



A bold voice for transportation workers

October 5, 2015

Mr. William G. Kurfehs
Acting Director
Office of Sealift Support
Maritime Administration
1200 New Jersey Avenue, SE
Washington, DC 20590

**RE: Maritime Security Program
Notice of Proposed Rulemaking
Maritime Administration
Docket No. MARAD-2014-0043
RIN 2133-AB86**

Dear Mr. Kurfehs,

On behalf of the Transportation Trades Department, AFL-CIO (TTD), I am pleased to comment on the Maritime Administration's (MARAD) Notice of Proposed Rulemaking (NPRM) on the Maritime Security Program (MSP). By way of background, TTD consists of 32 affiliated unions that represent workers in all modes of transportation, including those who work on vessels providing sealift support under MSP.¹ We therefore have a vested interest in this rulemaking. In addition, we endorse the comments that USA Maritime filed on behalf of several TTD member unions and others, including the International Organization of Masters, Mates & Pilots, ILA (MM&P), the Marine Engineers' Beneficial Association (MEBA) and the Sailors' Union of the Pacific (SUP).

At the outset, we express our continued support of section 3508 of the National Defense Authorization Act of FY 2013 and Congress' reauthorization of MSP through FY 2025. Under this NPRM, MARAD amends several regulations that govern MSP in order to implement section 3508. As the agency knows well, TTD and our member unions have long advocated for a strong MSP that provides crucial support to our nation's military sealift capacity while also creating middle-class jobs. We continue to support MSP and believe that increasing funding for this vital program will incentivize the continuation of a vibrant U.S.-flag fleet and the thousands of good-paying jobs it supports.

¹ Attached is a complete list of TTD's member unions.

Transportation Trades Department, AFL-CIO

815 16th Street NW / 4th Floor / Washington DC 20006
Tel: 202.628.9262 / Fax: 202.628.0391 / www.ttd.org
Edward Wytkind, President / Larry I. Willis, Secretary-Treasurer



Since establishment of MSP in the 1990s, the U.S. government has successfully contracted with owners of militarily useful U.S.-flag vessels to make their ships, international logistics networks, and civilian U.S. citizen crews available to the Department of Defense (DOD). Under MSP, the government provides an annual retainer payment for each U.S.-flag commercial vessel enrolled in MSP. In return, these vessels carry cargo during wars, national emergencies and humanitarian missions, providing a reliable and safe means of transport of goods during vulnerable and extremely challenging times. For example, MSP vessels provided over 90 percent of DOD's waterborne cargo during military operations in Afghanistan and Iraq. Without MSP, the military would be forced to rely on foreign flag ships, which may not possess the readiness, capabilities or security credentials necessary to carryout vital transport missions.

In addition to providing military support, MSP's reliance on U.S.-flag vessels supports thousands of good-paying jobs. In fact, 60 vessels currently participate in MSP, employing approximately 2,700 U.S. mariners and an additional 5,000 shore-side jobs. By incentivizing vessels to fly the U.S. flag, this program keeps our maritime sector strong, supports America's defense and national security objectives, and maintains a pool of skilled and specialized American mariners.

To ensure the continuation of a strong MSP, U.S.-flag vessels owners must be incentivized to participate; however, the per-vessel stipend paid to owners has remained at \$3.1 million since 2012 and is not scheduled to increase until 2019. This stagnant stipend has failed to keep pace with inflation, and it does not provide the necessary long term stability to justify investments in militarily useful ships. This stipend also does not meet the current realities of the U.S.-flag fleet in which the drawdown of the U.S. military presence in Iraq and Afghanistan and other overseas contingencies has reduced government cargoes. Additionally, the same tax incentives available to foreign-flag vessels and crews are not provided to U.S.-flag vessels, creating a disproportionate economic advantage to non-U.S. vessels and workers. Combined, these factors serve as a disincentive for operators to participate in MSP and contribute to the risk of MSP failing to maintain existing readiness levels.

To address these needs, MARAD should work with Congress to increase the per-year MSP authorization levels and ensure appropriations are provided in full. Specifically, MSP authorization should be increased by \$114 million, raising the per-year retainer to \$5 million per vessel. Even after increasing funding by this amount, the federal government would be saving billions of dollars that it would otherwise spend if MSP becomes defunct. In fact, a 2006 report concluded that the cost for replicating MSP dry cargo vessels alone would cost the government \$13 billion.² These savings along with the \$52 billion it would cost to replicate the global intermodal systems made available to DOD by MSP contractors, underscore MSP's strategic importance.

² Reeve and Associates, "The Role of the United States Commercial Shipping Industry in Military Sealift," prepared for Military Sealift Committee, National Defense Transportation Association, Yarmouth Port, MA, August 2006.

MSP is an indispensable program that supports the U.S. military and our humanitarian aid efforts interests, and employs thousands of skilled Americans mariners. America should be investing appropriate funds to ensure the future vitality of MSP. TTD and our affiliated unions look forward to working with MARAD and Congress to meet this objective.

Sincerely,



Edward Wytkind
President



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TTD MEMBER UNIONS

Air Line Pilots Association (**ALPA**)
Amalgamated Transit Union (**ATU**)
American Federation of Government Employees (**AFGE**)
American Federation of State, County and Municipal Employees (**AFSCME**)
American Federation of Teachers (**AFT**)
Association of Flight Attendants-CWA (**AFA-CWA**)
American Train Dispatchers Association (**ATDA**)
Brotherhood of Railroad Signalmen (**BRS**)
Communications Workers of America (**CWA**)
International Association of Fire Fighters (**IAFF**)
International Association of Machinists and Aerospace Workers (**IAM**)
International Brotherhood of Boilermakers, Iron Ship Builders,
Blacksmiths, Forgers and Helpers (**IBB**)
International Brotherhood of Electrical Workers (**IBEW**)
International Longshoremen's Association (**ILA**)
International Organization of Masters, Mates & Pilots, ILA (**MM&P**)
International Union of Operating Engineers (**IUOE**)
Laborers' International Union of North America (**LIUNA**)
Marine Engineers' Beneficial Association (**MEBA**)
National Air Traffic Controllers Association (**NATCA**)
National Association of Letter Carriers (**NALC**)
National Conference of Firemen and Oilers, SEIU (**NCFO, SEIU**)
National Federation of Public and Private Employees (**NFOPAPE**)
Office and Professional Employees International Union (**OPEIU**)
Professional Aviation Safety Specialists (**PASS**)
Sailors' Union of the Pacific (**SUP**)
Sheet Metal, Air, Rail and Transportation Workers (**SMART**)
SMART-Transportation Division
Transportation Communications Union/ IAM (**TCU**)
Transport Workers Union of America (**TWU**)
UNITE HERE!
United Mine Workers of America (**UMWA**)
United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service
Workers International Union (**USW**)

These 32 labor organizations are members of and represented by the TTD

