



**U.S. Department of
Transportation**

BUDGET ESTIMATES

FISCAL YEAR 2021

**MARITIME
ADMINISTRATION**

**SUBMITTED FOR THE USE OF
THE COMMITTEES ON APPROPRIATIONS**

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**DEPARTMENT OF TRANSPORTATION
MARITIME ADMINISTRATION
Budget Estimates, Fiscal Year 2021**

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**MARITIME ADMINISTRATION
FISCAL YEAR 2021 BUDGET REQUEST
Congressional Justification**

**SECTION ONE
OVERVIEW**



February 10, 2020

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MARITIME ADMINISTRATION

FY 2021 Budget Request

Overview

The Fiscal Year (FY) 2021 Budget Request includes \$793.7 million for the Maritime Administration (MARAD) to strengthen the United States marine transportation system, which directly impacts the national and economic security of this Nation. MARAD remains focused on marine transportation policies that improve safety and security, address our Nation's critical maritime infrastructure gaps, and leverage technology to meet the needs and challenges of the marine transportation system. MARAD works in a variety of areas involving ships and shipping, port infrastructure, vessel operations, national security and strategic mobility, ship disposal, and maritime education. MARAD is also charged with maintaining the health of the merchant marine, since commercial mariners, vessels, and intermodal facilities are vital for supporting economic and national security. An adequate pool of U.S. merchant mariners is critical to both the peacetime commercial success of the U.S.-flag fleet, and to crew Government-owned surge sealift vessels to deploy and sustain U.S. forces overseas in times of national emergency.

This level of funding will support the Agency's program activities and initiatives advancing the Secretary's priorities for investing in infrastructure, fostering innovation, and accountability excellence. Additionally, MARAD is proposing a slight organizational realignment in FY 2021, taking existing staff to establish two new offices, the Office of Policy and Strategic Engagement and the Office of Maritime Industry Support. This organizational realignment will help MARAD be more responsive to emerging maritime issues, foster program efficiencies, and better promote mission clarity. The FY 2021 Budget request is summarized by account as follows:

Operations and Training

The Operations and Training (O&T) request is \$137.8 million, which is \$14.8 million below the FY 2020 enacted. The request includes \$81.9 million for the United States Merchant Marine Academy (USMMA) and \$55.9 million for MARAD Operations and Programs. This level of funding will help ensure that the USMMA continues to educate highly-trained merchant mariners that are available to serve the economic and national security needs of the Nation. This will also provide for agency infrastructure, staff, and operational and program support. The FY 2021 O&T request supports the following programs:

U.S. Merchant Marine Academy (USMMA)

For FY 2021, \$81.9 million is requested for the USMMA, a decrease of \$3.5 million from FY 2020 enacted, to support the highest standards of excellence in education for the Midshipmen. This request includes \$76.4 million for Academy Operations and \$5.5 million for Facilities, Maintenance and Repair, Equipment (FMRE). Academy Operations funding is focused on USMMA mission-essential educational requirements, security priorities, and investing in the Academy's core academic infrastructure. Funding for FMRE is for recurring maintenance and repair activities and to address major physical plant emergencies and high priority mission-related physical plant projects that emerge during the fiscal year due to facility deterioration.

MARAD Operations and Programs

For FY 2021, \$55.9 million is requested for MARAD Operations and Programs, which is \$11.3 million below the FY 2020 enacted level. The Headquarters (HQ) Operations program supports requirements advancing MARAD programs and priority initiatives. Requested funding will support mandatory increases in administrative costs such as current services adjustments, primarily related to the pay-raise, FERS, and GSA rent. The FY 2021 request also proposes to realign existing HQ offices and staff into two new areas of responsibility. The new Office for Policy and Strategic Engagement will enhance mission clarity, increase decision-making transparency, and better communicate the full range of our activities to stakeholders and the public functions. The new Office for Maritime Industry Support will consolidate technical staff with backgrounds in marine engineering, naval architecture, environmental sustainability, maritime safety and commercial maritime operations into a single office. The office will focus on efficiency, safety, risk mitigation, environmental stewardship, maritime industry standards and financial sustainability of the maritime industry.

State Maritime Academies (SMAs)

The FY 2021 request includes \$337.7 million for the SMAs, which is a \$4.6 million decrease from the FY 2020 enacted, to provide Federal assistance to support maritime education and training of merchant mariners that support the U.S. marine transportation infrastructure. A key highlight of this request is \$300 million to address critical recapitalization issues for the school ships under the National Security Multi-Mission Vessel (NSMV) program.

This request also includes \$2.4 million for the student tuition assistance program, \$3 million for direct payments divided equally among each of the six SMAs, \$1.8 million for fuel assistance payments. In addition, \$30.5 million is requested to fund critical maintenance and repairs for the six current but aging SMA training ships so they maintain compliance with the U.S. Coast Guard (USCG) and American Bureau of Shipping requirements, as well as capacity initiatives to allow for uninterrupted availability of mandatory at-sea training for cadets. The existing training ships are critical and central to the success of the SMA program. The sea-time experience gained by Cadets training aboard these operating ships is required for the USCG Merchant Marine Credential examination to become an officer in the U. S. Merchant Marine. The average age of all training ships is approximately 40 years old and, until replaced, the ships will require extensive renovations to remain safe for extended operation at sea as public training vessels.

Ship Disposal

For FY 2021, \$4.2 million is requested for the Ship Disposal program, \$800 thousand below the FY 2020 enacted. Within this request, \$1.2 million supports ship disposal program administrative expenses. This funding also includes \$3 million to maintain the Nuclear Ship SAVANNAH in protective storage in accordance with Nuclear Regulatory Commission license requirements, during decommissioning of the vessel's defueled nuclear reactor, components and equipment.

Maritime Security Program (MSP)

The FY 2021 Budget requests \$314 million, an increase of \$14 million from FY 2020 enacted, for the MSP. This program supports a commercial fleet capable of supporting a U.S. presence in foreign commerce, while also providing the military with assured access to these commercial vessels, an intermodal global network of facilities and mariners during times of conflict, humanitarian crises, and natural disasters. The increase will fund full authorized level at \$5.2 million in stipend payments for each of the 60 ships in the program.

MARITIME ADMINISTRATION
FY 2021 Budget Request Summary
(Dollars in Thousands)

| <u>ACCOUNT/PROGRAM</u> | <u>FY 2019 ACTUAL</u> | <u>FY 2020 ENACTED</u> | <u>FY 2021 REQUEST</u> |
|---|----------------------------------|-----------------------------------|-----------------------------------|
| OPERATIONS & TRAINING | <u>\$149,442</u> | <u>\$152,589</u> | <u>\$137,797</u> |
| U.S. Merchant Marine Academy | <u>88,593</u> | <u>85,441</u> | <u>81,944</u> |
| Academy Operations | 70,593 | 80,216 | 76,444 |
| Capital Asset Management Program | <u>18,000</u> | <u>5,225</u> | <u>5,500</u> |
| Capital Improvements | 10,000 | - | - |
| Facilities Maintenance and Repair, Equipment | 8,000 | 5,225 | 5,500 |
| MARAD Operations & Programs | <u>60,849</u> | <u>67,148</u> | <u>55,853</u> |
| Headquarters Operations | 50,849 | 54,373 | 55,853 |
| Maritime Program Initiatives | <u>10,000</u> | <u>12,775</u> | <u>0</u> |
| Maritime Environment & Technology Assistance | 3,000 | 3,000 | - |
| America's Marine Highways | 7,000 | 9,775 | - |
| STATE MARITIME ACADEMY OPERATIONS | <u>345,200</u> | <u>342,280</u> | <u>337,700</u> |
| Student Incentive Program | 2,400 | 2,400 | 2,400 |
| Direct SMA Support | 6,000 | 6,000 | 3,000 |
| Fuel Assistance Payments | 3,800 | 3,800 | 1,800 |
| Training Vessel Sharing | 8,000 | 8,080 ^{2/} | - ^{2/} |
| School Ship M&R | 25,000 | 22,000 | 30,500 |
| NSMV | 300,000 | 300,000 | 300,000 |
| ASSISTANCE TO SMALL SHIPYARDS | <u>20,000</u> | <u>20,000</u> | - |
| SHIP DISPOSAL PROGRAM | <u>5,000</u> | <u>5,000</u> ^{1/} | <u>4,200</u> |
| Ship Disposal | 2,000 | - | 1,200 |
| NS SAVANNAH | 3,000 | - | 3,000 |
| MARITIME SECURITY PROGRAM | <u>300,000</u> | <u>300,000</u> | <u>314,008</u> |
| MARITIME GUARANTEED LOAN PROGRAM | <u>3,000</u> | <u>3,000</u> | <u>0</u> |
| Administrative Expenses | 3,000 | 3,000 | - |
| Loan Guarantees | - | - | - |
| PORT INFRASTRUCTURE DEVELOPMENT PROGRAM | <u>292,730</u> | <u>225,000</u> | - |
| SUBTOTAL, DIRECT FUNDS | <u>\$1,115,372</u> | <u>\$1,047,869</u> | <u>\$793,705</u> |
| <u>CANCELLATIONS OF PRIOR YEAR UNOBLIGATED BALANCES:</u> | | | |
| SHIP DISPOSAL PROGRAM | - | - | -6,803 |
| MARITIME SECURITY PROGRAM | - | - | -20,554 |
| MARITIME GUARANTEED LOAN PROGRAM | - | - | -27,900 |
| SUBTOTAL , CANCELLATIONS | - | - | -55,257 ^{3/} |
| TOTAL | <u>\$1,115,372</u> | <u>\$1,047,869</u> | <u>\$738,448</u> |

1/ The FY 2020 Consolidated Appropriations Act, provided \$5 million lump sum for the NS SAVANNAH protective storage and Ship Disposal program.

2/ Funding for Training Vessel Sharing is requested under the School Ship M&R request for FY 2020 and FY 2021.

3/ The Maritime Administration's FY 2021 Congressional Budget proposes cancellation of \$55.3 million in prior-year unobligated balances.

U.S. Department of Transportation
Maritime Administration

MARAD Total FY 2020 FTE: 785
Direct: 476
Reimbursable: 309

MARAD Total FY 2021 FTE: 775
Direct: 466
Reimbursable: 309

**Office of the Administrator
and Staff Offices**

| | <u>2020</u> | <u>2021</u> |
|---------|-------------|-------------|
| Direct: | 53 | 38 |
| Reimb: | 4 | 4 |
| Total: | 57 | 42 |

**Organizational Chart – FTE
FY 2020 – FY 2021**

**United States Merchant
Marine Academy**

| | <u>2020</u> | <u>2021</u> |
|---------|-------------|-------------|
| Direct: | 255 | 255 |
| Reimb: | 0 | 0 |
| Total: | 255 | 255 |

**Associate Administrator for
Administration**

| | <u>2020</u> | <u>2021</u> |
|---------|-------------|-------------|
| Direct: | 31 | 31 |
| Reimb: | 29 | 29 |
| Total: | 60 | 60 |

**Associate Administrator for
Budget and Programs/
Chief Financial Officer**

| | <u>2020</u> | <u>2021</u> |
|---------|-------------|-------------|
| Direct: | 17 | 13 |
| Reimb: | 23 | 23 |
| Total: | 40 | 36 |

**Associate Administrator for
Ports and Waterways**

| | <u>2020</u> | <u>2021</u> |
|---------|-------------|-------------|
| Direct: | 35 | 34 |
| Reimb: | 1 | 1 |
| Total: | 36 | 35 |

**Associate Administrator for
Strategic Sealift**

| | <u>2020</u> | <u>2021</u> |
|---------|-------------|-------------|
| Direct: | 36 | 31 |
| Reimb: | 249 | 249 |
| Total: | 285 | 280 |

**Associate Administrator for
Environment and
Compliance**

| | <u>2020</u> | <u>2021</u> |
|---------|-------------|-------------|
| Direct: | 17 | 0 |
| Reimb: | 2 | 0 |
| Total: | 19 | 0 |

**Associate Administrator for
Business and Finance**

| | <u>2020</u> | <u>2021</u> |
|---------|-------------|-------------|
| Direct: | 32 | 0 |
| Reimb: | 1 | 0 |
| Total: | 33 | 0 |

**Associate Administrator for
Policy and Strategic
Engagement
(NEW OFFICE)**

| | <u>2020</u> | <u>2021</u> |
|---------|-------------|-------------|
| Direct: | 0 | 32 |
| Reimb: | 0 | 1 |
| Total: | 0 | 33 |

**Associate Administrator for
Maritime Industry Support
(NEW OFFICE)**

| | <u>2020</u> | <u>2021</u> |
|---------|-------------|-------------|
| Direct: | 0 | 32 |
| Reimb: | 0 | 2 |
| Total: | 0 | 34 |

MARAD is proposing a non-budgetary organizational realignment in FY 2021 to establish two new offices – the Office for Policy and Strategic Engagement and the Office for Maritime Industry Support. This MARAD realignment will foster important program improvements and greater mission clarity.

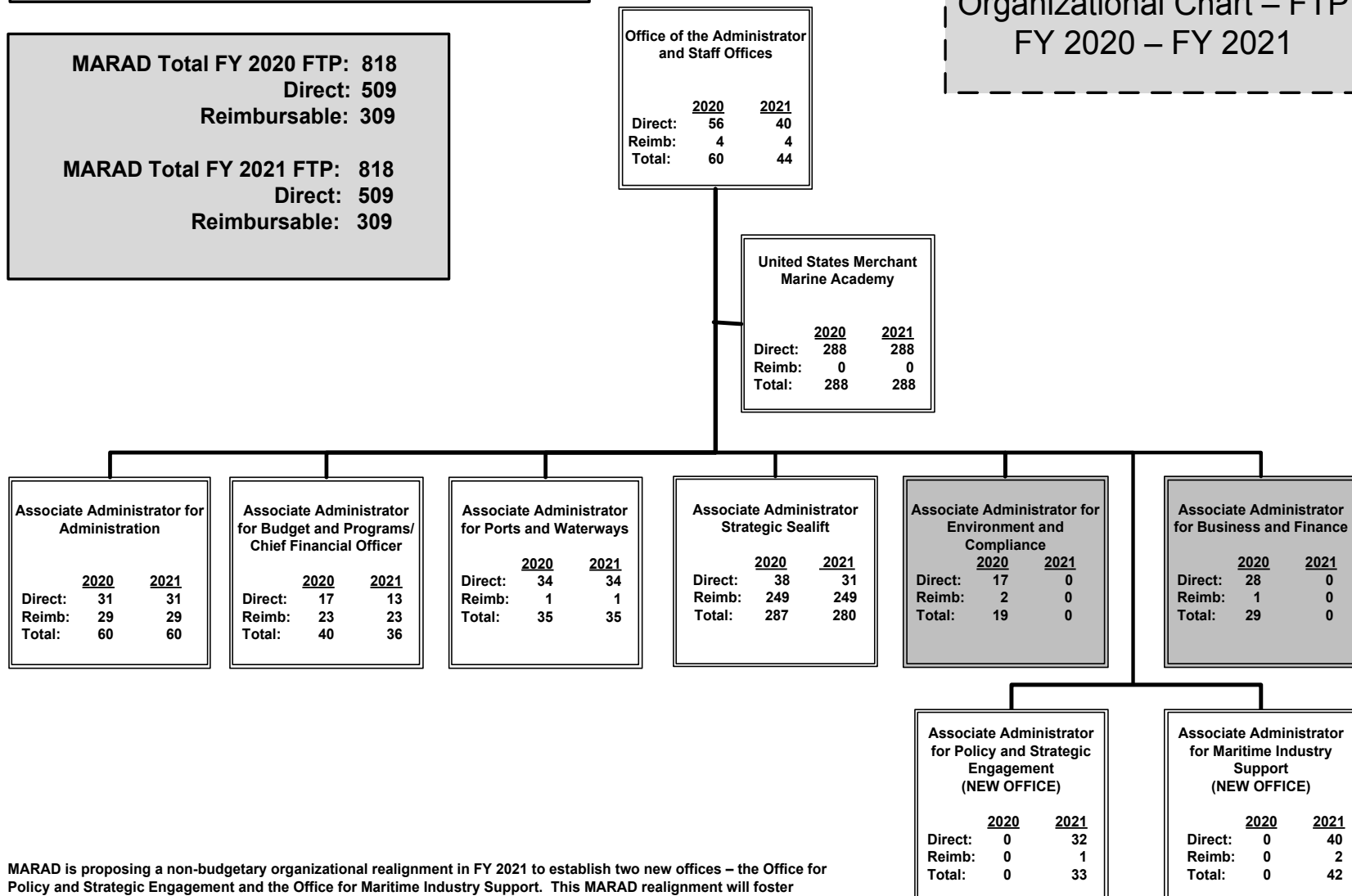
U.S. Department of Transportation

Maritime Administration

MARAD Total FY 2020 FTP: 818
Direct: 509
Reimbursable: 309

MARAD Total FY 2021 FTP: 818
Direct: 509
Reimbursable: 309

Organizational Chart – FTP FY 2020 – FY 2021



MARAD is proposing a non-budgetary organizational realignment in FY 2021 to establish two new offices – the Office for Policy and Strategic Engagement and the Office for Maritime Industry Support. This MARAD realignment will foster important program improvements and greater mission clarity.

