulting in savings in the millions of dollars to the maritime industry and to the public. The initial cost to the Government of providing simulators to the State maritime academies for training cadets and for the maritime industry through the continuing education program would be relatively insignificant compared to the cost of all concerned of the casualties at sea that could be reduced or eliminated as a result of training on simulators. Therefore, I emphasize strongly that the Federal Government should

provide to Maritime Academies funds for the initial purchase of simulators to be maintained through funds from the continuing education program.

This discussion of simulators provides a natural lead into the topic of what I would call "Continuing Maritime Education." The Academy has an extensive and growing program of continuing education for the maritime industry. We intend to develop this program in conjunction with the maritime industry, providing training to meet the upgrading standards and certification requirements of the U.S. Coast Guard, and the rapidly changing technology in the maritime industry.

I should point out that our continuing education program funds itself. We are providing a vital service to the industry at little or no expense to the State or Federal Governments. Consequently, there is no need for the Federal Government to become directly involved in providing such a service in direct competition with established institutions of maritime education and training. I believe that the Federal Government should enter into continuing maritime education only if the courses are not available from other educational or training sources. Certainly, that is not the case on the west coast, where we can continue to meet this need at little or no expense to the taxpayer by using the facilities of the Maritime Academy. I believe that wherever possible, this function should be encouraged and performed at the established State maritime academies with little expense to the Government. By little expense, I mean that the State Maritime Academies may require financial assistance to initiate a program or to fund expensive simulators that cannot be funded from any other source.

It has been apparent for several years to us at the California Maritime Academy that changes in educational and training requirements would be initiated by the United States and by IMCO. Our Department of Adult Maritime Education was established in 1974 to accomplish our fundamental goal of developing a complete program of continuing maritime education and technical training. Significant growth has been experienced in the first 5 years of this program, building up to a total of 43 classes presented in 1979.

Early in 1979, with the assistance of the California Maritime Academy Foundation, the shipping companies, and a neighboring electronics firm, the Academy developed its computerized tanker loading/discharging/ballasting console designed to reproduce tanker cargo handling operations. It effectively conveys a comprehensive understanding of tanker operations onboard an automated 70,000 dead weight ton tanker.

The tanker simulator is used in training our midshipmen in tanker operations. We have also developed a 5-day seminar for junior officers of the tanker companies. Additional computer capacity is being added to the tanker simulator to make possible the development of an advanced, sophisticated tanker senior officer course, which will be offered to the maritime industry early this year.

Also nearing completion is the installation of a radar simulator laboratory. By mid-1980, a Radar Observer Certification course will be offered to the maritime public.

A Diesel Engine Operation and Maintenance course is currently offered two to three times a year. This course will be significantly improved by the completion of a Marine Diesel Engine Room Simulator in 1981.

Two popular courses presented several times a year are the Lifeboatsman Certification Course, which is approved by the U. S. Coast Guard, and Emergency Medical Training for Seagoing Personnel, which is approved by the U.S. Public Health Service. Graduates receive the certification, respectively, of those two Federal agencies.

Another course which is presented several times a year is Tankerman Training, which is designed to prepare maritime personnel to successfully pass the U.S. Coast Guard examination for Tankerman endorsement on their seaman's papers.

Maritime/Admiralty Law, Marine Terminal and Stevedoring Operations, Marine Machine Shop Practice, and Marine Welding and Burning are a few of the other classes offered.

I might say that our tanker simulator as it is being developed now is the most advanced in the world. There is nothing like it as far as I know.

Regarding the Maritime Administration's proposal to build several modern training ships for the shared use of the State maritime academies, I must admit to some ambivalence of view on this subject. The concept of a modern training vessel equipped with a variety of machinery admittedly is extremely attractive and desirable. However, with a one-time allocation of about \$3 million to provide more modern conditions, our present training ship could be improved significantly to provide a reasonably satisfactory training ship form the time frame of 7 to 9 years. We have succeeded through a major initial effort of staff and students in significantly upgrading our ship from a World War II hulk to its present acceptable status. A one-time allocation of \$3 million for upgrading our ship would be considerably more economical than building a new training ship at the present time. As I stated, upgrading would extend the life of the present training ship for up to 9 years.

We use our training ship on a year-round basis on campus for the practical laboratory training of our cadets. If we did not have the use of a training ship as a dockside laboratory, the Academy would have to build onshore, at exorbitant costs, the marine plant, ship's machinery and equipment equivalent to a shipboard laboratory. The use of the ship in this fashion on a daily basis is one of the primary means which we would utilize in order to meet the IMCO requirements for 1 year at sea. So we would wish to retain our training ship for a dockside laboratory even if new shared vessels were constructed.

I believe I have emphasized those areas of importance, and I am ready for questions now.

[The following was received for the record:]

STATEMENT OF REAR ADM. JOSEPH P. RIZZA, USMS, PRESIDENT, CALIFORNIA MARITIME ACADEMY

Mr Chairman, distinguished members of the Ad Hoc Select Subcommittee on Maritime Education and Training and ladies and gentlemen:

It is, indeed, a privilege for me to appear before this group for the second time in order to expand on my previous testimony concerning what I consider essential to the future of Maritime Education and Training. It also will present an opportunity

for the Chairman and the members of the Ad Hoc Subcommittee to follow up on their individual questions or to inquire along new lines.

Let me start out by emphasizing the critical nature of the time to our State Maritime Academies and the importance of this legislation to their health and their potential for survival. To us, the tremendous escalation in the cost of fuel oil has assumed pre-eminent importance. It is my urgent recommendation that the entire amount of the fuel oil cost for the annual training cruises should be paid by the Maritime Administration as a fair share contribution to the cost of educating officers for the U.S. Merchant Marine, our recognized fourth arm of defense. The State Academy Training Vessels are U.S. Public Vessels conducting officer's training for young men and women who will be licensed officers of the U.S. Merchant Marine. Most of them also will be officers of the U.S. Naval Reserve. U.S. support of the International Maritime Consultative Organization agreement doubling the existing U.S. Coast Guard sea training time requirement poses even more severe and impossible financial problems for our State academies in the immediate future.

This continued escalation in oil prices at this time is very unfortunate. I think the cost of fuel oil now exceeds what the States can fund. The states now are funding the major portion of the cost of education and training for cadets in the State Maritime Academies. The Federal contribution has lagged far behind the amount contributed by the States and the amount paid by the cadets in tuition and fees. In the eyes of the States, the Federal Government is not contributing its fair share. The financial burden grows daily, and the cost of fuel oil is a major factor.

When I first came to the California Maritime Academy in 1972, the cost of fuel oil was \$3.00 to \$3.50 per barrel. At the current price of \$22.00 per barrel in San Francisco (plus barging and 6% state sales tax), the cost is over \$300,000 for our training cruise. For the last three years, we have found it virtually impossible to estimate the increase in fuel cost a year in advance. Past experience would indicate a 15% increase could be expected as a conservative figure.

As I testified previously, I think that the IMCO convention agreed upon by the U.S. is inappropriate and unfortunate. We all desire to improve standards, but the big emphasis on time at sea as implied by the convention is disproportionate to the emphasis that should be put on the quality and type of training received by a Cadet aboard a State schoolship. It should be obvious to anyone who has had much experience in the training of ship's officers that the quality, intensity and type of training that a cadet undergoes aboard a schoolship is far more affective and important to the development of a 3rd Mate than his mere presence on a merchant ship as a Cadet observer under training. The quality of the training received by a Cadet aboard a merchant ship for ten months does not compare to the intensity and quality of training provided a Cadet at a Maritime Academy aboard a training schoolship for six months. The primary role of the merchant ship is the carrying of cargo and passengers in a highly competitive international trade. Under those circumstances, the practical training a cadet receives is very limited. In other words, we feel that six months' training aboard a schoolship should be accepted as equivalent to a year as an observer on a merchant vessel.

We are not in agreement with the IMCO requirement that State Academy cadets must spend one year at sea training rather than the six months which have always been considered adequate in the past. The Coast Guard, in my opinion, has not given adequate weight to the vast experience in maritime education and training which is available for the asking from the State Maritime Academies. This failure to consult the State Academies has, in my opinion, got us into the potential position of possibly having to double our at-sea time, and, consequently, doubling our fuel oil consumption to meet the new IMCO requirements creating an impossible financial burden on the State Academies.

On board a training school ship, the Cadet actually performs functions, rather than only observing them. He can maneuver the ship, anchor the ship, and moor the ship. A training ship can spend time stopped, conducting boat drills and ship-handling drills, while a ship making money cannot afford to stop. Casualty drills, disassembly of equipment, and maneuvers can not safely or practicably be performed on a merchant ship whose mission is cargo port to port. There is no comparison between the time spent in an organized and intensive instructional program aboard a training school ship and time spent merely observing, watch routine aboard a commercial vessel.

Aboard a schoolship, there is a 24 hour per day program dedicated to intensive and comprehensive training and instruction, all under the critical eyes of competent licensed instructors. In the course of the three cruises a cadet goes on, he or she moves through the ratings from seaman to watch stander. This training provided at sea includes a preliminary period of intensive shakedown training and subsequent advanced underway training. Various schoolship training activities, such as emer-

gency and boat drills, man overboard, deck damage control drills, abandon ship, Williamson turns, radar navigation, engine maneuvering, engine change over from maneuvering to cruising and vice versa, rubber docking, anchoring and getting underway, towing, linehandling, signaling, steering, piloting and celestial navigation, lookout watch, electronic navigation, various casualty exercises, and a host of other training operations which are conducted with the objective of achieving mastery of those subjects and tasks, rather than merely satisfying operational or inspection requirements.

The long ocean legs are filled with a daily routine of supervised watch standing drills, simulated crises situations, and a full schedule of professional instruction. Seniors serve as watch officers with a licensed faculty member in the background for safety purposes. Other cadet responsibilities include operation and maintenance of the vessel and its power plant repairs when necessary, and the supervision and training of underclassmen. Every effort is made to insure that midshipmen develop the technical skills required to be a competent merchant marine officer.

The California Maritime Academy has proposed to the U S Maritime Administration and the U S Coast Guard a compromise solution—a comprehensive program of "equivalency" which would satisfy the IMCO Regulations. We intend to use our current 30 weeks (7 months) of sea time in conjunction with a period of intense simulator training, practical training on smaller, more economical vessels and laboratory periods aboard the training ship and other ships to meet the requirement. We are convinced that the above approach will produce a far more skilled and experienced officer than one who merely rides and observes. Furthermore, doubling our sea time would result in an inefficient increase in our consumption of fuel oil resulting in an impossible financial burden on the State and making it impossible to include the extension within the four year program.

Several types of simulators and models will be used to accomplish the one-year sea time equivalency. A radar simulator will be used to give the students training and experience in collision avoidance, coastal piloting and rules of the road. A computerized tanker loading simulator will be used to train and give experience in the loading, discharging, stability, trim and stress of the liquid cargo. Models and ship's cargo gear will be used to aid training in cargo handling aboard dry cargo, container, lash, and Ro-Ro ships. A low-speed Diesel Engine Room Simulator will provide qualification training for Engineers and orientation for the Deck midshipmen. The use of the above simulators and models will allow the student much more opportunity for real cost effective and efficient time training and experience than many times the same period of routine exposure aboard a ship. In addition, no environmental dangers exist, so the student will be totally responsible for the activity.

Training and experience aboard smaller vessels and tugboats is the most efficient way to develop seamanship skills and shiphandling ability. Vessels from 30 to 90 feet in length are excellent for the training of young officers. With smaller vessels, skills and techniques can be developed over a period of time by repeating various maneuvers, while building up in vessel size. The student can be completely in control as there is no danger of significant damage, as is the case with a large ship.

The California Maritime Academy already has taken initiative to add the required simulators, lengthen its training cruise to the aforementioned 7 months and improve the quality of practical training. We have no doubt that this program meets the intent of the one year or equivalent provisions of the International Convention. The California Maritime Academy, therefore, concludes that much more effective and cost effective training can be accomplished in the combination of activities described above rather than maintaining a strict adherence to the stated requirement of one year at sea.

While on the subject of simulators, I would like to point out that these superb training media offer the best possible training available to officers of our Merchant Marine, with no expenditure of fuel and no danger of environmental damage from mistakes that occur in the learning process. At this juncture, the Congress would be wise to invest the necessary funds to place on our campus a Shiphandling Simulator. The Congress also would be well advised to invest in Engine Room Simulators for the State Academies. My preference would run to a Marine Slow-Speed Diesel Engine, as our industry, under the press of rapidly rising fuel costs, now is following the rest of the world in that direction. The costs of these training systems are modest, indeed. In the light of the rising cost of fuel oil and the mounting worldwide public concern for our environment.

The time is long overdue when simulators must be utilized in training to supplement the present training. The quality of our Merchant Marine Officer can be improved substantially through the use of simulators as a supplement to present training. In my view, required training on simulators would greatly reduce the

casualties at sea resulting in savings in the millions of dollars to the maritime industry and to the public. The initial cost to the government of providing simulators to the State Maritime Academies for training Cadets, and for the maritime industry through the continuing education program, would be relatively insignificant compared to the cost of all concerned of the casualties at sea that could be reduced or eliminated as a result of training on simulators. Therefore, I emphasize strongly that the Federal Government should provide to maritime academies funds for the initial purchase of simulators to be maintained through the continuing education program. In order to enforce the use of simulators, the Coast Guard should supplement their written examinations by requiring demonstration of proficiency on a simulator or by certification of completion of an approved course on a simulator.

This discussion of simulators provides a natural lead in to the topic of what I would call "Continuing Maritime Education." The Academy has an extensive and growing program of continuing education for the maritime industry. We intend to continue to develop this program in conjunction with the Maritime Industry, providing training to meet the upgrading standards and certification requirements of the U.S. Coast Guard, and the rapidly changing technology in the Maritime Industry.

I should point out that our continuing education program funds itself. We are providing a vital service to the industry at little or no expense to the State or Federal Government. Consequently, there is no need for the Federal Government to become directly involved in providing such a service in direct competition with established institutions of maritime education and training. I believe that the Federal Government should enter into continuing maritime education only if the courses are not available from other educational or training sources. Certainly, that is not the case on the West Coast, where we can continue to meet this need at little or no expense to the taxpayer by using the facilities of the Maritime Academy. I believe that wherever possible, this function should be encouraged and performed at the established State Maritime Academies with little expense to the government. By little expense, I mean that the State Maritime Academies may require financial assistance to initiate a program or to fund expensive simulators that can not be funded from any other source.

