

Statement of

Cathy Hammond
Chief Executive Officer
Inland Marine Service
Hebron, Kentucky

On behalf of

The American Waterways Operators
801 North Quincy Street, Suite 200
Arlington, VA 22203
(703) 841-9300

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Subcommittee on Coast Guard and Maritime Transportation
Committee on Transportation and Infrastructure
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Good morning, Mr. Chairman, and members of the subcommittee. I am Cathy Hammond, CEO of Inland Marine Service in Hebron, Kentucky. We are a privately held company in the marine business since 1981. Inland Marine Service is different from many companies in our industry because we don't operate boats or own barges; what we do is provide the personnel to operate inland towboats for our client companies. We recruit, train and dispatch the crewmembers for 19 boats operating on the Mississippi and Ohio River systems. Simply put, we're in the people business, and we thank you for holding this hearing today to focus on the personnel needs of an industry that is crucial to our nation's economy, homeland security, environment, and quality of life.

I am testifying this morning on behalf of the American Waterways Operators. AWO is the national trade association for the tugboat, towboat, and barge industry, which is the largest segment of the U.S.-flag domestic fleet. Our industry's 4,000 tugboats and towboats and 27,000 barges safely and efficiently move over 800 million tons of cargo each year, providing a safe, secure, low-cost, environmentally friendly means of transportation for America's domestic commerce.

Mr. Chairman, the tugboat, towboat, and barge industry provides family-wage jobs for more than 30,000 mariners in the brown- and blue-water trades. These hard-working, talented individuals are, quite simply, indispensable, both to our companies and to our country. Without the men and women who work as captains, pilots, mates, engineers, tankermen, deckhands, and cooks on our vessels, companies like Inland Marine Service would not be in business. Without the essential services provided by these crewmembers, shippers of petroleum, chemicals, grain, coal, steel, and a host of other commodities would be denied a safe, fuel-efficient, cost-effective means of transporting essential bulk commodities. As you well know, our nation's roads and rails today are already stressed to the breaking point; now more than ever, water transportation is an essential component of our national transportation system. If it weren't for the men and women who crew our vessels, our nation's transportation system would be crippled.

As you can probably tell, I love this industry, I believe in it, and I'm proud of it. The maritime industry generally, and the towing industry in particular, provides great opportunities for young people looking to start a career or other Americans looking to make a career change. Because of the current personnel shortage, vacancies exist in both the inland and coastal sectors of the business. A college degree is not required. A young person with a good work ethic who can pass a physical exam, security screen, and drug test can begin earning a living wage right away as an entry-level deckhand.

Advancement is quick for motivated individuals willing to apply themselves. Additional responsibility and higher pay are there for those who obtain training and Coast Guard certification and licensing. Six-figure incomes and excellent benefits are achievable in a relatively short period of time for those with the motivation and skills to become pilots, mates, and captains.

Despite the attractiveness of the economic opportunities, however, it is clear that a career on the water is not for everyone. The work, especially as a deckhand, is physically demanding. In most segments of the industry, the job requires extended periods of time away from home. While "lunch bucket" boats that dock ships, fleet barges, or provide other harbor services typically operate on a daily basis and allow their crews to go home after each day's work, most mariners spend anywhere from 14 to 28 days at a time on a vessel, living and working on the boat, and then have 14 to 28 days off before their next trip. Separation from home and family is a reality for these mariners, and many newcomers to the industry find that this lifestyle simply doesn't suit them. The unique demands of the maritime lifestyle are a major reason why the turnover rate among entry level personnel in the industry is estimated to be 50 percent or higher each year.

Mr. Chairman, the towing industry, and I believe the domestic maritime industry in general, is facing a critical shortage of vessel personnel. This is a problem at two levels. First, we are having difficulty in attracting new people to the industry and convincing those who do give it a try to stay and make their career on the water. Second, we are

struggling to replace retiring captains and pilots and replenish critical wheelhouse positions. Because transportation demand in the industry is high at present – and that's a good thing, to be sure – the personnel situation is even more challenging. Vessel utilization rates are higher than normal, and that also increases demand for crewmembers. Let me talk briefly about some of the factors that contribute to the shortage.