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EXHIBIT II-1

**FY 2021 BUDGET AUTHORITY
MARITIME ADMINISTRATION
(\$000)**

| | | (A) | (B) | (C) |
|--|------------|---------------------------|----------------------------|----------------------------|
| <u>ACCOUNT NAME</u> | <u>M/D</u> | <u>FY 2019 ACTUAL</u> | <u>FY 2020 ENACTED</u> | <u>FY 2021 REQUEST</u> |
| Operations and Training | D | <u>\$149,442</u> | <u>\$152,589</u> | <u>\$137,797</u> |
| A. U.S. Merchant Marine Academy | | 88,593 | 85,441 | 81,944 |
| B. MARAD Operations | | 60,849 | 67,148 | 55,853 |
| State Maritime Academy Operations | D | <u>\$345,200</u> | <u>\$342,280</u> | <u>\$337,700</u> |
| Assistance to Small Shipyards | D | <u>\$20,000</u> | <u>\$20,000</u> | - |
| Ship Disposal Program | D | <u>\$5,000</u> | <u>\$5,000</u> | <u>\$4,200</u> |
| A. Ship Disposal | | 2,000 | 2,000 | 1,200 |
| B. NS SAVANNAH | | 3,000 | 3,000 | 3,000 |
| Maritime Security Program | D | <u>\$300,000</u> | <u>\$300,000</u> | <u>\$314,008</u> |
| Maritime Guaranteed Loan Prog. (Title XI) | | <u>\$55,634</u> | <u>\$3,000</u> | - |
| A. Administrative Expenses | D | 3,000 | 3,000 | - |
| B. Loan Guarantees | D | - | - | - |
| C. Subsidy Reestimate | M | 52,634 | - | - |
| Port Infrastructure Development Program | D | <u>\$292,730</u> | <u>\$225,000</u> | - |
| Gifts and Bequests | M | <u>\$2,000</u> | <u>\$2,000</u> | <u>\$2,000</u> |
| TOTALS | | | | |
| Gross New Budget Authority | | <u>\$1,170,006</u> | <u>\$1,049,869</u> | <u>\$795,705</u> |
| Cancellations | | - | - | -55,257 |
| Transfers | | - | - | - |
| Offsets | | - | - | - |
| NET NEW BUDGET AUTHORITY: | | <u>\$1,170,006</u> | <u>\$1,049,869</u> | <u>\$740,448</u> |
| [Mandatory BA] | | 54,634 | 2,000 | 2,000 |
| [Discretionary BA] | | 1,115,372 | 1,047,869 | 738,448 |

EXHIBIT II-2

**FY 2021 TOTAL BUDGETARY RESOURCES BY APPROPRIATION ACCOUNT
MARITIME ADMINISTRATION**

**Appropriations, Obligation Limitations & Exempt Obligations
(\$000)**

| | (A) | (B) | (C) |
|---|-----------------------------------|-----------------------------------|-----------------------------------|
| <u>ACCOUNT NAME</u> | <u>FY 2019 ENACTED</u> | <u>FY 2020 ENACTED</u> | <u>FY 2021 REQUEST</u> |
| 1. Operations and Training | <u>\$149,442</u> | <u>\$152,589</u> | <u>\$137,797</u> |
| A. U.S. Merchant Marine Academy | 88,593 | 85,441 | 81,944 |
| B. MARAD Operations | 60,849 | 67,148 | 55,853 |
| 2. State Maritime Academy Operations | <u>\$345,200</u> | <u>\$342,280</u> | <u>\$337,700</u> |
| 3. Assistance to Small Shipyards | <u>\$20,000</u> | <u>\$20,000</u> | - |
| 4. Ship Disposal Program | <u>\$5,000</u> | <u>\$5,000</u> | <u>\$4,200</u> |
| A. Ship Disposal | 2,000 | 2,000 | 1,200 |
| B. NS SAVANNAH | 3,000 | 3,000 | 3,000 |
| 5. Maritime Security Program | <u>\$300,000</u> | <u>\$300,000</u> | <u>\$314,008</u> |
| 6. Maritime Guaranteed Loans Program | <u>\$3,000</u> | <u>\$3,000</u> | - |
| A. Administrative Expenses | 3,000 | 3,000 | - |
| B. Loan Guarantees | - | - | - |
| 7. Port Infrastructure Development Program | <u>\$292,730</u> | <u>225,000</u> | - |
| TOTAL | <u>\$1,115,372</u> | <u>\$1,047,869</u> | <u>\$793,705</u> |

EXHIBIT II-3
FY 2021 BUDGET REQUEST BY DOT STRATEGIC AND ORGANIZATIONAL GOALS
Appropriations, Obligation Limitation, and Exempt Obligations
MARITIME ADMINISTRATION
(\$000)

| ACCOUNT | Safety | Infrastructure | Innovation | Accountability | Total |
|--|--------|----------------|------------|----------------|------------|
| OPERATIONS AND TRAINING | - | 81,944 | - | 55,853 | 137,797 |
| United States Merchant Marine Academy | - | 81,944 | - | - | 81,944 |
| MARAD Operations and Programs | - | - | - | 55,853 | 55,853 |
| STATE MARITIME ACADEMY OPERATIONS | - | 337,700 | - | - | 337,700 |
| SHIP DISPOSAL PROGRAM | - | 4,200 | - | - | 4,200 |
| MARITIME SECURITY PROGRAM | - | 314,008 | - | - | 314,008 |
| TOTAL | \$ - | \$ 737,852 | \$ - | \$ 55,853 | \$ 793,705 |

EXHIBIT II-4

**FY 2021 OUTLAYS
MARITIME ADMINISTRATION
(\$000)**

| <u>ACCOUNTS</u> | | <u>FY 2019 ACTUAL</u> | <u>FY 2020 ENACTED</u> | <u>FY 2021 REQUEST</u> |
|--|---|----------------------------------|-----------------------------------|-----------------------------------|
| Operations and Training | D | \$156,324 | \$170,827 | \$139,858 |
| State Maritime Academy Operations | D | 18,109 | \$106,458 | \$125,533 |
| Gifts and Bequests | M | \$1,940 | \$5,602 | \$2,000 |
| Assistance to Small Shipyards | D | \$15,566 | \$28,919 | \$11,919 |
| Ship Disposal | D | \$18,329 | \$39,937 | \$35,257 |
| Maritime Security Program | D | \$291,203 | \$300,000 | \$314,008 |
| Port of Guam Improvement Enterprise Fund | D | \$4 | \$4,404 | - |
| Ready Reserve Force | D | -\$21,203 | \$2,354 | \$15,100 |
| Vessel Operations Revolving Fund | D | -\$1,725 | \$0 | - |
| War Risk Insurance Revolving Fund | D | -\$277 | -\$400 | -\$180 |
| Maritime Guaranteed Loan Program | | \$74,174 | \$11,284 | - |
| Administrative Expenses | D | 3,000 | 3,000 | - |
| Loan Subsidies | D | 18,540 | 0 | - |
| Subsidy Reestimate | M | 52,634 | 8,284 | - |
| Port Infrastructure Development Program | D | - | 2,927 | 52,014 |
| TOTALS | | <u>\$552,444</u> | <u>672,312</u> | <u>695,509</u> |
| [Mandatory] | | 54,574 | 13,886 | 2,000 |
| [Discretionary] | | 497,870 | 658,426 | 693,509 |

EXHIBIT II-5

SUMMARY OF REQUESTED FUNDING CHANGES FROM BASE
MARITIME ADMINISTRATION
Appropriations, Obligation Limitations, and Exempt Obligations
(\$000)

| Operations and Training | FY 2019 Actual | FY 2020 Enacted | Annualization of Pay Raises | Annualization of FTE | 2021 Pay Raises | Baseline Changes | | | | | | | | | | FY 2021 Baseline Estimate | Program Increases/ Decreases | FY 2021 Request |
|--|-------------------|--------------------|--------------------------------|-------------------------|--------------------|---|---|----------|------------------------------|-------------------------|--|-----------|-----------|-------------------|-----------|---------------------------------|------------------------------------|--------------------|
| | | | | | | One Less Compensable Days (261 days) | Mandatory WIGs & Other Payroll Changes | GSA Rent | WCF Increase/ Decrease | Inflation/ Deflation | Other Non- Discretionary Decreases | | | | | | | |
| Direct FTE (O&T) | 438 | 455 | | | | | | | | | | 5 | 460 | -14 | 446 | | | |
| PERSONNEL RESOURCES (FTE) | | | | | | | | | | | | | | | | | | |
| Direct FTE (Title XI Admin) | 12 ^{1/} | 14 ^{1/} | | | | | | | | | | - | 14 | -14 ^{2/} | - | | | |
| PERSONNEL RESOURCES (FTE) | | | | | | | | | | | | | | | | | | |
| Direct FTE (USMMA) | 240 | 255 | | | | | | | | | | - | 255 | - | 255 | | | |
| ACADEMY OPERATIONS | \$68,123 | | | | | | | | | | | | | | | | | |
| Salaries and Benefits | \$37,379 | \$37,837 | \$219 | \$481 | \$285 | -\$148 | \$813 | - | - | - | - | \$39,487 | - | - | \$39,487 | | | |
| Instructional Programs | 4,830 | 6,449 | - | - | - | - | - | - | - | 64 | - | 6,513 | -900 | - | 5,613 | | | |
| Midshipmen Programs | 11,617 | 19,012 | - | - | - | - | - | - | - | 190 | - | 19,202 | -3,609 | - | 15,593 | | | |
| Program Direction & Administration | 16,767 | 16,918 | - | - | - | - | - | - | - | 169 | - | 17,087 | -1,336 | - | 15,751 | | | |
| WCF-IT Shared Services [Non-add] | - | [7,788] | - | - | - | - | - | - | [-164] | - | - | [5,071] | - | - | [5,071] | | | |
| SUBTOTAL | \$70,593 | \$80,216 | \$219 | \$481 | \$285 | -\$148 | \$813 | \$0 | \$0 | \$423 | \$0 | \$82,289 | -\$5,845 | | \$76,444 | | | |
| CAPITAL ASSET MANAGEMENT PROGRAM | | | | | | | | | | | | | | | | | | |
| Capital Improvement Projects | \$10,000 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | | |
| Facilities Maintenance and Repair, Equipment | 8,000 | 5,225 | - | - | - | - | - | - | - | - | - | 5,225 | 275 | - | 5,500 | | | |
| SUBTOTAL | \$18,000 | \$5,225 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$5,225 | \$275 | | \$5,500 | | | |
| TOTAL | \$88,593 | \$85,441 | \$219 | \$481 | \$285 | -\$148 | \$813 | \$0 | \$0 | \$423 | \$0 | \$87,514 | -\$5,570 | | \$81,944 | | | |
| PERSONNEL RESOURCES (FTE) | | | | | | | | | | | | | | | | | | |
| Direct FTE (MARAD Ops) | 186 | 186 | | | | | | | | | | 5 | 191 | - | 191 | | | |
| MARAD Operations & Programs | | | | | | | | | | | | | | | | | | |
| Salaries and Benefits | \$30,744 | \$32,122 | \$283 | - | \$243 | -\$125 | - | - | - | - | \$2,533 | \$35,056 | - | - | \$35,056 | | | |
| Non-Discretionary Operations | 15,949 | 15,067 | - | - | - | - | - | 368 | 1,060 | 22 | - | 16,517 | - | - | 16,517 | | | |
| GSA Rent | [3,178] | [3,091] | - | - | - | - | - | [368] | - | - | - | [3,459] | - | - | [3,459] | | | |
| WCF | [3,794] | [3,724] | - | - | - | - | - | - | [1,535] | - | - | [5,259] | - | - | [5,259] | | | |
| WCF - IT Shared Services[Non-add] | [4,989] | [7,071] | - | - | - | - | - | - | - | - | - | [6,784] | - | - | [6,784] | | | |
| Operations & Travel | 2,001 | 4,147 | - | - | - | - | - | - | - | 41 | -3,133 | 1,055 | - | - | 1,055 | | | |
| Information Technology | 2,155 | 3,037 | - | - | - | - | - | - | 188 | - | - | 3,225 | - | - | 3,225 | | | |
| Admin Subtotal | \$50,849 | \$54,373 | \$283 | \$0 | \$243 | -\$125 | \$0 | \$368 | \$1,248 | \$63 | -\$600 | \$55,853 | \$0 | | \$55,853 | | | |
| PROGRAMS | | | | | | | | | | | | | | | | | | |
| Maritime Environment & Technology Assistance | \$3,000 | \$3,000 | - | - | - | - | - | - | - | - | - | \$3,000 | -\$3,000 | - | - | | | |
| Short Sea Transportation (America's Marine Highways) | 7,000 | 9,775 | - | - | - | - | - | - | - | - | - | 9,775 | -9,775 | - | - | | | |
| Programs Subtotal | \$10,000 | \$12,775 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$12,775 | -\$12,775 | | \$0 | | | |
| SUBTOTAL | \$60,849 | \$67,148 | \$283 | \$0 | \$243 | -\$125 | \$0 | \$368 | \$1,248 | \$63 | -\$600 | \$68,628 | -\$12,775 | | \$55,853 | | | |
| GRAND TOTAL | \$149,442 | \$152,589 | \$502 | \$481 | \$528 | -\$273 | \$813 | \$368 | \$1,248 | \$486 | -\$600 | \$156,142 | -\$18,345 | | \$137,797 | | | |

1/ Title XI Administrative Expenses are transferred and merged into the Operations and Training account (which includes FTEs) in FY 2019 and FY 2020.

