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HOUSE COMMITTEE ON HOMELAND SECURITY

HEARING ON LICENSING SECURING LIQUIFIED NATURAL GAS
TANKERS TO PROTECT THE HOMELAND

Thank you Chairman Thompson, Ranking Member King and the rest of the Committee for allowing me to speak to you today. The safe and secure transportation of Liquefied Natural Gas to the United States is of critical importance and we all appreciate your holding this hearing.

My name is Ron Davis, and I am the President of the Marine Engineers' Beneficial Association, and a Coast Guard Licensed Chief Engineer. For 137 years, MEBA has represented Coast Guard licensed deck and engineering officers serving in the commercial and government fleets. Despite our presence in nearly every aspect of the maritime industry, there are practically no Americans employed on LNG ships today.

The worldwide demand for LNG is increasing at such a tremendous rate that it is very difficult for the maritime industry to keep up. It took over

40 years for the LNG fleet to reach 200 vessels. It is now expected that the fleet will hit 300 vessels by 2010 – just 3 years away. With this rate of expansion, there is an increased demand for qualified mariners. Right now, the international fleet is facing a severe shortage of qualified crews. The various ship operators have even resorted to poaching officers from each other, paying over \$20,000 a month for qualified officers.

As the size of the fleet expands and the qualified mariner pool shrinks, there is a significant chance that the standard of education will suffer and mariners with substandard training will begin taking these jobs. That puts our nation at risk. If this shortage is not addressed, it will only be a matter of when, not if, a major safety incident takes place.

Security is also a major concern. As you know, a number of studies discuss terrorist attacks on LNG tankers. MEBA believes that the greatest threat to an LNG tanker would come from a knowledgeable crew member deliberately sabotaging the vessel. Therefore, we must

ensure proper vetting for LNG crews. Because there is no uniform, completely trustworthy system for vetting foreign mariners, this is next to impossible under the current system. Background checks of the level of thoroughness conducted on Americans by the Coast Guard and TSA are *only* performed on Americans, and not foreign crews. While the Coast Guard does require crew lists from vessels entering U.S. ports, they have no real way to be sure that those foreign crews onboard are who they say they are. U.S. merchant mariners receive their credentials to work from the Coast Guard – foreign seafarers do not. U.S. mariners undergo extensive background checks through the FBI. Foreign seafarers do not. U.S. mariners are vetted through the National Driver Record Database. Foreign seafarers are not. Soon, U.S. mariners will be subject to terrorism background checks through the TSA. Foreign seafarers will not. Finally, U.S. merchant mariners are U.S. citizens or persons lawfully admitted for permanent residency. The mariners crewing these ships are not.

My solution to these problems is a simple one: Use U.S. crews on LNG vessels calling on U.S. ports. Americans are available, well trained, economical and thoroughly vetted. Putting Americans onboard these ships will go a long way to ensuring the safety and security of these vessels both at home and abroad.

The United States is a leading producer of mariners. All of the state and federal training academies and Union training schools have added or updated their LNG classes. The Calhoun MEBA Engineering School, for instance, recently installed a state-of-the-art vessel and LNG simulator. Right now, MEBA has a pool of qualified and experienced senior LNG mariners who are ready, willing, and able to sail LNG ships.

And, as I have already stated, we undergo the most rigorous background checks in the maritime world.

Despite all of this, it has been extremely difficult for Americans to break back into the LNG trade. Foreign prejudice against American mariners is

rampant. Congress has recognized this and has taken steps to assist us. Thanks in part to these efforts, three operators have agreed to expand their LNG crews to include U.S. citizens. These companies, Suez LNG, Freeport-McMoRan, and Excelerate Energy must be commended. I am pleased to announce that MEBA has recently signed a Memorandum of Understanding with Excelerate Energy that will allow our members to sail on their international fleet of LNG tankers. This is a major step forward for the U.S. merchant marine and we look forward to a continued and long-term relationship with Excelerate. We hope the other two operators will soon follow suit.

We have made progress, but we can't afford to rest here. The responsible operators I've mentioned are only a portion of the LNG industry. Congress must continue to press for Americans onboard LNG vessels, and MEBA offers any assistance you may need in this endeavor.

I would be happy to answer any questions you may have. Thank you.