

# SPECIAL REPORT

## DEFINING AMERICA'S MILITARY SEALIFT CAPABILITY: U.S. OR FOREIGN FLAG

By

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2001

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## ABOUT THE AUTHOR

**Clinton H. Whitehurst, Jr.** received his B.Sc. International Affairs and M.A. in Economics from the Florida State University in 1957 and 1958 respectively. His Ph.D. in Economics was from the University of Virginia in 1962. Both his Master's thesis and doctoral dissertation were on the U.S. merchant marine. Post doctoral study (1970) was in Defense and Strategic Studies at Edinburgh University (Scotland). In 1972 he received a certificate in National Security Management from the Industrial College of the Armed Forces and in 1976 was awarded the U.S. General Accounting Office's Certificate of Merit for "Identifying and reporting very serious shortcomings in the sealift readiness posture of the United States." In 1981, he was a member of the Reagan administration FMC transition team. And in 1991 received the National Defense Transportation Association's Educators Distinguished Service Award.

Professor Whitehurst joined the U.S. Maritime Service in August of 1944 and at the age of 17 sailed as 2d radio officer on the SS David Hewes. In 1950 he received a commission in the U.S. Maritime Service. He continued to sail on merchant ships until 1953. In 1957 he received a commission in the U.S. Naval Reserve (Intelligence) and served in the Ready Reserve until 1972.

Following his retirement from Clemson University as Professor of Management and Economics, Emeritus, he was a Visiting Research Scholar at the National Chiao Tung University in Taiwan, 1989-89 and 1991-92. While in the Republic of China on Taiwan, he lectured at the Chinese Naval Academy, the National Defense University and the National Defense Management College. In 1994 he was a Visiting Professor at the Curtin University of Technology, Perth, Australia. His task at Curtin was to develop an academic program in the area of transportation and logistics. In 1996 he was a visiting lecturer at the Singapore Institute of Materials Management.

At present, Professor Whitehurst is an Adjunct Scholar at the American Enterprise Institute, Washington, DC. and a Senior Fellow at the Strom Thurmond Institute of Government and Public Affairs, Clemson University, Clemson, South Carolina. He is the author of over 125 books and articles, the majority of which are in the national defense/maritime area.

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## DEFINING AMERICA'S MILITARY SEALIFT CAPABILITY: U.S. OR FOREIGN FLAG SHIPS?

**Author's Note:** *This paper is largely predicated on the Department of Defense's worst case scenario, that is, the United States must fight and win two near simultaneous major regional conflicts. In February of 2001, newly elected President George W. Bush announced a top to bottom review of DoD military and personnel requirements as well as a review of likely threats to the United States in the 21<sup>st</sup> century. When completed, these reviews may or may not validate DoD's present worst case scenario. Any significant change with respect to what are and are not likely future contingencies will also require a top to bottom review of U.S. sealift requirements.*

### Introduction

Sometimes words are more important than the reality they describe. Such is the case with respect to the Maritime Administration's (Marad) year 2000 decision to count everything that floats when describing the nation's maritime posture. In about the time it takes a con artist to hide a pea under a walnut shell, the U.S. flag fleet increased from 251, excluding liquid carriers, ocean going ships (1000 tons or over, self propelled, deep draft ships) to approximately 37,000+ vessels of which approximately 29,000+ were cargo carrying.(1)

When questioned as to whether these 29,000 or 37,000+ additional vessels would be available to support a Persian Gulf type contingency, the then Maritime Administrator replied "Probably not," but added that their crews would be available. The implied assumption that crews on the Staten Island ferry could quickly fill crew vacancies on a LASH or RORO, or that barges in the coastal and inland water trades would be equally efficient in moving military cargo across oceans to destinations thousands of miles from mainland U.S. load out ports, is disingenuous at best. At worst it encourages a false sense of security with respect to our military sealift capability.

