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# Sealift: Commercial shipping's potential in military logistics

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**EXECUTIVE SUMMARY** 

- Britain faces critical vulnerabilities in its logistical supply chains and sealift capacity. Force sustainment is threatened by a limited and ageing government-controlled sealift capacity, a declining military useful merchant fleet, and an overreliance on ad hoc charters.
- British decision makers often overlook the role of commercial shipping in military logistics, despite historical precedents. While commercial solutions should not replace government-controlled sealift capacity, it can be a valuable complementary resource when demand for sea transport increases rapidly.
- To ensure effective sealift and fleet readiness, the Ministry of Defence (MOD) should assess fleet requirements, secure long-term commercial partnerships to fill capacity gaps, improve coordination and proactive planning, and incentivise national shipping to guarantee logistical support for future operations.

mid diversifying security threats in a contested maritime environment, the United Kingdom (UK) faces critical vulnerabilities in its logistical supply chains and sealift capacity. Sealift can enable the deployment and sustained presence of a substantial force in an overseas theatre.<sup>1</sup> While Britain faces growing threats from aggressors within its own waters – such as hostile underwater activity – the nuclear deterrent allied to the country's maritime geography means expeditionary operations are still likely. This makes sustainment and rapid resupply during extended operations a pressing concern. Recent events, including the contestation and denial of trade routes as seen in attacks on shipping in the Red Sea, underscore the need for resilient supply chains to ensure national security.

The UK's ability to maintain a global presence and respond at the 'speed of relevance' in distant and increasingly contested environments depends on a sufficient strategic lift and logistical support capacity.<sup>2</sup> Because military equipment, personnel, and supplies are primarily transported by sea, the ongoing Strategic Defence Review should make logistics, sealift, and sustainment of forces, one of its key issues. A robust logistical support capacity, swift transport of troops and equipment, and timely reinforcements are essential for conducting a wide range of operations both within Europe and beyond. The worsening security environment, particularly in Europe and the Middle East, underscores the growing requirement for sealift capabilities to reinforce operations at short notice.

Previous operations have often relied on chartering or requisitioning suitable commercial vessels to augment sealift, dependent on an ability to secure such capacity rapidly.<sup>3</sup> A limited and ageing government-controlled sealift capacity and a declining British-registered merchant fleet,<sup>4</sup> alongside the unpredictability of relying on ad hoc charters or 'Ships Taken Up From Trade' (STUFT), could now jeopardise force sustainment amid rising operational demands.<sup>5</sup> Therefore, assessing fleet capacity and requirements across various scenarios to identify fleet readiness gaps and secure *complementary* commercial capacity to fill such gaps becomes essential.

Despite operating at distance with extensive networks and logistical expertise that complement military capabilities, British decision makers often overlook collaboration with commercial logistics partners. This also applies to military

<sup>&</sup>lt;sup>1</sup> 'Written evidence submitted by Rear Admiral (Rtd) David Snelson and Lieutenant General (Rtd) Sir James Dutton (RMA0066)', Defence Select Committee, 17/12/2017, https://committees.parliament.uk/ (checked: 14/11/2024).

<sup>&</sup>lt;sup>2</sup> 'National maritime security strategy', HM Government, 15/08/2022, https://www.gov.uk/ (checked: 14/11/2024).

<sup>&</sup>lt;sup>3</sup> 'Sunset for the Royal Marines? The Royal Marines and UK amphibious capability', Defence Select Committee, 04/02/2018, https://publications.parliament.uk/ (checked: 14/11/2024).

<sup>&</sup>lt;sup>4</sup> British-registered vessels refer to vessels registered in the United Kingdom (UK ship register), Isle of Man and the Channel Islands, and UK overseas territories.

<sup>&</sup>lt;sup>5</sup> 'UK armed forces equipment and formations 2023', Ministry of Defence, 08/03/2024, https://www.gov.uk/ (checked: 14/11/2024).



logistics and sealift, areas which, despite their importance, often are overlooked, or treated as an afterthought, in favour of cutting-edge technologies and capabilities. This raises an important question: if professionals talk logistics, where are the professionals at?