It has been apparent for several years to us at the California Maritime Academy that changes in educational and training requirements would be initiated by the United States and by IMCO. We also recognize that the maritime industry has achieved rapid technological advances. Our Department of Adult Maritime Education was established in 1974 to accomplish our fundamental goal of developing a complete program of continuing maritime education and technical training. Significant growth has been experienced in the first five years of this program; building up to a total of 43 classes presented in 1979.

Early in 1979, with the assistance of the California Maritime Academy Foundation, the shipping companies, and a neighboring electronics firm, the Academy developed its computerized tanker loading/discharging/ballasting simulator. This unique device is a computer driven cargo and ballast console designed to reproduce tanker cargo handling operations. It effectively conveys a comprehensive understanding of tanker operations on board an automated 70,000 DWT tanker.

The tanker simulator is used in training our midshipmen in tanker operations. We also have developed a 5-day seminar for junior officers of the tanker companies. Additional computer capacity is being added to the tanker simulator to make possible the development of an advanced, sophisticated, tanker senior-officer course, which will be offered to the maritime industry early this year.

Also nearing completion, is the installation of a radar simulator laboratory. By mid 1980, a Radar Observer Certification course will be offered to the maritime public.

A Diesel Engine Operation and Maintenance course is currently offered two to three times a year. This course will be significantly improved by the completion of a Marine Diesel Engine Room Simulator in 1981.

Two popular courses presented several times a year are the "Lifeboatman Certification Course," which is approved by the U.S. Coast Guard, and "Emergency Medical Training for Seagoing Personnel," which is approved by the U.S. Public Health Service. Graduates receive the certification, respectively, of those two federal agencies.

Another course which is presented several times a year is "Tankerman Training," which is designed to prepare maritime personnel to successfully pass the U.S. Coast Guard examination for "Tankerman" endorsement on their seaman's papers.

"Maritime/Admiralty Law," "Marine Terminal and Stevedoring Operations," "Marine Machine Shop Practice," and "Marine Welding and Burning" are a few of the other classes offered.

I would like to turn my attention now to the provision in your Bill which would change the current subsidy to a repayable loan, which would be forgiven if the graduate serves in a recognized component of our maritime industry. We support the measure because it seems inherently fair. At the same time, it is scarcely fair to grant the subsidy to one cadet and deny it to a classmate. Nor is it fair to peg the subsidy at a fixed rate when inflation is constantly at work.

We take the position that students be permitted to voluntarily resign without penalty during the first two years. Encouraging students to flunk for any reason simply is not acceptable pedagogical philosophy. Some students find, after a year or two, that they are not suited to a nautical career, and they should be permitted to withdraw without stigma for their own good and for the good of the profession.

While abuse of this privilege is a possibility, it is not a likely one. Even with the subsidy, our students must pay approximately \$2,500 per year for room, board, tuition and uniforms. A student seeking only general education courses at CMA for transfer could do so much more economically at other state colleges with fewer disciplinary restrictions. As you know, generous federal financial support is available to any student who can show financial need.

Again, the California Maritime Academy strongly supports the provision of the Bill (Section 1304(e)) which provides our Maritime Service Cadets with the status of Reserve Midshipmen, U.S. Navy. This provision is extremely important in the event of a national emergency, as our source of officers to man the ships of our Merchant Marine (the fourth arm of defense) should not be impaired by the actions of individual Draft Boards acting within the Selective Service System. In this connection, we also support the U.S. Maritime Administration's recommended change to Section 1304(a)(1) which would encourage the Secretary of the Navy to establish NROTC Units at the various State Academies. Since a U.S. Navy Instructor Group already is assigned to each campus, the cost of this program would be relatively insignificant. Entering students would then be eligible for NROTC scholarships and commissioning as regular officer of the U.S. Navy upon graduation.

Regarding the Maritime Administration's proposal to build several modern training ships for the shared use of the State Maritime Academies, I must admit to some ambivalence of view on this subject. The concept of a modern training vessel equipped with a variety of machinery, admittedly, is extremely attractive and desirable. However, with a one-time allocation of about three million dollars to provide more modern conditions, our present training ship could be improved significantly to provide a reasonably satisfactory training ship for the time frame of seven to nine years. We have succeeded through a major initial effort of staff and students in significantly upgrading our ship from a World War II hulk to its present acceptable status. A one-time allocation of three million dollars for upgrading our ship would be considerably more economical than building a new training ship at the present time. As I stated, upgrading would extend the life of the present training ship for up to nine years.

We use our training ship on a year-round basis on campus for the practical laboratory training of our Cadets. If we did not have the use of a training ship as a dockside laboratory, the Academy would have to build on shore, at exorbitant costs, the marine plant, ship's machinery and equipment equivalent to a shipboard laboratory. The use of the ship in this fashion on a daily basis is one of the primary means which we would utilize in order to meet the IMCO requirement for one year at sea. So, we would wish to retain our training ship for a dockside laboratory even if new shared vessels were constructed.

Gentlemen, I am grateful for the opportunity to share with you my views on Maritime Education. Do you have any questions for me at this time?

Mr. AUCOIN. Thank you, Admiral. We will hold off on questions until each of the panel has testified.

Admiral RODGERS, we will take your testimony now.

Admiral RODGERS. Thank you, Mr. Chairman, Congressman Emery and gentlemen of the staff, I appreciate the opportunity to offer my thoughts on the Maritime Appropriation Act for fiscal year 1981.

I will just skip through and make a few points. The first one is that the appropriation of \$6.68 million as proposed in the 1981 MarAd authorization bill for State maritime academies represents a tourniquet approach to squeeze these fine schools out of existence. A little arithmetic will show that after taking away the \$3.5 million in the 1980 MarAd bill that went into the Massachusetts

schoolship, bringing that out of the reserve fleet, that the 1981 bill represents a 1.5-percent decrease, also if you look back over a 5-year period of time, you will find that the only increase that went toward the State academies was raising the cadet subsidy from \$50 to \$100, and it took nearly 10 years to get that through.

So, in other words, the amount of funding to the State academies over many years has not kept pace with the inflation rate. A single example, I would like to point out that by the Maritime Act of 1958, the Federal Government's share to maintain Maine Maritime Academy represented 33 percent of our budget and today it represents only 16 percent. So you can see that constant erosion over the years.

In addition to the inflation factors that go into the operating budget, I think you should be aware, and I just want to touch on some of the things that Admiral Rizza touched on, is that there is a great expenditure required for technical equipment for maritime training. These are over and above anything that would be required for the normal college education. At the Maine Maritime Academy, we already have our radar simulator, collision avoidance radar system, omega, loran, and satellite navigational equipment. We are just now purchasing a diesel engine simulator. We also have a tanker simulator. We do not know what the impact of the IMCO standards on training and watchkeeping will be, but we are sure it is going to require additional expenditures, and I will not touch on the additional seetime because I think Admiral Rizza touched on that very adequately, and all I can say is that simulators are very definitely one of the answers. We cannot afford to run the training ships any more.

I would like to point out that if you would look at the exhibit in my statement, the last page, that at Maine Maritime Academy in this coming year we estimate \$1.172 million just for operating the training ship. Now, out of a total budget of about \$6 million, you can see that that represents a tremendous amount of money. If you look at the fuel oil cost of \$325,000, which incidently represents a very austere cruise, we have cut down from years ago when we used to travel 12,000 miles to 8,000 miles this year, going as slow as we can, and even if the Federal Government were to provide the funding for that fuel, it still would only represent about 30 percent of the total cost of operating the ship. The wages and these other factors that go into it represents a great burden for us.

So I cannot emphasize too strongly the importance of providing that fuel oil and the necessity to continue with these schools. I believe that I could probably be more specific on the cost of fuel oil; in my opinion, we need right now about \$1.7 million between the State academies to even get through the current year. Last year, the fuel oil at this time was running about \$18 a barrel. It is presently going for a little more than \$30, and at \$12 a barrel increase, it represents on the order of a \$140,000 impact on this year's cruise costs which was not budgeted at the beginning of the year. It has become so severe, that I have visited our Governor and since the State cannot help he has offered to write to the Governors of the other States having maritime academies and our congressional delegation in an effort to gain political support for additional Federal assistance.

I would now like to touch on the training ships, if I might, for a minute.

A committee member this morning used the term "nickel and diming us to death." I would say they are pennyng us to death. Every time we turn around, there are things that the Maritime Administration used to provide for the ship that they do not provide now. There is just not enough money appropriated, and certainly where the construction of new ships are being delayed, these ships are getting older and with inflation going up, it is incredible that no additional moneys have been made available for the maintenance of the ship.

Again that is becoming a tremendous burden for the academies. As a taxpayer, I have to admit that the cost of running a ship for strictly training is difficult to justify. As you can see in my statement our cost is \$1.1 million, and by the time the Federal Government puts its share into it, it runs close to \$2 million. That does represent a tremendous amount of money per student for training, but there are no alternatives at the moment. There are not enough operating ships to put our cadets on as they do at the Kings Point school. I think that someone needs to look at that, to find a way that we can use these training ships to generate some income to offset cruise costs.

I realize that I am stepping on some very sensitive areas here, but it does need some kind of study to see if there is not something we can do.

For example, I just wrote recently to the new Under Secretary of Commerce for Foreign Trade Development suggesting that Maine Maritime Academy was willing to use the ship as a trade development promotion ship. A national effort with exhibits in order to generate income from the exhibitors and help to stimulate trade which would help to build our merchant marine. I think it needs more Federal attention. That is just one thing that might be done.

I think another thing that might be done is that some of our training ships might carry military sealift cargo and thus help to offset the cost to us by providing fuel oil or wage assistance or something of that sort. I do think that a study is needed now and that we should not just continue to pour money into the ships and talk about building new ones solely for training.

Gentlemen, I think, as I say again, Admiral Rizza touched on all the other items, and if I do not make a single point here today, I would like to emphasize the urgent need for additional support, No. 1, for oil for the cruise; No. 2, for additional moneys for the maintenance of the ship, and No. 3, I urge that additional moneys be made available for an increased number of cadet subsidies to the academies. Maine is not as bad off as Massachusetts but we still only get 150. We bring 190 students into the academy, and there are some students who are desperately in need of this subsidy.

I might also comment on the statement this morning, and that is when a student does not qualify for that subsidy or when he gets the subsidy and leaves the school, it does not come back the next year. It is lost for the complete amount of time.

Mr. AuCoin. Would you repeat that, Admiral Rodgers?

Admiral RODGERS. Yes. The way it works in Maine Maritime Academy, we get 150 subsidies and those are allocated by name for a particular student. Now, if a student drops out, that subsidy is not available to another student either that year or next year.

In other words, it is lost from here to eternity. The next year we get another 150 but that is for another freshman class, but those that came in last year, if they do not qualify at this initial go-around, they do not qualify.

Mr. AUCOIN. But that is the same point that Mr. Nemirow made this morning.

Admiral RODGERS. That is not the way I understood it.

Mr. AUCOIN. After a lengthy trip to reach the point, I think he finally came down to the point that the slot still remains funded. If you have 150 slots, they are funded next year, but say one of those 150 this year were to drop out at some point during the year, you would lose the money that would be allocated through the subsidy for that year, but next year you would get full funding for another 150.

Admiral RODGERS. But as far as the freshman class this year they are lost for 4 years, yes.

Mr. AUCOIN. I think that a careful reading of the record of this morning's testimony will bring that out, but it did take a long time to get to that point, I agree with you.

Admiral RODGERS. I am sorry, then I missed it.

I think that summarizes my testimony. Thank you.

[The following was received for the record:]

STATEMENT BY REAR ADM. E. A. RODGERS, USMS, SUPERINTENDENT OF MARINE MARITIME ACADEMY

Mr. Chairman and Members of the Committee, I appreciate this opportunity to offer my thoughts on the Maritime Appropriations Authorization Act for fiscal year 1981. It affords me another opportunity to review the circumstances of the situation as viewed from the perspective of a state maritime academy and to present to you matters which I believe are of serious consequence. I trust that my remarks will be accepted in the same constructive spirit in which I present them and that by working together we can preserve and improve an essential element of our national maritime effort.

The appropriation of \$6,680,000 as proposed in the 1981 MARAD authorization for state maritime academies and colleges represents a tourniquet approach to squeeze these fine schools out of existence. After subtracting the funds allocated in this fiscal year budget for the activation of the Massachusetts school ship, the appropriation represents a 1.5 percent decrease over fiscal year 1980 and only a 42 percent increase over five years ago. Virtually all of this increase can be attributed to the doubling of student subsidy from \$50 to \$100 per month. Meanwhile, the delivered cost of oil for operation of the training ships has increased from \$11.75 per barrel to a current estimate of somewhat more than \$30 per barrel, a minimum of 255 percent and the cost of living has increased by more than 34 percent during the same five year period.

In addition to inflation factors, we are faced with the need to keep abreast of technical advances through the purchase of special training equipment such as radar simulator, collision avoidance radar system, satellite and Omega navigation, diesel engine and tanker simulators. Although we do not know what Coast Guard regulations will ensue from the IMCO Standards of Training and Watchkeeping, we can be certain that compliance will necessitate considerable additional expense. Another factor of great concern is the constant shifting of maintenance and upkeep expenses on the training ship over to the academies. Five years ago such items as paint, mooring lines, metal stock, engine spares, electrical spares, wire, gauges, packing and gasketing equipment were provided as part of the government's responsibility for the upkeep of these ships, but this year many essential spare parts have been disallowed. Last year it cost Maine Maritime Academy \$30,000 for items that the Maritime Administration has conveniently reclassified as consumables. The

Academy's cost of operating and maintaining the training ship for fiscal year 1981 is estimated at \$1,172,000. A breakdown of these costs is appended as Exhibit A.

A review of the budget trend for the state academies makes it obvious that the time has come for the states to rise in protest and demand more responsible treatment from the federal government. A recommendation has been made to the governor of Maine to urge the governors of other states sponsoring maritime academies to join in a united effort through congressional delegations and other avenues to bring the federal share of support to the state academies back in line with the concept adopted by the enactment of the Maritime Academy Act of 1958, through which the federal share represented one third of the operating budgets of these schools. (Note. Capital costs even though they require considerable funding for labs and equipment solely for maritime training are over and above operating budgets and are not included in any of the costs referred to above.) Hopefully, testimony such as this will shed sufficient light on the desperate plight of the state academies to cause the Congress to provide ample relief to make these state lobbying measures unnecessary.