Whether this new definition of America's maritime assets in any way relates to its military sealift capability is an unanswered question. Granting the question, is it not time to reexamine America's maritime posture for what it is, and not what one might wish it to be?

**Table 1** indicates the potential pool of militarily useful, U.S. flag, ocean going tonnage as of 1 October 2000.

**TABLE 1**

**U.S. FLAG, OCEAN GOING, MILITARILY USEFUL MERCHANT VESSELS(a)  
(Self propelled vessels 1000 gross tons and over)**

Privately owned ships in foreign trade. Includes vessels in the VISA program. Does not include dry bulk or tug-barge vessels. — — — — — **85**

Privately owned ships in coastal and non-contiguous trades. Does not include dry bulk or tug-barge vessels or passenger vessels. Includes vessels in the VISA program. — — — — — **100**

Military Sealift Command(MSC) vessels. Includes 15 pre-positioned ships, 13 maritime pre-positioned ships, eight pre-positioned logistics ships, 2 aviation logistics ships in reduced operating status and 31 chartered ships in the Sealift Program. Does not include naval auxiliaries operated by MSC or Special Mission Ships. — — **69**

Maritime Administration Ready Reserve Force (RRF) ships. Includes Liquid carriers, RoRos, containerships, LASH and break bulk freighters — — **88**

**TOTAL — — 342**

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(a) Source: Maritime Administration, Office of Statistical and Economic Analysis. “Deployment of U.S. Flag Oceangoing Self Propelled Merchant Vessels of 1000 gross tons and Over as of October 1, 2000,” “Cargo Carrying U.S. Flag Fleet by Areas of Operation, January-June 2000.” and Military Sealift Command, *Defense Transportation Journal* (April 2000).

Some authors exclude liquid carriers when defining “militarily useful” vessels. This is an oversimplification. Liquid carriers are militarily useful. The necessary caveat is to identify this tonnage by amount and type when describing total tonnages.

Approximately 100+ ships are enrolled in the Voluntary Intermodal Sealift Agreement (VISA) program, 47 of which receive a government subsidy under the Maritime Security Program (MSP). When called upon MSP ships must contribute 100 percent of their capacity (ships and support equipment). Non-MSP VISA shipping is required to contribute only a portion of their assets in stages. The VISA program is activated only after MSC, RRF and volunteer ships (U.S. and foreign) are deemed insufficient. The present program includes containerships, RoRos, LASH and break bulk tonnage.

The primary mission of naval auxiliary (civil service crewed) ships operated by MSC is to support deployed naval forces. While some of these vessels could be diverted to support a contingency, most would continue in their fleet support role.

In evaluating the above pool of shipping in the context of national security requirements, several considerations must be factored into any conclusion respecting adequacy. That is:

\*Recognize that 111 or 30 percent of total deep water ships are liquid carriers. This number exceeds military requirement in most planned for contingencies.

\*Recognize that relying on pre-determined activation schedules for older RRF ships involves risk.

\*Recognize that some MSC pre-positioned ships may be kept in place to meet contingency requirements in their geographic area or may be too distant to contribute to initial sealift surge requirements in other areas.

\*Recognize that on any given day a large part of the foreign trade, commercial tonnage will be scattered worldwide and that up to 20 days may be required to have these ships at designated mainland U.S. loadout ports.

It should thus be apparent that no formula or computer program can accurately estimate how many of the above 342 ships could (a) meet contingency-specific military requirements, and (b) be available at U.S. loadout ports within 5-10 days to meet initial surge requirements. Knowledgeable individuals could easily differ in their estimates by as much as 50 ships.

Further considerations when evaluating U.S. flag tonnage in a national security context include:

The type of contingency to be supported, i.e., one where there is some time, but not an infinite amount, before hostilities commence (Persian Gulf War, Kosovo), or fast breaking contingencies where time is crucial in deploying personnel and material to the combat area.

Will the military buildup be large and sustained over a long period of time, or a smaller buildup but open ended with respect to time? Or something in between such as the Persian Gulf War?