This Primer identifies the need for complementary commercial shipping solutions in military logistics, improved coordination and proactive planning, a strategic assessment of fleet capacity, and incentives for national shipping, to ensure sealift and logistical support for future operations.

#### **Historical context**

Historical experiences underscore the vital role of the merchant fleet in supporting the military both in peacetime and in wartime (and everything in between). Franklin D. Roosevelt, President of the United States (US) (1933–1945), referred to the merchant fleet as the nation's 'fourth arm of defence', in providing logistical support for military operations as auxiliary assets and logistical hubs.<sup>6</sup> Operational demands have often required governments to use civilian vessels to augment sealift capacity. At the outset of Operation Telic in 2003, more than 60 merchant ships were needed to transport British equipment to the Arabian Gulf.<sup>7</sup> During the same operation, airlift was constrained not by aircraft availability, but by limited landing slots at regional airfields.<sup>8</sup> While air transport can rapidly deploy small forces, it can never replace the mass capacity sealift enables.<sup>9</sup> Sea transport also presents notable advantages over strategic airlift beyond Europe, capable of operating in any region where protection can be assured, and where rivals might compromise overflight rights.

To delve further into historical context, the complex naval campaign and 8,000-mile-long logistics chain during the Falklands War saw 45 vessels chartered or requisitioned to complement an insufficient government-owned capacity.<sup>10</sup> Without the extra capacity provided by these ships, British forces simply would not have been supplied with enough food, fuel, and ammunition to liberate the islands. The British merchant fleet's vital role in sustaining the war

https://committees.parliament.uk/ (checked: 14/11/2024).

<sup>&</sup>lt;sup>6</sup> See: Sonha Gomez, 'Rebuild the Merchant Marine', US Naval Institute, 10/2024, https://www.usni.org/ (checked: 14/11/2024) and Sidharth Kaushal, 'Lessons from the Black and Red Sea on the Use and Design of Future Fleets', Royal United Services Institute, 09/08/2024, https://www.rusi.org/ (checked: 14/11/2024). <sup>7</sup> 'Written evidence submitted by Rear Admiral (Rtd) David Snelson and Lieutenant

General (rtd.) Sir James Dutton (RMA0066)', Defence Select Committee, 17/12/2017,

<sup>&</sup>lt;sup>8</sup> Ibid. <sup>9</sup> Ibid.

<sup>&</sup>lt;sup>7</sup> IDIA.

<sup>&</sup>lt;sup>10</sup> See: Liam Nawara, 'Lessons for a Wartime Navy: STUFT Vessels in the Falklands War', US Naval Institute, 03/2024, https://www.usni.org/ (checked: 14/11/2024) and 'Sunset for the Royal Marines? The Royal Marines and UK amphibious capability', Defence Select Committee, 04/02/2018, https://publications.parliament.uk/ (checked: 14/11/2024).



effort during the Second World War is also widely recognised. Sir Winston Churchill stated that without the merchant navy 'the Army, Navy and Air Force could not operate.<sup>11</sup> Despite proving its utility repeatedly, the broader shipping sector's role in national security has been greatly undervalued in recent years, when effective collaboration should be a priority to secure fleet capacity during crises and conflicts.