At the entry level, the challenge we face is not entirely different from the situation faced by other industries, such as long-haul trucking. The job is demanding, and being away from home for extended periods of time is simply not attractive to many young people these days. Moreover, unlike the trucking industry, which is visible to most Americans on a daily basis, the towing industry is often, despite our best efforts, invisible to potential applicants. There are plenty of potential crewmembers living in farm country or former factory towns who simply aren't aware that our industry is there, much less know about the excellent career opportunities that it offers. We have to find creative ways to reach these people, and we have to realize that once we do find them, a fairly high percentage will not be interested in the kind of lifestyle that the maritime industry offers under any circumstances.

At the wheelhouse level, the problem is a confluence of generational change – the retirement of a large population of mariners who entered the industry in the early 1970s – and government policies and regulations that have made it more difficult to encourage younger crewmembers to stay in the industry and pursue a career as a captain, mate, or pilot. Licensing and training requirements for wheelhouse personnel have become more stringent, complicated, and expensive in recent years, and many crewmembers are discouraged by the longer time and the additional steps required to obtain a Coast Guard license. Others are scared off by the horror stories they hear from older mariners about delays and backlogs in the Coast Guard licensing process or physical and medical requirements that threaten to cut short their careers. And, in the post-September 11 world, many mariners feel disrespected and threatened by the increasingly suspicious and hostile way they are treated by government personnel. Some older mariners have chosen to retire early rather than continue to deal with these challenges; many younger mariners

are saying, “Why bother?” and opting not to pursue a wheelhouse career. This is a huge problem because now, more than ever, we need their services.

Addressing these problems and ensuring a supply of qualified, skilled personnel to crew our industry’s vessels and meet the needs of America’s domestic commerce must be a shared industry-government effort. For our industry, that work starts with recruiting. Companies are casting their net wider than ever in the search for new employees. It is not unusual to find a full time recruiter working in communities hundreds of miles from the river in an effort to find new sources of personnel. Companies are also working together to increase awareness of employment opportunities in the maritime industry. At the urging of its members, AWO recently created a recruitment “tool kit” for use by its member companies in their outreach efforts. (A copy is attached to my statement.) AWO also maintains a “jobs portal” on its website that links interested applicants to member companies and provides information about employment in the industry.

Recognizing the costs and the challenges posed by high initial turnover, companies have also become more selective about their newly hired employees. It is not unusual for a company to screen more than a dozen applicants for each new crewmember that they bring on board. Potential applicants are interviewed by experienced personnel who make sure that they understand the time commitments and lifestyle demands of a towing vessel career. Companies are modifying their orientation and training programs as well. In addition to safety and security training and explanations of company policies and procedures, many orientation programs now stress the career opportunities available and attempt to show employees how they can move up the ladder within the company.

Of course, the shortage of personnel means greater competition (both within the industry and with other industries) for the services of mariners, and this competition is reflected in the higher wages and improved benefits offered by companies today. In addition to increasing compensation, however, companies also put a premium on retention of personnel. They are implementing crewing procedures that emphasize stability and continuity. Greater attention is paid to crew comfort on the vessels and training is

provided to help on-board supervisory personnel become better managers and be more sensitive to the needs of new employees. These are excellent developments that make our industry a more attractive place to work.

The industry is also looking beyond the resources of individual companies to address the personnel shortage problem. Previous efforts involved things like participation in high school “career days” at schools located in river towns. Today, however, companies are joining together to help create training programs in high schools and other educational institutions to ensure that individuals obtain the basic skills needed and to assist with any government-required documentation that may be required, such as a merchant mariner’s document (MMD) or Transportation Worker Identification Credential (TWIC). My towing industry colleague Jeff Slesinger, who will testify later today, describes an encouraging example of a business, education and labor partnership in Washington State. Until recently, the State of Ohio funded training programs in high schools throughout the state as well as adult education programs. Similar examples exist in port cities on the inland rivers and along the coasts, from New Orleans to Baltimore. Companies are also partnering with educational institutions to provide programs to assist with the education and training required for advancement to higher licenses. The Seaman’s Church Institute, for example, maintains state-of-the-art simulator training facilities for both brown- and-blue-water mariners at its facilities in New York, Houston, and Paducah, Kentucky.