Degree of risk to shipping, that is, little or no risk (Korea, Vietnam, Kosovo) or a high degree of risk such as a Taiwan Strait conflict between the United States and the People's Republic of China.

Will the contingency be a U.S. "go it alone" conflict or will there be support from allies?

What will be the attitude of foreign governments, friendly or otherwise, toward the conflict?

What will be the world demand for shipping at the beginning of the conflict?

All things considered -- Can the United States win different types of future conflicts using only its national flag shipping assets? Unfortunately, no definitive answer is possible largely because in past conflicts (Korea, Persian Gulf, Kosovo, and early on Vietnam) the United States did not have to “go it alone,” that is, rely entirely on its national flag shipping. Chartered foreign flag tonnage, and in some cases allied shipping, supplemented American sealift assets. (2)

If it logically follows that availability of chartered foreign flag shipping is a consideration in planning for future contingencies, the question becomes -- Can the United States reasonably expect to charter needed foreign flag ships in different types of conflicts, in the context of timeliness, numbers and vessel type? And at what cost?

**Table 2** identifies broadly categorized, likely contingencies and estimates the probability of chartering sufficient foreign flag shipping to make up a U.S. sealift shortfall. Market charter rates are assumed.

**TABLE 2**

**PROBABILITY OF CHARTERING SUFFICIENT FOREIGN FLAG TONNAGE IN A CONTINGENCY**

Contingency*	Probability of Chartering Supplemental Foreign Flag Tonnage**
Two Major Regional Conflicts (e.g.Korea, Vietnam)	
U.S. alone . . . . .	Low
U.S. with allies . . . . .	Moderate
One Major Regional Conflict (e.g.Persian Gulf War)	
U.S. alone . . . . .	Low to moderate
U.S. with allies . . . . .	Moderate to high
Two Minor Conflicts	
U.S. alone . . . . .	Moderate
U.S. with allies . . . . .	High
One Minor Conflict (e.g.Kosovo)	
U.S. alone . . . . .	Moderate to high
U.S. with allies . . . . .	High

\* With only minor changes in detail and circumstances, the number of possible contingencies is infinite.  
\*\* Probability estimates are assumed by author. Major conflicts are based on a go it alone Taiwan Strait conflict with the People’s Republic of China and a Taiwan Strait conflict in addition to a major deployment to the Republic of Korea. Reference: Whitehurst, Clinton H.,Jr. “American Military Options in a Taiwan Strait Conflict, *Naval Engineers Journal* (July 1999), p. 77.

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If the above probabilities are accepted as reasonable estimates in situations where statistical data is lacking, the greatest risk with respect to obtaining sufficient sealift is when the United States goes it alone in one major or two near simultaneous major conflicts. Only in one minor, go it alone, conflict can the U.S., with some degree of confidence, count on foreign flag ships to make up a deficit should it occur.

All things considered it comes down to (1) maintaining our present sealift capability of approximately 350 vessels, or around 230 general cargo vessels in various categories and states of readiness, or (2) increase that capability and be less dependent on foreign flag shipping.

## **Uncertainties With Respect to U.S. Flag Sealift in 2001**

In 2001 the first ships that would be called up in the Department of Defense's activation schedule for contingency sealift are 36 MSC pre-positioned ships and 50+ RRF ships maintained in a high state of readiness by 9-10 permanent crew members. Their planned breakout time is 5 days or less. Next in order are volunteered U.S. and foreign flag ships. Only when volunteer ships do not meet lift requirements is the MSP/VISA program activated.

Minor contingencies such as Kosovo have not fully tested the responsiveness of the MSP/VISA program and later stages in the activation schedule, that is, the MSC Sealift Program and requisitioning of U.S. flag and U.S. controlled foreign flag shipping.