#### The current state of British sealift capacity

Sealift provides the Ministry of Defence (MOD) with the capability to sustain forces and move equipment, personnel and supplies over extended distances in support of standing commitments and contingent operations.<sup>12</sup> Since 1905, the Royal Fleet Auxiliary (RFA) has provided sealift and logistical support, bolstered by the merchant navy in times of need.<sup>13</sup> The RFA is facing several challenges alongside increasing demands. These include, but are not limited to, recruitment and retention, an ageing and inadequate fleet, and budgetary constraints to fleet modernisation. Since 2003, the RFA has seen a 50% reduction in the number of vessels – which now total 13 – impacting overall readiness.<sup>14</sup> While the Fleet Solid Support (FSS) ships programme is a welcome development, historical experiences and current operational demands indicate a need for a scalable commercial heavy-lift and large-volume capacity to complement military sealift in sustained and dispersed operations.<sup>15</sup>

In 1998, the Strategic Defence Review identified a need for six purpose-built ConRo vessels (Point Class), to enhance military sealift.<sup>16</sup> In 2000, the MOD signed a 25-year contract with AWSR Shipping (now Foreland Shipping) or FSL) to provide these vessels, chartered under a Private Finance Initiative (PFI) arrangement.<sup>17</sup> Due to have expired in December this year, FSL was awarded the contract for an interim strategic sealift capability until December 2031, pending a long-term solution.<sup>18</sup> While four strategic sealift vessels remain part of the fleet contracted to the MOD, a decision is needed urgently to ensure a viable

<sup>&</sup>lt;sup>11</sup> P.Andrews, 'The Unsung Heroes of the Sea', ANZAC Day Commemoration Committee, No date, https://anzacday.org.au/ (checked: 14/11/2024).

<sup>&</sup>lt;sup>12</sup> Richard Scott, 'UK sets sights on interim strategic sealift capability', JANES, https://www.janes.com/ (checked: 14/11/2024).

<sup>&</sup>lt;sup>13</sup> 'Diminishing strength of the Royal Fleet Auxiliary undermines the Royal Navy's global reach', Navy Lookout, 10/05/2024, https://www.navylookout.com/ (checked: 14/11/2024).

<sup>&</sup>lt;sup>14</sup> 'In dire straits – the RFA in crisis', UK Defence Journal, 17/10/2024, https://ukdefencejournal.org.uk/ (checked: 14/11/2024) and 'Diminishing strength of the Royal Fleet Auxiliary undermines the Royal Navy's global reach', Navy Lookout, 10/05/2024, https://www.navylookout.com/ (checked: 14/11/2024).

<sup>&</sup>lt;sup>15</sup> Kate Tringham, 'UK Fleet Solid Support ship programme achieves preliminary design review milestone', JANES, 22/10/2024, https://www.janes.com/ (checked: 14/11/2024).

<sup>&</sup>lt;sup>16</sup> 'Transporting military hardware around the world – UK strategic sealift', Navy Lookout, 09/03/2022, https://www.navylookout.com/ (checked: 14/11/2024).

<sup>&</sup>lt;sup>17</sup> *Ibid*.

<sup>&</sup>lt;sup>18</sup> Ibid.



delivery plan beyond 2031.<sup>19</sup> Britain's sealift fleet has been essential to supporting operations in Europe, including but not limited to the transport of equipment to Germany and the Baltic states. The vessels are also crucial to sustaining the UK's military presence in Gibraltar, Cyprus, and the Middle East.

For the purposes of heavy military transport and amphibious operations, the Ro-Ro shipping segment is of particular interest, with some vessels designed specifically for heavy equipment and breakbulk cargo, with a ramp capacity of up to 500 tonnes (or nine Challenger 3 tanks). Rapid loading and unloading capabilities, a shallow draft design allowing access to smaller ports (of value as larger ports are likely to be targeted in war zones), and versatility combine to make Ro-Ro vessels a flexible transportation means with minimal conversion needs, suitable also for humanitarian relief efforts.

Another critical component of a resilient sealift strategy is maintaining a fleet of British- flagged vessels, ensuring that the UK can access necessary resources and services in times of crisis. Over recent decades, numerous shipping companies have opted to register their vessels under foreign flags or 'flags of convenience', managed in one country and owned in another.<sup>20</sup> This risks leaving the merchant fleet insufficient to meet critical transport and supply demands, having to rely on foreign-flagged and foreign-crewed vessels. Between 2009 and 2023, a 41% decrease in *militarily useful* British-flagged vessels was observed, from 841 to 495.<sup>21</sup> The number of Ro-Pax (roll-on/roll-off passenger) and Ro-Ro freight vessels available for military transport is no exception, having decreased by 68% and 48% respectively, significantly impacting UK fleet readiness.<sup>22</sup> Tankers and container vessels also experienced a significant decline.

