
MSP FACTS

- The MSP was originally established as a 10-year program under the Maritime Security Act of 1996, and authorized up to \$100 million in funding annually for up to 47 vessels to partially offset higher operating costs under U.S. registry
- The MSP was reauthorized in 2003 for 10 more years, and the number of ships in the fleet was increased from 47 to 60
- The MSP maintains a core fleet of U.S.-flag, privately-owned and operated capacity needed to meet Department of Defense requirements during war and national emergencies, and maintain a presence in international commercial shipping
- All MSP dry cargo ships are enrolled in VISA
- Between January 1, 2003 and January 1, 2007, 57 MSP ships participated in Operation Iraqi Freedom
- Approximately 118,000 20-foot equivalent units (TEU's) and two million square feet of capacity are committed to DOD through MSP obligations
- MSP ship crews are a major source for the DOD surge fleet. The MSP contributes approximately 2,400 mariner positions to the U.S. deepwater seafarer base



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<http://www.marad.dot.gov>

The Maritime Security Program

Meeting National Sealift Needs

The military relies heavily on our commercial partners and associated labor organizations...The increase in the MSP fleet size plays a critical role in expanding our U.S. mariner base.

***General Norton A. Schwartz, USAF,
Commander, U.S. Transportation
Command***

**U.S. Department of Transportation
Maritime Administration**

**Maritime Security Program
- At A Glance -**

On October 8, 1996, the President signed the Maritime Security Act of 1996 establishing the Maritime Security Program (MSP) for Fiscal Years (FY) 1996 through 2005 to provide financial assistance up to \$2.1 million per vessel per year to operators of U.S.-flag vessels with approved MSP Operating Agreements. MSP funding was authorized at \$100 million annually to cover a maximum of 47 vessels.

The Maritime Security Program is designed to provide sustainment sealift for national emergencies at minimal cost.

On November 24, 2003, the President signed the National Defense Authorization Act for Fiscal Year 2004, which contained the Maritime Security Act of 2003 (MSA 2003) creating a new MSP for FY 2006 through FY 2015. This program also provides financial assistance to operators of U.S.-flag vessels that meet certain qualifications. MSA 2003 requires that the Secretary of Transportation, in consultation with the Secretary of Defense, establish a fleet of active, commercially viable, militarily useful, privately-owned vessels to meet national defense and other security requirements.

MSA 2003 authorizes \$156 million annually for FYs 2006, 2007, and 2008; \$174 million annually for FYs 2009, 2010, and 2011; and \$186 million annually for FYs 2012, 2013, 2014 and 2015 to support the operation of 60 U.S.-flag vessels in the foreign commerce of the United States. Participating operators are required to make their ships and commercial transportation resources available upon request by the Secretary of Defense during times of war or national emergency.

General Schwartz called the growth of the MSP “a critical expansion of our nation’s maritime capability”

General Norton A. Schwartz, USAF, Commander, U.S. Transportation Command November 2005

On January 12, 2005 the Maritime Administration awarded MSP operating agreements for 60 ships. The MSP maintains a modern U.S.-flag fleet providing military access to vessels and vessel capacity, as well as a total global, intermodal transportation network. This network includes not only vessels, but logistics management services, infrastructure, terminals facilities and U.S. citizen merchant mariners to crew the government owned/controlled and commercial fleets.

MSP Participants

<u>MSP Operators</u>	<u>Vessels</u>
APL Marine Services, Ltd.	9
Ambermar Tanker Corporation	1
Central Gulf Lines, Inc.	4
Farrell Lines Incorporated	5
Fidelio Limited Partnership	7
Hapag-Lloyd USA, LLC	5
Liberty Global Logistics, LLC	1
Luxmar Tanker Corporation	1
Maersk Line, Ltd.	19
Maremar Tanker Corporation	1
OSG Car Carriers, Inc.	1
Patriot Shipping, LLC	1
Patriot Titan, LLC	1
Waterman Steamship Corporation	4

Total 60

40 Containerships = 116,000 TEUs

24 Containerships > 3,000 TEUs

10 Containerships < 3,000 TEUs

6 Geared Cont’s < 2,500 TEUs

14 RO/ROs total 2.18M SQ FT

2 Heavy Lift total 0.06M SQ FT

1 LASH of 1,148 TEUs

3 Product Tankers 35-48 thousand DWT each

The ship capacity and associated intermodal capabilities of the MSP dry cargo vessels are enrolled in the Voluntary Intermodal Sealift Agreement (VISA) program, the government’s sealift emergency preparedness program.