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THE MILITARY SEA TRANSPORTATION SERVICE

A lecture delivered at the Naval War College

by

Vice Admiral Lawson P. Ramage, U.S. Navy

on 6 February 1969

It is a real privilege for me to appear on this rostrum, particularly since you already have heard from the foremost authority on strategic mobility. Hopefully, this is an indication of your growing interest in sealift.

I have a twofold purpose in coming here today. In the first place, I want to provide information about one of the most important operations in the Navy, one that is little appreciated—the Military Sea Transportation Service, more generally referred to as MSTS. In the second, I want to speak about the significance of sealift to our national military posture and our overall economy.

Historically, MSTS has a record in which we take much pride. It was established just 20 years ago by a merger of the Army Transport Service with the Naval Transportation Service in a successful attempt to combine similar

functions to achieve greater efficiency and economy. In those 20 years MSTS not only has performed routine point-to-point transportation of personnel, cargo, and petroleum, but it also has been involved in practically every military emergency that has taken place: in Korea, Suez, Quemoy, Lebanon, the Congo, the Berlin buildup, Cuba, the Dominican Republic, and now Vietnam.

As the executive agency for ocean transportation for the Department of Defense, MSTS comes under the Secretary of the Navy in his capacity as Single Manager for Ocean Transportation. And as a major operating command of the Navy, MSTS comes under the aegis of the Chief of Naval Operations. I also want to emphasize that MSTS is truly a military organization, and its primary mission is to be responsive to the needs of the combatant forces wherever they may be overseas.

To carry out the assigned responsibilities of MSTS, we have four major area commands around the world in addition to our headquarters in Washington. These area commands are located in New York, San Francisco, Yokohama, and Bremerhaven. Within these four commands are 20 offices strategically placed to meet the requirements of the military services.

Now there are 152 ships of all types in what we call the MSTS "nucleus" fleet because it is the basis of any expansion that may be required. Unfortunately, all but 20 of these ships are veterans of World War II and hence are nearing the end of their productive lives. The nucleus fleet has many capabilities, as represented by the variety of its composition. There are dry-cargo and small coastal ships, refrigerator and roll-on/roll-off ships, aircraft ferries, heavy-lift ships, tankers, and transports as well as an assortment of special project ships. Whenever the resources of this nucleus fleet do not meet the requirements placed upon MSTS, its capabilities are augmented by chartering the required tonnage from private owners. The combination of nucleus and chartered ships is what we call the MSTS "controlled" fleet. This fleet now runs to over 500 ships and at one period ran as high as 575.

In addition to the "controlled" fleet, MSTS uses space on the established steamship lines on regular routes to carry less-than-shipload lots of cargo.

The mission of MSTS is fourfold:

To provide an immediate sealift capability to support approved contingency or general war plans or other emergencies;

To plan for and be capable of expansion in time of emergency or war as necessary;

To provide sea transportation for personnel and cargoes of the Department of Defense; and

To meet all requirements of the Department of Defense (except those

met by fleet ships) for purposes other than transportation.

Since the establishment of MSTS we have consistently emphasized the obligation imposed by the first mission to respond immediately to requirements for sealift in time of military emergency.

With respect to the second of our missions, MSTS must be part of all planning involving logistic movements overseas. We are, in the final analysis, the sealift command; we are the specialists; we have the expert knowledge of what ships are available and where; of what can be loaded and what can be discharged with ships' gear; of what ports and harbors are suitable; of what the seagoing labor situation is and how to find crews to man the ships as well as the hundred-odd additional significant aspects of ship operation.

In this connection, I have been appalled in recent months to discover how many senior officers of all services, particularly those who are intimately concerned with forward planning, have no real conception of the problems of moving troops and equipment to the objective area. Therefore, I want to emphasize to you the fact that ocean transportation is a matter which demands, and must be given, the utmost thought and careful consideration.

Our experience in Vietnam is an excellent case in point. At the start of the major buildup in 1965, there was an immediate demand for large numbers of ships. It soon became apparent that sufficient tonnage could not be obtained from our limited maritime resources. Therefore, it was necessary to turn to the National Defense Reserve Fleet, and 170 old ships--veterans of two previous wars--were pulled out and activated over the next 2 years.