This decline is due to a wider drop in British–flagged vessels because of higher operating costs and strict regulations, fewer vessels being built in the UK, and the scrapping of older vessels.<sup>23</sup> Additionally, changes in policy and budget constraints have further limited resources for maintaining a strong national fleet.

<sup>&</sup>lt;sup>19</sup> 'Sunset for the Royal Marines? The Royal Marines and UK amphibious capability', Defence Select Committee, 04/02/2018, https://publications.parliament.uk/ (checked: 14/11/2024).

<sup>&</sup>lt;sup>20</sup> Charlotte Kleberg, 'The Search for a High Seas Solution', RAND, 17/01/2024, https://www.rand.org/ (checked: 14/11/2024).

<sup>&</sup>lt;sup>21</sup> Militarily useful vessels are defined as vessels that can be requisitioned under the STUFT to support the Armed Forces in appropriate circumstances. See: George Allison, 'Huge drop in "Militarily Useful" British vessels' *UK Defence Journal*, 19/11/2023, https://ukdefencejournal.org.uk/ (checked: 14/11/2024) and 'UK armed forces equipment and formations 2023', Ministry of Defence, 08/03/2024, https://www.gov.uk/ (checked: 14/11/2024).

<sup>&</sup>lt;sup>22</sup> 2021: 13 British-registered Ro-Pax vessels. 2022: 18 British-registered Ro-Ro vessels. See: 'UK armed forces equipment and formations 2023', Ministry of Defence, 08/03/2024, https://www.gov.uk/ (checked: 14/11/2024).

<sup>&</sup>lt;sup>23</sup> George Allison, 'Huge drop in "Militarily Useful" British vessels', UK Defence Journal, 19/11/2023, https://ukdefencejournal.org.uk/ (checked: 14/11/2024).



### The US is facing similar challenges

This is by no means a problem unique to Britain. The US Government has recognised that a deficit in sealift capability is a 'critical national security vulnerability', with American vessels having dropped nearly two-thirds in the past three decades.<sup>24</sup> This decline affects both the government-owned Ready Reserve as well as the wider merchant fleet currently at 180 ships and 12,000 seafarers.<sup>25</sup> This is particularly concerning for a possible future conflict with the People's Republic of China (PRC). Maritime power will be crucial to any such conflict and the PRC possesses 6,000 vessels and 1.7 million seafarers.<sup>26</sup> The PRC also recognises the utility of commercial vessels in military logistical operations, having adjusted its shipbuilding standards in 2015 to enhance the military utility of commercial vessels through reinforced ramps, helipads, and enhanced communications systems. The People's Liberation Army Navy (PLAN) - the PRC's naval force - frequently exploits commercial vessels to augment shipping capacity and military sealift capability.27 In 2022, some 30 commercial Ro-Ro vessels participated in sealift exercises.<sup>28</sup>

The US Special Operations Command (SOCOM) utilises converted vessels like roll-on/roll-off (Ro-Ro) vessel MV Ocean Trader, similar in design to the MoD-leased Point-Class vessels. Several American programmes aim to enhance sealift capacity, notably the Maritime Security Programme (MSP), established in 1996, which maintains a fleet of commercial vessels for international trade, ensuring access to 60 ships and over 2,400 trained mariners.<sup>29</sup> In return for their availability during wartime or national emergencies, the MSP provides financial stipends to US-registered vessels, creating a sealift capability that would be too costly for the government to replicate. The programme was later complemented by the Voluntary Intermodal Sealift Agreement (VISA), through which US-flagged merchant vessels offer their capacity in exchange for priority access to Department of Defence cargo in peacetime, with a three-stage activation process to minimise operational disruption.<sup>30</sup> These arrangements provide

<sup>&</sup>lt;sup>24</sup> Eric Ebeling, 'Steps Congress Can Take to Address the National Maritime Security Gap', The Defence Post, 30/09/2024, https://thedefensepost.com/ (checked: 14/11/2024) and 'House Committee Seeks Answers to the Decline of US Sealift Readiness', The Maritime Executive, 07/02/2024, https://maritime-executive.com/ (checked: 14/11/2024).