Mr. Chairman, our industry recognizes the responsibility we have to attempt to make our industry as attractive as possible to current and prospective employees and to be creative in our recruiting and retention programs. But, there is a role for government – both Congress and federal agencies like the Coast Guard and the Maritime Administration -- in solving this problem as well. We offer the following recommendations for government action.

First, Congress and the federal agencies should modify government policies and regulations that establish new barriers to entry for personnel looking to enter the maritime industry. The TWIC program is a particularly glaring example of this

problem. AWO has previously testified before this subcommittee on the need to establish a practical interim work authority provision that will enable a new hire to begin working on an interim basis before having to undertake what may be a long and burdensome trip to a TWIC enrollment center. Congressman Baker has authored an amendment to the Coast Guard authorization bill that would solve this problem without compromising security, and we urgently request your support for including such a provision in the manager's amendment to H.R. 2830 that will be considered on the House floor later this fall.

Second, as a related matter, **the Coast Guard should carefully review its protocols for interacting with vessel personnel and ensure that its stated objective of “honoring the mariner” is reflected in its dealings with the professionals who crew our vessels.** Routine interactions with vessel personnel should not be conducted in the same manner as “for-cause” law enforcement boardings. A heavy-handed, adversarial approach is distressing and demeaning to law-abiding mariners who have traditionally viewed themselves as partners with the Coast Guard in ensuring both safety and security on the waterways. As this Subcommittee continues to exercise oversight to ensure the focus and effectiveness of the Coast Guard’s marine safety program, Congress can help to ensure that the agency makes the necessary changes to the way it interacts with mariners on the water.

Third, **the Coast Guard should make changes to its licensing system that eliminate obstacles to advancement while ensuring high standards of safety.** Congress should encourage the Coast Guard to move quickly to finalize a recent notice of proposed rulemaking that provides a pathway for licensed mariners from other segments of the industry to move into the towing vessel officer licensing path without having to start from scratch. Publication of that proposed rule was more than two years in the making; we can’t afford to wait that long for a final rule. Congress should also encourage the Coast Guard to continue to work with industry to develop and approve training programs that allow for a reduction in service time for mariners who successfully complete such programs. In addition, Congress should maintain close oversight of the Coast Guard’s

ongoing effort to reorganize and centralize its internal processes for the issuance and renewal of merchant mariner licenses and documents. While we are cautiously encouraged by the progress that has been made so far as four of the 17 Regional Examination Centers have transferred functions to the National Maritime Center, the problems caused by outmoded processes, huge backlogs, and lengthy delays are far from solved. Congress should closely monitor this ongoing process and maintain regular communication with industry to ensure that this much-needed reorganization is achieving its intended goals.

Fourth, the Maritime Administration should recognize the changing character of the domestic merchant marine and the fact that the majority of the on-board jobs in the U.S. maritime industry today are on so-called “small vessels” such as towing vessels. Too often, government publications describe the U.S. merchant marine in terms of the relatively small number of deep-sea ships sailing today, and suggest that career opportunities in the industry are reserved for graduates of the federal and state maritime academies or require a college degree. This narrow focus overlooks the biggest part of the story, which is that the tugboat, towboat, and barge industry is vital, growing, and full of employment opportunities for hard-working Americans. We need MarAd to use its resources to tell this important story. Congress can help by communicating to the agency its realization that the tugboat, towboat, and barge industry, and the maritime industry generally, are part of the “critical infrastructure” essential to our nation’s economic and homeland security, and ensuring that the agency tells that story clearly, effectively, and accurately.

Fifth, and as a related matter, Congress and the Maritime Administration should ensure that the U.S. Merchant Marine Academy modernizes its focus to reflect the changing character of the domestic fleet and help to prepare graduates for jobs in the towing industry. The academy is too small, and our industry’s need for personnel is too great, for this to be a solution to the problem in and of itself, but it can be a part of the solution. Where towing industry-focused programs have been instituted by the state maritime academies, they have been very well received by our industry.

