



A bold voice for transportation workers

MARITIME SECURITY PROGRAM IS VITAL TO AMERICA'S ECONOMY AND DEFENSE READINESS

Since its establishment in 1996, the Maritime Security Program (MSP) has been critically important to our U.S.-flag fleet, its workforce and our nation's defense readiness. MSP is a shining example of a federal program that promotes our national security, improves our economic activity, and creates and sustains good-paying middle class jobs, all while saving billions in taxpayer dollars. The effectiveness of this program was recently threatened by a funding anomaly that would have undermined the program in FY2014. Fortunately, in the recently signed Continuing Resolution (CR), Congress and the President reaffirmed their commitment to MSP by correcting this anomaly and fully funding the program. As budget negotiations for the remainder of the year continue, it is critical that Congress and the Obama Administration recognize the importance of MSP and fully fund the program.

MSP is congressionally authorized at \$186 million per year and provides the Department of Defense (DOD) with access to commercial assets – U.S.-flagged vessels, U.S. mariners, and global logistics networks – to support U.S. government sealift requirements. In fact, during the wars in Iraq and Afghanistan, the vessels enrolled in MSP carried over 90 percent of the DOD waterborne cargoes transported to the region. These vessels continue to provide essential direct support to American troops in support of Operation Enduring Freedom in Afghanistan, and provide immediate sealift capability when needed during an international conflict or disaster. The 60 vessels in the MSP fleet also directly support the employment of approximately 2,700 U.S. mariners and an additional 5,000 shore-side jobs.

MSP funding is not corporate welfare or a frivolous subsidy. Rather, it is a shrewd investment in our nation's military and economic security. Without the assured access to the vessels, crews and related intermodal assets that MSP provides, DOD would need to spend \$65 billion in capital logistical costs, and an additional \$9 billion in annual operating costs to fully replicate the sealift capabilities offered by the program.

The recent funding anomaly that threatened to appropriate MSP at the artificially low level of \$174 would have prevented the Maritime Administration (MARAD) from maintaining the current MSP fleet of 60 U.S. flag vessels. Without the fix provided in the most recent CR, MARAD would have removed an initial four U.S.-flag vessels from the program, significantly reducing the sealift capability available to our military. In response to this threat, the current commander of the U.S. Transportation Command (USTRANSCOM), General William Fraser, warned in a letter to Members of the House Armed Services Seapower Subcommittee that cutting the MSP program could “degrade our current support to forces deployed overseas and likely increase transportation costs to the Government.”



Fortunately the recent CR fixed this problem, and we applaud those in Congress and the Administration who continued the long-standing U.S. government policy of recognizing the importance of a strong U.S. merchant marine to our national economy and global defense network. Recent events, however, must serve as a reminder of how inconsistent government funding and brinksmanship with critical maritime programs can wreak havoc on the stability of this important sector. With another round of sequestration cuts looming, this type of irresponsible, station-to-station governance can only harm our U.S.-flag fleet and limit our defense readiness.

MSP has enjoyed full funding levels and bipartisan support throughout the years because of its proven success. No other program so clearly demonstrates the importance of the U.S.-flag fleet and its workforce to our national and economic security. Congress must continue to fully fund MSP, and promote military useful U.S.-flag commercial vessels and their good paying maritime jobs.

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