<sup>&</sup>lt;sup>25</sup> Ibid.

<sup>&</sup>lt;sup>26</sup> Eric Ebeling, 'Steps Congress Can Take to Address the National Maritime Security Gap', The Defence Post, 30/09/2024, https://thedefensepost.com/ (checked: 14/11/2024) and Sonha Gomez, 'Rebuild the Merchant Marine', US Naval Institute, 10/2024, https://www.usni.org/ (checked: 14/11/2024).

<sup>&</sup>lt;sup>27</sup> Gordon Arthur, 'China continues to exploit commercial shipping for sealift', Naval News, 12/10/2023, https://www.navalnews.com/ (checked: 14/11/2024).

<sup>&</sup>lt;sup>28</sup> Matthew P. Funaiole et al., 'China Accelerates Construction of "Ro-Ro" Vessels, with Potential Military Implications', China Power, 11/10/2023, https://chinapower.csis.org/ (checked: 14/11/2024).

<sup>&</sup>lt;sup>29</sup> Eric Ebeling, 'Steps Congress Can Take to Address the National Maritime Security Gap', The Defence Post, 30/09/2024, https://thedefensepost.com/ (checked: 14/11/2024).

<sup>&</sup>lt;sup>30</sup> 'Voluntary Intermodal Sealift Agreement (VISA)', Department of Transportation (US), 20/10/2020, https://www.maritime.dot.gov/ (checked: 14/11/2024).



flexibility and lower costs in military logistics without relying solely on dedicated government-owned, controlled or leased vessels.

# Possible solutions: A holistic approach

To ensure effective sealift and fleet readiness, the MOD should embrace strategic direction. This includes a strategic assessment of fleet requirements to understand what the capacity needs are, what vessel types and tonnage is available, and how it should be prioritised to meet such needs. While MOD-controlled shipping remains the preferred option, maintaining a large, military-controlled dedicated sealift fleet is expensive. Adding to this is a limited RFA capacity, an ageing MOD-dedicated Ro-Ro fleet, long lead times, and the risks posed by an ad hoc chartering of vessels due to limited influence, competitive pricing, complex ownership structures, and potential sanctions, resulting in uncertain availability.<sup>31</sup> To secure capacity quickly, a readily accessible reserve of British-flagged commercial partner vessels is essential. There are four primary ways the MOD might achieve this.

#### 1. LONG-TERM PARTNERSHIPS WITH COMMERCIAL SHIPPING

Going forward, the MOD could implement long-term strategic partnerships and pre-negotiated contracts with commercial partners to augment capacity through guaranteed access to a specified number of vessel types, otherwise engaged in commercial traffic, on short notice. This makes for a reliable availability of suitable vessels, without having to own and operate a fleet of specialised dedicated ships year-round. Depending on needs, specific vessels could also include potential conversion, modification or upgrades.

Pre-established terms, including compensation for disruptions to regular operations, facilitate the ability to sustainably upscale or downscale as needed, without the need for formal requisitioning. The assumption has long been that because ships can be requisitioned, capacity is there, overlooking the fact that the reflagging process is much quicker today than it was back in 1982, with many companies likely to prioritise high-paying contracts. However, long-term solutions depend on legislation that facilitates such arrangements over short-term ad hoc solutions.

<sup>&</sup>lt;sup>31</sup> 'Joint Doctrine Publication 4-00: Logistics for Joint Operations', Ministry of Defence, 07/2015, https://assets.publishing.service.gov.uk/ (checked: 14/11/2024).



