



U.S. House of Representatives
Committee on Transportation and Infrastructure

James L. Oberstar
Chairman

Washington, DC 20515
May 9, 2007

John L. Mica
Ranking Republican Member

David H. Bonfield, Chief of Staff
Ward W. Murravagher, Chief Counsel

James W. Coon II, Republican Chief of Staff

The Honorable Robert J. Portman
Director
Office of Management and Budget
Executive Office Building
Washington, DC 20503

Dear Mr. Portman:

The Maritime Security Program (MSP) plays a vital role in supplying and sustaining our Nation's military in times of national emergency. The MSP also ensures that the United States maintains a robust fleet of U.S.-flag vessels in the overseas trade and provides employment for licensed, documented, and well trained U.S. merchant mariners. I appreciate the Administration's support of funding for this program, and I urge you to include funding at the fully authorized amount for the program, \$174 million, in the fiscal year 2009 budget which you are in the process of preparing.

The operational stipend that is provided to U.S.-built, owned and operated commercial vessels as part of the MSP program ensure that the Nation's collective seapower is available to fully support sustained surge and military operations as they arise. Under the leadership of the Bush Administration and the Republican-led Congress, this program was reauthorized and expanded in 2004 to include 60 U.S.-flag vessels. In order to maintain full levels of operation, current law authorized funding in the amount of \$156 million for each of fiscal years 2005-2008. That level increases to \$174 million for fiscal years 2009-2011, and \$186 million for fiscal years 2012-2015.

The President's budget for fiscal year 2008 proposes funding in the amount of \$154.4 million for this program, which is equal to the level that was appropriated for the program in fiscal year 2007. As a result of an across-the-board one percent rescission in funding that was included in the fiscal year 2007 appropriations bills, these appropriated and proposed levels of \$154.4 million are \$1.6 million less than the amounts that are authorized for fiscal years 2007 and 2008. I have joined several Members in requesting the Appropriations Committee to provide the fully authorized amount of \$156 million for this important program for fiscal year 2008. I also urge you to fund the program at the

full authorized level of \$174 million when you begin your budget process for fiscal year 2009.

The MSP has been cited as an extremely successful Federal program because of the value that the program brings to our armed services, the shipbuilding sector, U.S. presence in international trade, and U.S. merchant mariners. In a recent Office of Management and Budget review, the program received the highest rating of "excellent" because the program "targets its resources to vessels that are militarily useful in times of need" and because "(i)t replaced complicated reimbursement schemes in a predecessor program with a set per vessel subsidy capped by law". This program enjoys wide support from Congress, industry and labor.

I look forward to working with you to further examine how the Administration and the Congress can support full funding for the Maritime Security Program for the next and future fiscal years. I would hope that we could arrange a brief meeting or a phone call to further discuss these issues.

I appreciate your continued strong support of our Nation's armed forces and the maritime transportation sector.

Sincerely,

A handwritten signature in black ink, appearing to read "S. LaTourette", written in a cursive style.

Steven C. LaTourette
Ranking Republican Member
Subcommittee on Coast Guard and
Maritime Transportation