Even with the increased funding requested in this statement, the cost-benefit ratio to the federal government of the state maritime academies is the most favorable initial license program of all alternatives presently supported directly or indirectly by the government. In order to see this more clearly, it is recommended that the Maritime Administration be required to show as a separate item in the budget the sum of money paid under operating differential subsidies for training. I contend that a study will show that the taxpayers would not be responsibly represented by the Congress if through a refusal to reverse the tide of federal indifference, the state academy system should fail. Time is running out rapidly.

To be specific, I recommend that the appropriation to the state academies be increased by \$2,450,000 in order to provide \$1,700,000 for training ship fuel; \$500,000 additional for training ship upkeep, repairs and materials essential for operation and maintenance; and \$250,000 for subsidy allowances for additional cadets. Recent MARAD studies which predict a shortage of officers in the ocean and Great Lakes Trades through the 1980s, justify this increase in the numbers of cadets authorized to receive the uniform, book and subsistence subsidy. With the additional support the federal share of the cost of state maritime academy training would be improved although still considerably less than it was when the 1958 maritime academy act was enacted.

Since the cost of maintaining and operating a ship solely for training has become so expensive, it is imperative that we look at the alternatives both short range and long range. In the short range, there are no suitable alternatives, since there are not sufficient berths available aboard commercial ships to accommodate but a relatively small number of State academy students. The concept of having academies share a ship would not appreciably decrease the cost factor and would add a tremendous complication in scheduling. It would be far better all around to authorize the academies to utilize the training ship for commercial purposes in order to offset somewhat the operating costs. This activity would also provide an opportunity for students to participate in courses and operations that would enhance their knowledge of the business aspects of commerce. The small amount of cargo and passenger service that could be accommodated during cruises would have a negligible effect on U.S. flag, commercial business and in fact it most probably could be directed toward stimulating trade that would eventually benefit U.S. flag commercial operations. If these limited operations proved successful, it might well lead to a private enterprise as a long range solution. I can envision the possibility of a company contracting with an academy to crew a ship configured for trade promotions, cargo and passengers, as well as cadet training. We should also study the feasibility of putting the academy training ships under the operational control of the Military Sealift Command for the purpose of carrying military cargo during training cruises.

Another significant expense which is potentially threatening to the State academies is the IMCO agreement on Standards of Training and Watchkeeping which would require a doubling of sea time for deck cadets. It now appears that simulators will be ruled acceptable as equivalent to some or all of the additional six months sea time. This approach is much more reasonable and acceptable than more training ship time, but unfortunately simulators are very expensive and Federal financial support will be required. Two types of simulators, electronic and model ships are presently being used today for upgrade training. Both of these approaches should be applied in developing simulators for initial license training. Hopefully, some funding is included in MARAD's fiscal year 1981 R&D budget so that development can be initiated as soon as possible. Maine Maritime Academy has completed the preliminary design of an 80 foot multi-purpose training tug and we are presently

investigating the feasibility of including features that will also permit it to operate in a large ship simulator mode. It is expected that a proposal for R&D support will be submitted to MARAD this spring.

Maine Maritime Academy is also very active in offering several continuing maritime education programs for fleet officers. Experience indicates that this area of maritime training can be self-supporting and, therefore, no Federal funding is considered necessary.

In summary it is recommended that fiscal year 1981 State maritime academy appropriations be increased by \$2,450,000 and that authorization be granted to permit the use of the training ships for commercial purposes as an experiment toward offsetting the high operating expenses of these ships.

Attachment.

EXHIBIT A.—Prospective operating budget for training ship State of Maine, fiscal year 1981

Personnel costs (including benefits).....	\$486,000
Travel.....	35,000
Food service.....	100,000
Bunker fuel.....	325,000
Supplies and expense.....	135,000
Electricity.....	32,000
Fuel oil (domestic).....	40,000
Other utilities (water, sewerage).....	14,000
Capital costs.....	5,000
Total.....	\$1,172,000

* Expenses of permanent crew while in shipyard.

Mr. AuCoin. Thank you very much, Admiral Rodgers.

We would like now to hear from Admiral Harrington.

We welcome you, too, sir.

Admiral HARRINGTON. Mr. Chairman, Congressman Emery, I am delighted to appear before your subcommittee this afternoon.

In my years as president of the academy, it is only the second time that I have had the opportunity to comment on the all important authorization bill. The first time was in 1973. I appeared before your parent committee at that time, requested your help in increasing the number of cadet subsidies, the amount of the subsidies, and asked for your help in forestalling the schoolship consolidation plan that was then on the minds of the MarAd Administrators.

By appealing directly to Congress, the amount of that subsidy has been increased from \$600 to \$1,200. By appealing directly to Congress, we have received the money to have a new training ship for the Massachusetts Maritime Academy. Without the intent and the help of the Subcommittee on Education and Training, and its parent committee, Merchant Marine and Fisheries, the State academies would nowhere be near as healthy as they are today.

In 1876, as you know, Mr. Chairman, the Congress of the United States, in order to provide a strong merchant marine for our national interest, enacted legislation to encourage the assistance of State Maritime Academies. That original bill provided the training ship for each State that would set up an academy, and an appropriation of \$25,000, if each State would match that \$25,000.

The thrust of the legislation was a 50-50 percent matching in the appropriation of a State Maritime Academy. In 1891, Massachusetts did pass a law that provided for the Massachusetts Nautical Training School, and appropriated \$25,000 to match the \$25,000 that the Federal Government gave us.

Today, 90 years later, the Federal Government's appropriation has increased four times, and the Federal Government now gives us \$100,000. In that same 90 years, the Massachusetts share has risen to \$4 million, 160 times the original \$25,000. Massachusetts is contributing \$40 to every dollar that is contributed for the maintenance of the State Maritime Academy by the Federal Government. You get \$40 back for every dollar that you contribute to a national asset, namely a maritime academy.

I suggest to you, Mr. Chairman, that you probably cannot find, in any area of the Federal budget, where a return on Federal dollars comes in that abundance. As a matter of fact, most of the projects that involve a marriage of the State and the Federal Government have the Federal Government share many times larger than the State's contribution.

Now, of the \$4 million appropriation that ran our Maritime Academy last year, \$500,000 of it was in our 1980 subsidy account, our fuel account. Exactly half of that \$500,000 was spent for our cruise oil, \$250,000. We are a college with a landbase, a land campus, and a ship campus, and next year my request for that appropriation for fuel to the State legislature in Massachusetts amounts to \$800,000.

Again, \$400,000 for ship operation, \$400,000 for land campus operation. Now, the State of Massachusetts, like many of the States, are facing fiscal crises situations, in view of rampaging inflation, and the State leadership of our Ways and Means Committee in both branches is going to start seriously considering cutting back the amount of money that they are going to give to our academy for cruise purposes, or the elimination of it completely, and when that happens the Federal Government is going to lose the Massachusetts Maritime Academy.

Now, in the testimony offered this morning, you heard, you yourself addressed the situation where there are 1,100 U.S. citizens being trained for licenses in the Federal Academy, and MarAd has requested \$18.2 million to train those 1,100 citizens.

At the same time you have three times that amount of citizens in the combined State academies. You have 3,100 U.S. citizens training for that same license, and they are asking for \$6 million, just one-third of the amount, to provide for the academies.

I ask somebody to take a look at the figures, and see where the taxpayers are going to get the better break.

Finally, I would address myself, as I always do, to the question of Federal subsidies, and the current distribution formula used by the Maritime Administration.

Mr. AUCOIN. You have a strong view on that subject.

Admiral HARRINGTON. I do, yes.

When a sister academy, one-half our size, receives 33 \$1,200 subsidies more than we do each year, when an academy three-quarters our size receives 73 subsidies more than Massachusetts, and when an academy comparable in size to us receives 173 more Federal subsidies than we do a year, I think it is time to address that unfairness.

Now, the distribution formula is based on the 1965 enrollment of the academies, and I have stated before to this committee that when the manpower study of 1970 indicated to the Maritime Ad-

ministration that there was going to be an overage of officers in the decade of the seventies, in order to cut back the number of graduates they were turning out, they used the 1965 enrollment figure, and in that year, Maine had 150 in their freshman class, New York had 250, and we had 77. But that was 5 years before \$18 million had been invested by the State of Massachusetts in building an academy that could accommodate 850 students. It was too late by 1971 to use a 1965 figure of enrollment. But now it is 1980, and somebody ought to take a look at the fairness of the distribution formula today.

I have asked in my statement to increase the amount of subsidies, so that MarAd can give every cadet that comes to our State Academies, in accordance with our present enrollment.

I do not ask my fellow presidents at Maine and New York to give up subsidies. If I were in their position I would, just as they are doing, hold firm to the number of subsidies that they have. It is up to a higher power, it is up to the Maritime Administration, or this committee, to either apportion the subsidies fairly in accordance with present enrollments, or to increase the number of subsidies so that all cadets entering our academies can receive them.

Thank you very much, Mr. Chairman, for your indulgence.

[The following was received for the record:]

STATEMENT OF PRESIDENT LEE HARRINGTON, MASSACHUSETTS MARITIME ACADEMY

Mr Chairman and Members of the Subcommittee, I am privileged to appear before you to offer testimony on the Maritime Appropriations Authorization Act for fiscal year 1981. Seven years ago, in March 1973, I and my colleagues representing the six State maritime academies, had the first opportunity to present our views directly to you on this most important matter of Federal appropriations affecting our schools. At the time we expressed our common concerns as regards inadequacies in the annual amount and the total number of student subsistence payments as well as Maritime Administration plant—confirmed at that same hearing by the Assistant Secretary of Commerce for Maritime Affairs—to reduce the number of training ships available to the academies. Appealing directly to the Congress, the State academies have successfully pursued these concerns with individual and collective initiatives over the past seven years to increase the annual student payments to 1200 dollars and to forestall scholarship consolidation. Without the keen interest and staunch support of this Subcommittee and its parent, the Committee on Merchant Marine and Fisheries, our schools would not be nearly as healthy as they are today. We are hopeful that this second opportunity to impact on the Federal budget process will be equally as productive as the first, but not so long in coming.

By way of illustrating the cost effectiveness of the State schools as a source of new Merchant Marine officers I should like to highlight some figures for your consideration in arriving at funding allocations for the education and training elements of the Maritime Appropriations Authorization Act for fiscal year 1981. As of 31 December 1979 the U.S. Merchant Marine Academy at Kings Point enrolled 1,110 students, having graduated 253 new officers in the Class of 1979. The administration has requested 18,201,000 dollars for the U.S. Merchant Marine Academy at Kings Points for fiscal year 1981. At the end of December 1979 the State academies and colleges had a combined enrollment of 3,111 U.S. citizen students, and graduated 584 new officers in the Class of 1979. The administration has requested 6,680,000 dollars for the State marine schools in fiscal year 1981. Based on these figures, I think it would be reasonable to conclude that the State academies represent not only a valuable national asset but also a tremendous bargain to the taxpayers.

In testimony submitted to this Subcommittee last December on H.R. 5451, the Maritime Education and Training Act of 1979, I indicated that the Federal government's share toward the operation of the State schools had declined dramatically over the past 30 years or so to the point where in 1979 the annual Federal grant of 100,000 dollars represented only 2.76 per cent of the 3,620,000 dollars appropriated in the same year by the residents of Massachusetts for this school. This disparity will widen in fiscal year 1981 as the Commonwealth increases its appropriation to 3,923,000 dollars while the Federal grant is unchanged. The increase in the State

appropriation is largely attributable to the devastating effects of increased fuel oil costs for the annual training cruises. As one step toward rectifying this imbalance in the respective levels of support, I should like to reiterate my previous recommendation that "the costs of fuel oil for annual training cruises should be borne by the Maritime Administration as a fair-share contribution to the costs of education future officers for the American Merchant Marine." It seems to me that supplying the training ships with fuel for training cruises would be a logical extension of the Maritime Administration's ownership in and responsibility for the maintenance and repair of these vessels. I estimate that the total cost of fuel oil for the training ships of the five salt water academies would amount to 1,500,000 dollars annually at current prices.

The Massachusetts Maritime Academy has encountered a high and impregnable wall of resistance in its efforts to bring about an updated and equitable formula for the distribution of annual student subsistence allowances since the so-called 1965 "level of enrollment rule" was arbitrarily imposed on the State schools by the Maritime Administration in January 1971. I have cited in previous testimony the "special circumstances" that have enabled certain other State schools to be exempted from a formula which has been honored more in the breach than in the observance. In addition to displeasure, I must express amazement and puzzlement at the recently announced intention of the Maritime Administration to perpetuate a policy which allocates 77 subsidies to his school—which graduated 190 new officers* in 1979—at the same time that it allocates subsidies to each of the other five State academies in numbers which exceed the total of each school's yearly graduating class. I trust that this Subcommittee will redress this obvious injustice. In my view, an updated and equitable formula would allocate subsistence allowances in proportion to current—1980, not 1965—enrollments at each school, be tailored to overall officer supply-demand requirements of the maritime industry as projected over a five to ten-year period, and assure a reasonable degree of stability in the operation of the State schools by allocating subsidies over a minimum five-year period with a "no-cut" provision during this time.

In view of the Federal government's modest investment in the education of Merchant Marine officers at the State schools—as compared with other institutional sources of supply—this Subcommittee may wish to consider appropriating funds to cover annual subsistence allowances for all students currently enrolled at the State schools. My calculations indicate that the annual appropriation for such payments, predicated on a ceiling of some 3,100 students, would amount to about 3,700,000 dollars, or approximately 1,100,000 dollars over the requested appropriation for this item in fiscal year 1981. I propose this alternate approach to resolving the "subsidy problem" for your appropriate action.

Thank you for your interest and consideration. I will be pleased to answer any question that you may have concerning my testimony.

Mr. AUCOIN. Thank you, Admiral.

Admiral Kinney, we welcome you, too.

Admiral KINNEY. Mr. Chairman, it is a great pleasure to be before you today.

I will abbreviate my remarks. May I commence, however, with one bit of philosophy, which shows the State's primary problem?