But even before the shipping situation eased, we ran into even greater difficulties at the other end. Saigon, the only deep-water port, soon became hopelessly congested; and ships were

forced to wait weeks and even months to discharge until additional port facilities were constructed. To augment these facilities, tug and barge service was added in 1966; and subsequently, in July 1967, limited container service was inaugurated to Danang and later in November to Cam Ranh Bay, with shuttle service to Saigon and Qui Nhon. Even today, port and terminal services are barely adequate; delays in discharging ships are not uncommon. This is due primarily to the fact that port facilities have continually lagged behind the buildup in shipping.

My third mission, you will recall, is to provide sea transportation. To illustrate the magnitude of this responsibility, a few statistics are in order. To Vietnam alone, our lift of dry cargo during 1968 averaged 1.1 million measurement tons each month or 38,000 measurement tons every day. To other parts of the world we averaged, during the same period, an equal amount. Compare, as a matter of interest, those figures with that of our total airlift for the same period. We also transport vast quantities of petroleum products, the average being approximately 18 million barrels per month. It is significant that for the duration of the war in Vietnam, over 98 percent of all the cargo that has been sent there has gone by sea and has moved under the aegis of MSTs.

Finally, MSTs provides the seagoing platforms in support of the national space program and other scientific research projects, ranging from missile tracking and assistance in the Apollo shots to oceanographic and hydrographic studies. We take appropriate pride in the remarkable achievement of the U.S. Naval Ship *Mizar* in locating the remains of the *Scorpion*.

The *Mizar* is one of 36 special project ships we operate for various Department of Defense sponsored agencies. In doing so we operate under what is known as the Navy Industrial Fund. This financial

arrangement permits a common-use agency such as MSTs to charge its customers for services actually rendered. It gives the agency the flexibility to expand or contract its operations as dictated by prudent business management. We differ from a commercial enterprise in that we must make no profit and sustain no loss from our operations. If our revenue exceeds our expenses to any marked extent, our billing tariff rates are reduced; and, conversely, if our revenues are insufficient to defray our expenses, our rates must be raised. Special project ships and, in unusual circumstances, other ships are billed either on a per diem basis or, at the specific request of the sponsor, on a reimbursement basis.

Then, in accordance with the charter of MSTs, the following major functions are assigned by the Secretary of Defense to this command:

To maintain and operate the DOD ocean transportation system;

To provide ocean transportation planning support to the Joint Chiefs of Staff, the unified and specified commanders, and the military services as necessary to implement the plans and operations of the Joint Chiefs of Staff;

To procure ships outside the MSTs fleet by bareboat, time, or voyage charter or by allocation from other Government agencies, and to produce cargo and passenger space in commercial ships; and

To plan the operations of and schedule MSTs-controlled ships.

We respond to the requirements levied on us by the so-called "shipper services"—better known to you as the Army, Navy, Marine Corps, and Air Force—as well as the unified and specified commanders. If capability is short or there is a conflict between the requirements of the services for ocean transportation, the Joint Chiefs of Staff determine the priority of what should move first. In any event, it is our responsibility to provide the means to

accomplish the job to the satisfaction of the shipper.

In the process of matching requirements and capabilities, the shipper services provide MSTS with a forecast of their transportation requirements for the ensuing fiscal year. These serve as the basis for the MSTS operating force plan and the MSTS budget. The services also submit, on the 15th of each month, the specific requirements for the succeeding 4 months. These are used to plan for the actual utilization, acquisition, and disposition of shipping.

Our experience has been that the annual forecast is satisfactory for making up the MSTS operating force plan and estimating transportation costs, while the detailed requirements provided to us on the 15th of each month are generally pretty accurate for the succeeding month. Beyond that, the information is only useful as an indication of future trends and is an aid in planning.

Cargo destined to the continental United States from overseas is under the cognizance of the theater commanders. While the same routine of 4-months forward planning is followed, the unpredictability of retrograde cargo tends to nullify the long-range predictions. It often works out that cargo becomes available on a sporadic, rather than a planned and forecast basis. However, there is always adequate space for all retrograde cargoes.