2/ The Title XI Admin Program is proposed to be administered by the Office of the Secretary's National Surface Transportation and Innovative Finance Bureau in FY 2021.

EXHIBIT II-5
SUMMARY OF REQUESTED FUNDING CHANGES FROM BASE
MARITIME ADMINISTRATION
Appropriations, Obligation Limitations, and Exempt Obligations
(\$000)

| | Baseline Changes | | | | | | | | | | | | | | |
|--|------------------|-----------------|----------------------------|----------------------|-----------------|-------------------------------------|--|----------|------------------------|----------------------|-----------------------------------|---------------------------|------------------------------|-----------------|----------|
| Academy Operations | FY 2019 Actual | FY 2020 Enacted | Annualization of Pay Raise | Annualization of FTE | 2021 Pay Raises | One Less Compensable Day (261 days) | Mandatory WIGs & Other Payroll Changes | GSA Rent | WCF Increase/ Decrease | Inflation/ Deflation | Other Non-Discretionary Decreases | FY 2021 Baseline Estimate | Program Increases/ Decreases | FY 2021 Request | |
| PERSONNEL RESOURCES (FTE) | | | | | | | | | | | | | | | |
| Direct FTE | 240 | 255 | | | | | | | - | | | 255 | - | 255 | |
| ACADEMY OPERATIONS | | | | | | | | | | | | | | | |
| Salaries and Benefits | \$37,379 | \$37,837 | \$219 | \$481 | \$285 | -\$148 | \$813 | - | - | - | - | \$39,487 | - | \$39,487 | |
| Instructional Programs | 4,830 | 6,449 | - | - | - | - | - | - | - | 64 | - | 6,513 | -900 | 5,613 | |
| Midshipmen Programs | 11,617 | 19,012 | - | - | - | - | - | - | - | 190 | - | 19,202 | -3,609 | 15,593 | |
| Program Direction & Administration | 16,767 | 16,918 | - | - | - | - | - | - | - | 169 | - | 17,087 | -1,336 | 15,751 | |
| WCF-IT Shared Services [Non-add] | [1,608] | [5,235] | - | - | - | - | - | - | [-164] | - | - | [5,071] | - | [5,071] | |
| SUBTOTAL | \$70,593 | \$80,216 | \$219 | \$481 | \$285 | -\$148 | \$813 | \$0 | \$0 | \$423 | \$0 | \$82,289 | -\$5,845 | \$76,444 | |
| CAPITAL ASSET MANAGEMENT PROGRAM | | | | | | | | | | | | | | | |
| Capital Improvement Projects | \$10,000 | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Facilities Maintenance and Repair, Equipment | 8,000 | 5,225 | - | - | - | - | - | - | - | - | - | 5,225 | | 5,500 | |
| SUBTOTAL | \$18,000 | \$5,225 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$5,225 | \$275 | \$5,500 | |
| TOTAL | \$88,593 | \$85,441 | \$219 | \$481 | \$285 | -\$148 | \$813 | \$0 | \$0 | \$423 | \$0 | \$87,514 | 275 | -\$5,570 | \$81,944 |

“Consistent with OMB Memoranda M-19-24 dated July 2019, the amount shown above for Salaries and Benefits includes an estimated increase of \$303K for awards spending, from \$261K in FY 2020 to \$564K in FY 2021. This increase is calculated by increasing the FY 2020 base award pay, relative to non-SES salaries, and increasing that percentage by one full percent. These percentages are 1% and 2% for FY 2020 and 2021, respectively. Additional increases shown on this line are attributable to various Pay Raise and FERS contribution percentage increases for FY 2020 and 2021 as prescribed by OPM and OMB guidance”

EXHIBIT II-5

**SUMMARY OF REQUESTED FUNDING CHANGES FROM BASE
MARITIME ADMINISTRATION
Appropriations, Obligation Limitations, and Exempt Obligations
(\$000)**

| MARAD Operations & Programs | FY 2019 Actual | FY 2020 Enacted | Baseline Changes | | | | GSA Rent | WCF Increase/ Decrease | Inflation/ Deflation | Other Non- Discretionary Decreases | FY 2021 Baseline Estimate | Program Increases/ Decreases | FY 2021 Request |
|--|-------------------|--------------------|---------------------------------------|-------------------------|-----------------|---|--------------|---------------------------|-------------------------|--|---------------------------------|------------------------------------|--------------------|
| | | | Annualization of FY 2020 Pay Raise | Annualization of FTE | 2021 Pay Raises | One Less Compensable Day (261 days) | | | | | | | |
| PERSONNEL RESOURCES (FTE) | | | | | | | | | | | | | |
| Direct FTE | 186 | 186 | | | | | | - | | 5 | 191 | - | 191 |
| FINANCIAL RESOURCES | | | | | | | | | | | | | |
| Salaries and Benefits | \$30,744 | \$32,122 | \$283 | \$0 | \$243 | -\$125 | - | - | - | \$2,533 | \$35,056 | - | \$35,056 |
| Non-Discretionary Operations | 15,949 | 15,067 | - | - | - | - | 368 | 1,060 | 22 | - | 16,517 | - | 16,517 |
| <i>GSA Rent</i> | <i>[3,178]</i> | <i>[3,091]</i> | - | - | - | - | <i>[368]</i> | - | - | - | <i>[3,459]</i> | - | <i>[3,459]</i> |
| <i>WCF</i> | <i>[3,794]</i> | <i>[3,724]</i> | - | - | - | - | - | <i>[1,535]</i> | - | - | <i>[5,259]</i> | - | <i>[5,259]</i> |
| <i>WCF - IT Shared Services[Non-add]</i> | <i>[4,989]</i> | <i>[7,071]</i> | - | - | - | - | - | <i>[-287]</i> | - | - | <i>[6,784]</i> | - | <i>[6,784]</i> |
| Operations & Travel | 2,001 | 4,147 | - | - | - | - | - | - | 41 | -3,133 | 1,055 | - | 1,055 |
| Information Technology | 2,155 | 3,037 | - | - | - | - | - | 188 | - | - | 3,225 | - | 3,225 |
| Admin Subtotal | \$50,849 | \$54,373 | \$283 | \$0 | \$243 | -\$125 | \$368 | \$1,248 | \$63 | -\$600 | \$55,853 | \$0 | \$55,853 |
| PROGRAMS | | | | | | | | | | | | | |
| Maritime Environment & Technology Assistance | \$3,000 | \$3,000 | - | - | - | - | - | - | - | - | \$3,000 | -\$3,000 | - |
| Short Sea Transportation (America's Marine Highways) | 7,000 | 9,775 | - | - | - | - | - | - | - | - | 9,775 | -9,775 | - |
| Programs Subtotal | \$10,000 | \$12,775 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$12,775 | -\$12,775 | \$0 |
| TOTAL | \$60,849 | \$67,148 | \$283 | \$0 | \$243 | -\$125 | \$368 | \$1,248 | \$63 | -\$600 | \$68,628 | -\$12,775 | \$55,853 |

“Consistent with OMB Memoranda M-19-24 dated July 2019, the amount shown above for Salaries and Benefits includes an estimated increase of \$244K for awards spending, from \$222K in FY 2020 to \$466K in FY 2021. This increase is calculated by increasing the FY 2020 base award pay, relative to non-SES salaries, and increasing that percentage by one full percent. These percentages are 1% and 2% for FY 2020 and 2021, respectively. Additional increases shown on this line are attributable to various Pay Raise and FERS contribution percentage increases for FY 2020 and 2021 as prescribed by OPM and OMB guidance”

EXHIBIT II-5

SUMMARY OF REQUESTED FUNDING CHANGES FROM BASE
MARITIME ADMINISTRATION
Appropriations, Obligation Limitations, and Exempt Obligations
(\$000)

| State Maritime Academy Operations | FY 2019 Actual | FY 2020 Enacted | Baseline Changes | | | | | | | | FY 2021 Estimate | Program Increases/ Decreases | FY 2021 Request |
|--|-------------------|--------------------|-------------------------------|-------------------------|-----------------|---|----------|---------------------------|-------------------------|--|---------------------|------------------------------------|--------------------|
| | | | Annualization of Pay Raise | Annualization of FTE | 2021 Pay Raises | One Less Compensable Day (261 days) | GSA Rent | WCF Increase/ Decrease | Inflation/ Deflation | Other Non- Discretionary Increases | | | |
| PERSONNEL RESOURCES (FTE) | | | | | | | | | | | | | |
| Direct FTE | | - | | | | | | | | | - | - | - |
| PROGRAMS | | | | | | | | | | | | | |
| Student Incentive Payments | \$2,400 | \$2,400 | - | - | - | - | - | - | - | - | \$2,400 | | \$2,400 |
| Direct SMA Payments | 6,000 | 6,000 | - | - | - | - | - | - | - | - | 6,000 | -3,000 | 3,000 |
| Training Ship Fuel Assistance Payments | 3,800 | 3,800 | - | - | - | - | - | - | - | - | 3,800 | -2,000 | 1,800 |
| Training Vessel Sharing | 8,000 | 8,080 | - | - | - | - | - | - | - | - | 8,080 | -8,080 | |
| School Ship M&R/Capacity Sharing | 25,000 | 22,000 | - | - | - | - | - | - | - | - | 22,000 | 8,500 | 30,500 |
| National Security Multi-Mission Vessel Program | 300,000 | 300,000 | - | - | - | - | - | - | - | - | 300,000 | | 300,000 |
| TOTAL | \$345,200 | \$342,280 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$342,280 | -\$4,580 | \$337,700 |

EXHIBIT II-5

**SUMMARY OF REQUESTED FUNDING CHANGES FROM BASE
MARITIME ADMINISTRATION
Appropriations, Obligation Limitations, and Exempt Obligations
(\$000)**

| Assistance to Small Shipyards | FY 2019 Actual | FY 2020 Enacted | Baseline Changes | | | | | | | FY 2021 Baseline Estimate | Program Increases/ Decreases | FY 2021 Request |
|-------------------------------|-------------------|--------------------|-------------------------------|-------------------------|-----------------|---|----------|---------------------------|-------------------------|---------------------------------|------------------------------------|--------------------|
| | | | Annualization of Pay Raise | Annualization of FTE | 2021 Pay Raises | One Less Compensable Day (261 days) | GSA Rent | WCF Increase/ Decrease | Inflation/ Deflation | | | |
| PERSONNEL RESOURCES (FTE) | | | | | | | | | | | | |
| Direct FTE | 1 | 1 | | | | | | | | - | - | - |
| FINANCIAL RESOURCES | | | | | | | | | | | | |
| Salaries and Benefits | \$200 | \$210 | \$2 | - | \$2 | -\$1 | - | - | - | \$213 | -\$213 | - |
| Travel | 25 | 23 | - | - | - | - | - | - | - | 23 | -23 | - |
| Other Services | 175 | 167 | - | - | - | - | - | - | - | 167 | -167 | - |
| Admin Subtotal 1/ | \$400 | \$400 | \$2 | \$0 | \$2 | -\$1 | \$0 | \$0 | \$0 | \$403 | -\$403 | \$0 |
| PROGRAMS | | | | | | | | | | | | |
| Shipyard Grants | \$19,600 | \$19,600 | - | - | - | - | - | - | - | \$19,600 | -\$19,600 | - |
| Programs Subtotal | \$19,600 | \$19,600 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$19,600 | -\$19,600 | \$0 |
| TOTAL | \$20,000 | \$20,000 | \$2 | \$0 | \$2 | -\$1 | \$0 | \$0 | \$0 | \$20,003 | -\$20,003 | \$0 |

1/ Of the funds appropriated, 2 percent is available for the necessary costs of grant administration.

EXHIBIT II-5

**SUMMARY OF REQUESTED FUNDING CHANGES FROM BASE
MARITIME ADMINISTRATION
Appropriations, Obligation Limitations, and Exempt Obligations
(\$000)**

| Ship Disposal Program | Baseline Changes | | | | | | | | | | FY 2021 Baseline Estimate | Program Increases/ Decreases | FY 2021 Request |
|-----------------------|-------------------|--------------------|--|-------------------------|-----------------------|---|----------|---------------------------|-------------------------|--|---------------------------------|------------------------------------|--------------------|
| | FY 2019 Actual | FY 2020 Enacted | Annualization of FY 2020 Pay Raise | Annualization of FTE | FY 2021 Pay Raises | One Less Compensable Day (261 days) | GSA Rent | WCF Increase/ Decrease | Inflation/ Deflation | Other Non- Discretionary Decreases | | | |
| PERSONNEL RESOURCES | | | | | | | | | | | | | |
| (FTE) | | | | | | | | | | | | | |
| Direct FTE | 12 | 12 | | | | | | | | | 12 | - | 12 |
| FINANCIAL RESOURCES | | | | | | | | | | | | | |
| Salaries and Benefits | \$1,459 | \$1,535 | \$14 | - | \$12 | -\$6 | | - | - | -\$901 | \$653 | - | \$653 |
| Travel | 5 | 5 | - | - | - | - | - | - | - | - | 5 | - | 5 |
| Operating Expenses | 202 | 18 | - | - | - | - | - | - | - | - | 18 | - | 18 |
| GSA Rent | 133 | 200 | - | - | - | - | 8 | - | - | - | 208 | - | 208 |
| WCF | 201 | 242 | - | - | - | - | - | 74 | - | - | 316 | - | 316 |
| Admin Subtotal | \$2,000 | \$2,000 | \$14 | \$0 | \$12 | -\$6 | \$8 | \$74 | \$0 | -\$901 | \$1,200 | \$0 | \$1,200 |
| PROGRAMS | | | | | | | | | | | | | |
| Ship Disposal Program | - | - | - | - | - | - | - | - | - | - | - | - | - |
| NS Savannah | 3,000 | 3,000 | - | - | - | - | - | - | - | - | 3,000 | - | 3,000 |
| Programs Subtotal | \$3,000 | \$3,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$3,000 | \$0 | \$3,000 |
| TOTAL | \$5,000 | \$5,000 | \$14 | \$0 | \$12 | -\$6 | \$8 | \$74 | \$0 | -\$901 | \$4,200 | \$0 | \$4,200 |

“Consistent with OMB Memoranda M-19-24 dated July 2019, the amount shown above for Salaries and Benefits includes an estimated increase of \$12K for awards spending, from \$11K in FY 2020 to \$23K in FY 2021. This increase is calculated by increasing the FY 2020 base award pay, relative to non-SES salaries, and increasing that percentage by one full percent. These percentages are 1% and 2% for FY 2020 and 2021, respectively. Additional increases shown on this line are attributable to various Pay Raise and FERS contribution percentage increases for FY 2020 and 2021 as prescribed by OPM and OMB guidance”