The Assistant Secretary of Commerce for Maritime Affairs, in response to a question from the Chairman this morning, made a statement to the effect that Kings Point is my principal responsibility.

To me, this is analogous to the Secretary of the Navy testifying to the Armed Services Committee that the Naval Academy is his primary responsibility, and in effect saying I do not give a darn about the Navy ROTC or the Officer Candidate School. I submit that is our problem.

I believe it is an administrative problem, and not Mr. Nemirow's alone, for whom I have a great deal of respect. The Maritime Administration should be concerned about every source of education and training of merchant marine officers for our Nation, Federal, State, industry and union.

Five of the six State schools, including New York, have the same mission as the Federal academy, to educate and train for unlimited license as third officer. As President Harrington pointed out, the five schools enrolled in 1979 about 3,300. The Federal academy enrollment is about 1,100, thus, the States with three times the enrollment are supported in total at one-third the Federal level.

This comparison, three times the enrollment at one-third support, is strong shorthand testimony to the point that the Federal-State partnership in maritime education and training is strained.

At our own budget hearings in New York, I am asked about progress in making known the very fundamental problem that our State taxpayers are supporting all the inflation that rising costs and increasing complexity have inflicted.

Our State University Chancellor, Doctor Clifton Wharton, chooses his words well, and he reluctantly advised the assembled campus presidents that our university faces a budget crisis. Maritime colleges are expensive schools. In the New York system, when they figure the cost per student, they will conclude that the maritime college costs about double per student that of a college of arts and sciences.

I would emphasize that the State University of New York faces considerable financial problems as the result of a very austere budget which the Governor has delivered to the legislature, and which I personally do not believe is going to be increased.

Now, if I may, I will comment on that collective \$6.68 million for all State schools. Most conspicuous by its absence is a request to fund fuel for the Federal training ships. Federal support for fuel was authorized in 1978 by the Congress in amendment to the Maritime Academy Act of 1958. Not once since then has the Administration requested funds to implement the intent of the Congress. It appears that the Administration has no intention in doing so. For the information of the Committee, the fuel costs to New York for the summer training in 1979 was \$229,200. The estimated cost for 1980, is \$283,700.

Also missing from the Administration request is a beginning to the improvement of training at State schools by the use of simulators. The enthusiasm of the U.S. Coast Guard and the Maritime Administration to improve training in response to Intergovernmental Maritime Consultative Organization Standards and other imperatives, seems to be unbounded.

Unfortunately, they do not put their money where their mouth is. The State schools need radar observer trainers, diesel engine-room trainers, and shiphandling simulators, no less than other activities. What better way would there be to implement desire for better standards, and to demonstrate Federal-State partnership than by capital equipment support?

The \$6.68 million is broken down to three line items: grants, cadet support, and maintenance and repair of vessels.

The \$600,000 grant money presumably goes to six schools at \$100,000 each. In New York, that \$100,000 will be matched by about \$5,700,000 State funds. That \$5,700,000 is all maritime, and the partnership ratio, as you see, is quite lopsided.

The total amount for all U. S. maritime service cadets of \$2.6 million for uniforms, textbooks and subsistence is figured on the

basis of \$1,200 per year per cadet. Mr. Chairman, that \$1,200 per year is less than half of the cost, without tuition, to those cadets, of the maritime education. This support does assist the cadet, without doubt, but it is not assistance to the State schools. It is a straight passthrough, with no administration or teaching overhead. An increase, however, in that amount, for the cadets is certainly warranted. I would think it should be doubled.

The third item of support for State schools is the maintenance and repair of vessels at \$3,480,000 total. Annually our ship trains 700 cadets at sea. This ship is a large, valuable effective investment. It should be kept in a state of good repair for merchant marine cadet training, and for national use in an emergency.

The \$3.48 million total for all training ships simply cannot reflect the maintenance and repair requirements of the schoolships as displayed by the professional surveyors' report on the material condition of these ships. There should be a deliberate program of professional survey of material condition of the ships, and a survey of the costs to repair and maintain seaworthy similar-sized ships in commercial service. The budget program should be adjusted accordingly.

The States cannot be expected to perform repairs to assure the life of the ships. The State's efforts should be made by proper vessel support, and New York for one, would be pleased to work toward this end, a planned repair and training conversion program for multi-year support. To do less than properly maintain the schoolships, is to shorten the remaining life of these aging vessels, and hasten the dilemma which their final voyage to the yard for scrapping is going to pose.

Mr. Chairman, I believe that it is Federal policy to have a merchant marine, and to promote that policy by assistance to States to maintain State schools.

Thank you for the opportunity to present the views of one of the partners.

[The following was received for the record:]

PREPARED STATEMENT BY ADM SHELDON KINNEY, PRESIDENT OF THE STATE
UNIVERSITY OF NEW YORK MARITIME COLLEGE

Mr. Chairman and Members of the Subcommittee. I am Sheldon Kinney, President of the Maritime College of the State University of New York, located at Fort Schuyler, where the East River joins Long Island Sound. The Maritime College appreciates the opportunity to appear before your Committee to testify on the Maritime Appropriations Authorization Act for Fiscal Year 1981.

Our information is that this Act includes a request for education and training from the Maritime Administration to support—

US Merchant Marine Academy.....	\$18,201,000
(6) State Marine Schools	6,680,000

Five of the six State schools, including New York, have the same mission as the federal academy to educate and train for unlimited license as Third Officer (The sixth school is primarily for Great Lakes operations.) The five schools reported an enrollment in November 1979 of about 3,300. The federal academy enrollment is about 1,100. Thus the States with three times the enrollment are supported in total at one-third the federal level.

This comparison, three times the enrollment at one-third support, is strong shorthand testimony to the point that the federal-state partnership in maritime education and training is strained. It is only recently that the State schools have been invited to Hearings on the Authorization. Mr. Chairman, and the growing imbalance in support is a basic reason for our appreciation of the opportunity to be heard. At our own budget hearings in New York, I am asked about progress in making

known the very fundamental problem that our State taxpayers are supporting all the inflation that rising costs and increasing complexity have inflicted. Our State University Chancellor, Dr. Clifton Wharton, chooses his words well and he reluctantly advised the assembled campus presidents that our University faces a "budget crisis." We have not expanded the Maritime College since our collective planning established our Cadet quota. We have not expanded our enrollment; but our school costs have multiplied, and federal support should keep pace.

Now, if I may, I will comment on that collective \$6.68 million for all State schools. Most conspicuous by its absence is a request to fund fuel for the federal training ships. Federal support for fuel was authorized in 1978 by the Congress in Amendment to the Maritime Academy Act of 1958. Not once since then has the administration requested funds to implement this intent of the Congress. It appears that the administration has no intention to request fuel support, so, Mr. Chairman, please consider our request in the absence of support from our silent partner. (For the information of the Committee, the fuel cost for the summer training in 1979 was \$229,200. The estimated cost for 1980 is \$283,700.)

Also missing from the administration request is a beginning to the improvement of training at State schools by the use of simulators. The enthusiasm of the U.S. Coast Guard and the Maritime Administration to improve training in response to Intergovernmental Maritime Consultative Organization Standards and other imperatives, seems to be unbounded. The State schools need radar observer trainers, diesel engineroom trainers, and shiphandling simulators, no less than other activities. What better way would there be to implement desire for better standards and to demonstrate federal-state partnership than by capital equipment support?

The \$6.68 million request is broken down to three line items:

Grants.....	\$600,000
Cadet support.....	2,600,000
Maintenance and repair of vessels.....	3,480,000
Total.....	6,680,000

Taken one by one, these sums show the reluctant level of administration support for the State schools.

The \$600,000 grant money presumably goes to six schools at \$100,000, each. In New York, that \$100,000 will be matched by about \$5,700,000 State funds. Please remember that the Maritime College has but one mission as a specialized college; we are not a campus that does several things and, incidentally, maritime. That \$5,700,000 is all maritime, and the "partnership" ratio, as you see, is quite lopsided. The grant amount does not consider size or dedication or State funding. If the grant were matching funds at even five to one, the State could see that indeed this interest in maritime education and training for a better merchant marine is demonstrated.

The total amount for all U.S. Maritime Service Cadets, of \$2.6 million for uniforms, textbooks, and subsistence is figured on the basis of \$1,200, per year per Cadet. Mr. Chairman, that \$1,200, per year is less than half of the cost, without tuition, of the maritime education. The current costs have recently been provided to your Committee. In this case, we are thinking only of Cadet assistance. This support does assist the Cadet, without doubt, but it is not assistance to the State schools. It is a straight pass through with no administration or teaching overhead. It would be very nice to enhance the assistance to the student, but, in all candor, the increase would not at all benefit a State Maritime School. This of course does not mean that the school does not fully support an increase in the payment to Cadets to a sum that more nearly reflects the true costs of those items which the statute states should be defrayed. Such increase is merited and should be made.

The third item of support "for State Schools" is the Maintenance and Repair of Vessels at \$3,480,000, total.

The U.S. government's vessel loaned to New York as the Training Ship EMPIRE STATE is a 533-foot steamship of 17,650 tons displacement. Annually, the ship will train about 700 Cadets at sea. This ship is a large, valuable, effective investment. It should be kept in a state of good repair for merchant marine Cadet training and for national use in an emergency.

The \$3.48 million total for all training ships simply cannot reflect the maintenance and repair requirements of the schoolships as displayed by the professional surveyors' report on the material condition of these ships. There should be a deliberate program of professional survey of the material condition of the ships and a survey of the costs to repair and maintain seaworthy similar-size ships in commercial service. The budget program should be adjusted accordingly. The Maritime Administration at the Regional Offices and headquarters has the professional talent

to survey (or to contract such survey) and to schedule this program. It will show that more funds are required for this function to support the federal investment. The States cannot be expected to perform repairs to assure the life of the ships. The States, not the federal government, staff the ship with licensed officers and crew, but there is a limit to the State staff and their ability to do repairs as well as maintenance. The States' efforts should be matched by proper vessel support, and New York for one would be pleased to work toward a planned repair and training conversion program for multi-year support. To do less than properly maintain the schoolships is to shorten the remaining life of these aging vessels and hasten the dilemma which their final voyage to the yard for scrapping is going to pose.

Mr. Chairman, I believe that it is Federal Policy to have a merchant marine, and to promote that policy by assistance to States to maintain State schools. Thank you for the opportunity to present the views of one of the partners.

Mr. AuCOIN. Thank you, Admiral.

I want to thank the entire panel for the statements you have made, and to say that it is helpful to the Subcommittee to have testimony from the heads of the various state academies in considering this aspect of the MarAd reauthorization bill.

I hope you enjoy the opportunity, because the committee appreciates the contribution you have made.

I have a number of questions and I would just like to proceed apace, if I may, at this time.

Let me ask this question of each of the members of the panel.

Admiral Rizza, you have already made the statement on page 2, paragraph 3, of your testimony, that hands-on training, rather than with a training vessel at an academy such as a kind of vessel that your academy provides, is superior training for a student to the alternative that, for example, the Federal Academy cadets receive.

I would like to ask each of the other three panelists if they share that concern and would want to briefly augment their reasons why.

Admiral Rodgers?

Admiral RODGERS. Yes, sir, I certainly do concur in that statement and I think all we need to do is to look at the record. The Coast Guard authorized 6 months on the training ship as compared with the year at Kings Point, where I believe 10 months now is acceptable, if you look back over the years, certainly back to World War II, you will find that the graduates of the State academies, with our type of training, have done a very commendable job. Furthermore, I challenge, and I have done this to the Coast Guard, to find any evidence where our graduates have contributed to any of the casualties at sea, in the first couple of years out of the academies where that training would have been reflected.

I think, looking at experience, and records of that nature, certainly tells a lot better story than some theoretical aspects of training into the future.

Mr. AuCOIN. Admiral Harrington, do you have anything on that?

Admiral HARRINGTON. It is a very proper question that you addressed. It has been a long debated topic, long debated subject.

On the one hand, you have the advantage of the cadets sailing and working on the modern ships that they are going to sail one day, rather than on an antiquated schoolship.

That, in my opinion, however, that advantage is far outweighed by the fact that our cadets are involved in a training program with officers in a continuous basis, officers that are members of the faculty of our academy, that know the cadets, that work with the training manuals, that have been brought out rather than a cadet

to go aboard a training vessel, and to become an isolated individual left alone and unattended; in our situation, they are supervised and trained by our own faculty, by our own licensed personnel, and I think that that time-tested procedure is the better of the two.

Mr. AuCOIN. Admiral Kinney?

Admiral KINNEY. I draw the comparison, Mr. Chairman, to Navy training that I was involved in as a commander of ships, squadrons, and forces and as head of education and training in the Navy, that is, the fact that the hands-on training of the schoolship is the finest training I have ever seen. In other forms of training such as the Navy's, you are normally looking over someone's shoulder. You are aboard someone else's ship and watching that person do his job in the main.

In the schoolships, every function is performed by a cadet. A cadet is on the wheel, a cadet is on the throttle. You have a licensed officer on the bridge and one in the engine room for the safety function but that person is keeping hands off unless there appears to be danger.

The gradual transition during three cruises from the wiper and seaman, up to the watch officer level, is to me extremely valuable.

Mr. AuCOIN. Each of you has indicated that you would like to have continuation of the training ships. I think each of you have also indicated that increased Federal assistance for the deployment and installation of simulators is desirable.

Each of you has also indicated that additional student allotments, as well as increased subsidies, is available, and each of you has spoken to the increases that you are faced with, fuel oil costs, and have asked for additional Federal assistance there. We cannot do it all. I mean, that is just the flat truth.

I think each of you knows that. We ought not to pretend anything else.

In fact, it is questionable whether we can do any of those additional things that you testified to this afternoon. I would just simply pose this question.

At a time when the budget is tight, it ought to be tighter, given the economic picture, and you are forced to choose among the variety of things that you brought forward in your shopping list today.

Which, among those things, do you consider the most crucial, knowing that in identifying some one of those, it may have to even be partial funding for even that.

But I would like to hear you respond to that, because that would give the subcommittee a sense of your priority, and your sense of importance on each of them.

Admiral Rizza?

Admiral RIZZA. Without doubt, the most critical item in the list which will affect the future of our school and the expense of our school is fuel oil. We absolutely have to have fuel oil or I believe the schoolships will go down the drain.

