

STATEMENT

OF

VICE ADMIRAL T. J. HUGHES, JR., USN
DEPUTY CHIEF OF NAVAL OPERATIONS (LOGISTICS)

BEFORE THE

MERCHANT MARINE COMMITTEE

OF

THE HOUSE MERCHANT MARINE AND FISHERIES COMMITTEE

ON

MARITIME BILLS

1 MAY 1986

BIOGRAPHY OF VICE ADMIRAL THOMAS J. HUGHES, USN

Vice Admiral Thomas J. Hughes was born in Brooklyn, New York, on October 14, 1926. He attended St. Teresa's Grammar School and Boys' High School before enlisting in the Navy V-5 Program in December 1943. After attending Williams College and Franklin and Marshall College, VADM Hughes transferred to the active NROTC at Harvard University where he received a B.S. Degree and was commissioned on June 6, 1946.

Vice Admiral Hughes served as a Junior Officer on Amphibious and Service Force ships, attended General Line School and became Engineer Officer of USS MASSEY (DD-778), which operated for ten months off the coast of Korea in 1950-51. From 1952 to 1955 he served as a nuclear supervisor in Armed Forces Special Weapons Project (now Defense Nuclear Agency). After a tour as Engineer Officer on USS WILKINSON (DL-5), he became Executive Officer of USS BRADFORD (DD-545). VADM Hughes attended the Armed Forces Staff College and the Operations Analysis curriculum at the U.S. Navy Postgraduate School where he received a Master of Science Degree. He also served as Assistant Officer in Charge of the Naval Guided Missile School at Dam Neck, Virginia.

In 1962 VADM Hughes was assigned to the Organization of the Joint Chiefs of Staff. This duty was followed by command of USS JOHN KING (DDG-3) and a tour in the Weapons Systems Evaluation Group in OSD where he spent much time in Southeast Asia. He commanded USS THUBAN (AKA-19) and assumed command of USS CHIKASKIA (AO-54) in November 1967. In July 1969 he returned to Washington to OPNAV (OP-901) as Head, Program Development and Analysis Section. In September 1971 VADM Hughes became Commander Destroyer Squadron THIRTY-SIX and served as the Gunline Commander off South Vietnam from May to August 1972. From September 1972 to March 1974 he served in the Headquarters, Navy Recruiting Command. In March 1974 VADM Hughes assumed duty as Assistant Chief of Naval Personnel for Financial Management and Management Information. Also during this tour he was a member and then elected as President of the Board of Directors for the Navy Federal Credit Union; he also served as a member of the Board of Directors of the Navy Mutual Aid Association. VADM Hughes attended the newly developed Senior Officer Materiel Readiness Course at Idaho Falls, Idaho from May 1976 until he assumed Command of Service Group TWO in September 1976. During that tour he took part in several Atlantic and Mediterranean operations including OTC of the NATO Exercise Dawn Patrol 77 and of CARIBEX 2-77 in the Caribbean, and as a Task Group Commander in Northern Wedding 78. In October 1978 he became Deputy Director, Budget and Reports NAVCOMPT and Deputy Director, Fiscal Management Division in the Office of the Chief of Naval Operations. In April 1980 he was assigned to be the Director of that organization. In June 1981, after completing a three month study revising the Navy's Affirmative Action Plan for

Equal Opportunity, VADM Hughes became Assistant Deputy Chief of Naval Operations (Manpower, Personnel and Training) (OP-01B). In June 1983 he assumed his present assignment as the Deputy Chief of Naval Operations (Logistics) (OP-04). He was promoted to the rank of Vice Admiral in October 1983. He is a member of Sigma XI, the American Society of Military Comptrollers and the Lions Club.

VADM Hughes and Mrs. Hazel (Koblitz) Hughes (of Sterling, Kansas) reside at Quarters DD, Anacostia Naval Station, Washington, D.C.

FOR HOUSE FISHERIES AND
MERCHANT MARINE COMMITTEE
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STATEMENT OF VICE ADMIRAL T.J. HUGHES, JR., USN, ON U.S. MERCHANT MARINE

Let me state at the outset that a strong U.S. flag merchant marine is absolutely essential to our forward collective defense, the national military strategy of the United States. It is a critical component of the force structure required to carry out our basic military planning for both limited and general war.

The reason is that the U.S. Merchant marine provides the majority of the tonnage and most of the seagoing manpower to sustain the strategic sealift that is the prerequisite of virtually every major military operations plan involving the forward deployment or support of U.S. military forces.