In addition, at the strategic level we work closely with the Special Assistant for Strategic Mobility (SASM) in the JCS. In the MSTS charter the following stipulation is made:

The Joint Chiefs of Staff will . . . task MSTS singly or jointly with Military Traffic Management and Terminal Service (MTMTS) and the Military Airlift Command (MAC) to provide such information and assistance, within their respective capabilities, resources and areas of responsibility as may be required to enable the Joint Chiefs of Staff and the Special

Assistant for Strategic Mobility to fulfill their movement responsibilities and implement their capability to act effectively as the interface between the military services and the single manager operating agencies.

In carrying out this relationship, we have a military member of the MSTS headquarters staff on permanent assignment as liaison officer with SASM. This has resulted in a mutually productive flow of information in both directions. This liaison officer attends the staff meetings of the Joint Transportation Board and serves on appropriate working groups within the secretariat.

Up to this moment, despite the heavy pressures of the Vietnam war, the need for a Defense Transportation Agency, which would absorb the present single manager transportation agencies, has not been apparent. To restructure these agencies to fit into one large complex would be inefficient at this time. Exactly what effect the establishment of a Defense Transportation Agency would have on the present procedures for providing sealift for the military cannot, of course, be projected until such a plan is available for review.

Now I want to describe the role of MSTS in support of operations in Southeast Asia in some detail because of the problems encountered and to indicate some of the solutions we have developed.

First, as I have already mentioned, we had to augment the capability of the privately owned American merchant marine by reactivating 170 ships from the National Defense Reserve Fleet. The first lesson we learned was that many of these ships were in worse condition than anyone had reason to expect, and the average cost of returning these ships to active service was therefore extremely high. In fact, some of the ships were placed in drydock and inspected, only to be condemned there and then as not fit for service. Twenty-eight other ships in marginal condition, which were acti-

vated by reason of necessity have since been returned to NDRF for scrapping. Their places have been taken by containerships.

The obvious lesson to be drawn here is that ships built 25 years ago are obsolete, relatively inefficient, and unpredictable in their performance despite extensive repairs and costly overhauls.

Another area of concern is that of personnel. The merchant marine manpower pool in the United States is barely adequate to cover the hulls afloat. Crew shortages and consequent ship delays have been a continuing problem almost from the outset of the Vietnam escalation. Furthermore, our merchant seamen are getting old; a recent study showed the overall average age was about 50. The maritime unions have also developed very attractive pension plans which permit seafarers to come ashore after 20 years of sea service, regardless of age. Consequently, many men have retired, and more are expected to take advantage of these benefits as the demand diminishes for their services on the Vietnam pipeline.

The lesson here is that we may have ships in reserve, but we may not have the manpower to crew them. At the present time not many young men are being attracted to this service; and therefore we can expect that in any future contingency, if reserve ships are needed, the difficulties of providing qualified personnel will be very serious indeed.

Even with the augmentation of the merchant fleet from the NDRF, it has been necessary for MSTC to charter a large number of ships from all segments of the merchant marine. On 10 January 1969 we had a total of 150 ships under charter. In addition, it has been estimated that about 40 percent of the capacity of the ships in normal berth service is devoted to military cargo. The aggregate of the military lift, therefore, is about 60 percent of total capacity.

In this connection, it seems very

significant that in calendar year 1964 the total participation of U.S. ships in our waterborne foreign trade was 9.2 percent, whereas in calendar year 1967 it was down to 5.6 percent. The conclusion seems warranted that the American merchant marine is unable to carry on its business as usual and support a military operation of the size of Vietnam.