EXHIBIT II-5

**SUMMARY OF REQUESTED FUNDING CHANGES FROM BASE
MARITIME ADMINISTRATION
Appropriations, Obligation Limitations, and Exempt Obligations
(\$000)**

| Maritime Security Program | FY 2019 Actual | FY 2020 Enacted | Baseline Changes | | | | | | | FY 2021 Baseline Estimate | Program Increases/ Decreases | FY 2021 Request | |
|----------------------------|-------------------|--------------------|-------------------------------|-------------------------|-----------------|---|----------|---------------------------|-------------------------|------------------------------|------------------------------------|--------------------|-----|
| | | | Annualization of Pay Raise | Annualization of FTE | 2021 Pay Raises | One Less Compensable Day (261 days) | GSA Rent | WCF Increase/ Decrease | Inflation/ Deflation | | | | |
| PERSONNEL RESOURCES | | | | | | | | | | | | | |
| (FTE) | | | | | | | | | | | | | |
| Direct FTE | - | - | | - | | | | | | - | - | - | - |
| FINANCIAL RESOURCES | | | | | | | | | | | | | |
| Salaries and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Travel | - | | - | | - | | - | | - | | - | | |
| Operating Expenses | - | | - | | | | - | | - | | - | | |
| GSA Rent | - | | - | | - | | - | | - | | - | | |
| WCF | - | | - | | - | - | - | | - | | - | | |
| Admin Subtotal | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | - | | - | | - | | - | | - | | - | | |
| PROGRAMS | | | | | | | | | | | | | |
| Maritime Security Payments | \$300,000 | \$300,000 | - | - | - | - | - | - | - | \$300,000 | \$14,008 | \$314,008 | |
| Programs Subtotal | \$300,000 | \$300,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$300,000 | \$14,008 | \$314,008 | |
| TOTAL | \$300,000 | \$300,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$300,000 | \$14,008 | \$314,008 | |

EXHIBIT II-5

**SUMMARY OF REQUESTED FUNDING CHANGES FROM BASE
MARITIME ADMINISTRATION
Appropriations, Obligation Limitations, and Exempt Obligations
(\$000)**

| Maritime Guaranteed (Title XI) Loan Program | FY 2019 Actual | FY 2020 Enacted | Baseline Changes | | | | | | | | FY 2021 Estimate | Baseline | Program Increases/ Decreases | FY 2021 Request |
|--|-------------------|--------------------|-------------------------------|-------------------------|-----------------|---|----------|---------------------------|-------------------------|--|---------------------|-------------|------------------------------------|--------------------|
| | | | Annualization of Pay Raise | Annualization of FTE | 2021 Pay Raises | One Less Compensable Day (261 days) | GSA Rent | WCF Increase/ Decrease | Inflation/ Deflation | Other Non- Discretionary Decreases | | | | |
| PERSONNEL RESOURCES (FTE) | | | | | | | | | | | | | | |
| Direct FTE | 12 1/ | 14 1/ | - | - | - | - | - | - | - | - | 14 | -14 2/ | - | |
| FINANCIAL RESOURCES | | | | | | | | | | | | | | |
| Salaries and Benefits | \$2,181 | \$2,292 | \$20 | - | \$17 | -\$9 | - | - | - | - | \$2,320 | -\$2,320 | - | |
| Travel | 10 | 10 | - | - | - | - | - | - | - | - | 10 | -10 | - | |
| Operating Expenses | 295 | 185 | - | - | - | - | - | - | - | -125 | 60 | -60 | - | |
| GSA Rent | 233 | 233 | - | - | - | - | 9 | - | - | - | 242 | -242 | - | |
| WCF | 281 | 280 | - | - | - | - | - | 88 | - | - | 368 | -368 | - | |
| Admin Subtotal | \$3,000 | \$3,000 | \$20 | \$0 | \$17 | -\$9 | \$9 | \$88 | \$0 | - | -\$125 | \$3,000 | -\$3,000 | \$0 |
| PROGRAMS | | | | | | | | | | | | | | |
| Loan Subsidies | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Programs Subtotal | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| TOTAL | \$3,000 1/ | \$3,000 1/ | \$20 | \$0 | \$17 | -\$9 | \$9 | \$88 | \$0 | -\$125 | \$3,000 | -\$3,000 2/ | \$0 | |

1/ Title XI Administrative Expenses are transferred and merged into the Operations and Training account (which includes FTEs) in FY 2019 and FY 2020.

2/ The Title XI Admin Program is proposed to be administered by the Office of the Secretary's National Surface Transportation and Innovative Finance Bureau in FY 2021.

EXHIBIT II-5

**SUMMARY OF REQUESTED FUNDING CHANGES FROM BASE
MARITIME ADMINISTRATION
Appropriations, Obligation Limitations, and Exempt Obligations
(\$000)**

| Port Infrastructure Development Program | FY 2019 Actual | FY 2020 Enacted | Baseline Changes | | | | | WCF Increase/ Decrease | Inflation/ Deflation | Other Non-Discretionary Decreases | FY 2021 Baseline Estimate | Program Increases/ Decreases | FY 2021 Request |
|---|----------------|-----------------|----------------------------|----------------------|-----------------|-------------------------------------|----------|------------------------|----------------------|-----------------------------------|---------------------------|------------------------------|-----------------|
| | | | Annualization of Pay Raise | Annualization of FTE | 2021 Pay Raises | One Less Compensable Day (261 days) | GSA Rent | | | | | | |
| PERSONNEL RESOURCES (FTE) | | | | | | | | | | | | | |
| Direct FTE | - | - | | | | | | | | | - | - | - |
| FINANCIAL RESOURCES | | | | | | | | | | | | | |
| Salaries and Benefits | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Travel | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Operating Expenses | - | - | - | - | - | - | - | - | - | - | - | - | - |
| GSA Rent | - | - | - | - | - | - | - | - | - | - | - | - | - |
| WCF | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Admin Subtotal | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| PROGRAMS | | | | | | | | | | | | | |
| Grants | \$292,730 | \$225,000 | - | - | - | - | - | - | - | - | \$225,000 | -\$225,000 | - |
| Programs Subtotal | \$292,730 | \$225,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$225,000 | -\$225,000 | \$0 |
| TOTAL | \$292,730 | \$225,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$225,000 | -\$225,000 | \$0 |

EXHIBIT II-6
WORKING CAPITAL FUND
MARITIME ADMINISTRATION
(\$000)

| | <u>FY 2019</u> <u>ACTUAL</u> | <u>FY 2020</u> <u>ENACTED</u> | <u>FY 2021</u> <u>REQUEST</u> |
|--|---|--|--|
| DIRECT: | | | |
| Operations and Training | 6,075 | 11,622 | 11,928 |
| Ship Disposal | 201 | 240 | 316 |
| Maritime Guaranteed Loan Prog. (Title XI) | 281 | 280 | 368 |
| SUBTOTAL | <u>6,557</u> | <u>12,142</u> | <u>12,612</u> |
| REIMBURSABLE: | | | |
| Ready Reserve Force | 4,788 | 6,562 | 5,946 |
| SUBTOTAL | <u>4,788</u> | <u>6,562</u> | <u>5,946</u> |
| TOTAL | 11,345 | 18,704 | 18,558 |

EXHIBIT II-7

**MARITIME ADMINISTRATION
PERSONNEL RESOURCE - SUMMARY
TOTAL FULL-TIME EQUIVALENTS**

| <u>DIRECT FUNDED BY APPROPRIATION</u> | <u>FY 2019 ACTUAL</u> | <u>FY 2020 ENACTED</u> | <u>FY 2021 REQUEST</u> |
|--|----------------------------------|-----------------------------------|-----------------------------------|
| Operations and Training | 438 ^{1/} | 455 ^{2/} | 446 |
| Ship Disposal | 12 | 12 | 12 |
| Assistance to Small Shipyards | <u>1</u> | <u>1</u> | <u>-</u> |
| SUBTOTAL, DIRECT FUNDED | 451 | 468 | 458 |
| <u>ALLOCATIONS</u> | | | |
| Operation and Training | <u>7</u> | <u>8</u> | <u>8</u> |
| SUBTOTAL, ALLOCATIONS | 7 | 8 | 8 |
| <u>REIMBURSEMENTS</u> | | | |
| Ready Reserve Force | 274 | 308 | 308 |
| Operation and Training | <u>1</u> | <u>1</u> | <u>1</u> |
| SUBTOTAL, REIMBURSEMENTS | 275 | 309 | 309 |
| TOTAL FTEs | <u>733</u> | <u>785</u> | <u>775</u> |

1/ Direct funded FTEs includes 12 FTE for the Title XI Program.

2/ Direct funded FTEs includes 14 FTE for the Title XI Program.

EXHIBIT II-8

MARITIME ADMINISTRATION RESOURCE SUMMARY - STAFFING FULL-TIME PERMANENT POSITIONS

| | FY 2019 | FY 2020 | FY 2021 |
|---------------------------------------|-----------------------|-----------------------|-----------------------|
| <u>DIRECT FUNDED BY APPROPRIATION</u> | <u>ACTUAL</u> | <u>ENACTED</u> | <u>REQUEST</u> |
| Operations and Training | 454 ^{1/} | 488 ^{2/} | 489 |
| Ship Disposal | 12 | 12 | 12 |
| Assistance to Small Shipyards | <u>1</u> | <u>1</u> | <u>-</u> |
| SUBTOTAL, DIRECT FUNDED | 467 | 501 | 501 |
| <u>ALLOCATIONS</u> | | | |
| Operation and Training | <u>7</u> | <u>8</u> | <u>8</u> |
| SUBTOTAL, ALLOCATIONS | 7 | 8 | 8 |
| <u>REIMBURSEMENTS</u> | | | |
| Ready Reserve Force | 283 | 308 | 308 |
| Operation and Training | <u>1</u> | <u>1</u> | <u>1</u> |
| SUBTOTAL, REIMBURSEMENTS | 284 | 309 | 309 |
| TOTAL POSTIONS | <u>758</u> | <u>818</u> | <u>818</u> |

1/ Direct funded FTPs includes 12 FTP for the Title XI Program.

2/ Direct funded FTPs includes 14 FTP for the Title XI Program.

OPERATIONS AND TRAINING

[INCLUDING TRANSFER OF FUNDS]

For necessary expenses of operations and training activities authorized by law, [\$152,589,000] \$137,797,000, of which [: *Provided*, That of the sums appropriated under this heading—

(1) \$80,216,000] \$77,626,000 shall remain available until [September 30, 2021] September 30, 2022 for the operations of the United States Merchant Marine Academy, and of which [;

(2) \$5,225,000] \$5,500,000 shall remain available until expended for [the] facilities maintenance and repair, and equipment at the United States Merchant Marine Academy [;

(3) \$3,000,000 shall remain available until September 30, 2021 for the Maritime Environment and Technology Assistance program authorized under section 50307 of title 46, United States Code; and

(4) \$9,775,000, shall remain available until expended for the Short Sea Transportation Program (America’s Marine Highways) to make grants for the purposes authorized under sections 55601(b)(1) and (3) of title 46, United States Code:

Provided further, That not later than 120 days after enactment of this Act, the Administrator of the Maritime Administration shall transmit to the House and Senate Committees on Appropriations the annual report on sexual assault and sexual harassment at the United States Merchant Marine Academy as required pursuant to section 3507 of Public Law 110–417:

Provided further, That available balances under this heading for the Short Sea Transportation Program (America’s Marine Highways) from prior year recoveries shall be available to carry out activities authorized under sections 55601(b)(1) and (3) of title 46, United States Code: *Provided further*, That from funds provided under paragraphs (3) and (4) of the first proviso, the Secretary of Transportation shall make grants no later than 180 days after enactment of this Act in such amounts as the Secretary determines: *Provided further*, That any unobligated balances and obligated balances not yet expended from previous appropriations under this heading for programs and activities supporting State Maritime Academies shall be transferred to and merged with the appropriations for “Maritime Administration— State Maritime Academy Operations” and shall be made available for the same purposes as the appropriations for “Maritime Administration— State Maritime Academy Operations”].

(Department of Transportation Appropriations Act, 2020)

EXHIBIT III-1

OPERATIONS AND TRAINING

Summary by Program Activity

**Appropriations, Obligation Limitations, and Exempt Obligations
(\$000)**

| | <u>FY 2019 ACTUAL</u> | <u>FY 2020 ENACTED</u> | <u>FY 2021 REQUEST</u> | <u>CHANGE FY 2020-2021</u> |
|---|----------------------------------|-----------------------------------|-----------------------------------|---------------------------------------|
| U.S. Merchant Marine Academy | 88,593 | 85,441 | 81,944 | -3,497 |
| MARAD Ops. & Programs | <u>60,849</u> | <u>67,148</u> | <u>55,853</u> | <u>-11,295</u> |
| Total, Operations & Training | 149,442 | 152,589 | 137,797 | -14,792 |
| FTEs | | | | |
| Direct Funded | 438 | 455 | 446 | -9 |
| Reimbursable, Allocated, Other | 8 | 9 | 9 | - |

OPERATIONS AND TRAINING

The appropriation for Operations and Training funds the United States Merchant Marine Academy (USMMA) located in Kings Point, New York, as well as headquarters staff to administer and direct Maritime Administration operations and programs.

The USMMA, a Federal service academy and accredited institution of higher education, provides instruction to individuals to prepare them for service in the merchant marine. Funding supports traditional operations of the academic institution, midshipmen training at sea, and capital maintenance of the USMMA campus facilities.

Maritime Administration operations includes planning for coordination of U.S. maritime industry activities under emergency conditions; promotion of efficiency, safety, risk mitigation, environmental stewardship, and maritime industry standards; strategic outreach with maritime stakeholders in education and industry, and port and intermodal development to increase capacity and mitigate congestion in freight movements.

EXHIBIT III -1a

**OPERATIONS AND TRAINING
SUMMARY ANALYSIS OF CHANGE FROM FY 2020 TO FY 2021
Appropriations, Obligations, Limitations, and Exempt Obligations
(\$000)**

| | <u>\$000</u> | <u>FTE</u> |
|--|---------------------|-------------------|
| FY 2020 ENACTED | \$152,589 | 455 |
| ADJUSTMENTS TO BASE: | | |
| Annualization of FY 2020 Pay Raise | 502 | |
| Annualization of FY 2020 FTEs | 481 | |
| FY 2021 Pay Raise | 528 | |
| Less: One Compensable Day | -273 | |
| Mandatory WIGs & Other Payroll changes | 813 | |
| GSA Rent | 368 | |
| Working Capital Fund | 1,248 | 5 |
| Non-Salary Inflation (1%) | 486 | |
| Other Non-Discretionary Increases | -600 | |
| SUBTOTAL, ADJUSTMENTS TO BASE | \$3,553 | 5 |
| PROGRAM REDUCTIONS | | |
| Academy Operations | -5,845 | |
| Maritime Environment & Technology Assistance | -3,000 | |
| Short Sea Transportation (America's Marine Highways) | -9,775 | |
| SUBTOTAL, PROGRAM REDUCTIONS | -18,620 | 0 |
| PROGRAM INCREASES | | |
| Facilities Maintenance and Repair, Equipment | 275 | |
| Short Sea Transportation (America's Marine Highways) | - | -14 |
| SUBTOTAL, PROGRAM INCREASES | \$275 | -14 |
| FY 2021 Request | \$137,797 | 446 |

**DETAILED JUSTIFICATION
FY 2021 Budget Request**

UNITED STATES MERCHANT MARINE ACADEMY (USMMA)

(\$000)

| Program Activity | FY 2019 Actual | FY 2020 Enacted | FY 2021 Request |
|----------------------------------|---------------------------|----------------------------|----------------------------|
| Academy Operations | 70,593 | 80,216 | 76,444 |
| Capital Asset Management Program | 18,000 | 5,225 | 5,500 |
| Total | \$88,593 | \$85,441 | \$81,944 |

For FY 2021, \$81.9 million is requested for the U.S. Merchant Marine Academy (USMMA/Academy), a decrease of \$3.5 million from the FY 2020 Enacted level. This request includes \$76.4 million for Academy Operations and \$5.5 million for the Capital Asset Management Program (CAMP).