And two, after that, in order to keep current, and improve our standards, and also to provide most cost effective and effective training, we must have simulators. The simulators will significantly—and I underscore significantly—improve the training that we are doing now.

I believe those two are vital and I could recognize that if we cannot do everything, I would drop the rest.

Mr. AUCOIN. Admiral Rodgers?

Admiral RODGERS. The first priority has to be fuel oil.

To be perfectly honest with you, I do not have enough money in my budget this year to run my cruise. I have a meeting with my trustees coming up this week, I foresee a very, very significant increase in the student fees, just to cover that item this year, and then next year the same thing, and I think the law of diminishing returns is going to put us out of business if we have to do that for another year or so.

So that fuel oil is extremely critical, our simulators are important. I have a hard time on the second choice, although I think our—

Mr. AUCOIN. I am just asking you for one choice.

Admiral RODGERS. One priority, all right. Fuel oil.

Mr. AUCOIN. Admiral Harrington?

Admiral HARRINGTON. In the area of subsidy, Mr. Chairman. I am after principally a fair distribution of the number of subsidies that are provided. Even without any subsidies, I think our cadets are getting a very wonderful education at a very minimal cost. The idea of the concept of the Federal Government providing a fuel allowance to sail our training ship is a very natural extension to me of the original act of Congress. The original act of Congress that will provide a training ship.

It seems to me that fuel, to move that training ship, belongs there.

When the Maritime Administration came into existence in 1942, all of a sudden they said, we now want you to have a land campus. We want you to have adequate dormitories and mess rooms ashore, but there was no mention of any contribution to build a land campus for us.

The land campus that we have was built and paid for by the State of Massachusetts.

I have a \$5½ million classroom building that is going to open its doors in September with one-half a million dollar simulator in it bought by the State of Massachusetts. It seems to me that with fuel oil escalating the way it has, that this would be a very natural place, a very natural extension of the Federal commitment in support of our academies in relationship to providing us training ships.

Mr. AUCOIN. Admiral Kinney?

Admiral KINNEY. A divided thought.

Fuel immediately comes to mind but from the Federal Government's point of view, if there are not adequate repairs to these ships, there will be nothing to burn the fuel in.

Mr. AUCOIN. Let me ask you this: The fuel oil problem is going to be with us beyond this next year, and I am sure if you put yourselves in the shoes of those budget managers downtown and also in the Congress, you can see that, what we are dealing with here, as an entirely new kind of endeavor by the Federal Government in meeting this expense.

It may be right, or it may be wrong, but that is the way budget planners would look at it. I see no possibility of those costs getting less.

Is it your position that the Federal Government in assisting with fuel oil should, based on some principle, other than just the economic straits that you are in, support 100 percent of your fuel needs or is it your position that the Federal Government should just recognize that you have an economic problem, as you would in the case of any other cost factor, that it happens to be supporting, and meet those economic challenges on some kind of percentage basis?

Is there something intrinsic about the fuel problem that leads you to believe that the Federal Government ought to provide 100 percent of those costs?

Admiral RIZZA. I believe the Federal Government should provide 100 percent of the fuel, not because it is an economic problem, but because it is a support for a U.S. ship owned by the U.S. Government, training merchant marine officers for the U.S. merchant fleet.

These merchant marine officers are training for a merchant marine that is considered by the Congress, a fourth arm of defense, and also is something that is necessary for our economic well-being. On that basis alone, I think that the Federal Government does owe support to the ship with fuel oil. The economic situation is just another factor that contributes to our crises now.

Mr. AU COIN. How much has the price of fuel oil gone up in the last 5 years?

Admiral RIZZA. I came to our academy in 1972, we were paying about \$3 a barrel. My fuel oil bill was around \$40,000. It is now up around \$300,000, just for the cruise. And we have cut down our cruise. We used to do 15,000 miles. We are down to 10,000.

Mr. AU COIN. So almost a tenfold increase in 8 years?

Admiral RIZZA. And from what I am reading in the paper, we can expect another 10 to 15 percent by next year, and I do not know where it is going to end.

Mr. AU COIN. That is going to be difficult to sell to, maybe not the authorization committees, but to the appropriations committees of the Congress.

Admiral RIZZA. We have to have a merchant marine, and I think if we have to have a merchant marine, these schools are essential, you will not have the merchant marine without these academies.

Mr. AU COIN. Let me ask you this, Admiral Rizza. You have spoken again today about the value of simulators in maritime education and training and you made an excellent statement when you testified on behalf of H.R. 5451. You made another eloquent statement today about simulators.

Looking down the road, trying to look out on the horizon as to where we ought to be in the field of maritime education and training, say, 25 years from now, or even 30 years from now, is it possible that simulators can provide the lion's share of the training of seagoing men and women?

Admiral RIZZA. In my opinion, if you are speaking 25 years simulators will provide the bulk or the lion's share of training. Look at the airplane industry, we are way behind the airplane

industry. We can do much better with simulators. There is no excuse for the collisions and the casualties we are having at sea.

The little bit money spent on simulators will, in my view, significantly reduce the casualties and problems we have at sea.

I think that almost all the training in 25 years will be on simulators. The airplane industry has already achieved that. They do all their preflight training on simulators, and they do very excellent training.

We are really behind the times. I think it is time people in training recognize that.

Mr. AUCOIN. And if what you say is true, we are not only behind the times, but we are wedded to an energy source that is very unreliable in terms of supply and also unreliable in terms of costs.

Admiral RIZZA. Yes.

The oil factor is serious. We are out there churning up that ocean with that ship from point A to point B, wasting a lot of time, man-hours, for some simple exercises that could be done much better on a simulator—much more effective on a simulator.

I think it is long overdue, and I think we ought to get on the ball and really move in that direction.

Mr. AUCOIN. Admiral, I appreciate that comment.

I am wondering if there is dissent or agreement among the other three of you on that question?

As briefly as you can.

Admiral RODGERS. Certainly no dissent.

Mr. AUCOIN. You do or do not.

Admiral RODGERS. I do not dissent.

But the basic problem is Federal support. The fuel problem is the most visible at the moment. But what we need is additional support.

I would like to say that my feeling is that the Federal Government should finance that portion of the total program which we could call training and the State and students take care of the basic education as you would in any college and if we looked at it from that point of view, the Federal contribution would be considerably more than what it is at the present time.

Just look at the appendage to my statement there.

I would like to make one more comment on a statement that you made, about not finding enough money to do any of it, and after listening to the testimony this morning, I recall something like \$3.4 million of that 18-plus million continuing capital programs as Kings Point, and I think the country and the academies and everybody would be much better served if that was put to keeping the State academies afloat here at the present time.

Certainly if the State academies failed, the alternatives to the Federal Government are such that it is going to cost a lot more money whether it be at the Federal or the so-called industry schools.

Mr. AUCOIN. Admiral Harrington?

Admiral HARRINGTON. Again, you would address a fair question of what is going to happen up and down the road with respect to the cost of fuels; where it is going to end, I do not know.

I do not have the answer.

I would guess if it continues to go the way it is going, the Coast Guard is going to have to give serious thought to the sea time that our cadets put in.

Mr. AUCOIN. The standards are going to go up for seagoing personnel, and we have cost problems and supply problems of fuel and so forth.

So would you agree then that, looking on the horizon, trying to get out ahead of events, that those of us who are concerned about maritime education ought to be thinking about simulators, and they do present as much potential as Admiral Rizza indicated.

Admiral HARRINGTON. Yes.

As far as the 100-percent contribution in a marriage with the States, to provide academies to train men for our national maritime power. It would seem, in view of the economic problem caused by the escalating fuel costs, if you cannot pay 100 percent of the increase, that you would pay a share of it. That you would join with the State, and say we know you have a problem and we are going to help you out a little bit because we provide the ship and we think that maybe the fuel oil follows along naturally with them.

Mr. AUCOIN. At this point, any share would be helpful?

Admiral HARRINGTON. Any share would be helpful.

Mr. AUCOIN. Admiral Kinney.

Admiral KINNEY. I would dissent on the question of simulators.

Mr. AUCOIN. You would or would not?

Admiral KINNEY. I would.

I believe you can complement and to a degree supplement shipboard training with simulators but you cannot replace it. I would think that particularly for an initial license the ship will have to play the major role, and I would compare it to the fact that the airlines can use a simulator very effectively to take a trained pilot and transition him to the 747 but they are not going to give him his basic training in a simulator.

I do not think that the simulators can hope to replace the basic shipboard training.

As to the Federal contribution, I think the Federal Government faces the question of, do they wish to take advantage of a very reasonable source of merchant marine officers or do they wish to lose it?

If they do not give adequate support to the State schools they will lose it, and from what I read in the Maritime Administration manpower studies and from what I know of the manning situation, our Nation cannot afford to lose the State schools.

We heard a lot of conversation today about the size of the Federal academy. We, New York, are 93 percent of that size. I think it would be poor economics on the Federal Government's part to lose that source and the other State schools as well.

Mr. AUCOIN. Admiral Rizza, you seem to want to add an extra word on that as you were listening to Admiral Kinney.

You are welcome to.

Admiral RIZZA. Simulators are important. They will not completely take the place of training at sea, but they can reduce the amount of time that we are spinning wheels out there, and make it more effective and efficient.

No, it will not replace it completely, but effective simulator training can be accomplished. I have done it before in my experience, and I have seen significant improvements in the training accomplished.

Mr. AUCOIN. Admiral Rizza, what did you think of the estimate of MarAd's cost estimate of the one simulator for demonstration purposes that it was able to clear past the Department of Commerce?

I think it was talking in terms of \$5 million. OMB squashed that but it did get past the Department of Commerce.

I raise that question in looking at your testimony on page 3, when you talk about the several types of simulators, radar simulators, tanker simulators, and all the rest.

How adequate was MarAd's request even on a demonstration basis?

\$5 million within the order?

Admiral RIZZA. I believe MarAd was referring to the ship handling simulator. I am not aware of what it would cost. My research, in looking at a ship handling simulator in 1978, I got the figures about \$3.5 million, when I talked to the people who built the ship handling simulator at La Guardia Field.

Now, I do not have all the facts. They probably have better facts on that, but my original inquiry, when we were looking at it was \$3.5 million to provide a simulator something similar to the one at La Guardia.

Mr. AUCOIN. If you had added radar simulators, tanker simulators, slow-speed diesel simulators, and others that you are talking about, we are talking about for other academies as well, we are talking about horrendous capital expenses.

Do you really believe that this is a practical suggestion to bring to the Congress?

Admiral RIZZA. Yes, I do.

Mr. AUCOIN. How can it be economically defended, given the budget realities that we face?

How can you tell this committee, enable this committee to convince others in the Congress that that is cost-effective over the long run?

Admiral RIZZA. Well, sooner or later I believe we have to have them. We have a tanker simulator which we developed ourselves and raised the money for. It was a top job. We developed a computerized tanker simulator, which in my view I do not know of anything as advanced in the world. The tanker companies are so interested in it that they are sending their people to the Academy for this training, we are charging \$100 a day for each person. You can do almost any operation on this tanker simulator that you can do on a tanker without the risk of damage.

It also can be used for research in building tankers, or tanker piping systems, stress, trim. That is a tanker simulator, that costs us—well, of course, a lot of it was given to us by one of the oil companies.

We put in about \$200,000 that we had raised. The compelling, if not inevitable conclusion stemming from oil company participation in our tanker simulator courses is that the companies understand that not only is maritime academy tanker operation training inad-

equate, but also subsequent shipboard training on tankers is inadequate at this time to effectively train third and second mates. Our experience in training potential and existing third mates on the tanker simulator substantially reveals the inadequacy of existing training modes and the superior training capability of our tanker simulator.

Mr. AuCOIN. We are talking about Federal money for all the academies?

Admiral RIZZA. That gives you some idea of what that costs. The radar simulator costs a couple of hundred thousand. The diesel simulator will cost about \$450,000.

Mr. AuCOIN. Why is that more dollarwise than what we are doing right now?

Admiral RIZZA. Let us take the tanker simulator. If we can prevent one spill we have bought many tanker simulators, and it is important that the tanker companies think it is that important.

This is one example, and it is a good concrete example. You take a ship handling simulator, if that can prevent one collision at sea, you have bought a number of ship handling simulators. There are too many accidents at sea. There are too many collisions at sea, and in my view that is uncalled for.

Most of them are personnel errors.

I think that the simulator will significantly improve the training and give us quality. Who can tell how many collisions, how many casualties, that we will avoid, and count up the costs?

That is about the best way I could argue that.

Mr. AuCOIN. Let me ask you another question, Admiral Rizza, and then I have questions of the other witnesses as well. You have switched your testimony from a discussion of simulators to the continuing education program that MarAd operates.

Admiral RIZZA. Yes.

Mr. AuCOIN. I focused on that this morning as well with Mr. Nemirow in the witness chair. As you probably heard, I am particularly interested in those areas where this program duplicates programs and educational courses that can be found elsewhere. Because to the extent to which there is duplication, that is a clear waste of funds.

I want to look at this whole section of the authorization bill from the point of view of finding where there can be cost savings and maybe apply shifts of funds to other purposes. Maybe this is one of them.

But there needs to be a showing first, and as you heard today, we are in the position of having to wait on MarAd to get back to us, with information indicating where some other institutions are offering courses that are similar to ones that MarAd, in its regional continuing education centers offers.

But maybe you have a different perspective, or maybe you have a clear perspective, and maybe you could help provide the answer, maybe any of the witnesses could.

On page 5, Admiral Rizza, you mentioned the west coast, and indicated that you can meet many of the needs at little or no expense to the taxpayer, by using facilities at your maritime academy.

That would imply that you are offering many of the courses at the regional continuing education center that MarAd operates in San Francisco. Is that true, and can you give us an example?

Admiral RIZZA. The only course that I know MarAd is operating on the west coast, is the radar course. We will open our radar course in August, because our building is just finished, and radar has just been put in.

I do not know that they duplicate any course that I have. I have a great demand on the west coast by the industry to provide courses for them, and we are doing it. Now, they are paying for the courses, and it is at no cost to the State. If I get a little money to initiate these courses, and particularly, for example, the simulators, they will pay for themselves in repair and maintenance by the money that I am bringing in. I can not care run those courses on State money.