The fact that complete activation of all U.S. sealift assets has never occurred is the *greatest uncertainty* should a major conflict or two near simultaneous major conflicts occur. To assume that everything will go as planned is to ignore Murphy's Law and the lessons of history.

Other uncertainties with respect to the availability of U.S. flag ships in a contingency include:

The present age of ships in the MSP/VISA and RRF programs. In 2005, when the present MSP contracts expire, the average age of the 36 containerships in the program will be 19 years, 5 LASH vessels 32 years, and the remaining 6 car carriers 14 years. In 2001 the average age of RRF ships is 32+ years. Four years hence many of these ships will be 40 years old.

The total number of U.S. flag ships in foreign trade, absent any government incentives to make such trades profitable, could decline by as many as 50 ships by 2008.

Continued attempts to repeal or modify the Jones Act and the earlier U.S. Passenger Vessel Services Act by vocal, well funded, and politically astute interest groups. In 2001 there is no indication of any diminution in their efforts to open up the domestic trades to foreign flag and/or foreign built tonnage.

Cargo preference laws remain controversial. The U.S. General Accounting Office estimates that higher cost U.S. ships increase federal shipping costs by almost \$600 million a year. The U.S. Exporters Competitive Council, an ad hoc group, argues that Marad should make it easier to obtain the needed waivers to use foreign flag tonnage.

Ability to crew RRF ships. In the Persian Gulf War 79 RRF ships were broken out. Seagoing unions responded by encouraging former mariners to return to sea. In 2001 ocean going U.S. flag ships provide less than 9,000 billets. Should the foreign trade fleet decrease significantly over the next five years, billets will decrease proportionately as will the seagoing pool of active seamen.

Exacerbating the near term shortage of seamen is the fact that ships are getting larger and crews smaller. One 6000 TEU containership has twice the capacity of containerships built just 15 year ago. Thirty containerships of 6000+ TEU will be at sea by the year 2002.

## **Increasing U.S. Sealift Capability**

Actions that can be taken to increase U.S. sealift capability and lessen uncertainty generally fall into two categories. The first is when additional funds are directly budgeted for sealift assets. The second, but equally important, are actions and programs undertaken by government and the various maritime interests groups in the private sector.

### **Direct Outlay of Federal Funds**

\*Increase the number of MSP ships to 75 militarily useful vessels, excluding liquid carriers. No vessel over 15 years old would be initially enrolled in the program. Vessels over 20 years old would be phased out depending on need for particular vessel types. As these changes are implemented, extending the MSP contract period beyond 10 years becomes an option. Implementing these recommendations would go a long way in insuring that the government is not funding ships well beyond their useful lives.

A determination would be made as to the advisability of including U.S. flag passenger vessels in the MSP/VISA programs. Not as point to point transports but as offshore bases in combat areas. One has only to remember the 239 dead marines that were quartered ashore (Lebanon 1983) when they might have been quartered in vessels lying offshore with little, if any, degrading in their assigned mission as peacekeepers.(3)

\*Increase the number of pre-positioned fast sealift ships from 8 to 12 vessels.

\*Upgrade the Ready Reserve Force (RRF), not in numbers but in quality. The RRF would be limited to 75 ships with breakout times of 10 days or less. Breakout times would be periodically checked by no warning tests. No ships in the RRF would be more than 30 years old. Transfer of ships from the MSP/VISA programs would be encouraged by financial incentives, if necessary. Maintenance contracts for RRF vessels that fail the prescribed breakout times would be subject to automatic review and cancelled if appropriate. Disputes with respect to maintenance costs would be settled by arbitration.

\* A federally funded merchant marine reserve of unlicensed and licensed mariners. Upgrading the skills of retired unlicensed personnel and training new unlicensed personnel would be a responsibility of schools such as the Seaman's International Union's Paul Hall Center for Maritime Training and Education. Graduates of the U. S. Merchant Marine Academy and state maritime schools (California, Great Lakes, Maine, Massachusetts, New York, Texas) already constitute a sufficient pool of licensed personnel. The program would be patterned on the National Guard concept with respect to personnel and compensation. Enabling legislation would address the issues of premium pay/life insurance for seaman in combat areas as well as predetermined rules for draft deferment if a draft is in effect. The program would be jointly administered by the Military Sealift Command, the Maritime Administration, and seagoing unions.