What is this program and what does this funding level support?

In accordance with 46 U.S.C. 51301, the Secretary of Transportation is required to maintain the USMMA, a Federal Service Academy and an accredited institution of higher education to provide instruction to individuals to prepare them for service in the Merchant Marine of the United States. USMMA provides undergraduate educational programs for men and women (Midshipmen) to become shipboard officers and leaders in the maritime transportation field. Midshipmen, nominated by members of Congress, and competitively selected to the Academy receive a four-year maritime-focused education. By statute, attendance at USMMA is without charge for tuition, room, and board¹. In exchange for a tuition-free education, Academy graduates incur a multifaceted obligation to serve the Nation, which includes the requirement to: 1) serve for five years as a Merchant Marine officer, or on active duty in the U.S. Armed Forces or uniformed services; 2) maintain a U.S. Coast Guard (USCG) license credential for six years; and 3) serve for eight years as a commissioned officer in a reserve unit of the U. S. Armed Services.

The USMMA curriculum is centered on academic and practical technical training that leads to a Bachelor of Science degree, a U.S. Coast Guard (USCG) Merchant Mariner Credential with an officer endorsement (3rd Mate or 3rd Assistant Engineer), and an active duty or reserve commission as an officer in the Armed Forces or uniformed services (National Oceanographic and Atmospheric Administration or the Public Health Service Corps) of the United States.

¹ See 46 U.S.C. 51314

Base funding supports the traditional operations of an academic institution as well as the unique requirements of USMMA's Merchant Mariner Credentialing and military commissioning programs, including a required Sea Year training period of 300-330 days that every midshipman must complete to obtain their USCG credential.

ACADEMY OPERATIONS

For FY 2021, MARAD requests \$76.4 million for Academy Operations, a \$3.8 million decrease from the FY 2020 enacted level. This funding includes \$2.1 million in baseline changes in salaries and benefits, inflation, and other non-discretionary costs, and \$5.8 million in program reductions. The request provides \$39.5 million for salaries and benefits and \$36.9 million for non-pay operations.

The Academy is a 24/7, labor-intensive operation with salaries and benefits constituting approximately 50 percent of the Academy Operations budget. Without the requested baseline adjustments in funding, the Academy cannot absorb mandatory labor cost increases without eroding the base for non-pay related services, such as food service costs, instructional materials, textbooks, travel to and from Sea Year training assignments, athletic programs, library services, and Midshipman health and welfare services.

Salaries and Benefits (\$39.5 million): The FY 2021 budget request is \$39.5 million, an increase of \$1.6 million from the FY 2020 enacted. The \$1.6 million increase provides for the annualization of the FY 2020 pay raise, full year support of FY 2020 hires, a modest proposed FY 2021 pay raise and other mandatory costs to support a base level of 255 full time equivalent (FTE) salaries and benefits. No new FTE are requested.

Non-pay Operations (\$36.9 million): The FY 2021 budget request is \$36.9 million for non-pay operations. The request is a \$5.4 million decrease from the FY 2020 enacted, consisting of \$423 thousand in inflationary cost increases and \$5.8 million in non-recurring program reductions.

The Academy's non-pay operations are comprised of three programs:

- Instructional Program operated by the Academic Dean and Provost
- Midshipman Program operated by the Commandant of Midshipmen
- Program Direction and Administration which includes the Office of the Superintendent, the Sexual Assault Prevention and Response Office, Office of Admissions, and various administrative and Academy-wide support functions

Instructional Program

The request for the Instructional Program is \$5.6 million, a decrease of \$900 thousand from the FY 2020 enacted. This funding provides for the operations of the Office of the Academic Dean and the cost to hire adjunct instructors for the academic departments of Marine Transportation, Marine Engineering, Mathematics and Science, Humanities, and Physical Education and Athletics. Funding also supports the renewal of computer hardware and software licenses to operate and maintain the Academy's bridge and engine training simulators, purchase of textbooks, upgrades of classroom technology to enhance Midshipman learning experiences, instructional materials; chemistry and physics laboratory equipment; the costs to send Midshipmen to and from their Sea Year training assignments; and the cost of required merchant

mariner credentials. The Instructional Program also funds the Academy's library, equipment and travel for the athletic teams, and reimburses the Navy's Military Sealift Command for the Midshipmen's firefighting training at its facility in Freehold, New Jersey. Significant decreases include the non-recurring purchases of certain instructional and athletic equipment, and non-recurring library related acquisitions.

Midshipman Program

The request for the Midshipman Program is \$15.6 million, a decrease of \$3.4 million from the FY 2020 enacted level. This funding feeds, houses, and supplies uniforms to the Midshipmen, and supports Midshipman health, welfare, and religious services. Funding also supports the instructional, athletic, and recreational programs managed by the Waterfront Activities Department including the operation and maintenance of USMMA's training vessels: *T/V Kings Pointer*, *T/V Liberator*, and *T/V Elizabeth Ann*. The program is also responsible for the janitorial services to the barracks, academic, and administrative buildings. Significant decreases include a \$2.6 million reduction to reflect the completion of dry dock and maintenance period in FY 2020 for the *T/V Kings Pointer* and certain outfitting purchases for the barracks and chapel anticipated to be completed in FY 2020.

Program Direction and Administration

The request for Program Direction and Administration is \$15.7 million, a decrease of \$1.2 million from the FY 2020 enacted level. This funding supports the Office of the Superintendent, which houses the Sexual Assault Prevention and Response Office (SAPRO), the Office of Institutional Assessment, the Offices of Admissions, Security, and External Affairs. Funding also supports the Academy's administrative functions, including: budget and finance, human resource management, procurement, and campus-wide information technology services. The reduction consists of a \$1.3 million decrease in Information Technology (IT) purchases reflecting the deferral of additional cyclical IT hardware replacements that were accelerated into FY 2019 and FY 2020 offset by certain inflationary increases in on-going contracts.

CAPITAL ASSET MANAGEMENT PROGRAM (CAMP)

In FY 2021, \$5.5 million is requested for CAMP, which is comprised of two components:

- Capital Improvement Projects (CIP) that accomplish major facility and system improvements; and,
- Facilities Maintenance, Repairs and Equipment (FMRE) that provides for routine maintenance and repair and rehabilitation of USMMA's facilities, grounds, and equipment as required, including unplanned emergency capital repairs.

Capital Improvement Projects: (\$0 million): No additional CIP funds are requested in FY 2021 since the focus will be on executing previously funded CIP projects.

Facilities Maintenance, Repairs and Equipment (FMRE) (\$5.5 million): For FY 2021, MARAD requests \$5.5 million for FMRE, an increase of \$275 thousand from the FY 2020 enacted. The base funding is essential to ensure a dedicated funding source is provided for recurring maintenance and repair activities and to address major physical plant emergencies and high priority mission-related physical plant projects that emerge during the fiscal year due to facility deterioration, accident, or abuse. These funds are also used for minor renovation projects to keep

classrooms, faculty and staff offices, multi-purpose and specialty areas (e.g., dining areas, IT closets, athletic areas, etc.) functional and modern to accommodate new technology as it is introduced, and any changes in staffing and Midshipmen populations.

The modest increase in FY 2021 provides additional resources for environmental remediation projects. Specifically, resources are needed to respond to minor hazardous material spills, and asbestos and lead paint abatements.

What benefits will be provided to the American public through this request and why is this program necessary?

The FY 2021 budget request enables the USMMA to continue to provide our Nation with the next generation of highly skilled maritime leaders and military officers of exemplary character with state of the art technical knowledge and leadership experience to keep the Nation's maritime industry competitive in the global marketplace and ready to answer the call to duty in the event of national emergencies. The USMMA program supports the Secretary's priorities for investing in infrastructure to foster the development of a competent and capable transportation industry workforce. Each year, approximately 75 percent of Academy graduates are recruited as Merchant Mariners in the U.S. commercial fleet or approved maritime related careers in fulfillment of their commitment as commissioned military reserve officers. About 25 percent of graduates enlist in active duty commissions in one of the Nation's uniformed services.

The Academy is a major source of U.S. Navy Reserve (USNR) Officers and a principal source of new officers for the U.S. Navy's Strategic Sealift Officer Program, which maintains a cadre of approximately 2,000 USNR Officers with the necessary training and credentials to operate strategic sealift resources during operations relating to national security matters.

As a Federal institution of higher education, the Academy also provides an opportunity for qualified young men and women with a commitment to serve the Nation and to receive a first-class education regardless of their economic circumstances.

**DETAILED JUSTIFICATION
FY 2021 Budget Request**

MARAD OPERATIONS AND PROGRAMS

(\$000)

| Program Activity | FY 2019 Actual | FY 2020 Enacted | FY 2021 Request |
|--|---------------------------|----------------------------|----------------------------|
| Headquarters Operations | 50,849 | 54,373 | 55,853 |
| Maritime Program Initiatives: | 10,000 | 12,775 | 0 |
| <i>Maritime Environment & Technology Assistance (META)</i> | 3,000 | 3,000 | 0 |
| <i>Short Sea Transportation (America's Marine Highways)</i> | 7,000 | 9,775 | 0 |
| Total | \$60,849 | \$67,148 | \$55,853 |

For FY 2021, a total of \$55.9 million is requested for MARAD Operations and Programs to support Headquarters Operations, \$11.3 million below the FY 2020 enacted level. Additionally, MARAD is proposing a slight organizational realignment in FY 2021 to be more responsive to emerging maritime issues, foster program efficiencies, and better promote mission clarity. Two new offices will be established – the Office of Policy and Strategic Engagement and the Office of Maritime Industry. There will be no net change in full-time positions (FTP) or full-time equivalents (FTEs) resulting from this realignment.

What is this program and what does this funding level support?

HEADQUARTERS OPERATIONS

For FY 2021, MARAD's request of \$55.9 million for Headquarters Operations will provide resources for agency infrastructure and professional staff working on MARAD operating missions, program initiatives, and program support. The request provides \$34.7 million for salaries and benefits for 191 FTEs and \$21.1 million for non-pay operations including financial operations and systems costs, GSA rent, Working Capital Fund (WCF), travel, and IT requirements. Additionally, funds will support an increase in salaries and benefits costs due to the annualization of the FY 2020 pay raise, a proposed modest pay raise, and increase in awards and FERS.

MARAD's operational mission is comprised of:

The Office for Strategic Sealift administers national security related programs that provide

commercial and government-owned shipping capability in times of national emergency, while meeting Department of Defense (DoD) strategic sealift requirements (e.g. Maritime Security Program and Voluntary International Sealift Agreement). Additional responsibilities include emergency preparedness planning and emergency operations in other maritime civil transportation areas, the administration of the ship disposal program, administration of the cargo preference program, monitoring compliance with the domestic coastwise trade (Jones Act) and small vessel waivers. The office is also responsible for training ship maintenance and repair at the State Maritime Academies (SMAs). Finally, the office participates in developing maritime safety standards, promoting safety awareness and coordination of threats and risks across the globe that impact government and commercial-owned ships.

The Office for Ports and Waterways provides agency support for national port and intermodal infrastructure modernization projects and programs, Deepwater port licensing and offshore programs, as well as oversight of Port Infrastructure Development Program and America's Marine Highway discretionary grants funded in prior appropriations. The office also oversees activities at MARAD's gateway offices located at regionally significant ports throughout the U.S. to support outreach to stakeholders within the marine transportation infrastructure.

The new Office of Policy and Strategic Engagement under the proposed organizational realignment merges functions and staff from priority agency management support areas that includes maritime education and training, policy and plans, international activities, and historic preservation. This office will oversee and support stakeholder engagement through MARAD's Maritime Transportation System National Advisory Committee (MTSNAC), which provides technical advice to the Secretary of Transportation in the areas related to development of short sea initiatives and their impediments; mariner manpower requirements for the future; and the integration of waterborne transportation into the national transportation system. This new office will increase decision-making transparency, and better communicate the full range of our activities to stakeholders and the public at large. The office will oversee administration of the maritime labor and training programs, including administration and promotion of the Student Incentive Program (SIP) for tuition assistance, and the oversight of U.S. Merchant Marine Academy (USMMA) and SIP undergraduate and graduate service obligation compliance.

The new Office for Maritime Industry Support is comprised of the former Office of Environment and Compliance and the former Office of Business and Finance. This new office will focus on efficiency, risk mitigation, environmental stewardship, maritime industry standards and financial sustainability of the maritime industry. The office will foster innovation, development and adoption of technologies and practices for testing and deployment in the maritime sector. Some of the benefits to industry include increased energy efficiency and enabling the use of a range of domestically produced fuels and technologies. Finally, the office will continue to provide oversight of Maritime Environment and Technology Assistance (META) interagency and cooperative agreements funded under prior appropriations, as well as Assistance to Small Shipyard grants funded under prior appropriations, the capital construction and the reserve fund, marine insurance and marine war risk insurance activities, and programs related to U.S. shipbuilders, ship repairers and suppliers.

MARAD Headquarters Operations is also comprised of mission and program support functions and initiatives including: Human Resources; Financial Management and Budget; Information

Technology; Legal Counsel; and Acquisitions. These operations also contribute to Departmental priorities supporting Infrastructure, Innovation, and Accountability Excellence goals and objectives.

What benefits will be provided to the American public through this request and why is this program necessary?

HEADQUARTERS OPERATIONS

MARAD's Headquarters Operations funds the agency mission and administrative infrastructure, including operating expenses and professional staff working on MARAD operating mission and support programs, and initiatives. As such, Headquarters Operations contributes to operational program effectiveness, and providing the leadership, management, and administrative support infrastructure for programs advancing agency initiatives.

Funds requested for Headquarters Operations will support staffing and mission operations for the Strategic Sealift, Ports and Waterways, Policy and Strategic Engagement, and Maritime Industry Support offices, as well as provide USMMA technical guidance and assistance. This funding request also advances the Secretary's goal for Accountability. In addition, MARAD's organizational realignment of functions and offices will foster important program improvements and stronger communication throughout the Agency. The proposed organizational realignment will strengthen MARAD's performance and clarify its important national and economic security mission to our stakeholders and the American public.