#### 2. IMPROVED COORDINATION AND PROACTIVE PLANNING

Current events underscore the need for joint military, naval and commercial maritime defence planning to safeguard shipping capacity. To ensure that the armed forces' needs match the operational capabilities of commercial vessels, it is essential to include contractors in the planning cycle.<sup>32</sup> Effective integration and coordination also extend to training and exercises, where commercial stakeholders could be involved in planning and information exchange to enable participation without significantly impacting operations or capacity. Earlier this year, hundreds of military vehicles were shipped from Marchwood on MOD Ro-Ro vessels by 17 Port and Maritime Regiment RLC to participate in NATO's largest exercise in decades, STEADFAST DEFENDER 24.33 Military logistics units could look to incorporate commercial vessels in exercises to simulate real-world operations, using assets like the 198-tonnes capable Mexeflote landing craft. This is particularly important in the absence of functioning port infrastructure. Further, exercising together, coordinating resources, and enhancing communications systems and information sharing, becomes particularly important due to the likelihood that commercial vessels will become targets in conflicts (and the growing likelihood – as seen in the Red Sea – that they may even become targets in 'peacetime') in need of naval protection.

#### 3. UNDERSTANDING COMMERCIAL CAPACITY AND SEA LIFT REQUIREMENTS

The MOD needs a strategic effort to assess merchant fleet capacity and availability, including types, numbers, and tonnage, to identify vulnerabilities in the supply chain. While enhancing logistical coordination with allies is essential, the UK should first assess and secure its own transport needs. This assessment should be extended beyond military sustainment to address civilian defence needs and resilience, such as sustained pressures on food and energy security. This involves prioritising tonnage, numbers, and identifying suitable vessels for specific purposes, ensuring a balanced mix of ship types (Ro-Ro, container, bulk, and tankers). By aligning vessel availability with operational objectives and potential scenarios, the UK can secure access to the necessary resources.

<sup>&</sup>lt;sup>32</sup> 'Joint Doctrine Publication 4-00: Logistics for Joint Operations', Ministry of Defence, 07/2015, https://assets.publishing.service.gov.uk/ (checked: 14/11/2024).

<sup>&</sup>lt;sup>33</sup> 'Hundreds of military vehicles leave for Nato exercise' British Broadcasting Company, 13/02/2024, https://www.bbc.co.uk/ (checked: 14/11/2024).



#### **4. INCENTIVISE NATIONAL SHIPPING**

His Majesty's (HM) Government should incentivise national shipping to bolster capacity. To enhance national shipping capacity, it is essential to incentivise the use of national flags for targeted ship capacity. This could include tax breaks or subsidies for shipping companies that commit to maintaining a portion of their fleet under a British flag. A long-term stable framework for flagging conditions is crucial to instil certainty and predictability, and to foster confidence among shipowners. Such stability not only facilitates effective planning but also encourages investment in a sector that inherently involves long-term commitments. Following the challenges of flagging, the MOD should also consider and address the issue of crewing. Ensuring an adequate number of British-trained crew members to staff committed vessels presents a significant challenge.

## Conclusion

Increasing operational demands are strained by sustainment and sealift limitations, including RFA shortcomings, an ageing sealift-dedicated fleet, a declining British-flagged fleet, long lead times, and budget constraints. Historical precedents highlight the merchant fleet's vital role in military logistical support and civilian defence, yet decision makers often neglect the role of commercial shipping in resilient maritime logistics. Commercial solutions should not be viewed as a substitute for investing in and maintaining a government-controlled sealift capacity and well-balanced fleet of purpose-built RFA vessels, but as a complementary resource to government when demand for transport increases rapidly. As HM Government reevaluates strategies and priorities for sufficient ship capacity, flexibility, proactive and integrated planning, and long-term partnerships with the private sector are critical to ensure fleet readiness at the level required to project and sustain force.



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