



**James L. Henry  
Chairman**

October 2, 2015

Dear Representative:

On behalf of USA Maritime and its affiliated United States-flag shipping companies, American maritime labor organizations and maritime associations, we are writing to convey our strong support for H.R. 702, legislation that enhances the Maritime Security Program (MSP) and ensures that our country's commercial sealift capability will continue to be available to the Department of Defense.

H.R. 702 removes restrictions on the export of crude oil in order to provide economic and security benefits for our country and its allies. As modified by the Committee on Rules, Section 6 of H.R. 702 will result in additional national security and economic benefits for the United States. It responds to the factors that threaten the continued viability of MSP by increasing the authorized funding for MSP by approximately \$114 million in fiscal years 2017 and 2018, and by approximately \$90 million in Fiscal Years 2019 – 2021.

The Maritime Security Program and its maritime security fleet of 60 United States-flag militarily-useful commercial vessels and their U.S. citizen crews help guarantee that our country will have the commercial sealift capability to support and supply American troops stationed overseas. It further ensures that the national security interests of the United States and our allies are supported by U.S.-flag and U.S. crewed vessels rather than on foreign vessels and foreign crews. As stated in May 2015 by Rear Admiral Thomas Shannon, Commander, Military Sealift Command: "It is our U.S.-flagged merchant fleet and our mariners that ensure that our Soldiers, Sailors, Airmen and Marines are supplied. From Inchon to Iraq, our mariners and our maritime industry delivered . . . Let us not, as a nation, sign away our remaining sealift capacity to non-U.S.-flagged fleets sailed by non-U.S. mariners."

A 2006 report prepared for the National Defense Transportation Association – Military Sealift Committee concluded that "the likely cost to the government to replicate just the vessel capacity provided by 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 systems made available to DOD by MSP contractors who are continuously developing, maintaining and upgrading their logistics systems. In contrast, the commercial maritime industry, through MSP at the funding levels authorized by Section 6 of H.R. 702, will provide DOD with these vessels and systems at an annual cost to the taxpayer of \$300 million, a fraction of the estimated \$65 billion that it would cost our government to replicate this capability. As stated in H.R. 702, the Maritime Security Program "is the most prudent and economical solution to meet current and projected sealift requirements for the United States."

To ensure that the privately-owned militarily-useful U.S.-flag vessels enrolled in the MSP, the MSP vessel operators' worldwide logistics systems, and their U.S. citizen crews remain available to DOD to advance the security interests of the United States and its allies and to support and supply American troops overseas, we ask that you support H.R. 702 with its provision authorizing an increase in funding for the Maritime Security Program.