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STATE MARITIME ACADEMY OPERATIONS

For necessary expenses of operations, support and training activities for State Maritime Academies, [\$342,280,000] \$337,700,000: *Provided*, That of the sums appropriated under this heading—

(1) [\$30,080,000] \$30,500,000, to remain available until expended, shall be for maintenance, repair, life extension, [marine] insurance, [and]capacity improvement of National Defense Reserve Fleet training ships, [in] support of State Maritime Academies training ship operations, [of which \$8,080,000, to remain available until expended, shall be for expenses related to training mariners for] and for costs associated with training vessel sharing pursuant to 46 U.S.C. 51504(g)(3) [for costs associated with mobilizing, operating and demobilizing the vessel, including travel costs for students, faculty and crew, the costs of the general agent, crew costs, fuel, insurance, operational fees, and vessel hire costs, as determined by the Secretary];

(2) \$300,000,000, to remain available until expended, shall be for the National Security Multi-Mission Vessel Program, including funds for construction, planning, administration, and design of school ships;

(3) \$2,400,000 [shall] to remain available through [September 30, 2021] September 30, 2022, shall be for the Student Incentive Program;

(4) [\$3,800,000] \$1,800,000 [shall] to remain available until expended shall be for training ship fuel assistance; and

(5) [\$6,000,000] \$3,000,000 [shall] to remain available until [September 30, 2021] September 30, 2022, shall be for direct payments for State Maritime Academies.

(Department of Transportation Appropriations Act, 2020)

EXHIBIT III-1

STATE MARITIME ACADEMY OPERATIONS
Summary by Program Activity
Appropriations, Obligation Limitations, and Exempt Obligations
(\$000)

| | <u>FY 2019</u> <u>ACTUAL</u> | <u>FY 2020</u> <u>ENACTED</u> | <u>FY 2021</u> <u>REQUEST</u> | <u>CHANGE</u> <u>FY 2020-2021</u> |
|--------------------------------------|---|--|--|--|
| State Maritime Academy Operations | 345,200 | 342,280 | 337,700 | -4,580 |
| Total | 345,200 | 342,280 | 337,700 | -4,580 |
| FTEs | | | | |
| Direct Funded | - | - | - | - |
| Reimbursable, Allocated, | - | - | - | - |

STATE MARITIME ACADEMY OPERATIONS

State Maritime Academy (SMA) Operations provides Federal assistance to the six SMAs, to help educate and train mariners and future leaders to support the U.S. marine transportation system. These graduates promote the commerce of the United States and aid in the national defense by serving in the merchant marine. The SMA Operations request funds financial assistance for students enrolled at the SMAs under the Student Incentive Program, direct assistance to each of the six SMAs for maintenance and support, fuel used by SMA training ships, routine maintenance and repair of SMA training ships, school ship capacity sharing, and the design and construction of new training vessels under the National Security Multi-Mission Vessel Program.

EXHIBIT III -1a

**STATE MARITIME ACADEMY OPERATIONS
SUMMARY ANALYSIS OF CHANGE FROM FY 2020 TO FY 2021
Appropriations, Obligations, Limitations, and Exempt Obligations
(\$000)**

| | <u>\$000</u> | <u>FTE</u> |
|--|---------------------|-------------------|
| FY 2020 ENACTED | \$342,280 | 0 |
| ADJUSTMENTS TO BASE: | | |
| Annualization of FY 2020 Pay Raise | 0 | |
| Annualization of FY 2020 FTEs | 0 | |
| FY 2021 Pay Raise | 0 | |
| Less: One Compensable Day | 0 | |
| Mandatory WIGs & Other Payroll changes | 0 | |
| GSA Rent | 0 | |
| Working Capital Fund | 0 | |
| Non-Salary Inflation (1%) | 0 | |
| Other Non-Discretionary Increases | 0 | |
| SUBTOTAL, ADJUSTMENTS TO BASE | \$0 | 0 |
| PROGRAM REDUCTIONS | | |
| Direct SMA Payments | -3,000 | |
| Training Ship Fuel Assistance Payments | -2,000 | |
| Training Vessel Sharing | -8,080 | |
| SUBTOTAL, PROGRAM REDUCTIONS | -13,080 | 0 |
| PROGRAM INCREASES | | |
| School Ship Maintenance & Repair | 8,500 | |
| SUBTOTAL, PROGRAM INCREASES | \$8,500 | 0 |
| FY 2021 Request | \$337,700 | 0 |

**DETAILED JUSTIFICATION
FY 2021 Budget Request**

STATE MARITIME ACADEMY OPERATIONS

(\$000)

| Program Activity | FY 2019 Actual | FY 2020 Enacted | FY 2021 Request |
|---------------------------|-----------------------|------------------------|------------------------|
| Student Incentive Program | 2,400 | 2,400 | 2,400 |
| Direct SMA Support | 6,000 | 6,000 | 3,000 |
| Fuel Assistance Payments | 3,800 | 3,800 | 1,800 |
| Training Vessel Sharing | 8,000 | 8,080 | 1/ |
| School Ship M&R | 25,000 | 22,000 | 30,500 |
| NSMV Program | 300,000 | 300,000 | 300,000 |
| Total | \$345,200 | \$342,280 | \$337,700 |

1/ Funding for Training Vessel Sharing is requested under the School Ship M&R request.

For FY 2021, \$337.7 million is requested for supporting the six State Maritime Academies (SMAs). This represents a minor decrease of \$4.6 million from the FY 2020 enacted. Funding includes \$2.4 million for the student tuition assistance program, \$3 million for direct payments divided equally among each of the six SMAs, \$1.8 million for the Fuel Assistance Payments program and \$30.5 million for critical maintenance and repair of the training school ships, increased operating costs associated with the older training vessels, and school ship capacity sharing expenses.

Funding also includes \$300 million for the National Security Multi-Mission Vessel (NSMV) Program for the series construction of a replacement training ship. This funding enables series construction of the replacement training ships, which most quickly and cost effectively provides adequate, safe at sea training capacity.

What is this program and what does this funding level support?

This program provides Federal assistance to the SMAs for educating and training of merchant mariners to promote safety, national security requirements, and the U.S. maritime transportation infrastructure. The six SMAs provide students, from across the socio-economic spectrum, an affordable, high-quality education from an accredited institution as well as the necessary training to become United States Coast Guard (USCG) credentialed officers in the U.S. Merchant Marine. These six SMAs are: California Maritime Academy in Vallejo, California; Great Lakes Maritime Academy in Traverse City, Michigan; Maine Maritime Academy in Castine, Maine; Massachusetts Maritime Academy in Buzzards Bay, Massachusetts; the State University of New

York (SUNY) Maritime College in the Bronx, New York; and Texas A&M Maritime Academy in Galveston, Texas. The SMAs graduated 922 unlimited license merchant mariners in FY 2019. While five of the six SMAs are associated with their state-governed university systems, they are all regional academies providing the unique maritime learning opportunities to broader regional areas and partner states.

The FY 2021 funding level is necessary to support mariner training and sea time requirements mandated by the U.S. Coast Guard and International Maritime Organization (IMO) Standards for Training Certification and Watchkeeping¹ (STCW). It helps ensure that a sufficient number of highly trained Merchant Marine officers are available to meet the Nation's safety, economic and national security needs. Additionally, the request includes funding for school ship capacity sharing, compliance and reliability modernization, as well as for school ship maintenance and repair. This will allow MARAD to maintain the training ships and provide viable options and alternatives to maximize all training capacity for at-sea training while also complying with USCG and American Bureau of Shipping (ABS) requirements.

Training ships serve a critical role in providing the necessary at-sea training that cadets and midshipmen need to qualify for an unlimited merchant mariner credential from the USCG. MARAD training ships are the primary platforms on which more than two-thirds of unlimited credentialed, U.S. mariners are trained each year. The training ship is an essential piece of each SMA training program and curricula.

STUDENT INCENTIVE PROGRAM (SIP)

In FY 2021, MARAD's request of \$2.4 million for the SIP will help provide financial assistance for students enrolled at the SMAs. SIP funding is provided to students accepted in the program, and is used to offset costs for uniforms, books, tuition, and room and board in return for a service obligation. This will help meet the validated requirements of the U.S. Navy Reserve's Strategic Sealift Officer Program (SSOP) and the U.S. Army and U.S. National Guard, when combined with the anticipated number of U. S. Merchant Marine Academy (USMMA) graduates. The Department of the Navy SSOP established an annual requirement of an estimated 220 reserve officers entering the program upon graduation from SMAs and USMMA. Based on the current number of graduates entering SSOP from USMMA, approximately 70 SMA graduates are required annually to meet the total SSOP accession requirement. The SIP promotes a robust pool of USCG credentialed officers in the U.S. Merchant Marine that is readily available to crew surge government sealift vessels, should normal crewing processes fall short².

SIP provides financial assistance to selected full-time students at the SMAs to obtain a maritime education that includes a Bachelor's degree and a USCG Merchant Mariner Credential (MMC) with an officer endorsement. SIP students receive a stipend each semester, if in good standing, for a maximum of \$32 thousand over four years in return for post-graduation service obligations.

¹ The IMO amended the STCW Convention and STCW Code on June 25, 2010. These amendments entered into force for ratifying countries on January 1, 2012. The USCG published a final rule on December 24, 2013, that implements STCW, including the 2010 amendments. The rule requires full compliance with the requirements by January 1, 2017.

² The normal process for crewing a vessel involves calling for specific billets on a particular ship at a union hall when a civilian crewmember is due to rotate off the ship and a relief is needed.

SIP graduates also serve in a reserve component of the U.S. Armed Forces for eight years, or serve on active duty in the U.S. Armed Forces or uniformed services (National Oceanographic and Atmospheric Administration (NOAA) or the Public Health Service (PHS)) for five consecutive years following graduation. Students participating in the program must graduate, obtain a USCG Credential with an officer endorsement, maintain the required medical and physical requirements, and fulfill the following service obligation requirements:

1. Report annually to MARAD on the fulfillment of their service obligation, until completed.
2. Maintain maritime employment for three years; and give priority to sailing with their Merchant Mariner Credentials on U.S.-flag vessels.
3. Maintain a valid USCG MMC with an officer endorsement for at least six years.
4. Serve as a commissioned officer in a reserve component of the U.S. Armed Forces for at least eight years.

Graduates may also fulfill requirements two and four above by serving active duty as a commissioned officer in the U.S. Armed Services or as a NOAA or PHS officer for a five-year period after graduation. Additionally, the U.S. Army and National Guard have identified positions in the Army Reserve and the National Guard where SIP graduates can utilize their maritime skills and education to meet their obligation. The SIP graduates' maritime skills and education are utilized in support of the U.S. Armed Forces through these reserve programs.

While SIP funding will be used primarily for payments to students, a portion of the program funding may be used to promote student awareness and participation in the SIP program. Administrative costs for SIP and monitoring service obligations are funded from the O&T account.

DIRECT SMA SUPPORT

MARAD's request of \$3 million in FY 2021 will provide \$500 thousand in direct assistance to each of the six SMAs for maintenance and support. The academies rely on these funds to help implement expanding domestic and international training requirements, which increase the overall costs to train mariners. These funds also strengthen the ability of SMAs to maintain high quality faculty, innovative facilities, and state of the art technology.

Federal government support of mariner education prepares future Merchant Marine officers by providing a high-quality, college-level education and technical training. Funding allows MARAD to ensure the U.S. has a continuous supply of capable and well-trained U.S. Merchant Mariners. These funds help the SMAs offset the increasing cost to train credentialed USCG Merchant Mariner officers.

FUEL ASSISTANCE PROGRAM

This request includes \$1.8 million, which provides the authorized level of \$300 thousand for each of the six SMAs for fuel used by the training ships annually. Most SMAs pay over \$1.5 million annually for fuel for their training cruises, which are critical to ensure Midshipmen/Cadets obtain the necessary sea time to qualify to take the written examination to earn their USCG MMC. To be compliant for operation in the Emission Control Area (ECA) of

the United States, and ECAs of foreign countries, the training ships are required to purchase significantly higher cost ultra-low sulfur fuel. This requirement went into effect in January 2015, and is currently about 50 percent more expensive than marine diesel fuel. To meet the increased requirement for at-sea training mandated by Standards for Training Certification and Watchkeeping (STCW), SMAs are supporting longer sailing periods that are consuming more fuel. Although fuel costs across the country have remained stable, the overall expense continues to rise for the SMAs, and will become more expensive in FY 2021 when the global demand for low sulfur marine fuel is expected to exceed the supply.

SCHOOL SHIP M&R

The FY 2021 request includes \$30.5 million for School Ship M&R. Funding requested provides flexibility to support the routine maintenance and repair, insurance, and periodic regulatory inspections and certification of the training school ships. This funding will also support costs associated with increased training operation costs of the current aging school ship fleet and for school ship capacity sharing, including: vessel movements, required repositioning, pre/post-cruise repair, fuel, travel, insurance and ship manager fees. Having the flexibility to utilize these funds for capacity sharing is critical as an interim measure until sufficient school ship capacity is made available.

The Department of Transportation (DOT), through MARAD, owns and maintains the six training ships on loan to the respective SMAs for the training of credentialed merchant marine officers. The training ships are the single most important element provided by the Federal Government that enables these schools to operate as maritime academies and graduate students qualified to take the USCG licensing examination. Although all the responsibility and the majority of the maintenance and repair costs are borne by MARAD, the requested funds do not cover the cost of the crews throughout the year and all routine day-to-day maintenance expenses. The SMAs spend a significant amount annually to keep the ships in compliance and operational for activation within a 10-day period. Furthermore, preventative maintenance and repair occurrences vary among the training ships from year to year; and the funds requested are necessary to cover the maintenance and repair costs for the current fleet of training ships in FY 2021.

The requested level of funding is particularly important as the ships age and approach their designed end of service life. At the end of the service life, the asset must be replaced, and these ships have already exceeded commercial service life standards. In the interim, MARAD will require funds to prioritize maintenance across all the aging vessels to ensure that they all meet safety and functional requirements and can stay in service as long as they are needed. Additionally, because of the current insufficiency of at-sea training capacity, the National Defense Authorization Act for FY 2019 mandated MARAD to establish a School Ship Capacity Sharing plan to provide critical uninterrupted availability of the USCG required at-sea training. Funding requested aligns with the plan, and will allow MARAD to assist SMAs with the costs associated with ensuring there is adequate at-sea training capacity, as detailed below.

Within this request, a minimum of \$22.5 million will continue to fund routine maintenance and repair of the training ships to provide for regulatory, statutory and convention surveys,

inspections, repair and maintenance; including dry-docking and internal structure exams. Funding will also support routine, non-regulatory maintenance and repair of mission-critical systems such as galley, habitability infrastructure and accommodations. The school ship maintenance and repair funds are used for recurring or periodic capital preservation projects, and mission-related capital reinvestment to prevent the accumulation of deferred maintenance, delaying or preventing catastrophic equipment/machinery failure or loss.

Without this minimum funding level requirement, the training ships will need to defer some non-mandatory but still critical maintenance, which if not addressed timely could lead to a reduced service life of the ships. It will also enable proactive investments to be made on major projects, necessary overhaul of auxiliary systems, equipment upgrades or replacements, and other preventative maintenance that extends the service life of the equipment. Failing to perform necessary annual maintenance and being unable to conduct repairs, always leads to more expensive maintenance or corrective repairs in the future, including the early retirement of a ship. Deferring maintenance also increase the risk to the government, specifically risk of catastrophic failure or loss of equipment or life, and reduction in safety overall. As well, there is the possibility of failing to meet USCG and IMO regulatory requirements which could result in the ship's Certificate of Inspection being suspended or revoked, which would require the removal of the ship from service until corrected.