Possibly closely related to the military requirement in explaining the loss of commercial business is the fact that our fleet is old and nonecompetitive. We had a total of 931 ships in the merchant fleet on 1 January 1969. Of this number, 670 were 20 or more years old. In other words, 68 percent of our active merchant fleet is obsolete, and the entire NDRF is over 25 years of age. Consequently, the reserve fleet is a disappearing asset. The Acting Maritime Administrator told a congressional committee last April that for the next 10 years the backbone of the NDRF would be about 130 ships which would be "mothballed" when they are released from active Vietnam service. The 37 Victory ships not activated were expected to be available only until 1975. To put it bluntly, by 1978 the NDRF will have disappeared as a source of augmentation for military sealift.

There is another lesson to be learned from our experience in supporting the operations in Vietnam. This is that the so-called "effective U.S. control" fleet of ships under Panamanian, Liberian, and Honduran registry is not really available except in times of all-out mobilization. To understand fully the significance of this statement, a few words of explanation are necessary.

There are 2,018 ships flying the flags of Liberia, Panama, and Honduras. However, only 412 ships of this huge fleet are owned by American citizens and thereby subject to recall by the Maritime Administration in the event of national emergency. While these ships are considered to be under "effective

control," they are not obligated to respond except when requisitioning of American flag ships is directed. However, no requisitioning of ships has been authorized since World War II. Furthermore, at the time the Suez Canal was closed in 1967, we appealed to owners of these "effective U.S. control" ships for help. Many ships were offered in. However, when we sorted through these prospects we found that only two were really serious candidates for possible charters.

The lesson here is important. The "effective U.S. control" fleet is not a bankable asset that military planners can depend on. Furthermore, since all these ships are foreign manned, they can be sailed only to such areas as their crews are willing to go.

Now let us look at another critical aspect of sealift. In recent years petroleum and its products have become increasingly important to military operations; and, therefore, the existence of a fleet of American tankers to carry the fuel needed by the combat forces worldwide is of major concern to logistical planners. Since October 1966 there has been a shortage of American tankers, and to effect required deliveries we have had to charter as many as 35 foreign tankers. Recently, with the bombing halt in Vietnam, we have finally been able to release all of these.

The lesson here is similar to one already noted. Just as the dry-cargo merchant fleet is unable to carry on business as usual and still support a Vietnam-size war, so is the tanker fleet. Our military airlift as well as combat operations could be seriously affected by a shortage of tankers. Furthermore, it should be recognized by the military that the needs of the civilian economy cannot be overlooked; and, therefore, it is proper to ask whether in any limited war there will be sufficient tankers to meet both military and civilian requirements.

There is one more lesson that de-

serves your consideration. This relates to the so-called "container revolution" which is sweeping through the merchant fleets of the world and, in all probability, will end in the virtual disappearance of the break-hulk common carrier which has served the ocean trade routes for so many years.

Our logistical support operations to Vietnam commenced with standard break-bulk ships. The obvious economies of using containers soon attracted the attention of Pentagon planners; but the lack of suitable real estate for the necessary marshalling yards and a shortage of piers and cranes to handle such ships combined to delay instituting container service until July 1967, or approximately 2 years after the commitment of American combat divisions to Vietnam. The container movement of cargo to Vietnam has been extremely successful, and we are continually increasing this service as fast as it can be accommodated.

This fact, however, should not blind us to the reality that the military must have conventional break-bulk ships for at least some of its cargo for the long-range future. The increasing substitution of the container ship for the conventional break-bulk ship is reducing the capability of the military to move its outsized and heavy equipment conveniently in ships of the merchant marine and may precipitate the decision to have the Government underwrite, for military purpose, ships which otherwise would not be economically productive for commercial purposes.

The situation confronting us is quite obvious. The military must have adequate and suitable shipping to support our forces overseas. If the merchant marine is unable to provide this kind of transportation, then the Department of Defense must find an alternative means of satisfying these requirements. Frankly, I cannot see our merchant marine as a potential source for such support unless there is a drastic change in our

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national maritime policies. Our current shipbuilding programs of 10 to 15 ships per year will never fill this void. Likewise, rising labor costs and recurrent strikes are having a devastating effect on the industry. Consequently, there is little incentive to build new ships as long as there is no hope of competing with the low-cost foreign carriers which do enjoy full support from their respective governments.

