

Congress of the United States
Washington, DC 20515

March 2015

The Honorable Mario Diaz-Balart, Chairman
Subcommittee on Transportation, Housing and
Urban Development, and Related Agencies
Committee on Appropriations
United States House of Representatives
Washington, D.C. 20515

The Honorable David Price, Ranking Member
Subcommittee on Transportation, Housing
and Urban Development, and Related Agencies
Committee on Appropriations
United States House of Representatives
Washington, D.C. 20515

Dear Chairman Diaz-Balart and Ranking Member Price:

We are writing to request that \$186 million for the Maritime Security Program (MSP) be included in the FY 2016 Departments of Transportation, Housing and Urban Development, and Related Agencies Appropriations Bill. This is the amount necessary to ensure that the U.S. Maritime Administration, in conjunction with the Department of Defense, has the funds available to fully implement the MSP. It is the same amount appropriated by Congress for the program in FY 2015 and authorized in law.

The MSP was originally enacted to ensure that the United States has the U.S.-flag commercial sealift capability and trained U.S. citizen merchant mariners available to crew the government and privately-owned vessels needed by the Department of Defense in time of war or other international emergency. Most importantly, the Maritime Security Program and the uninterrupted operation of its maritime security fleet of 60 U.S.-flag, militarily-useful commercial vessels ensures that our country will be able to support and supply our troops overseas. It guarantees that American flag vessels and American crews will continue to be available to transport the supplies and equipment our troops need to do their job in behalf of our nation.

It is extremely important to note that the failure to approve the requested funding for the Maritime Security Program will not only put American troops at risk, but will weaken America's overall security interests and will cost the American taxpayer significantly more than the amount requested for FY 2016. Our country would be faced with the option of giving foreign flag shipping interests and their foreign mariners, interests who may not share America's goals, objectives and values, the responsibility for supporting and advancing America's security interests overseas. These foreign flag shipping services will have to be paid for by the United States and it means our country will be encouraging the outsourcing of American maritime jobs as we spend taxpayer dollars on foreign flag ships and their foreign crews.

The Department of Defense has long recognized the value of a vibrant U.S. flag fleet and mariner workforces to our national security. In a March 6, 2013 hearing of the House Armed Services Committee, General William M. Fraser III (USAF) testified that, "the loss of mariner jobs, access to the related intermodal logistics networks these companies provide, and potential loss of competition in certain trade routes may degrade our current support to forces deployed overseas and likely increase transportation costs to the government," and that, "USTRANSCOM relies heavily on

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the significant capabilities the U.S. flag commercial sealift industry contributes to our nation.” General Fraser further testified that “MSP has been an extremely successful program since its inception in the mid-1990’s” and noted that MSP vessel participants would provide “over 70 percent” of the sealift capacity needed in times of national emergency.

A report prepared for the National Defense Transportation Association concluded that “the likely cost to the government to replicate just the vessel capacity provided by the MSP dry cargo vessels would be \$13 billion.” In addition, the United States Transportation Command has estimated that it would cost the U.S. Government an additional \$52 billion to replicate the global intermodal system that is made available to the Department of Defense by MSP participants who are continuously developing, maintaining and upgrading their systems. In contrast, the commercial maritime industry, through the MSP, will provide the Department of Defense with these same vessels and global intermodal system at a cost to the taxpayer of \$186 million annually, a fraction of what it would cost our government to do the job itself.

In closing, we again ask that you support this highly efficient and low-cost public-private partnership by including \$186 million in your Subcommittee’s FY 2016 appropriations legislation in order to fully implement the MSP. In so doing, you will be saving U.S. taxpayers billions of dollars because the Department of Defense will be able to utilize privately-owned U.S.-flag vessels to meet its commercial sealift requirements rather than buying and maintaining this capability on its own. Thank you for your consideration of this request.

Sincerely,



William M. “Mac” Thornberry
Chairman
House Armed Services Committee



Adam Smith
Ranking Member
House Armed Services Committee

WMT/AS: ds