The funding requested in FY 2021 will also support requirements for the uninterrupted availability of at-sea training capacity. This request supports Congressional direction that MARAD take a more active role in capacity sharing as an interim measure until sufficient at-sea training capacity can be acquired. Funding will allow MARAD to manage existing vessel capacity to meet current training capacity requirements for the SMAs. Funds can also be used to help offset the increased operational costs of training on older vessels. This provides MARAD with greater flexibility as the owner of the vessels. Funding will allow MARAD to support costs associated with school ship capacity sharing including vessel movements, required repositioning, pre/post-cruise repair, fuel, travel, insurance, and ship manager fees. The SMAs will be responsible for providing and funding the standard program costs, including training faculty, regimental and administrative staff, as well as arrange and fund the cost of normal port calls.

Additionally, the TS EMPIRE STATE (TSES), the largest SMA training vessel, is planned to be phased out with the delivery of a replacement NSMV training ship. Currently, the TSES has a USCG Certificate of Inspection to sail as a public nautical school ship and meets all the requirements to stay in full Classification with the American Bureau of Shipping (ABS) through February 2021. The ability of TSES to continue operating to the point it will be replaced is a matter of concern. Similarly, the second largest and oldest training ship is the TS KENNEDY, which is sailing beyond its service life. Any loss of training ship capacity could have serious repercussions across all the SMAs. This funding request will help to mitigate a loss of training ship capacity through either school ship sharing or potential machinery refurbishment and hull repairs identified during USCG/ABS surveys and inspections to ensure the TSES and TS Kennedy will continue to safely operate.

To further mitigate the risk to cadets of not attaining adequate sea service time, requested funds may support MARAD continuing to maintain the Training Vessel (T/V) FREEDOM STAR

(sister-ship to the T/V KINGS POINTER) as a back-up training ship. This vessel is berthed at no additional cost to MARAD at the Seafarers International Union (SIU) Paul Hall Center in Piney Point, MD. In return for conducting routine shipboard maintenance and minor preservation, the SIU utilizes the vessel for training their apprentice seamen who will serve on U.S. vessels as credentialed mariners. As with the SMAs, MARAD is responsible for major repairs and maintaining the regulatory compliance of the T/V FREEDOM STAR.

NATIONAL SECURITY MULTI-MISSION VESSEL (NSMV) PROGRAM

The FY 2021 request includes \$300 million for the NSMV Program. The request will provide funding consistent with fiscal year 2020 for series construction of replacement training ships under the NSMV single platform design. This will most quickly and cost effectively provide adequate, safe at-sea training capacity for the SMAs. In addition to the three ships already identified by previously enacted appropriations, the request for FY 2021 assumes construction of a fourth NSMV to replace the currently undersized vessel TS GENERAL RUDDER used by Texas A&M Maritime Academy. The current vessel has capacity for 50 cadets, which meets approximately 20 percent of the existing capacity requirement for Texas A&M Maritime Academy. The projected future capacity requirements for Texas A&M Maritime Academy are nearly double the current requirement, further exacerbating the problem. Series construction is the fastest approach to address the immediate capacity deficiency, and to provide ships that meet the safety and regulatory requirements of a modern training ship.

Congress enacted funding in FY 2018, FY 2019, and FY 2020 to support series construction of replacement vessels for the SMAs using the NSMV design. The design of the NSMV was established as the most economical approach, considering initial acquisition, lifecycle and programmatic costs. The capacity requirements of each SMA were evaluated and incorporated into the NSMV design requirements.

MARAD developed and implemented an acquisition strategy, incorporated industry feedback into the ship design, and contracted with a Vessel Construction Manager (VCM), which is currently working to select a shipyard. Once the VCM contracts with a shipyard, construction is expected to begin within 8 to 12 months. The first of the three ships would be delivered approximately 36 months after contract signing, with subsequent ships being delivered in 12-month intervals. Series construction remains a key factor in the recapitalization plan and the Department's ability to safely and effectively accomplish multiple mission requirements.

What benefits will be provided to the American public through this request and why is this program necessary?

A strong commercial merchant marine fleet owned and operated by U.S. citizens, and employing U.S. mariners in high-value jobs, is a long-standing objective of the United States. This program supports the DOT Secretary's priorities in supporting and improving the safety of our Nation by having strong manpower and infrastructure for national defense. The U.S. Merchant Marine is a national resource; essential for maintaining the sealift capacity required to support economic growth and national defense. The best strategy to ensure that the United States can provide

adequate safety, national economic security, and strategic sealift support in future conflict is a strong commitment to:

- Train highly skilled mariners;
- Support U.S.-flag vessels in commercial operations; and
- Maintain commercial U.S. shipbuilding capacity.

SMA Operations provides Federal assistance to the SMAs, to help educate and train mariners and future leaders to support the U.S. marine transportation infrastructure, including shipyards and ports. The SMA programs support the Secretary's priorities for investing in infrastructure to foster the development of a competent and capable transportation industry workforce. The SMA programs help mitigate MARAD's identified enterprise risk management risks by addressing the need for investing in modernization of school ships, while reducing the economic and national security risks posed by having a shortage of U.S. Coast Guard- licensed Mariners with unlimited tonnage credentials.

In accordance with 46 U.S.C. § 1103, MARAD is authorized to provide education and training for U.S. citizens in the interest of the safe and efficient operation of the merchant marine, and provides for cooperation with the U.S. Navy and SMAs to this end. To fulfill one of MARAD's key statutory mandates, 46 U.S.C. § 51501 *et seq.*, MARAD provides support to the six SMAs, which produce well-educated, highly-trained, and USCG-credentialed officers in the U.S. Merchant Marine. These graduates promote the commerce of the United States and aid in the national defense, by serving in the merchant marine and U.S. Armed Forces. In return, the American taxpayer receives well-educated and trained merchant mariners qualified to fill critical jobs within the maritime industry and provide support for national defense, contingencies, and emergencies. As a condition for receiving payments as regional maritime academies, SMA's agree to admit students from other states at reduced "out of state" tuition rates.

The SMAs consistently rank in the top 5 percent to 10 percent of small public colleges for best value, best Science, Technology, Engineering and Mathematics (STEM), and best mid-career earning potential. Nearly 100 percent of each graduating class is employed within the first three months of graduation and are in quality, high-paying jobs that support the transportation industry. More than 40,000 American vessels of various types, built in American shipyards and crewed by U.S. citizen mariners, operate in U.S. waters in different segments of the industry such as offshore, coastal, inland rivers and the Great Lakes, and in domestic Jones Act trades.

The SMA Program provides support for the U.S. Merchant Marine and the associated marine transportation infrastructure, which contributes to the Nation's economic development, generating \$4.6 trillion in total economic activity while also creating 23 million jobs.¹ The movement of bulk raw materials, and affordable food and manufactured goods, are made possible in the global economy by the shipping industry. A strong U.S. Merchant Marine enables expanding trade and commerce, creating jobs in the U.S., and is essential to economic growth.

¹ Martin Associates, "The 2014 National Economic Impact of the U.S. Coastal Port System," prepared for the American Association of Port Authorities, March 2015, p.6.

TS EMPIRE STATE — SUNY Maritime College



Year built: 1962
Year converted to a training ship: 1989
Capacity: 666 Cadets / 122 Crew & Instructors
Propulsion: Steam Boiler/Turbine
Original designation: Break bulk cargo ship
Average # of training sea days per year: 90
Average # of training days at campus per year: 220
Home port: Ft. Schuyler, Bronx, NY

TS EMPIRE STATE is the largest training ship. Besides training future mariners, the vessel has supported disaster relief missions for Hurricanes Harvey, Irma and Maria in 2017, Hurricane Sandy in 2012 and Hurricanes Katrina and Rita in 2005. In 1994 the vessel was used to transport U.S. military forces from Mogadishu, Somalia. The ship currently supports the National Oceanic and Atmospheric Administration's (NOAA) Voluntary Observing Ship (VOS) Program, allowing cadets to collect and submit weather data while on cruise. This data is used by NOAA to build forecasts. The ship also routinely supports shipboard firefighting training with the New York City Fire Department.

TS KENNEDY — Massachusetts Maritime Academy



Year built: 1967
Year converted to a training ship: 2003
Capacity: 600 Cadets / 110 Crew & Instructors
Propulsion: Steam Boiler/Turbine
Original designation: Break bulk cargo ship
Average # of training sea days per year: 60
Average # of training days at campus per year: 210
Home port: Buzzards Bay, MA

TS KENNEDY is part of a cutting-edge technology study on maritime heating and air conditioning. Instrumentation and sensors installed onboard are being used to develop heat transfer programs for marine applications and test innovative energy saving technologies in collaboration with the National Renewable Energy Laboratory and U.S. Navy. The vessel also supported the disaster relief missions for Hurricanes Harvey, Irma and Maria in 2017, and Hurricane Sandy in 2012.

TS GOLDEN BEAR — California Maritime Academy



Year built: 1989
Year converted to a training ship: 1996
Capacity: 295 Cadets / 85 Crew & Instructors
Propulsion: Diesel, Geared Drive
Original designation: Oceanographic research
Average # of training sea days per year: 124
Average # of training days at campus per year: 210
Home port: Vallejo, CA

TS GOLDEN BEAR has been at the forefront of ballast water treatment since 2010 when the vessel was outfitted for shipboard testing of ballast water treatment systems. Ballast water treatment has become an internationally mandated requirement to reduce the spread of invasive species. The ship is also actively engaged in diesel exhaust emissions research and has been used to generate baseline emissions data for marine diesel engines. In 2019, the vessel was utilized for ship sharing to support the training of Texas A&M Maritime Academy cadets.

TS STATE OF MAINE — Maine Maritime Academy



Year built: 1990 / Main Engine 1983
Year converted to a training ship: 1997
Capacity: 244 Cadets / 54 Crew & Instructors
Propulsion: Diesel, Geared Drive
Original designation: Oceanographic research
Average # of training sea days per year: 90
Average # of training days at campus per year: 222
Home port: Castine, ME

In addition to training cadets, the TS STATE OF MAINE has supported the disaster relief mission following Hurricanes Katrina and Rita in 2005. The ship currently supports NOAA Voluntary Observing Ship (VOS) Program, allowing cadets to collect and submit weather data while on cruise. This data is used by NOAA to build forecasts.

TS GENERAL RUDDER — Texas A&M Maritime Academy



Year built: 1984
Year converted to a training ship: 1992
Capacity: 50 Cadets / 15 Crew & Instructors
Propulsion: Diesel Electric
Original designation: Oceanographic surveillance
Average # of training sea days per year: 100
Average # of training days at campus per year: 222
Home port: Galveston, TX

TS GENERAL RUDDER has also been used for the testing of new diesel emissions reduction technology. A selective catalytic reduction system installed onboard gives cadets hands-on experience with one of the latest clean air technologies available for marine diesel engines. Cadets collected and documented more than a thousand hours of operating data in just a single summer cruise period. The vessel also supported disaster relief missions in 2017 hurricane season.

TS STATE OF MICHIGAN — Great Lakes Maritime Academy



Year built: 1985
Year converted to a training ship: 2002
Capacity: 55 Cadets / 10 Crew & Instructors
Propulsion: Diesel Electric
Original designation: Oceanographic surveillance
Average # of training sea days per year: 124
Average # of training days at campus per year: 224
Home port: Traverse City, MI

TS STATE OF MICHIGAN has been used for full scale operational testing of alternative fuels in collaboration with the U.S. Navy. The vessel performed tests of algae based biodiesel and diesel blends for operational and exhaust emissions as well as long-term fuel storage stability. The vessel was also used as a demonstrator for clean air exhaust technology in 2014 when it was fitted with a catalytic reduction system.

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ASSISTANCE TO SMALL SHIPYARDS

[To make grants to qualified shipyards as authorized under section 54101 of title 46, United States Code, as amended by Public Law 113–281, \$20,000,000, to remain available until expended.]

(Department of Transportation Appropriations Act, 2020)

EXHIBIT III-1

ASSISTANCE TO SMALL SHIPYARDS
Summary by Program Activity
Appropriations, Obligation Limitations, and Exempt Obligations
(\$000)

| | <u>FY 2019</u> <u>ACTUAL</u> | <u>FY 2020</u> <u>ENACTED</u> | <u>FY 2021</u> <u>REQUEST</u> | <u>CHANGE</u> <u>FY 2020-2021</u> |
|---|---|--|--|--|
| Assistance to Small Shipyards | <u>20,000</u> | <u>20,000</u> | <u>-</u> | <u>-20,000</u> |
| Total, Assistance to Small Shipyards | <u>20,000</u> | <u>20,000</u> | <u>-</u> | <u>-20,000</u> |
| FTEs | | | | |
| Direct Funded | 1 | 1 | - | -1 |
| Reimbursable, Allocated, Other | - | - | - | - |

ASSISTANCE TO SMALL SHIPYARDS

The National Defense Authorization Act of 2006 authorized the Maritime Administration to make grants for capital and related improvements at eligible shipyard facilities that will foster efficiency, competitive operations, and quality ship construction, repair, and reconfiguration. Grant funds may also be used for maritime training programs to enhance technical skills and operational productivity in communities whose economies are related to or dependent upon the maritime industry.

No new funds are requested for 2021.

EXHIBIT III -1a

**ASSISTANCE TO SMALL SHIPYARDS
SUMMARY ANALYSIS OF CHANGE FROM FY 2020 TO FY 2021
Appropriations, Obligations, Limitations, and Exempt Obligations
(\$000)**

| | <u>\$000</u> | <u>FTE</u> |
|--------------------------------------|---------------------|-------------------|
| FY 2020 ENACTED | \$20,000 | 1 |
| Adjustments to Base | 0 | |
| Subtotal, Adjustments to Base | \$20,000 | 1 |
| PROGRAM REDUCTIONS | | |
| Grants | -20,000 | -1 |
| SUBTOTAL, PROGRAM REDUCTIONS | -\$20,000 | -1 |
| PROGRAM INCREASES | 0 | 0 |
| SUBTOTAL, PROGRAM INCREASES | \$0 | 0 |
| FY 2021 Request | \$0 | 0 |

SHIP DISPOSAL

For necessary expenses related to the disposal of obsolete vessels in the National Defense Reserve Fleet of the Maritime Administration, [\$5,000,000] \$4,200,000, to remain available until expended: Provided, That of the unobligated balances of funds made available under this heading by previous appropriations, \$6,803,172 is hereby permanently cancelled: Provided further, That no amounts may be cancelled from amounts that were designated by the Congress as an emergency or disaster relief requirement pursuant to the concurrent resolution on the budget or the Balanced Budget and Emergency Deficit Control Act of 1985.

(Department of Transportation Appropriations Act, 2020)

EXHIBIT III-1

SHIP DISPOSAL

Summary by Program Activity

**Appropriations, Obligation Limitations, and Exempt Obligations
(\$000)**

| | <u>FY 2019 ACTUAL</u> | <u>FY 2020 ENACTED</u> | <u>FY 2021 REQUEST</u> | <u>CHANGE FY 2020-2021</u> |
|--------------------------------|----------------------------------|-----------------------------------|-----------------------------------|---------------------------------------|
| Ship Disposal | <u>5,000</u> | <u>5,000</u> | <u>4,200</u> | <u>-800</u> |
| Total | <u>5,000</u> | <u>5,000</u> | <u>4,200</u> | <u>-800</u> |
| FTEs | | | | |
| Direct Funded | 12 | 12 | 12 | - |
| Reimbursable, Allocated, Other | - | - | - | - |

SHIP DISPOSAL

The Ship Disposal program provides resources to properly dispose of obsolete Government-owned merchant ships maintained by the Maritime Administration in the National Defense Reserve Fleet. The Maritime Administration contracts with domestic shipbreaking firms to dismantle these vessels in accordance with guidelines set forth by the U.S. Environmental Protection Agency. In 2021, the Ship Disposal program request funds the cost of program administration and maintenance of the Nuclear Ship Savannah in protective storage.