Those courses are paying for themselves, and because I am in the financial crunch I am in, I am using some of the profits of those courses to cut down my operating expense at the Academy. Therefore I am eager to expand our adult education program.

Mr. AUCOIN. The only course that you are aware of that is being offered at that particular MarAd regional center is radar?

Admiral RIZZA. That is the only one I am aware of on the west coast.

Mr. AUCOIN. And it was there, prior to the time you embarked upon your program which has not yet started?

Admiral RIZZA. They were there many years ago. We started our program about 5 years ago.

Mr. AUCOIN. How does yours differ from the radar course operated by MarAd?

Admiral RIZZA. MarAd has a program where a man goes to school so many hours and fulfills his requirements for an endorsement on a license.

I think that is 5 days or 3 days, whatever it is, I am not sure. We will start ours in August. We provide more than just the minimum requirement that he meet Coast Guard requirements for a license. We are going to train our midshipmen in many other aspects of navigation rather than just one short course that MarAd is doing.

You can do pilotage, navigation, rules of the road, collision avoidance, courses on the radar simulator daily for a variety of training; and because we own our own radar, we can put our midshipmen through a whole semester of that. Whereas, at the present time, they go to the MarAd school because we do not have one, and in 3 days they qualify for a Coast Guard license.

They cannot get the practical use out of that, I think that one could get out of it to improve the quality of training.

Mr. AUCOIN. How much is your program going to cost your institution?

Admiral RIZZA. I am trying to think of what it costs us.

It costs us, the radar costs, let's see, I think it is about \$400,000. We put up a building and bought the radars, because I did not have room, the whole package with classroom and the radars, about \$400,000.

Mr. AUCOIN. And the MarAd course qualifies a person to meet the minimum Coast Guard standards?

Admiral RIZZA. Ours will do it too, when we set it up.

Mr. AU COIN. Why invest \$400,000 when you are so financially strapped, when you already have a facility that MarAd is operating?

Admiral RIZZA. Because we cannot get the full benefit out of it.

Mr. AU COIN. Why?

Admiral RIZZA. Three days, in my view, is not enough.

Mr. AU COIN. Well, it is enough for our Coast Guard standards, to pass the Coast Guard examinations.

Mr. AU COIN. How much money are you going to spend to get that 10 percent of quality?

We are in a tough budget situation.

Admiral RIZZA. We had another problem using MarAd's facilities.

We could not get our people in there because of the great demand for the school from outside the maritime academy, and we had a hard time scheduling our people in there. Now that we have 458 students, it would have been extremely difficult.

Mr. AU COIN. So then there is a problem of the regional center being overbooked?

Admiral RIZZA. Yes.

They were overbooked apparently, but we could do a lot more with that radar simulator than just go down there 2 or 3 days to pass the Coast Guard minimum requirements. There is more potential to the radar simulator than that.

Mr. AU COIN. Do any of the other witnesses know of examples where there may be duplications of courses being offered under MarAd's regional continuing education program that could be found elsewhere?

Admiral Rodgers?

Admiral RODGERS. Yes, sir, at Maine we have had a radar simulator and are offering courses for students, not only to our own students, but to industry students coming in. The reason that we got it is due to the distance between Maine and New York, it would eat up more in travel expenses than it would be worth to send students down there, and the Coast Guard is requiring it so we had to get it just because of the geographical location.

Since we have had it, we have tried to use it in our continuing education program and we do have fleet officers coming, to courses occasionally.

In all fairness, I could not possibly meet at the State academy, the complete demand. In other words, I think there is need for both, even though there is some duplication. I would say that we are not only running the radar courses but we are also running a license upgrade program. We can break even on our programs so I find it difficult to understand why the Federal Government has to subsidize the Federal facilities for the fleet people who can well afford to go to them and pay the full cost.

Mr. AU COIN. Admiral Kinney.

Admiral KINNEY. Just to show that State schools are different, the Maritime Administration came to us three years ago to investigate the possibility that we take over the radar simulator training in the New York area and after examining it, we concluded that it

was not in our interest and we would prefer to have them continue their service because we serve two different constituencies.

When it comes to the training item under examination, I would separate them from my testimony on H.R. 5451 with respect to continuing education. I think that the sums that are in this budget for such things as firefighting are essential to the State schools. We could not hope to conduct our own firefighting school, and I believe those facilities are essential to us, and are available to many categories of mariners, and that this is a service that MarAd quite rightfully performs.

Mr. AuCOIN. What about the—I think I posed the four different areas for Mr. Nemirow: Loran, Gyro, you mentioned the firefighting, how about these areas?

Do you find, is it your opinion that there is duplication there or that MarAd's continuing education program is filling a need in each of these fields?

Admiral KINNEY. The firefighting, the only alternative would be the Navy, and it is quite difficult to make an arrangement to go to a Navy port to share the firefighting facilities with them.

Every cadet on board must complete his firefighting training before his first experience at sea. The installations are expensive and complex and we rely heavily on that MarAd form of training to qualify our cadets.

Mr. AuCOIN. Well, from the comments you have all made, I would have to reach the conclusion that there is not much in terms of savings to be had from whacking out that portion of the authorization request from MarAd. It sounds to me that there is plenty of usage there, and minimal duplication, if I am weighing your value judgments correctly.

Let me ask you this, Admiral Kinney, and you, Admiral Harrington. I understand last year that New York and Massachusetts academies shared a training ship. How did that work out?

Do you want to flip a coin to see which of you goes first?

Admiral HARRINGTON. When you borrow a training ship, it is not quite like borrowing an automobile, Mr. Chairman. There are—there were tremendous year-round problems connected with it. We are very grateful to New York for lending us their vessel. We accomplished our sea training, and it ended up in a very fine fashion.

But there were tremendous problems. I would hate to live through another borrowing ship summer.

Mr. AuCOIN. What were the problems?

Admiral HARRINGTON. Well, the location, putting our people on the ship, going down to New York to make the transfer, sailing our officers over from Europe, so our engineering officers would be familiar with the plant, making sure that we did not do anything to the owners of the ships—to make them unhappy, that it would be in perfect condition when we returned it.

Mr. AuCOIN. Of course, that is something that you do with your own ship?

Admiral HARRINGTON. Yes; it is uncomfortable when you have someone else's property.

Mr. AuCOIN. Admiral Kinney, how did you think the experiment worked out?

Admiral KINNEY. Mr. Chairman, a highly dangerous practice. I feel extremely fortunate that no lives were lost nor was anybody seriously injured in this rapid transition, one school walks off and one school walks on. It would be one thing if you were simply talking about licensed officers, who are professionals, moving on a ship that they do not know. But to take cadets, who as I mentioned earlier, man all the facilities on that ship and operate every function of it, and expect them to go to a ship that is not their own, when they, in effect, are apprentices, and operate that ship, is courting disaster.

Mr. AuCOIN. Was not that the experience that a Kings Point cadet finds when he goes to sea in the Kings Point program?

Admiral KINNEY. He is looking over the shoulder of regular personnel, and depending on the ship he's on. He may or may not be able to lend his hand to it. He is not operating the ship.

Mr. AuCOIN. What about this question when your class goes to sea for 6 months, in the first instance it is unfamiliar with that ship just as much as the cadets from Massachusetts would be? Why is there not the high risk of danger in that instance?

Admiral KINNEY. The cadet has been raised in that same plant. If he is an engineer, for example, his first cruise at sea, he has traced all the piping, he knows the location of every valve, he is thoroughly familiar with the entire engine room, before he is ever permitted to turn that valve. I would hope that if the Federal Government feels it has to share ships, they would realize that the safe way is a nucleus manning of Federal personnel who are the permanent operators of that ship and where the schools move aboard, as persons under training, perhaps with their own instructors, but they are not the basic operators of that ship.

Mr. AuCOIN. Since this is a serious proposal that has been made, please amplify for the subcommittee what you would feel would be necessary as a minimum, for that nucleus of personnel, to provide that safety margin.

Admiral KINNEY. The minimum numbers of personnel?

One could debate that all night long, but it would be the master, chief engineer—

Mr. AuCOIN. You have a concept in mind, so give me an idea.

Admiral KINNEY. Master, chief engineer, your principal mates, and senior engineers, and such basic personnel as the electrician, the bosun, the ship's officer, those key personnel that, in effect, could safeguard the ship while the manpower came and went.

I do not advocate this. I believe that the presence of a training ship in each school produces a far better product. But if it were necessary to consolidate then certainly there should be Federal manning that is year round.

Mr. AuCOIN. I appreciate your comments on that.

Admiral Kinney, how old is the vessel, the training vessel, that your academy maintains?

Admiral KINNEY. The *Empire State* was built as the *President Jackson*, and commissioned as the transport *Barrett*, in the military sea transport service, in 1952.

Mr. AuCOIN. 1952?

Admiral KINNEY. Yes, sir.

Mr. AU COIN. I am not familiar with these matters; when do you project the end of its useful life?

Admiral KINNEY. Mr. Chairman, it is a direct function of what does the Federal Government wish to spend to preserve it.

I could see it die as quickly as 2 years at the present level of funding or I could see it extended other 10 if adequate repairs and maintenance were accomplished.

Mr. AU COIN. How much would be adequate in the case of your vessel?

Admiral KINNEY. In our particular ship, and I would be happy to give you a list of those items that I consider critical now for repair, we are talking \$2½ million to put her in shape, and \$1 million annually to maintain her. No small sums, but when you compare that to the alternative of constructing a new ship or converting one, I think it would be money well spent.

[The following was received for the record:]

TRAINING SHIPS REPAIR

Mr. Chairman, it may be helpful to your Committee if I amplify my recommendation that to prolong the useful life of the present training ships, funds be appropriated to adequately repair them. As a specific example, I can cite a summary list of repairs currently required by our training ship, together with their costs, and then estimate the annual repair cost once the backlog of needed work is accomplished. The following repairs and upgrading are currently required by Empire State.

	<i>Costs estimated</i>
1. Replacement of deteriorated lifeboats	\$350,000
2. Renew wooden decks on 01, 02, and 03 levels	500,000
3. Scaling, painting, and possible renewal of major sections of engine room tank top plating	100,000
4. Complete overhaul of dampers and controls for the ship's heating, ventilation, and air cooling systems	100,000
5. Install adequate bilge oil and water separator	100,000
6. Renew heating coils in 6 fuel oil double bottom tanks	200,000
7. Major overhaul of cargo handling gear, including winches, booms, wires, blocks, etc	100,000
8. Install small flash type evaporator for training and to supplement and backup present antiquated evaporators	175,000
9. Major replacements of deteriorated sections of fresh and salt water piping and electrical cable	200,000
10. Replacement of antiquated fire protection system	100,000
11. Major overhaul for both boilers, including casing and insulation replacement	100,000
12. Upgrade of boiler combustion control and burner management system, both boilers	300,000
13. Electric motor and controller repair	50,000
14. Major overhaul of lifeboat davits and winches	150,000
Total	2,525,000

Once these repairs are accomplished, we estimate that an annual average repair cost to keep the ship in safe operating condition would be one million dollars (\$1,000,000). While this may sound high, it must be balanced against the cost of new construction, replacement, or conversion of hulls younger than the present training ships. For comparison, a check with commercial shipping companies which operate relatively modern vessels indicates the following approximate repair allocations:

- A For medium-size general cargo ships: \$1200 per day—\$438,000 per year
- B For intermediate-size container ships: \$1400 per day—\$511,000 per year
- C For medium-size passenger ships: \$1900 per day—\$693,500 per year

The above costs do not include extraordinary expenses due to casualties and age of the vessels—nor replacement of obsolete equipment.

The Empire State is an intricate older vessel—formerly a troop transport. On training cruises the ship carries approximately 700 Cadets and 100 crew and staff. A

realistic repair budget should be about \$2800 per day—\$1,000,000 per year, after the major repair and/or upgrade items are completed

Mr. AUCOIN. Admiral Rodgers?

Admiral RODGERS. I agree with the 2- to 10-year span depending upon the level of Federal support. The one thing that I think we need to look at though is that a lot of people think that sharing a ship is going to save a lot of money, and I do not believe that is so.

As a matter of fact, the Maritime Administration has right now, the results of a study that we put together between us and we proposed this so-called nucleus crew, and the concept of who would operate it and so forth. There were, as I remember, a dozen people in the nucleus crew. But when you stop and consider the fuel oil, the wages for the crew, and that the problems we would inherit by rotating that ship it is not a good alternatives. For instance, who wants to cruise during September and October, when we are trying to get our school year underway?

I do not think there is any savings involved and I think there would be a tremendous disruption.

I am all for trying to preserve our training ships.

Mr. AUCOIN. When do you project the end of the useful life of your training vessel?

You, Admiral Rodgers?

Admiral RODGERS. New York and Maine have sister ships, and they're basically the same. So that it is roughly 2 to 10 years depending on the level of Federal support.

Mr. AUCOIN. And what level of Federal support at a minimum is necessary to extend it?

Admiral RODGERS. I do not have the figures that Admiral Kinney quoted but just from talking with my ship captain and chief engineer, I believe that it is pretty close to the same figures that Admiral Kinney quoted.

Mr. AUCOIN. Admiral Rizza

Admiral RIZZA. Our ship is 40 years old.

It was built in 1940. It is a cargo-passenger combination. It was used as an APA during the war, and laid up after the war. It was turned over to the California Maritime Academy in 1970.

Mr. AUCOIN. What do you project?

Admiral RIZZA. I project, if we had \$3 million to modernize it, I would project 7 to 9 years. It is a troopship. It is unlike the other academy ships. Their ships have staterooms. The ship has been placed in the good condition it is in by the work of the midshipmen and the staff and faculty.

We did not receive the ship in as good condition as other academies have received their ships. Our ship was an old hulk, in bad shape, with little equipment and no spare parts on it, and I think it was unfortunate that we had to use our midshipmen almost around the clock just to get it ready for sailing. With an additional \$3 million for modernization, we will have a training ship that will last 7 to 9 years, and I think that is better than buying a new ship.

Mr. AUCOIN. And without that, how long?

Admiral RIZZA. I would say five to six years.

Mr. AUCOIN. Does California need operating subsidies as well?

Admiral Kinney indicated that he needed \$3 million on top of that.

Admiral RIZZA. We need more funds for adequate maintenance.