Finally, the Maritime Administration can also play a role in helping companies and mariners to understand and tap into existing governmental resources or public-private partnerships for training and education. We suspect that there are many potential sources of funding and support for training and education that could be useful to mariners – if our industry were aware of them. Identifying potentially untapped funding sources and making sure that they are available to mariners and their employers could be another useful step in a multi-pronged approach to alleviating the vessel personnel shortage.

Mr. Chairman, it is true that there is no silver bullet, no single solution, which will solve the industry's personnel shortage and ensure the necessary supply of well-trained, well-qualified mariners to crew our vessels and meet our nation's current and future transportation needs. But, we believe the steps we have outlined in our testimony today offer a useful "work list" for government and industry to pursue together. Clearly, companies have a responsibility to make our industry as attractive an employer as possible for current and prospective crewmembers. We need to take the lead in finding and keeping the people we need to run our businesses. But, government also has an important role to play, first and foremost by eliminating government-imposed obstacles that make the job of attracting and retaining qualified crewmembers more difficult. If our industry can count on government to take these steps while we redouble our own efforts to improve our recruiting and retention programs, I believe we can make a meaningful difference in tackling an important and growing problem for our industry and our national transportation system.

Mr. Chairman, thank you very much for the opportunity to appear before you today. I would be pleased to answer any questions you or other members of the Subcommittee may have.

The American Tugboat, Towboat and Barge Industry: A GREAT CAREER CHOICE



"Building a career in the towing industry is one of the best decisions I ever made. I advanced through the ranks and now pilot a modern towboat that can handle the biggest jobs. The pay and benefits are excellent and I like the flexibility of the lifestyle that allows me to spend extended periods of time with my family."

- Scott Stewart, Pilot
AEP River Operations
Chesterfield, MO

A career in the tugboat, towboat and barge industry offers great opportunities:

- Competitive pay and benefits
- A skilled profession that doesn't require a college degree
- An exciting alternative to a 9-to-5 job
- A chance to learn a trade
- Extended time off
- Opportunities for advancement
- Flexibility to live where you choose
- The rewarding experience of being part of a team
- Pride in being part of an industry that is vital to America



"This job is a real adventure. Every day is different and I enjoy being out on the water and among nature. I am a valued member of the crew because they respect my work skills and teamwork. I like the challenge of dealing with the elements of sea and sky to accomplish the job. It sure beats sitting at a desk from 9 to 5."

- Lauren Lahners, Deckhand
E.N. Bisso & Son, Inc.
Metairie, LA

Competitive Pay and Benefits:

Many companies offer excellent pay and full benefits, including:

- Health insurance
- Life insurance
- 401(k) Savings Plan
- Dental insurance
- Employee stock ownership
- Merit pay
- Vision care
- Employee Assistance Program (EAP)
- Long-term and short-term disability benefits
- Reimbursement for Coast Guard and company-required training



FACT:

Today's modern fleet of nearly 4,000 tugboats and towboats and more than 27,000 barges moves over 800 million tons of America's commerce each year.



FACT:

Tugboats, towboats and barges operate on America's 25,000 mile waterways network, a system that is the envy of the world.



The American Tugboat, Towboat and Barge Industry: A GREAT CAREER CHOICE



"This job allows me to have a lot of time off with friends and family. I like being an important part of a team, working together to get the job done. We take a lot of pride in that. The members of the crew are more like family than coworkers."

- Kenneth Brooks, Deckhand
McAllister Towing & Transportation
New York, NY

Entry level applicants must:

- Be at least 18 years of age
- Have two forms of ID, such as a driver's license and birth certificate
- Be a U.S. citizen or permanent resident alien
- Be able to read and comprehend the English language
- Pass a drug and alcohol screen
- Pass a security background check
- Pass a physical examination



FACT:

Towboats and barges move over 60% of U.S. grain exports, helping American farmers compete with foreign producers in the world market.

Consider a rewarding career in the American tugboat, towboat and barge industry!