Today, and in the foreseeable future, there is no substitute for U.S. flag commercial ships in the fulfillment of our strategic sealift objectives. If there were no U.S. flag merchant marine, it would have to be replaced by a government owned and operated sealift fleet - at considerable additional expense to acquire and operate. As an option, such an alternative is neither practical nor cost effective. Nevertheless, if for some reason of policy or economics the U.S. flag merchant marine were to be eliminated or drastically reduced in size, this country would have no alternative but to acquire a government owned sealift fleet of essentially equivalent capacity, to be operated only for military purposes.

Sealift is going to play a crucial role in any future conflict involving the United States. Every potential adversary or ally - except Canada and Mexico - lies overseas. There is no plan for any major overseas military operation, whether it be a general war involving the Soviet Union or a contingency operation in some remote corner of the globe, that does not involve the use of the seas for the injection of our military forces and the sustaining of American presence in the area.

The Chairman of the Joint Chiefs of Staff in his FY 1986 Posture Statement stated: "In any major overseas deployment, sealift will deliver about 95% of all dry cargo and 99% of all petroleum products. Ships from the U.S. merchant marine represent the largest domestic source of sealift making them an important strategic resource."

Current military planning depends on the U.S. merchant marine to provide the major portion of the U.S. flag sealift.

The merchant marine is needed to carry out specific strategic requirements for which government owned shipping is not available, and which would be uneconomical for the government to maintain in peacetime for fluctuating contingency requirements. Its role in national defense is to provide transportation primarily of equipment and supplies for our military forces, while continuing to carry the international and domestic commerce of the United

States. As a matter of day to day policy, the Department of Defense relies upon the American owned, citizen crewed vessels of the U.S. flag merchant marine to provide reliable and secure transportation of military cargo.

This reliance on sealift in our military planning is understandable, considering that the military strategy of the United States is global and emphasizes forward deployment for deterrence, and forward engagement should that become necessary. This strategy requires predeployment of forces overseas, prepositioning of equipment in forward areas, and the capability to transport equipment and supplies from the United States. A balance of three mobility elements, sealift, airlift, and prepositioning, is required to deploy and sustain U.S. forces overseas. Airlift can carry personnel and limited amounts of high priority equipment and supplies. Airlifted troops will be integrated with airlift equipment simultaneously or with prepositioned material. Sealift will transport very large quantities of heavy equipment, supplies and ammunition to deploy and sustain military operations. The mobility elements are interdependent: each has its own advantages and disadvantages, and is highly dependent on conditions at destination airfields, sea ports, and beaches. Sealift is a Navy responsibility; airlift is an Air Force responsibility; prepositioning is a joint responsibility of all the Services.

On 13 March 1984, the Secretary of the Navy formally

recognized Strategic Sealift as a major Navy function, along with sea control and power projection. His pronounciation emphasized the increasing importance of strategic sealift to overall military capability. In clarifying this role, the Chief of Naval Operations defined strategic sealift as "The afloat prepositioning and ocean movement of materials, petroleum, oil and lubricants (POL), and personnel, in support of assigned logistic missions of the U.S. government, including the necessary cargo handling systems and personnel to ensure the delivery of cargo ashore". The scope of the Navy's strategic sealift program has been broadened to accomplish multi-service needs, ensuring compatibility with Army and Marine Corps cargo and intra-theater transport to the front line.

Strategic sealift includes three broad categories of shipping, listed in order of their responsiveness: prepositioned, surge, and resupply. Military equipment, loaded aboard ships and prepositioned near a contingency area, can be delivered rapidly to forces airlifted into the theater of operations. Surge shipping lifts the bulk of the U.S. based unit equipment and initial sustaining supplies. Resupply shipping immediately follows to meet the daily consumption rate and to build up theater reserve stock levels.

Surge shipping is planned to begin within days of a national decision to deploy. This response is critical in order to support an overseas military operation requiring

great volumes of priority combat cargo. Most surge shipping cargo consists of unit equipment such as wheeled and tracked vehicles, non-self deployable aircraft, and limited amounts of sustaining combat, supplies and ammunition. Surge shipping is obtained from government controlled assets, and will include vessels from commercial sources as soon as they are available.

Resupply shipping provides the bulk of sustaining support to deployed forces. Forces in the forward area of operations depend upon the shipping to replenish their daily consumption, and increase in-theater reserves to a 30 to 60 day level. Initial resupply shipping arrives after surge shipping and continues for the duration of a contingency or conflict. Resupply shipping is obtained from U.S. commercial sources, and includes the re-use of the prepositioned ships and surge ships after their initial discharge in the theater of operations.