\*Increase Title XI funds from its present \$29.9 million to \$50 million. Title XI funds contribute to insuring an active ship repair capability as well as provide incentives for U.S. yards to become internationally competitive. In a prolonged major conflict such as a Taiwan Strait war between the United States and the People's Republic of China, repair capability could become decisive.

### **Legislation, Administrative Action, and Private Sector Initiatives**

\*Strictly enforce cargo preference laws. Preference cargo has declined since the end of the Cold War. Present law requires international government-owned or financed cargo be entirely or partially moved on U.S. flag ships. In the past, preference cargo was an important consideration in keeping American tonnage employed. Today it is critical. While the Maritime Administration can grant waivers when U.S. flag tonnage is not available, when waivers are granted, the burden of proof (need) should rest squarely on Marad. In 1997, a typical year, Marad granted over 300 waivers.

\*The Jones Act and the U.S. Passenger Vessel Services Act of 1886 must be kept in place without modification. Proponents of repeal having failed in the Congress are now offering a number of compromises. e.g. allow foreign built ships into the coastal bulk trades.

One author has noted that coastal shipping could provide an alternative to highway congestion along Interstate 95 and other coastal interstate highways. (4)

The preferred vessel for such a trade is the RoRo, which is also high on DoD's sealift wish list. Suggested here is a U.S. General Accounting Office review of the option, not only with respect to highway congestion, but improving the U.S. transportation infrastructure in general. Multimodal transportation that include ship, rail and trucking assets have proved viable in the past.

The most persuasive argument for reserving the domestic trades to U.S. flag, U.S. built ships is the unquestioned fact that domestic shipping firms will not pay higher U.S. yard costs if they believe the reservation laws are negotiable. The end result is older ships and eventually no ships at all.

Recent contracts for two RoRos for Totem Ocean Trailer Express to be employed in the mainland-Alaska market and a number of contracts for tankers in the domestic trades can largely be attributed to the unwillingness of Congress to amend the Jones Act.

\*Eliminating shipbuilding subsidies worldwide was initially proposed by the United States through the Organization for Economic Cooperation and Development (OECD). The enabling treaty has since been ratified by the European Union, Japan and South Korea. Disagreement between large and small shipyards has held up U.S. ratification. This stalemate has been tolerated by Washington for purely self serving political reasons. The United States government has more than enough leverage to effect a compromise. In this respect, large yards depend on Navy contracts; small yards on Jones Act tonnage and Title XI.

Shipyard and seagoing unions have a common interest in supporting this agreement or any other initiative that makes U.S. yards internationally competitive. The extent of the cost problem can be seen when worldwide ship repair costs are compared. Using Singapore as a base (100), U.S. yards repair costs come in at 170.

\*Eliminating major differences between U.S. and European Union regulations respecting international shipping should be aggressively pursued by the Federal Maritime Commission. Carrier pricing of joint inland rates, not allowed in Europe, but legal in the United States is a case in point.

\*Continuing disputes between the Military Sealift Command and private operators over how much government owes for services provided are just one level above being childish.

The 1904 Cargo Preference Act prohibits shipping companies from charging the government more than the market price for similar services. The dispute hinges on—when are services similar as between military and commercial cargo. While it is a fair question, it is not a question impossible of solution. When agreement cannot be reached compulsory arbitration is the remaining option. A better solution would be for the MSC and operators to commit to print every conceivable dispute together with the agreed upon solution, i.e., to greatest extent possible replace uncertainty with certainty.