The American Tugboat, Towboat and Barge Industry: A GREAT CAREER CHOICE

Tugboat and Towboat Industry Positions and their Qualifications



The tugboat, towboat, and barge industry offers many exciting employment opportunities working on America's inland rivers; the Atlantic, Pacific, and Gulf coasts; the Great Lakes; and ports and harbors around the country. A typical tugboat or towboat carries anywhere from three to 10 crewmembers and includes a mix of highly skilled, experienced personnel and entry-level deckhands.



The entry-level position on a towing vessel is called a **Deckhand** on inland towboats or an **Ordinary Seaman** on coastal tugboats. These crewmembers prepare barges for loading and unloading cargo, build tows and perform basic vessel maintenance and housekeeping duties. More experienced deckhands may be called **Lead Deckhands** (or **Mates** in the inland towing industry) and have leadership duties as well. Experienced **Ordinary Seamen** on coastal tugboats graduate to **Able Bodied Seamen**, or **ABs**. *On most towing vessels except those operating on rivers, deckhands require a Coast Guard-issued Merchant Mariner's Document, or MMD.*

The **Cook** buys and prepares food for the crew. Some cooks also work on deck between meal preparations, in which case they may be called **Cook/Deckhands**. *Cooks on towing vessels other than those working on rivers require a Merchant Mariner's Document.*

Tankermen work on towing vessels moving liquid cargo in tank barges, and are specially trained for the environmentally sensitive job of transferring oil or chemical cargoes between barges and tanks on shore. *Tankermen require an MMD with a Tankerman endorsement, which entails training and experience in handling liquid cargoes.*

The **Engineer** is in charge of the operation and maintenance of the boat's engines, machinery, and the barge cargo pumps. A **Deck Engineer** is an engineer who also performs deckhand duties. *Engineers are well trained, experienced personnel who may or may not be required to hold a Coast Guard-issued license, depending on the size and location of the vessels on which they work.*

(continued...)

Tugboat and towboat crews work varying schedules, but most crews live aboard the vessel for two to four weeks and then have one to three weeks off. In most segments of the towing industry, crewmembers stand two six-hour watches daily. Crewmembers on some harbor tugs go home at night and often work a single 12-hour shift.



The American Tugboat, Towboat and Barge Industry: A GREAT CAREER CHOICE

Tugboat and Towboat Industry Positions and their Qualifications



The crewmembers who “drive” the towing vessel are the **Master** (or **Captain**) and his or her second-in-command, known as a **Mate** on coastal tugboats and a **Pilot** on inland towboats. The Master and Mate or Pilot alternate shifts navigating the vessel. The Master is the manager of the vessel, responsible not only for operating the boat safely and efficiently, but for managing the crew as well.

Nearly all towing vessel Masters, Mates, and Pilots started their careers as deckhands and worked their way into the wheelhouse, obtaining the necessary training and Coast Guard licenses along the way. Obtaining a Coast Guard license as Master of Towing Vessels is normally a three-step process requiring passage of a written examination, four years of experience, and a practical demonstration of navigation skills. An individual working his or her way up to Master first obtains an Apprentice Mate (Steersman) license – in effect, a learner’s permit that allows for practice in the wheelhouse under the supervision of an experienced mariner. The next step is Mate (Pilot), and finally, Master.

Shoreside Positions

Tugboat and towboat crews are supported by staff on land as well. These shoreside positions vary widely by company, but below are a few of the more common ones.

The **Port Captain** works with the Captains to supervise and manage boat crews. Most Port Captains are former Vessel Masters.

The **Port Engineer** is responsible for keeping boats and barges on a regular maintenance schedule.

The **Mechanic** performs inspections and repairs on the vessel, and reports to the Port Engineer.

The **Dispatcher** assigns boats to guide barges or ships, and also assigns crews to man the boats.

The **Safety Manager** is responsible for the safety of the crew and vessel. He/She is in charge of training programs, vessel inspections and compliance with regulations.

Consider a rewarding career in the American tugboat, towboat and barge industry!

For more information, visit www.americanwaterways.com

Another day at the office...