Major contingencies which would involve the United States, such as a Soviet invasion of our NATO allies, or oil producing countries in the Persian Gulf, would require all available U.S. flag ships. The challenge to strategic sealift is the timely acquisition of sufficient lift capability to meet time-phased material delivery requirements. The sealift assets available are as follows.

The Military Sealift Command operates about 63 ships (as of 20 March 1986) in its strategic sealift force. Of these

about 80% (51 of the 63) are commercial ships of the U.S. merchant marine on charter to the Navy. The Navy owns and operates a few flag ships which have a required capability not available within the U.S. flag merchant fleet. MSC is pursuing a policy of operating only a minimum number of essential government owned ships, and meets almost all DOD shipping needs through shipping agreements and commercial charters from the U.S. flag merchant marine. MSC ships are considered immediately available to provide military contingency support.

U.S. flag merchant ships are also responsive to DOD. They can be obtained under voluntary charter, through implementation of the Sealift Readiness Program (SRP) or by requisitioning. The SRP is the commitment of some carrier's ships for contingency use, under conditions short of mobilization. When determined necessary for national defense, the President may grant authority to the Secretary of Transportation to requisition needed U.S. flag shipping to support crises or war efforts.

When the demand for sealift assets exceeds the availability of MSC ships and voluntary charters from U.S. flag carriers, the Ready Reserve Force (RRF) becomes an increasingly important source of surge shipping. The RRF is maintained by the Maritime Administration (MARAD) as a part of the National Defense Reserve Fleet (NDRF) in a five, ten or twenty day

readiness status. RRF ships are activated by a Navy request to MARAD. Selected RRF ships are exercised periodically, through no-notice testing, to ensure compliance with the readiness criteria. The acquisition and maintenance of RRF ships are funded by the Navy but administered by MARAD. Today the RRF consists of 72 ships and the recent acquisition of 13 ships will raise that number to 85 ships by the end of the year.

The remaining ships in the NDRF are commercial ships and former Navy cargo ships maintained for use in a national emergency. These ships are not considered strategic sealift assets, but are retained as replacements for sealift ships losses or to support the national economy in wartime. The NDRF contains about 163 cargo ships, of which 96 are World War II vintage breakbulk (Victory) ships of limited utility. Some NDRF ships could be activated within 30 to 60 days but would require extensive shipyard work to make them seaworthy.

Effective U.S. Controlled Fleet (EUSC) ships are considered requisitionable assets, available to the U.S. government in time of national emergency. These ships are majority owned by U.S. businesses, operated under the registry of foreign nations - Liberia, Panama, Honduras, and the Bahamas - and crewed by foreign nationals. These countries, unlike most others, do not have laws which preclude or limit requisitioning. The EUSC ships number about 340, but only 23 dry cargo ships and 57 tankers are considered useful for military purposes. Manning with U.S. citizen crews may be required in certain circumstances.

The employment of these assets for strategic lift functions envision that those strategic sealift units in the MSC would be used for prepositioning, surge and resupply. Operating commercial U.S. flag vessels would be used in both the surge and resupply phases as would those units of the RRF which were mobilized. EUSC vessels and those of our NATO allies would be used as required to fill out the resupply requirements.

Recent studies by the Navy and the Office of the Secretary of Defense (OSD) indicated the need to increase the size of the RRF Dry Cargo ships from the originally programmed 61 ships, to 100 ships and tankers from 16 to 36 by 1992 to provide the required surge and resupply lift. These requirements only address Defense needs and do not include national economic sustanation requirements.

The U.S. Navy is increasing the size of the RRF not because of any intention to displace the U.S. merchant marine in its strategic sealift role, but because as the number of ships in the U.S. flag commercial fleet diminishes, the lift shortfall must be made up by other means, and the acquisition of commercial ships for the Ready Reserve Force is the logical answer as long as the manpower to man them, and the industrial capability to maintain them are available.

There is a limit however to the size of the fraction of the total sealift force that can be filled by the RRF. The

Ready Reserve Force ships must be manned by merchant seamen. The pool of merchant seamen is sustained by the U.S. flag commercial fleet. As the number of ships in the U.S. merchant marine and the size of flag ship crews decline, the size of the professional seagoing labor pool also diminishes. If there are no seagoing jobs, the crews seek employment in other areas and will eventually not be available for short term mobilization.