\*The present arrangement of allowing U.S. based, managed, and operated shipping companies that are a subsidiary of a foreign owned parent company to continue to receive subsidies under the MSP/VISA program should be continued. It has proved to be a win-win situation for all concerned. At present, 31 of the 47 ships in the MSP program are operated by U.S. based, foreign owned firms.

\*Efforts should be continued to level the playing field between U.S. operators and their foreign counterparts with respect to tax treatment in their respective countries. e.g. allowed accelerated depreciation of U.S. shipping firm assets.

\*The question remains contentious as to what national security benefit, if any, is derived from U.S. owned, foreign flag shipping. The long standing argument by these shipowners is that their ships are committed to the Defense Department in times of war or national emergency. However, with respect to DoD's priorities in calling up ships in a contingency, so-called Effective U.S. Controlled foreign flag shipping is last on the list.

After pre-positioned and Ready Reserve ships are called up, next in order are volunteered U.S. and foreign flag ships, followed by VISA activation, then MSC Sealift Program ships and finally requisition of U.S. flag and EUSC ships. The EUSC concept must conform to reality or be abandoned entirely.

One of several changes in U.S. law sought by EUSC shipowners is that they be allowed to defer taxes on profits that are reinvested in their business. One way to enhance their claim that EUSC ships are national security assets is to commit their militarily useful tonnage, or at least a part of it, to an earlier call-up. An appropriate place would be Stage III in a VISA activation, that is, when unforeseen requirements are identified.

\*The United States must remain actively engaged in the so-called FastShip program. Contracts are now pending for four 40 knot RoRo vessels to be built by NASSCO in San Diego. With all military type spending under review, merchant marine supporters in the Congress must remain vigilant to insure the program is not a victim of budget cuts down the road.

\*The United States must aggressively support efforts by the International Labor Organization (ILO) to update wages and living standards for seamen worldwide. Any opportunity to lessen the difference between U.S. and foreign labor cost, irrespective of the reason, is a worthwhile undertaking.

As a general rule, maritime interest groups will only invest time and effort to forward their own agendas. This need not be a problem if a particular interest group also recognizes that achieving its own goal or goals solves only a part of the problem of acquiring and sustaining an adequate and viable U.S. flag ocean fleet. Thus, when an interest-specific goal is achieved it should not be at the expense of another interest group or of the U.S. maritime community as a whole. Bringing this about, however, will require a degree of cooperation not seen since passage of the Merchant Marine Act of 1936.

## Summary

This paper has argued that in future major conflicts where the United States may have to go it alone, the foreign flag ships needed to make up a sealift shortfall might not be available in terms of timeliness, numbers and vessel type. The logical counter-argument to this assertion is that “money talks,” i.e., if charter rates are high enough the needed tonnage will be there. However, a key assumption to this response is that the respective foreign governments will not intervene, that is, forbid chartering of their national flag ships. Taken together, the above points of view raise the question—at what point does it pay to own rather than rent sealift assets? The answer depends on how much foreign flag tonnage will be needed should the most demanding scenario in terms of sealift requirements materialize which in turn defines two possibilities. One is where U.S. flag, privately owned shipping is so inconsequential in defense planning that funds must be committed to increase MSC’s general cargo fleet and Marad’s RRF fleet to make up the shortfall. This is a high cost option. America’s sealift capability would then be made up of government owned tonnage supplemented by chartered foreign flag ships at, most likely, premium charter rates.

A second possibility is where the federal government supports a private sector merchant marine, that together with DoD and Marad assets, would be sufficient to meet a major contingency with little or no dependence on foreign flag ships. This also is a high cost option.

Suggested parameters for a U.S. flag sealift capability that is only marginally dependent of foreign flag ships are:

A MSC fleet of 85 pre-positioned, general cargo vessels, including chartered tonnage whose average age does not exceed 20 years.

A RRF fleet of 75 ships capable of being broken out in 10 days or less. The breakout capability would be continually tested by no warning drills.

