

**STRENGTHEN AMERICA’S SECURITY**  
**SUPPORT THE MARITIME SECURITY PROGRAM AND HR 702**

Section 6 of HR 702, legislation that removes restrictions on the export of crude oil, will further strengthen America’s military security by enhancing the Maritime Security Program (MSP). Section 6 (National Defense Sealift Enhancement) responds to the factors that threaten the viability of the MSP and its ability to support the security interests of the United States and our allies. It does so by increasing authorized MSP program funding by approximately \$114 million in Fiscal Years 2017 and 2018, and approximately \$90 million for Fiscal Years 2019 through 2021. **We urge that you support HR 702 with Section 6.**

*“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.”*

**Rear Admiral Thomas Shannon, Commander, Military Sealift Command, 2015**

The Maritime Security Program (MSP) is the most successful commercial sealift program available to the Department of Defense. It gives the Department of Defense access to the privately-owned U.S.-flag shipping capability and global intermodal systems, and the U.S. citizen crews, needed to protect and advance America’s security interests and those of our allies and to support and supply American troops overseas.

**However, the continued availability of the Maritime Security Program and its maritime security fleet of 60 privately-owned U.S.-flag commercial vessels and their U.S. citizen crews is at risk.** Significant reductions in the amounts of defense and other government cargoes available to U.S.-flag vessels; the proliferation of tax and other economic incentives available to foreign flag vessels and crews but not to U.S.-flag vessels and crews; the regulatory compliance requirements imposed only on U.S.-flag vessels by the U.S. government; and the growing competitive advantage for securing cargoes by foreign flag of convenience vessels which fail to meet the standards applicable to U.S.-flag vessels are threatening the continued availability of MSP to the Department of Defense.

In fact, General Paul Selva, then-Commander, United States Transportation Command, stated in March, 2015: “The reduction in government impelled cargoes due to the drawdown in Afghanistan and reductions in food aid . . . are driving vessel owners to reflag to non-U.S.-flag out of economic necessity . . .With the recent vessel reductions, the mariner base is

at the point where future reductions in U.S.-flag capacity puts our ability to fully activate, deploy and sustain forces at increased risk.”

## **NATIONAL SECURITY BENEFITS OF MSP**

*“The U.S.-flagged merchant fleet is a key tool of U.S. national security . . . “*

**Congressman Randy Forbes, Chairman, Subcommittee on Seapower, 2015**

Since 2009, privately-owned U.S.-flag commercial vessels and their civilian U.S. citizen crews have transported more than 90 percent of the sustainment cargo needed to support U.S. military operations and rebuilding programs in Iraq and Afghanistan. Significantly, vessels enrolled in MSP carried 99 percent of these cargoes. Without the assured U.S.-flag commercial sealift capability provided by MSP, U.S. troops stationed overseas could find themselves dependent on foreign vessels and foreign crews to deliver the supplies and equipment they need to do their job on our behalf.

## **ECONOMIC BENEFITS OF MSP**

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 our Government an additional \$52 billion to replicate the global intermodal systems made available to DOD by MSP contractors who are continuously developing and upgrading their logistics systems.

In contrast, MSP, at the funding levels authorized by Section 6 of HR 702, will provide DOD with these U.S.-flag, U.S. crewed vessels and systems at an annual cost to the taxpayer of \$300 million, a fraction of the estimated \$65 billion that it would cost the Federal Government to build, develop and maintain this capability itself.

## **SUPPORT HR 702 AND THE MARITIME SECURITY PROGRAM**

**Consequently, 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 America and its allies, and to support and supply American troops overseas, we ask that you support HR 702 with its provision authorizing an increase in funding for the Maritime Security Program.**