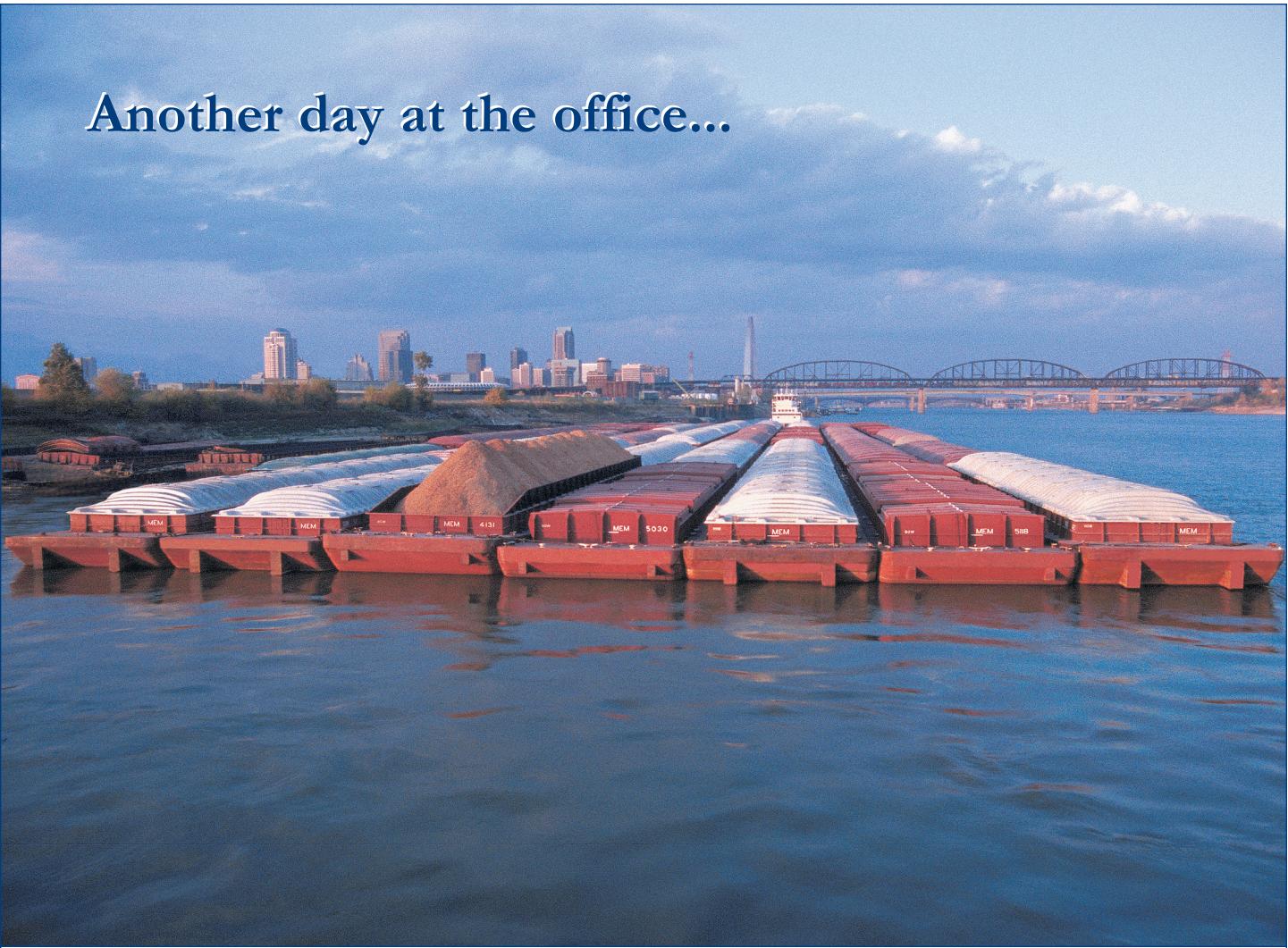


The tugboat, towboat and barge industry is a critical part of our nation's economy that transports everything from petroleum to pineapples. It's also a dynamic work environment full of rewarding challenges and exciting opportunities.

For more information, contact



Another day at the office...



The tugboat, towboat and barge industry is a critical part of our nation's economy that transports everything from coal to chemicals. It's also a dynamic work environment full of rewarding challenges and exciting opportunities.

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