

HAVING A RELIABLE LOGISTICS SYSTEM WINS WARS FOR THE NATION

The technology developed for members of the U.S. military must be transported before they can use it, and deployed American forces need sustainment sealift to support their operations. The VISA program and MSP provide the critical transportation and intermodal access the military needs to stay in the fight and win.

BRINGING NEW SHIPS INTO THE MSP FLEET

Congress provides funding through the USDOT's budget to maintain a strong MSP fleet in the interest of national defense. MARAD, in partnership with USTRANSCOM, engages in the following process when Congress awards new Operating Agreements under MSP:

1. MARAD publishes a notice in the Federal Register seeking applications for new Operating Agreements, specifying the type of vessel(s) needed.
2. MARAD assesses candidate vessels (and their owners) from the standpoint of commercial viability.
3. USTRANSCOM reviews the offered vessels from the standpoint of military usefulness.
4. MARAD and USTRANSCOM jointly select the new vessels to enter MSP.
5. MARAD awards new Operating Agreements to selected carriers.

Under the MSP's "self-recapitalization" feature, carriers must replace vessels reaching the MSP's age-out limits (25 years for a dry-cargo ship, 20 years for tankers). They may also replace ships operating under the program with newer ships for competitive purposes. These provisions keep the MSP fleet young, with a low average ship age.

MARINERS

The MSP fleet employs thousands of the trained, skilled mariners of the U.S Merchant Marine needed to man vessels of the surge fleet during times of emergency. The surge fleet, including MARAD's Ready Reserve Force and the ships of the Military Sealift Command fleet, provides the initial massive movement of supplies and equipment into conflict. Long-term sustainment sealift, provided by MSP and VISA ships, follows surge operations.

VISA AND MSP FACE SEVERAL, EMERGENCY-LEVEL CHALLENGES TO MAINTAINING A STRONG FLEET:

1

Product tankers carry petroleum products, including fuel for jet aircraft and military vehicles. Currently, there are fewer than ten product tankers in the internationally-sailing U.S. flag fleet, including two in MSP. The DoD needs more than 85 of these vessels to sustain military operations during an extended, major conflict.

2

No vessels in VISA and MSP currently provide the means to lift and transport other ships on the water, which poses a challenge for the recovery and repair of damaged ships in wartime.

3

Once the world's leading shipbuilder, the U.S. today has limited capacity to build the large, commercial-type ships useful for sealift purposes. The Nation has a major shortage of these ships to meet American economic and military security needs.

4

The U.S. also faces a shortage of the skilled, certified U.S.-citizen mariners needed to operate the surge and commercial fleets in an extended, major conflict.



VISA AND MSP

To deploy and sustain its armed forces globally, the U.S. requires a modern, efficient U.S. Merchant Marine crewed by trained, skilled U.S. Merchant Mariners.

As part of its mission to ensure an adequate merchant fleet able to support the Nation's needs, the U.S. Department of Transportation's (USDOT) Maritime Administration (MARAD) administers two commercial sealift programs:

- the Voluntary Intermodal Sealift Agreement (VISA) program
- the Maritime Security Program (MSP)

These programs guarantee America's capacity to move forces and military equipment worldwide, wherever and whenever they are needed.

VISA AND MSP GUARANTEE THE CAPACITY TO MOVE FORCES AND MILITARY EQUIPMENT WHEN CRISIS ERUPTS ABROAD.



FOR MORE INFORMATION:

Visit www.maritime.dot.gov

Contact the Maritime Administration Office of Sealift Support at 202-366-2323



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VISA

Authorized under the Defense Production Act of 1950, VISA is a partnership between the maritime industry and the U.S. Government to provide the Department of Defense (DoD) with assured access to state-of-the-art commercial sealift and intermodal equipment in time of war or other emergencies, as well as in peacetime. In return for committing resources to VISA, the owners of qualified U.S.-flagged, oceangoing vessels receive access to government-impelled cargo, benefiting from Cargo Preference laws.

Through VISA, the U.S. Government not only acquires assured access to ships, but also to the U.S. carriers’ global intermodal networks. This access maximizes available resources and minimizes disruption to U.S. commercial operations during emergencies. The program activates in three stages, with each stage representing a higher level of capacity commitment.

STAGE 1

requires 15% of vessel capacity commitment by the carriers

STAGE 2

requires 40% of vessel capacity commitment by the carriers

STAGE 3

requires carriers to commit 50% of their vessel capacity, except for carriers in the MSP, who must commit 100% of capacity.

Committed to assisting the U.S. during times of crisis and war, VISA carriers have always volunteered enough capacity for transporting cargo without activation from MARAD and the DoD.

VISA is one of two USDOT/DoD Emergency Preparedness Programs (EPPs) aimed at providing the U.S. Government access to ships and sealift capacity in an emergency. Whereas VISA provides access to dry-cargo shipping capacity, the other EPP, the Voluntary Tanker Agreement (VTA), makes U.S. flag tanker capacity available to the government in an emergency.



MSP

Established by the Maritime Security Act of 1996, the MSP maintains a fleet of 60 commercially viable, militarily useful ships, active in international trade, yet, available on call to meet DoD contingency requirements. In return for a single, annual per-ship retainer payment, the program also provides DoD access to the multibillion-dollar global intermodal networks and transport links maintained by participating carriers. All MSP ships are enrolled in either the VISA or the VTA Programs, including 58 MSP ships in VISA and two MSP tankers in the VTA. MARAD administers the MSP Program in close partnership with the U.S. Transportation Command (USTRANSCOM).

Congress dictates the number of MSP Operating Agreements available to MARAD. Each agreement allows one U.S.-flagged vessel to work under the program. Carriers in the MSP rely on the following three incentives to participate in the program and operate under U.S. registry, which is traditionally more costly than operation under foreign flag.

AN ANNUAL STIPEND FROM THE U.S. GOVERNMENT

U.S.-flagged carriers face stiff competition from foreign-flagged fleets subsidized by their home nations and crewed by lower-paid foreign nationals. The U.S. Government provides a per-ship annual stipend to MSP carriers to partially offset the higher cost of operating under the U.S. flag.

ACCESS TO U.S. GOVERNMENT CARGO DEFINED BY THE CARGO PREFERENCE LAWS

U.S. Cargo Preference laws support MSP vessels, meaning that the vessels receive preference for the carriage of both U.S. military and non-defense civilian agency cargoes, including food aid and Export Import Bank trade. However, declining U.S. global military activity, changes in food aid Cargo Preference requirements and other factors have reduced the amount of preference cargoes available to MSP carriers.

COMMERCIAL COMPETITION

In addition to receiving MSP stipend payments and preferred access to U.S. Government preference cargoes, ships in the MSP fleet also compete openly for commercial cargoes in global sea trade. These cargoes range from automobiles and containerized consumer goods, to steel-related commodities and petro-based project cargoes.

Ocean carriers entering ships into the MSP fleet benefit from an expedited reflag process created to reduce the time and costs of reflagging vessels from a foreign flag to U.S. registry.



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