

**Ship Building and National Security**  
*National Security is Critical but ensuring our Economic Survival is Essential*

The United States needs a modern commercial shipbuilding sector to secure the nation's national and economic security. We must be prepared to face a catastrophic event or an overseas conflict that requires U.S. built commercial vessels to transport provisions, equipment, ammunition and vehicles; as well as trained and qualified United States Merchant Mariners to operate the vessels—all in name of national and economic security. However we may be close to not being able to meet these needs.

It is a recognized fact that a vibrant United States shipbuilding industry is a key component of the national security plan for the United States. Without modern shipyard facilities and ship building capacity we will not be able to build and refit U.S. Naval and Coast Guard ships that protect our coasts and offer our armed forces the ability to project military power in the far corners of the world. But as a commercial island trading nation, a strong Navy is only part of the shipbuilding story.

Why? Because the U.S. needs to build and be served by an armada of modern eco-friendly short sea/feeder container ships flying the American flag. We need ships that transport containerized domestic cargo up and down our coasts facilitating the free flow of imported and domestic cargo on established and, perhaps, new trade routes. The stark fact is that our internal land based transportation networks are vulnerable to global gridlock or, worse, a terrorist attack. Either scenario could result in the flow of commerce coming to a grinding halt and with little or no resiliency built into the system-- the consequences to our economy could be catastrophic.

A most logical safety valve to relieve our supply chain vulnerability is the U.S. Marine Highway, the nation's most underutilized transportation asset. Leveraging the private sector development of the U.S. Marine Highway is a key strategy element to address our country's landside infrastructure funding crisis. It will provide essential relief for our overburdened road and rail systems by providing needed additional capacity for the transportation system. To be clear, the United States has the longest and most accessible coastline and river system in the world. The nation has a well-established and extensive shipping port network. What America does not have is a fleet of modern feeder/short sea container ships that meet recently established environmental standards, staffed by United States Merchant Mariners, and controlled by commercial American interests. The nation is completely reliant on foreign ships controlled by non-U.S. commercial interests to move our imports and exports. Indeed, the United States moves almost no domestic containers among the lower 48 States by waterborne means-- in contrast to other developed economies of the world.

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In a recent Shipbuilders Council of America (SCA) statement, the Council highlights the agenda for the future.

“The SCA’s issue agenda this year includes advocating for Navy Budgets that will meet the 313 Navy fleet floor; demanding that the Coast Guard build out its fleet of vessels through more predictable series construction; maintaining healthy maintenance and repair funding to keep the Navy and Coast Guard highly operational; promoting and protecting the Jones Act as a critical aspect of the economic and national security component of the shipyard industry for commercial new construction and repair; and maintaining a shipyard industry that will build and repair vessels for new markets such as offshore renewable energy and the American Marine Highway Initiative.”

The labor unions in the United States and American Feeder Lines (AFL) are embracing the Nation with a program that will enhance our economic and national security and revitalize our shipyards.

Collectively, we are poised to jump-start a new generation of commercial shipyard manufacturing in the United States and provide a long-needed level of economic security to U.S. shipbuilding and repair yards. We will build eco-friendly, modern coastwise container ships and thus provide tens of thousands of direct, indirect and induced jobs. Our ships will be manned by the U.S. Merchant Marine and will be deployed to deliver goods to consumers on the most underutilized highway system in the nation—America’s Marine Highway.

With the Panama Canal expansion set to open in 2014, there will be approximately 8 million containers per year placed on the East and Gulf Coasts from the Far East. Increasingly those containers will be carried on larger ships calling in the deep hub ports. As our transportation system exists today, this extensive distribution of the cargo will be transported on an overburdened highway system. Further, the ocean carriers may make greater use of non-U.S. ports that rely on a large fleet of foreign-flag feeder vessels to deliver cargo to US ports and still seek to utilize our overburdened transportation network to get goods to consumers.

The benefit of utilizing an American built and crewed shipping network like American Feeder Lines will provide a viable, eco-friendly seaborne intermodal system for domestic distribution, in conjunction with short haul trucking. This intermodal option flying the U.S. flag will have the further benefit of providing ocean carriers and their customers an added incentive for calling directly into American ports while at the same time providing jobs in the United States for U.S. citizens and the merchant marine. It all adds up to an economically secure and resilient network to enhance our domestic and international supply chain.

With respect to national security, the U.S. Merchant Marine will staff the coastal container ships. The U.S. Merchant Marine, of which the domestic maritime industry is a vital part, is recognized as "The Fourth Arm of National Defense." A strong domestic fleet ensures the United States has world-class vessels to meet sealift needs; expert and experienced seafarers to staff the U.S.

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government's organic surge sealift ships in times of national emergency; and a modern shipyard industrial base that is so critical to the nation's economic, military, and homeland security.

During operations Enduring Freedom and Iraqi Freedom (2002-2010), U.S.-flag commercial vessels, including ships drawn from the domestic trades, transported 63 percent of all military cargos moved to Afghanistan and Iraq. As important, the domestic fleet also provided fully half of the mariners needed to crew U.S. government-owned sealift vessels activated from reserve status. Those vessels carried an additional 35 percent of the total cargos delivered to the war zone. American mariners made that happen.

In conclusion the Unions and AFL recognize the value of naval assets while at peace as well as during times of conflict, but we also know that a U.S.-controlled commercial coastal fleet is essential at all times. If we are going to survive in the ever more competitive global economy, we require vibrant commercial shipyards building our own Modern Merchant Fleet of the coastal ships and a large cadre of Merchant Mariners to crew these vessels to control our coast.

Leaving control of our coasts to others leaves us commercially vulnerable. The sooner we recognize this reality, the sooner we can get to the task at hand. To ignore the obvious is nothing short of being irresponsible. It's time to get building.