We are older than the other ships. Most of the maintenance on our ships has been done by our midshipmen, and that is not quite fair to have then do all this kind of work. The credit for the good condition of our ship today goes mainly to the faculty and midshipmen.

It is now, in my opinion, in good shape. It is still a troopship with bunks, two or three tiers high, but for training it is adequate.

If we could just modernize that ship, we have a good training ship for 7 to 9 years.

Mr. AuCOIN. Admiral Harrington, I passed over you because you have the unique situation in your training ship, you have got a—I was going to say a new one. You have a different one.

How long do you expect it to last? Do you have projections on that?

Admiral HARRINGTON. I am glad you changed the word, new to different.

The vessel that we are talking about, Mr. Chairman, is a sister ship of the *Barrett*, commissioned and built at the same time, 1952. Now, it can be argued that a ship in mothballs, and this ship has been laid up for many years now, it can be argued that a year in mothball condition is worth 3 years of operating the ship, or vice versa.

Much will depend upon how well the ship was laid up to begin with.

The bids, by the way, Mr. Chairman, on the *Gieger* for the reconditioning job, were opened last Friday, and they came in, the lowest bidder came in \$400,000 higher than the \$3.5 million that the Congress appropriated.

We are going to have to scale down the projects that we hope to accomplish.

I would expect, however, that with that money being spent on a reconditioning situation, that we can look forward to a longer length of service time than either New York or Maine with their current vessels.

I recall when taking over the aging *Empire State* as the *Bay State* back in 1972, as part of the program to stall, and to prevent the consolidation of the schoolships, we took over a very aging ship, the *Empire State*. The experts, my experts told me that we would get 10 years of cruising out of it. We got just one half of that.

Now, again, Admiral Kinney is right, the length of service depends entirely upon what kind of money you are going to put into the annual overhaul of the vessels. But I would expect that with the *Geiger* as a replacement vessel, that our problems have been solved for a decade.

Mr. AuCOIN. Let me ask a question about the problem that we have dealt with now, in two hearings, and that is, student allocations and subsidies.

If we were to try to solve the problem of disparities between the institutions by trying to mandate more funds for student subsidies, but also involving a reallocation to some degree, in other words, increasing the total number for all for the totality of all State institutions, but also doing some marine redistribution, do you think it would be healthy in the total scheme of things looking

beyond it, from purely a parochial point of view, because undoubtedly some of you would lose some allocations and some of you would gain.

In terms of the overall scheme of things, to strengthen the totality of all the State academies as a whole category, do you think that would be a wise move or an unwise move?

Admiral Rizza?

Admiral RIZZA. We would like to see them increased. We receive 110 subsidies and I took in a class of 170 students last year. I am not as bad off as Massachusetts or Texas. I am worse off than the other two States: 11.

I would like to see the number of subsidies for the maritime academies increase. After all, it is a different era, a different time and according to MarAd studies, we are going to need more merchant marine officers.

At the academy in California, we are thinking of increasing our student population mainly because we are forced into heavy budget cuts, and I have to make up for those heavy budget cuts by bringing in more students at no extra cost to the State, with no further increase in personnel.

Mr. AUCOIN. What if we increase the total allocations which I understand is 673; is that the figure that came out this morning?

Admiral RIZZA. I believe it is 673.

Mr. AUCOIN. What if we increase the total for all State academies on one hand, and then on the other hand enacted in some redistribution of allocations among institutions to do two things: First, give a larger commitment to the State academies per se, but second, try to eliminate some of the peaks and valleys, not completely, but to some degree, as a second step.

How would that strike each of you?

Admiral RIZZA. I think I would like to see that done because I do not think I could go any lower than I am now, and perhaps I would get more. I really need more, and I think the rest of them should have it, too.

Mr. AUCOIN. But some of you may get fewer under that formulation if that were to occur.

Admiral RIZZA. I think it is unfair to have a certain number of people with subsidies and have other people that cannot get subsidies. Particularly since, in our case, everyone of the graduates get jobs.

I would like to see more subsidies, and I think with the proposal you make, I would probably get more subsidies, so in that case I think I would go along with your proposal.

Admiral RODGERS. I would like to see more subsidies but I certainly would not want to see us lose any. So if I had to answer your question, I would have to look at what you are talking about in specific terms. Because I need about 30 more, and I would have to continue to argue to justify that, I would like for a minute to go back—

Mr. AUCOIN. One second.

How many more do you need, Admiral Harrington?

Admiral RODGERS. I need about 30 more.

Admiral HARRINGTON. I need about 200 more.

Mr. AUCOIN. We have about 30 here, and he has about 200. He has a need, and you both have a want. But in terms of trying to bring some more equity into the situation, could you not see the justice in the equity of maybe increasing the total number of allocations for all the State academies, and maybe some of the increase would fall greater on some academies than others, just because of the problems that they are in?

Admiral RODGERS. Sir, I think it is an unfair proposition to put to us because of the history of the way it got there.

As I mentioned in a previous hearing.

Mr. AUCOIN. Admiral Harrington does not think that is unfair.

Admiral RODGERS. We could argue that, but I am not going to get into that. I can only say that in the midsixties, the Maritime Administration was encouraging the growth of the State academies. There were ships that were short of officers, and we were being told that there was going to be a new maritime building program, which finally came out in the seventies, and that there was going to be an increased need for officers. That is why Admiral Harrington got a new campus, that is why all of us built up to some extent.

But at any rate, 5 years after that the Maritime Administration in 1970 forecast a decreasing requirement for officers and set quotas for the State academies—the only ones who were affected by their cutbacks were the State academies. I think it should have been proportioned between the Federal academy and the State academies. Not only did the Federal academy survive unscathed, but during the same period of time the industry schools came into being and there is a considerable amount of money, Federal money, going in through the operation differential subsidy, to those schools.

In all fairness, we should go back and look at the total picture. The State academies have been hit hard and the only way to balance that now is to bring us all up to par.

Admiral HARRINGTON. Mr. Chairman, I think you're on absolutely the right track.

The first thing to do is to increase the number of subsidies presently given by x amount, simply to drive out the 673 figure that seems embedded in stone as far as the administration is concerned, and then it is only fair and logical to apportion those subsidies in the light of current enrollment at the academy.

If I were the Secretary of Commerce, I would not do it tomorrow. I think it is important to point out, God forbid, if there were a declaration of war tomorrow, as far as the value of these State academies is concerned, to our Nation, and to the amount of money's support that we are talking about, if that were to happen tomorrow, the first directive that would come out of MarAd's administration would be to double the enrollment of the academies, and to reduce the amount of time that it would take us to turn out licensed officers.

My plan then would be very appealing to the Federal, to the Maritime Administration, and to the Federal Government. Why do I have to have subsidies apportioned to me by a 1965 enrollment in 1980?

Mr. AUCOIN. Admiral Kinney?

Admiral KINNEY. Mr. Chairman, as you can see by my silence we have adequate subsidies. We had 251 in 1965 because that was our size, and we still held that size and we still have 251.

All of our planning has been steady on that basis.

I would agree with the other superintendents, however, that our training is fulfilling a national need, and I see no reason to discriminate when the manpower studies indicate that all these graduates will be needed. Why should one person get a free education at the Federal academy and others, as USMS cadets receive a small subsidy, and then a shipmate right alongside at a State school gets zero for the same preparation.

Mr. AuCOIN. Let me pose a final series of questions.

I will throw it open to any of the witnesses.

If someone strongly objects to an answer, they can chime in with their own response.

If not, keep your peace, and I will understand that to be basically agreement. I am anxious to bring the hearing to a conclusion this afternoon. It is approximately 4 o'clock.

I want to come back to the question of simulators for a moment. I pose this question: Should every academy have a simulator, a ship's bridge simulator at least?

Admiral KINNEY. May I say that I would answer that depending upon priorities. To me, it is not a first priority. We have worked into the simulator situation backward. The U.S. representatives agreed to an IMCO change, which I still consider to be entirely unnecessary.

Mr. AuCOIN. The Chair is well aware of your view on that.

Admiral KINNEY. And having committed to that requirement, by the Nation, how are you going to achieve it when it obviously cannot be achieved with sea time in school ships, then what are the substitutes, and all of a sudden simulators become popular.

Mr. AuCOIN. Do you think every academy should have one?

Admiral KINNEY. Highly desirable.

They will produce improved training but probably not the basic requisite training.

Admiral RODGERS. I would say highly desirable, but not my first priority.

There are two kinds of simulators, the small boat model type and the electronic simulator. The former is a lot cheaper than the latter one but I think MarAd should study both of those and come up with something a lot cheaper than that \$5.5 million.

Mr. AuCOIN. Who should have paid for the initial acquisition, capital costs; the States?

Admiral RODGERS. I think if the Federal Government is going to impose a greater amount of sea time and training—

Mr. AuCOIN. Is there anything that you think the States ought not to be paying for?

Admiral RODGERS. Again, going back to the way our budget has been growing and the percentage of the State support, the evidence is there.

It is the Federal share that has been decreasing and the State has been taking up for a long time.

Mr. AUCOIN. Who should be paying for the operating and maintenance costs, if the Federal Government should pay for the acquisition?

Admiral RODGERS. I think that the schools should take care of that.

Mr. AUCOIN. Does anyone disagree with that?

[No response.]

Mr. AUCOIN. Do you have any estimates of what would be involved in the total cost to have simulators of ship bridge simulators in the various State academies across the country?

Any estimate?

You have estimated maybe \$5.5 million for one?

Admiral RIZZA. I still think it is \$3.5 million. At least the price quoted to me by the people who made the one for LaGuardia was 3½ million. I think that each of the maritime academies should have one.

Mr. AUCOIN. Admiral Rizza, let me ask you these additional questions on simulators, and the other gentlemen can respond, too, because you seem to be the strongest of the advocates for this approach.

If you had the simulators, how fully do you think that you could use them?

How much time, for example, could be occupied with the training of your students on some kind of a percentage basis that this subcommittee can relate to?

Admiral RIZZA. The simulators would be used by the Maritime Academy cadets and when available for simulator training for the industry. Income from industry use will be used to maintain that simulator, and possibly make a profit, also.

Mr. AUCOIN. How much of the time, then, in the actual training of the students?

Admiral RIZZA. That is a hard question. I think I would be way off on guessing just how much time.

But when I talked about simulators at our school, I am looking at the income that is coming into the academy from the industry for maintenance of the simulators.

Mr. AUCOIN. But you are asking for the Federal Government to make an investment in the acquisition of something that then becomes revenue for you, rather than just as an educational tool. It is entirely different.

Admiral RIZZA. Well, it is an educational tool, but then it has to be maintained and repaired, and I see money coming in for maintenance and repair from courses conducting for the industry.

Mr. AUCOIN. But you have to make a case for what consequences that is going to have in a positive sense, for the educational program, before you are ever going to be able to get Congress to go along.

Admiral RIZZA. Primarily, it will be for the midshipmen, and I feel strongly that it would make a significant improvement in our training, particularly for people who have never even been to sea.

Mr. AUCOIN. What percentage of the program do you think is possible?

Admiral RIZZA. I am guessing. I would probably give you a poor answer.

Mr. AuCOIN. Well, we will wait for the next hearing then.

Admiral RIZZA. Let me think about it and write you a letter on it.

Mr. AuCOIN. OK, that would be fine.

[The following was received for the record:]

SIMULATORS

The percentage of time that the simulators would be occupied by our students is as follows:

Tanker simulator	76
Radar simulator	70
Diesel engine simulator	95

Mr. AuCOIN. I wonder if, after listening to today's testimony, any of you would like to offer any additional views on anything that has been said so far that would assist in the development of a meaningful hearing record on this portion of the reauthorization bill?

You have heard a variety of things stated.

Is there anything else that you have been wanting to say, that I have not let you say, based on the questions that I framed this afternoon?

Now is your chance.

Admiral HARRINGTON?

Admiral HARRINGTON. If I have translated the attitude of the chairman of this committee, it is a very sympathetic one to the needs of the academies. Again, the message that I bring to you is that the Federal Government is getting quite a return for the moneys they do invest in the state maritime academies.

Mr. AuCOIN. Anyone else?

Admiral ROGERS. I would just like to compliment the chairman on the perceptions that are behind the questions. In the years of coming here, I think that we are getting a much fairer opportunity to present our story than we ever had before, and I thank you, sir.

Mr. AuCOIN. Gentlemen, let me thank you for taking the time to come before us.

The minority counsel I understand has one question.

Mr. LOSCH. Yes, Mr. Chairman

This is a quick one.

I would like to address it to all the members of the panel perhaps to Admiral HARRINGTON first.

If we were successful, if the committee is successful in getting fuel subsidy for fiscal 1981, should there be any instructions in the authorization as to how to allocate this money to the various schools and whether or not the Michigan school should also receive an allocation given necessarily that they do not have a full training crew?

Admiral HARRINGTON. I think it would be difficult for the committee to issue those directions, and it would be a simple matter for maritime working with MarAd.

Mr. LOSCH. You would leave it to the discretion of the Secretary?

Admiral HARRINGTON. Yes, I would.

Mr. LOSCH. Everyone agree on that?

[Nodding heads.]

Mr. LOSCH. Thank you, Mr. Chairman.

Mr. AuCOIN. Thank you, gentlemen, for your testimony. I also appreciate your comments about the sympathetic ear. Keep in mind that a sympathetic ear does not necessarily mean agreement, but I appreciate your coming, and the subcommittee stands adjourned.

[The following was received for the record:]

NORTHWESTERN MICHIGAN COLLEGE,
THE GREAT LAKES MARITIME ACADEMY,
Traverse City, Mich., February 19, 1980.

MR. DAN PANSHIN.

Director, Ad Hoc Select Subcommittee on Maritime Education and Training,
Washington, D.C.

DEAR MR. PANSHIN: Thank you for your letter of February 12, 1980, inviting testimony on the education and training elements of the Maritime Appropriations Authorization Act for fiscal year 1981. In your letter you state that the amount requested for state schools breaks down as follows:

Grants.....	\$600,000
Uniforms, textbooks and subsistence of cadets	2,600,000
Maintenance and repair of vessels	3,480,000

Without a more detailed breakdown of the money requested for state schools, it is difficult to comment intelligently on this aspect of the budget.