A private sector merchant marine composed of 150 general cargo ships in foreign and domestic trades. The average age of this fleet would be no greater than 15 years. The present MSP/VISA program is an excellent framework to accommodate this shipping. The problem is too few ships, ships that are approaching the end of their useful lives, and contracts which discourage participation in the program.

An always current roster would be maintained of foreign flag tonnage that would likely respond to charter offers, particularly in worst case scenarios. History would be a guide in identifying this shipping. Pre-set contracts would include allowances for premium charter rates, if required, vessel insurance, and a formula to insure and compensate seamen in combat areas.

## **Conclusion**

Almost without exception knowledgeable individuals predict a significant decline in U.S. flag participation in foreign trade if present policies are allowed to run their course. This fleet, already small compared to other maritime nations, may well be half its present size by the year 2008.

The conclusion reached in this paper is that if this deterioration continues, one way or another, American military sealift will increasingly depend on foreign flag ships. This poses the question — Will this tonnage be available in terms of numbers, timeliness, and vessel type? Argued here is that as the U.S. flag fleet decreases, depending on foreign flag ships becomes more and more a risky proposition, particularly in major conflicts where the United States might have to go it alone.

The proposed solution is to build on proven concepts—the MSP/VISA program, the RRF concept, and MSC's pre-positioned ships. While this solution will not guarantee the sealift need, shortfalls should be manageable. It is, in terms of decision theory, one of least regret.

The next question is—Can the political will and funds be found to make it happen? If one looks only at events that occurred in 2000 with respect to the merchant marine and merchant mariners, the outlook would seem promising.

\*The Bush administration and key members of Congress are considered to be pro merchant marine/maritime community.

\*Politically powerful interest groups support an American flag merchant marine. e.g. shipyards and their suppliers, seagoing and shipyard unions, and the Navy League of the United States, probably the most effective of the civilian based military support organizations, and the American Association of Port Authorities, among numerous others.

\*Passage of the Transportation Worker Fairness Act which gives a tax break to merchant seamen.

\*A House of Representatives resolution honoring merchant marine veterans.

\*The decision to include merchant seamen in the planned World War II memorial in Washington, D.C.

\*Shippers and carriers working together to maximize benefits of the Ocean Shipping Reform Act passed in May 1999.

\*The recent decision by domestic trade operators to invest in new general cargo ships and tankers built in high cost American shipyards.

\*The decision of the private sector to invest in U.S. flag cruise ships.

\*A constant reiteration by the nation's highest rank uniformed personnel of the importance of a U.S. flag fleet.

\*A National Maritime Memorial Day Proclamation (May 22) issued by the President of the United States as authorized by a joint resolution of Congress on May 20, 1933. The year 2000 proclamation by the President urged all Americans to observe the day with appropriate programs, ceremonies, and activities and by displaying the flag of the United States in their homes and communities and that all U.S. flag ships dress ship on that day.

As noted earlier, America's maritime community must cooperate to insure a long term, viable, U.S. flag merchant fleet. If they do not and pursue their own separate ends, the words of a long ago patriot should give pause—"If we do not hang together, we will all hand separately."

## ENDNOTES

(1) Included in this total are ferries, tugs and towboats, crew boats and utility vessels serving off shore oil rigs, inland barges, and Great Lakes ships and barges.

(2) During the Kosovo buildup, 22 of 31 dry cargo ships were foreign flag.

(3) Delta Queen Coastal Voyages, a subsidiary of American Classic Voyages, plans to build five coastal cruise ships designed to carry 226 passengers. Two, the *Cape May Light* and *Cape Cod Light* will begin their inaugural cruises in May 2001. American Classic Voyages will also operate two 1900 passengers ships being built under the Project America initiative passed by Congress. Two existing ships, the *SS Patriot* and *SS Independence* will serve the Hawaiian Islands cruise trade.

(4) Kestleoot, Robert W., "Let the New Millennium Begin," *Almanac of Seapower 2001*, pp. 33-35.