The steady decline in the size of the U.S. merchant marine has been a source of concern at the highest levels of the Department of Defense, because of the clear implications to our strategic sealift capacity. Secretary Weinberger said in a letter to Secretary of Transportation Dole dated 24 April 1984: "As you know, the decline of the U.S. maritime industry over the past several years has generated significant interest in the merchant marine's capability to support the President's national security objectives. ...The decline in U.S.-flag commercial shipping capable of carrying military unit equipment is of particular concern to DOD. We are doing much to fix the problem; however, your latest projections of shipping trends indicate a good part of the potential gains may be eroded by accelerated commercial developments. Thus, even assuming that the entire U.S. merchant marine is made available to support military objectives, we may not be able to meet DOD's limited policy objectives.

A merchant marine, even if it were capable of supporting military operations, may not be adequate to satisfy all of our national security requirements during a major conflict."

The Department of Defense policy objectives for meeting military dry cargo sealift requirements are:

- At a minimum, to maintain sufficient shipping capacity under U.S. government control and/or in the U.S. commercial fleet to meet the surge and sustaining requirements of that portion of a global war where an ally's shipping is not available.
- To obtain shipping assistance from our allies to meet U.S. military surge and sustaining requirements in their respective geographic areas.
- To meet shipping requirements for the first five months of a Southwest Asia contingency or the Southwest Asia portion of a global war, would require about 5.0 million dead weight tons (MDWT) of shipping capable of lifting about one million tons of unit equipment, and an additional 3.3 million dead weight tons of shipping to be available for sustaining operations. Adequate shipping exists for the sustaining operations, but there is a shortfall in our ability to move unit equipment.

A Department of Defense projection of sealift assets shows that in 1992, government sources will be able to provide about 536,000 short tons of lift capacity for surge deployment. The balance of about 434,000 short tons will have to be lifted by commercial U.S. flag sources and the ships of the Effective U.S.

Controlled Fleet. Today's forecasts of the size of the U.S. flag merchant marine indicate that its lift capacity in 1992 will be about 334,000 short tons and the EUSC fleet will be able to lift about 32,800 short tons. This shortfall of nearly 100,000 short tons cannot be made up simply by using the available merchant ships of our NATO allies. Those assets are already fully committed to the surge and resupply strategic sealift support in the European and Pacific theaters of operations. Furthermore, the EUSC militarily useful vessels are not numerous enough to make up for this shortage.

Clearly the decline in the size and capacity of the U.S. merchant marine is of grave concern to those of us in the Department of Defense responsible for national security planning. As you may remember, President Eisenhower referred to the U.S. merchant marine as the "Fourth arm of national defense".

In spite of this unique military dependence on a civilian organization, responsibility for any federal support of a U.S. flag merchant marine lies outside of the Department of Defense. Our merchant marine is a private industry. The Department of Transportation - specifically the Maritime Administration - is responsible for the promotion of the U.S. merchant marine. This nation made a decision early on in its history to retain its commercial fleet as a private enterprise, available to serve the nation's national security needs both in time of peace and in time of war or national emergency.

The Navy cannot by law regulate the size or the structure

of the U.S. merchant marine. But the Navy does view with gravest concern, those trends within the industry that would reduce our commercial fleet's ability to carry out its defense functions whenever required by national security. The Navy is increasing the size of the government's sealift assets not as a substitute for existing merchant marine vessels, but as replacements for that percentage of our commercial fleet that has vanished as victims of economic pressures. But I must reiterate, the government owned sealift fleet can only go so far as a percentage of our total sealift force. A commercial fleet is required to generate the seagoing manpower necessary to man the national sealift forces of the United States.

It cannot be the Navy's responsibility alone to shore up the merchant marine. Our commercial fleet has an essential national security role to fulfill, and it is a national responsibility - not just a Navy or Defense Department responsibility - to see that this national asset is properly supported.

To make this point I cannot do better than to quote President Reagan in his statement of May 22, 1985 when he said, "Maritime power has two principal components. One component, the Navy and the Coast Guard, guard America's free use of the seas while the other component, the merchant marine supports trade with nations and, in an emergency, becomes a part a part of our military establishment - integral with our military forces...to maintain America's maritime power this Administration

has advocated that a number of steps be taken by government industry and labor: (These include) - an economically independent United States flag merchant marine of not less than current capabilities."

In closing I reiterate my opening: "A strong U.S. Flag merchant marine is absolutely essential to our forward collective defense, the national military strategy of the United States."