There is one area that needs to be brought to your attention in the event that it is not addressed. There is very little question about the value of simulators for training. This has been proved many times over by commercial airlines and, more to the point, the US Navy. If the funding of shiphandling simulators is not addressed in this budget, I believe that attention should be given to using some of the \$3,480,000 allocated to maintenance and repair of vessels for the purchase of shiphandling simulators. While there are those who believe that cadet training ships are a very valuable way of instructing cadets, there is no question in my mind that shiphandling simulators would be far more cost effective than moneys spent on maintenance and repair of old training vessels.

To conclude this letter, I would like to address the number of subsidies assigned to each Academy. In view of the proposals in H.R. 5451 to require a service obligation for cadets who have received subsidies, it is my belief, as stated in my testimony on H.R. 5451, that the number of subsidies should be equal to the number of cadets admitted each year. At the Great Lakes Maritime Academy the number of admissions each year is based on the future needs of the industry. Because of this, all our cadets will have employment opportunities upon graduation. There is much to be said for the orderly operation of this Academy that would be made possible by all cadets being in attendance under the same conditions. Therefore, I strongly encourage providing subsidies for all admitted cadets and not some lesser number.

Thank you for the opportunity to submit this written statement.

Sincerely,

GEORGE B. RECTOR,
Rear Admiral, USMS,
Director

STATEMENT BY KENNETH G. HAYNES, REAR ADMIRAL, USMS, DEAN, TEXAS
MARITIME COLLEGE, GALVESTON, TEX.

Mr. Chairman and Members of the Committee: The opportunity to submit this statement to the Subcommittee is sincerely appreciated. A number of significant changes have taken place in the history of maritime education and training in Texas, with the latest being the identification of the Texas Maritime College as an academic component of the Texas A&M University at Galveston. The record will show steady and consistent improvement in all aspects of education and training, a consistent emphasis upon academic excellence, and a vigorous effort to continue a highly productive dialogue with the maritime industry.

You will note in this testimony that a majority of the Maritime Service Cadets enrolled in the Texas Maritime College as license option students are non-residents. We are pleased that the attraction is nationwide, as reflected in the rolls, however, financial support currently provided the Texas Maritime College, in which 66% is provided by the State reflects otherwise. There appear to be other inequities in the

areas of the training vessel, costs of fuel, oil and in the allocation of Uniform, Textbook and Subsistence Allowances.

The Texas Clipper, built in 1944, has an estimated end of useful life in 1985, as shown in Table III-10, page 43, Oversight Report of the Federal Government's Role in Merchant Marine Education. As of this date the hull is sound, and the main propulsion machinery and auxiliaries continue to provide adequately for the carefully planned summer training cruises. As the ship grows older, upkeep and maintenance costs can be expected to increase. Following is a representative sampling of significant repair or replacement items, most of which are not currently funded:

Need to upgrade electrical power. Primary power is direct current with alternating current provided by add-on inverters. Power failures, which affect lighting, air conditioning, and all other "hotel" services are the rule. Alternating power source limitations restrict the addition of electrically powered training devices.

Need to improve fuel oil use through the repair or replacement of boiler input air heaters and installation of steam atomization.

Modernization of communications systems to provide for single-side band ship-to-shore communications, modern VHF ship-to-ship systems, and commercial communications satellite access to provide for training.

Complete paint removal from all hull and topside areas, not previously preserved, and repainted with a long term preservative.

Extensive replacement of hot and cold water supply and drain system piping throughout the ship.

Replacement of the x-ray machine in the surgery and provision for a film developing capability.

It is to be noted that the Central Region Maritime Administration organization has been and continues to be highly supportive; however, funds available to the Central Region for the Texas Clipper repair and maintenance have not kept pace with the need as the ship continues to age.

The estimated end of useful life in 1985 of the Texas Clipper provides sufficient time for realistic planning for replacement. The Texas Maritime College would support the operation of professionally staffed, fully dedicated training ships to be shared with our colleagues in the presumption that the training vessels would incorporate state of the industry training opportunities for both deck and engine cadets. Particular reference is made to automated bridge and conning station controls, current state of the art navigation and communication systems, and propulsion systems that would provide the opportunity for engine cadets to train in the use of both steam and motor vessel operation.

The cost of fuel oil and its impact on the operating expenses of the state maritime academies has been attested to regularly in every subcommittee hearing in recent memory and so it is not news. To restate the case, the Texas Maritime College paid \$3.14 per barrel for bunker "C" in 1971, in 1979 paid \$18.50 per barrel, and expects to pay considerably higher prices with each succeeding year. The extent to which the State can be expected to carry this ever increasing burden is not without limits.

Training cruises of the Texas Clipper are now restricted to an itinerary requiring no more than 8,000 barrels of bunker "C." This effectively limits the area to the Caribbean, Gulf of Mexico, with an occasional visit to a limited selection of ports in the western area of the North Atlantic. Training would be improved by adding the eastern North Atlantic and Mediterranean Seas to the itinerary, made possible if additional fuel oil funds become available.

Exclusive of Federal grants and Federal student assistance administered through Texas A&M University, financial contributions to Texas Maritime College are essentially unchanged from those identified in the Oversight Report on the Federal Government's role in Merchant Marine Officer education which were 66 percent from the State, 21 percent from the Federal Government, 13 percent from students and 0.7 percent from private contributions.

This institution is firmly committed to the philosophy that any "subsidy" plan which is not available to all United States Maritime Service Cadets of record is discriminatory. On balance, a loan plan seems to be more desirable than a grant if payback provisions which will protect the interests of both the grantor and the grantee can be devised. In the case of a loan, the contract should be made between the two parties with all payback provisions defined in the loan.

No detail of the loan can be contingent upon any academic degree granted by Texas A&M University; i.e., the student will "graduate" when all degree requirements as defined in the catalog under which the student was admitted has been satisfied. The catalog does not and will not require the passing of an entry level maritime service license as a degree requirement.

Texas Maritime College is currently allocated 35 subsidies in the form of the Uniform, Textbook and Subsistence Allowance awarded to the top 35 first term Maritime Service Cadets in the entering class.

The 35 subsidies, reduced from 50 in 1967, are a reflection of a date when enrollments were at an all time low. From that time, there has been a steady increase in the number of enrollments of Maritime Service Cadets to the current year in which 84 Maritime Service Cadets commenced their first term in the academic year 1979-1980. Of the 241 Maritime Service Cadets currently enrolled in the Texas Maritime College, 111 or 46 percent are receiving the Uniform, Textbook and Subsistence Allowance. It is to be noted that 127 or 52.7 percent are non-resident students, and of these, 61 are currently "subsidized." This is to be compared with 50 Texas State residents.

Training simulators are as important to the professional future of the maritime service as they are to the airline industry and the armed forces. The training provided to the crews of nuclear powered submarines is a case in point.

Not only are simulators of great value to the Maritime Service Cadet, but to the upgrading of the capabilities of the professional mariner as well. Simulators are needed for deck officer training, engineering officer training, and for training in both bulk and liquid cargo operations. Improvement in all facets of maritime service operations is possible through the added use of simulators, not the least of these being shipboard safety.

Cost will prohibit unilateral acquisition and installation by the individual states, however, a form of cost sharing with the state, the federal government and industry sharing proportionately is attractive.

Texas A&M University at Galveston has decided to establish a Maritime training and Safety Center as a matter of the first priority. A radar simulator is installed and, in use, and several navigation safety and low visibility piloting related efforts have been defined. Improved preventive maintenance routines and improved techniques for diagnosing serious machinery malfunctions early on are also being considered.

Educational institutions are judged to be uniquely qualified to lead the continuing education effort required by the maritime service. The broad base established through the education and training of maritime service officers, the almost universal acceptability by the industry, and the opportunities available through organized research, provide a most attractive environment. There would as well be the reinforcement accruing to both communities as the professional mariner is brought into close association with the prospective junior officer in an educational surrounding.

AMERICAN INSTITUTE OF MERCHANT SHIPPING,
Washington, D.C., March 7, 1980

HON. LES AU COIN,

Chairman, Ad Hoc Select Subcommittee on Maritime Education and Training, Committee on Merchant Marine and Fisheries, U.S. House of Representatives, Washington, D.C.

EDUCATION AND TRAINING PORTION OF MARITIME AUTHORIZATION BILL, H.R. 6554

DEAR MR. CHAIRMAN: With the average merchant marine officer now over 50 years of age, an influx of highly qualified merchant vessel personnel will be needed in the relatively near future. The Maritime Administration is being relied upon to assist in the education and training of maritime personnel through continuing aid to the federal and state maritime academies and offering certain supplementary training courses.

The demand for these facilities is high and will be significantly higher in the years ahead as new and expanded Government requirements for specific maritime education and training take effect. Specifically, we anticipate increased requirements for radar and firefighting training and for other skills and capabilities as a result of imminent Coast Guard regulations. Additionally, as you are aware, the anticipated coming into force and implementation several years and now of the Convention on Standards of Training, Certification and Watchkeeping for Seafarers will have the effect of increasing the time, which must be spent by individuals training at sea (or engaged in equivalent training programs) to qualify for certain officer positions. Existing firefighting and radar facilities and the academies' training ships are already over-taxed and we consider the Administration's budget requests in these areas to be at absolute minimum levels.

During this Committee's hearings on H.R. 5451, AIMS testified that Government assistance in meeting the skyrocketing cost of bunker fuel was imperative to ensure

that the schoolships could continue to operate. We would hope that H.R. 6554 could contain authority for such assistance.

In summary, AIMS urges that the authorization level for maritime programs be increased to allow the maximum possible appropriations for fuel assistance and education and training facilities. The United States places a high value on having a skilled cadre of merchant mariners, as is evidenced by the extensive scope of Federal Government requirements for personnel qualifications. AIMS believes that it is appropriate and desirable for the Federal Government to provide a commensurate degree of financial assistance to ensure that adequate education and training facilities are available on a non-discriminatory basis.

Sincerely,

W. M. BENKERT, President.

INTERNATIONAL ORGANIZATION OF
MASTERS, MATES & PILOTS.
New York, N.Y., February 29, 1980.

Hon LES AUCOIN,

Chairman, Ad Hoc Select Subcommittee on Maritime Education and Training, Committee on Merchant Marine and Fisheries, Langworth House Office Building, Washington, D.C.

DEAR CONGRESSMAN AUCOIN: The International Organization of Masters, Mates and Pilots, (IOMM&P), autonomous affiliate of the International Longshoremen's Association, (ILA), AFL/CIO requests that this letter be entered into the record of testimony rendered on the maritime education and training elements of subject bill.

Central to the concerns of the IOMM&P is its very reason for being. The IOMM&P is the largest professional deck officer's organization in the United States with more than 7000 members. It includes better than 90% of all deepwater deck officers; virtually all State pilot organizations, from Maine to Hawaii to Alaska; the Panama Canal Pilots, and; a strong inland, tug, barge, harborcraft division. In short, we are a union of highly educated, well-trained professional mariners.

As such, the IOMM&P represents both the entry level to, and the culmination of career goals. We are the vehicle for the implementation of learning, the livelihood; the past, present and future of hundreds of graduates from the combined academies who enter the maritime job market every year. We are in essence a working representative alumni association for all the schools: Kings Point, Maine, Massachusetts, New York, Texas and California, and again, as such, voice many concerns for their welfare.

Primarily the Masters, Mates and Pilots are in agreement with the state academies' requests for additional funds to cover both the sky-rocketing fuel costs and adequate maintenance and upkeep of the training vessels. The increased sea training standards proposed by IMCO; the tense Middle East situation; the present realization that a strong US Merchant Marine is desirable, "a fourth arm of defense", a logistic lifeline; all these factors address the need for a cadre of young well-educated, well-trained officers to man the ships. The federal and state academies are the primary sources of these ships' officers. Therefore, the Masters, Mates and Pilots support Admiral Rodgers' proposal that a minimum of \$2,450,000 be added to the state maritime academy appropriations for fiscal year 1981 in order that these schools may be able to adequately perform their basic missions of sea training on their respective school ships.

There is one point on which the IOMM&P must disagree with both MARAD and state academies and that is in the quest for full bridge simulators at each of the respective state academies. Using the ball park figure of \$3,500,000 per simulator, suggested in testimony, six simulators (which would include Great Lakes) could add up to \$21,000,000. Provided that this is a firm figure with no overruns, the overall cost is, nevertheless substantial and unnecessary.

The IOMM&P would like to stress for the record that its own training institution, the Maritime Institute of Technology and Graduate Studies (MITAGS) is presently in process of building and housing two of the most sophisticated full mission shiphandling simulators in the world. One of these will be the only simulator, capable of motion around a six degree axis. These simulators will also be complemented by MITAGS' new cryogenic simulator all of which represent the ultimate in current simulation technology. These are training simulators, designed as such, drawing from the collective professional frame of reference provided by the Masters, Mates and Pilots and their contract companies, and supplement numerous simulators currently in use. All these simulators have been and are being constructed with private funds provided by contractual agreement with member shipping companies.

The two full mission shiphandling simulators will be operational in 1981. Arrangements can be made for time shared training on a cost basis by the state and the federal academies.

Per the testimony of Mr. Nemrow on February 25, 1980, not only did the Department of Commerce cut five simulators from MARAD's proposal, but subsequently the Office of the Budget denied authorization of the one remaining simulator, and the resubmission of same until fiscal year 1982. Simulators, therefore, do not seem to qualify as a priority budget item for fiscal year 1981 in any event.

It would appear to the IOMM&P that when confronted with such overriding problems that the proposed IMCO standards generate, focus must be sighted on the pooling of resources, sharing and working together. Furthermore, what better supplementary simulator training could be provided than that conducted and created by experienced ships' officers drawing from a broad frame of reference.

In this regard, Captain Bowen, International President, would like to extend an open invitation to this Select Sub-Committee on Maritime Education and Training, to visit MITAGS at such time as the full mission shiphandling simulators become operational, to experience personally the quality of training which we rigidly maintain.

This concludes our testimony on the specifics of HR 6554, per subject of this letter. Thank you for this opportunity to once more share our views with you in the area of maritime education and training. And, by the same token, we compliment you, Congressman AuCoin, for your dedication and interest in the cause of maritime education—to the young people upon whose education and training the vitality of the U.S. Merchant Marine, our first arm of commerce, depends.

Respectfully and sincerely,

HENRY F. TRUTNEFF, Ph.D.
Director, Human Resources

[Whereupon, at 4:10 p.m., the subcommittee was adjourned.]

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