In any case, the Department of Defense must assume a greater share of this responsibility if it expects to get a piece of the action. Over the past 20 years MSTS has never acquired a single ship through any Navy shipbuilding program. Our only new dry-cargo ships, the USNS *Comet* and the USNS *Sealift* (both roll-on/roll-off types), were funded under special legislation. Our other fairly modern ships were obtained from the Maritime Administration.

Under the circumstances, MSTS has had to resort to the only other alternative available--a charter and build program. This is an arrangement where we provide a long-term charter for a ship to be built to our specifications by private capital. The gas turbine ship *Adm. W. M. Callaghan* was the first such venture. This ship is owned and operated by the Sunexport Company exclusively for MSTS.

In 1967 we went the same route for five new tankers. The first one has already been delivered; the remaining four are expected to be on berth by the end of the year. And we are currently negotiating for nine more tankers. All these ships are destined to replace the old T-2 tankers in our nucleus fleet.

Then, as you know, the DOD has been attempting to get approval for 30 Fast Deployment Logistic ships as an adjunct to the the C-5A's in support of its strategic mobility concept. For 2 successive years Congress has refused to fund the FDL program. Accordingly, this program has been revised downward to 15 FDL ships plus 30 merchant types

to be acquired by MSTS. In this year's budget submissions the DOD is seeking funds for three FDL's and authorization for MSTS to charter and build 10 of the cargo ships as a first increment in this program.

So, in appraising the usefulness of the MSTS active nucleus fleet, it must be remembered that included in the 152 ships are 36 special project ships operated for other Government agencies, three transports, 10 specialized carriers, plus 42 tired old LST's which provide shuttle service between ports in the Far East. In essence, then, the real heart of our fleet is comprised of only 39 dry-cargo ships of all types and 26 tankers. I must say the future holds little promise of any great improvement. As presently planned, acquisitions will be primarily replacements for the nucleus fleet.

Projecting our merchant fleet as it exists today forward to 1978, without any replacement program and assuming no attrition except that caused by time, we will have 182 ships that will be serviceable and 799 that will be over 25

BIOGRAPHIC SUMMARY



Vice Adm. Lawson P. Ramage, U.S. Navy, did his undergraduate work at the U.S. Naval Academy (Class of 1931) and is a graduate of the Naval Postgraduate School, the Armed Forces Staff College, and the Naval War College. He has had extensive experience in the submarine force which includes Director, Antisubmarine/Submarine Warfare Division, OPNAV, and Deputy Commander, Submarine Force, U.S. Atlantic Fleet. Prior to assuming his present position as Commander, Military Sea Transportation Service, he was Commander First Fleet and, subsequently, Deputy Commander in Chief, U.S. Pacific Fleet. Vice Admiral Ramage holds numerous medals and decorations among which is the Medal of Honor.

years old. There will, of course, be some new construction, but how much is unpredictable at this time. And, finally, the National Defense Reserve Fleet will be wiped out by 1978.

Everyone will admit to a keen awareness of this situation, yet an apathetic attitude generally prevails. Ocean transportation is just taken for granted. Thanks to the massive building program just before and during World War II, there has been no real shortage of ships to date. Sealift has been provided in a timely and adequate fashion. But this industry, which has served so honorably and well, is now gravely sick. It is being kept alive primarily by large injections of Government-sponsored cargoes. But this is not enough. Ultimate survival will require major surgery through legislation as well as large transfusions of new blood. It's time that our patient be

placed in a private ward and subjected to intensive care.

The merchant marine has often been referred to as the fourth arm of defense, which may account for it being treated as a useless appendage. It is rather the basic pedestal or foundation upon which our whole defense posture rests. Without sealift it is impossible to move or support our combat forces overseas. Sealift has played a major role in every military engagement this country has undertaken since the turn of the century. It is needless to add that future planning that does not make provisions for adequate sealift will be totally invalid. Therefore, the needs of the military must be stated positively and emphatically; and programs must be prepared and supported by which sealift, so vital to our defense posture, will be available when needed.



The naval strength of the enemy should be the first objective of the forces of the maritime Power both on land and sea.

Colonel G.F.R. Henderson, 1854-1903