EXHIBIT III -1a

**SHIP DISPOSAL
SUMMARY ANALYSIS OF CHANGE FROM FY 2020 TO FY 2021
Appropriations, Obligations, Limitations, and Exempt Obligations
(\$000)**

| | <u>\$000</u> | <u>FTE</u> |
|--------------------------------------|---------------------|-------------------|
| FY 2020 ENACTED | \$5,000 | 12 |
| ADJUSTMENTS TO BASE: | | |
| Annualization of FY 2020 Pay Raise | 13 | |
| FY 2021 Pay Raise | 12 | |
| Less: One Compensable Day | -6 | |
| GSA Rent | 8 | |
| Working Capital Fund | 74 | |
| Other Non-Discretionary Decrease | -901 | |
| Subtotal, Adjustments to Base | -\$800 | 0 |
| PROGRAM REDUCTIONS | | |
| | - | <u>0</u> |
| SUBTOTAL, PROGRAM REDUCTIONS | \$0 | 0 |
| PROGRAM INCREASES | | |
| | \$0 | <u>0</u> |
| SUBTOTAL, PROGRAM INCREASES | \$0 | \$0 |
| FY 2021 Request | \$4,200 | 12 |

**DETAILED JUSTIFICATION
FY 2021 Budget Request**

SHIP DISPOSAL PROGRAM

| (\$000) | | | |
|------------------|-------------------|--------------------|--------------------|
| Program Activity | FY 2019 Actual | FY 2020 Enacted | FY 2021 Request |
| Ship Disposal | 2,000 | 2,000 | 1,200 |
| NS SAVANNAH | 3,000 | 3,000 | 3,000 |
| Total | \$5,000 | \$5,000 | \$4,200 |

For FY 2021, \$4.2 million is requested for the Ship Disposal Program, a decrease of \$800 thousand from the FY 2020 enacted level. The requested funding provides \$1.2 million for ship disposal program salaries and overhead, and \$3 million to maintain the Nuclear Ship SAVANNAH (NSS) in protective storage in accordance with Nuclear Regulatory Commission (NRC) license requirements, during decommissioning (DECON) of the vessel's defueled nuclear reactor, components and equipment. Additionally, MARAD proposes a cancellation of \$6.8 million in prior-year unobligated balances in FY 2021.

What is this program and what does this funding level support?

MARAD is the disposal agency for Federal government owned merchant-type vessels weighing 1,500 gross tons or more, as required by the Federal Property and Administrative Services Act of 1949 (40 U.S.C. § 548). National Defense Reserve Fleet (NDRF) ships that are no longer militarily useful in support of U.S. Department of Defense (DoD) strategic sealift are retained at MARAD operated reserve fleet anchorages in Beaumont, Texas; Suisun Bay, California; and Fort Eustis, Virginia. These vessels are downgraded to non-retention status, and provide key equipment and components to support existing operational NDRF vessels. When non-retention merchant-type vessels no longer have logistical support value to MARAD or other federal agencies, the Ship Disposal Program arranges for their responsible disposal, on a worst-first basis, at MARAD-qualified domestic ship recycling facilities.

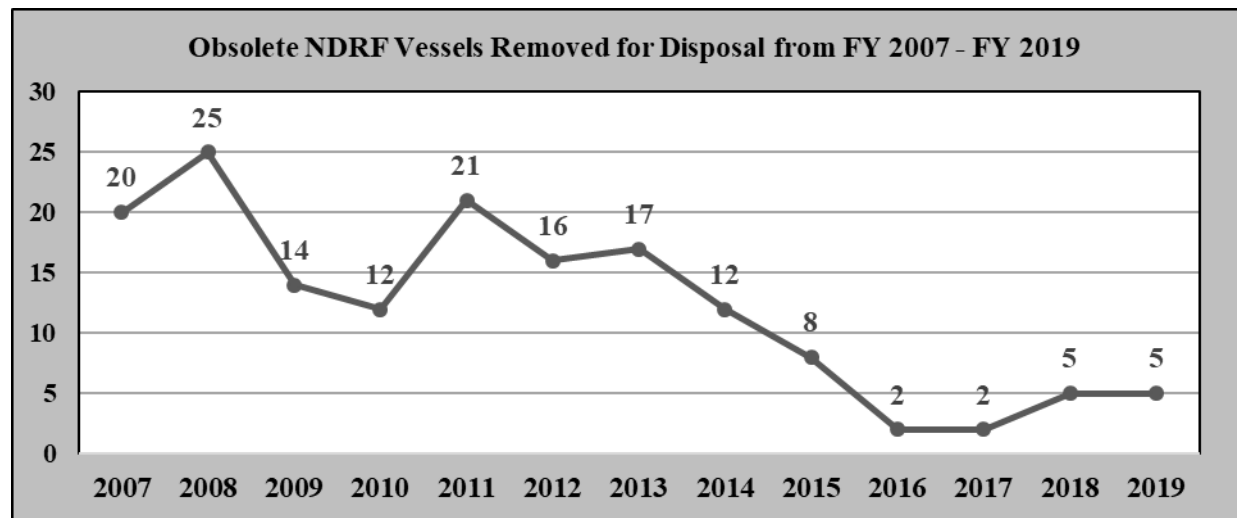
The NSS is a legacy nuclear-powered merchant ship constructed and operated by MARAD under the Eisenhower Administration's Atoms for Peace Program. The vessel, licensed by the NRC, has been permanently deactivated and defueled since 1971. MARAD manages the NSS activities in accordance with all aspects of its NRC license requirements. These requirements primarily include maintenance, berthing, and safeguarding of the ship and its defueled nuclear power plant while maintaining the ship in protective storage. NSS must remain in protective storage during the DECON process and until termination of its NRC license.

SHIP DISPOSAL PROGRAM

The FY 2021 request provides \$1.2 million for salaries and overhead for staff and support personnel. The Ship Disposal Program maintains a team of Marine Industrial Specialists who, in coordination with MARAD environmental specialists, provide project management and contract administration for each ship recycling contract, and oversee each domestic qualified ship recycling facility's compliance with its approved, technical compliance plan. The management, oversight, and compliance efforts include facility inspections during ship recycling to ensure that the facility and contract requirements are met.

MARAD's Ship Disposal program conducts ship disposal activities, primarily through recycling of obsolete, federally-owned merchant-type vessels in a responsible manner that promotes worker health and safety, protects the environment, and reduces contamination risks at the NDRF fleet anchorages. The longer obsolete ships remain in the water at NDRF fleet sites, the greater the safety risk to the surrounding fleet anchorage environment. Obsolete ships require continuing maintenance and monitoring to mitigate environmental incidents while they await proper disposal. Sustained disposal of deteriorating Federal obsolete ships mitigates the risk of fleet environmental contamination and its resulting large remediation costs, while reducing storage costs associated with keeping non-retention ships in the fleet longer than necessary.

Continual and unimpeded disposal of obsolete vessels assures a healthy and capable domestic ship recycling industry that retains skilled labor and capable infrastructure to efficiently recycle MARAD and Navy obsolete vessels. MARAD must also manage the safety risk associated with the spread of non-indigenous aquatic species. Transferring obsolete ships from the NDRF fleet sites to different bio-geographic locations for vessel disposal through recycling, requires dry-docking and/or in-water hull cleaning of obsolete vessels prior to transferring them for disposal.¹

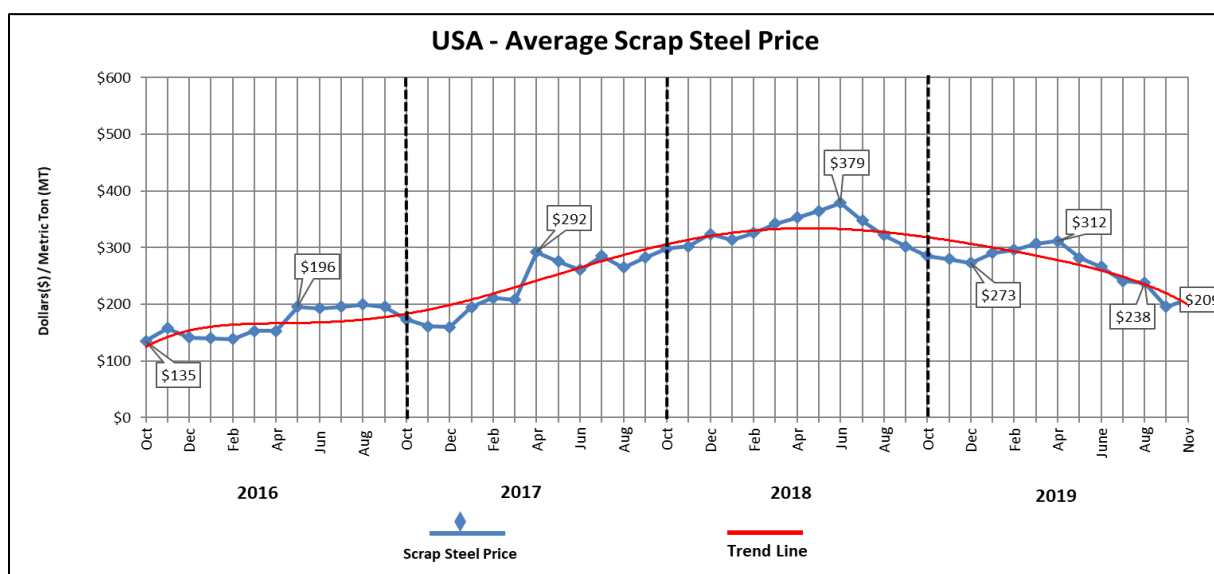


From FY 2007 through FY 2019, the program removed a total of 159 non-retention vessels from the various fleet sites as shown in the chart above. During FY 2019, MARAD sold and removed

¹ Vessels departing the Suisun Bay Reserve Fleet (SBRF) require dry-docking to remove aquatic fouling, while vessels departing the James River Reserve Fleet and the Beaumont Reserve Fleet require water hull cleaning.

three vessels for recycling, and procured recycling services for the removal and recycling of two United States Coast Guard owned vessels from the SBRF. During both FY 2020 and FY 2021, MARAD projects awarding ship sale recycling contracts for one to two non-retention vessels.

Annual ship disposal program funding is necessary to mitigate the volatility of the scrap steel markets, continue disposal of the worst conditioned vessels, and to help maintain an industrial base of qualified ship recycling facilities. The disposal of obsolete ships is highly affected by domestic and international prices for scrap steel. Low scrap steel prices shift the market from the sale of non-retention vessels to the procurement of ship recycling services using appropriated funds. Recyclers require months of projected and sustained levels of high scrap steel prices to return to an economical market in which to purchase MARAD vessels for recycling. Absent stable prices for scrap steel, ship recyclers must award a service contract to subsidize costs when recycling MARAD non-retention vessels.



Source data for the Average USA Monthly Scrap Steel Price Trend chart is compiled from: The Scrap Register (<http://www.scrapregister.com>); Recycler's World, (<http://www.recycle.net>); Steel Insight (<http://www.steel-insight.com>); and U.S. Steel Corporation (<https://www.ussteel.com>).

The domestic scrap steel market has slowly recovered from its \$135 price per metric ton low in October 2015.² Since then, scrap steel prices have slowly increased, crossing the \$300 per metric ton threshold, and reaching a high of \$379 per metric ton in June of 2018. However, scrap steel prices have fallen since then reaching \$209 per metric ton in November of 2019. The table above clearly indicates the volatility in scrap steel prices with the average per ton price falling 28 percent in the six-month period from June through December 2018, then rising 13 percent in April 2019, and then reversing and falling 33 percent by November. Continued trade talks, metal tariffs and slower economic growth, both in the domestic and international markets, create uncertainties that impact prices. A decrease in the average per ton price for scrap steel impacts MARAD's ability to sell ships for recycling.

² Domestic scrap steel prices fell from \$400 per metric ton in January 2014 to \$135 per metric ton in October 2015; a 66% decrease.

NS SAVANNAH (NSS) LICENSED ACTIVITIES

\$3 million is requested for NSS to support and to manage NRC required protective storage activities during the decommissioning process and through the completion of license termination. These activities include license compliance activities, vessel lay berthing, custodial care, and radiological protection. The scope of MARAD's protective storage program is the minimum it must accomplish each year until decommissioning is completed. Based on current statutory, regulatory and license conditions, NSS decommissioning and license termination must be completed by December 2031.

The FY 2017 and FY 2018 appropriations provided full funding for the completion of the decommissioning and license termination activities of the NSS, which encompasses a 3-phase, seven-year project culminating in the termination of the NRC license and the free release of the vessel for final disposition.

Phase I of the DECON activities, which is a two-year effort, commenced in FY 2018 with the award of a contract for an updated environmental assessment to evaluate potential locations to accomplish DECON. In FY 2019, MARAD awarded the dry-dock contract, which includes the relocation of radiological components from areas that are most efficiently accessed while the vessel is in dry-dock. Relocation of the component removals during the dry-docking activity will establish the waste-processing, transportation and disposal protocols to be employed during actual DECON in Phase II. Conclusion of the dry-docking evolution and return of the vessel to its Baltimore, Maryland berthing represents the milestone completion of Phase I.

Commencement of Phase II starts with issuance of the request for quotation for decommissioning and license termination services. Phase II is estimated to take four years, and includes the controlled heavy industrial and radiological dismantlement actions for the removal of the reactor core and associated equipment, components and structures with resulting packaging and waste disposal activities. Phase III is estimated to be completed in one year and is the license termination period, wherein the NRC conducts independent confirmatory surveys and inspections culminating in the termination of the NRC license and free release of the vessel to MARAD for final disposition.

What benefits will be provided to the American public through this request and why is this program necessary?

Scrap steel market price volatility requires readily available funding to quickly adapt and procure dry-dock and ship recycling services in the absence of sales of obsolete vessels. Maintaining a consistent rate of obsolete vessel removals is necessary to reduce reserve fleet operating costs, mitigate safety and environmental risks common with aging ships, and ensure that a costly backlog of obsolete ships does not accumulate at MARAD's fleet sites. Sustained vessel removals also help to maintain the unique infrastructure of the domestic ship recycling industry base in the U.S. and to strengthen the ship recycling workforce. Additionally, scrap metals recycled from the vessels provide a cheaper raw material resource in lieu of importing scrap steel from foreign competitors or mining iron ore to make new steel products. The scrap metal commodity allows U.S. steel mills to lower their raw material costs, improve efficiencies and

maintain a competitive edge in the market place. The benefit to the American taxpayer of a sustainable Federal ship recycling program is a reduction in consumer prices, a sustainable U.S. based ship recycling industry, and public safety.

The NSS is a legacy facility and a nationally significant historic property. The NRC license that governs all activities associated with the NSS is designed and intended to protect the health and safety of the public and the environment, providing the public benefits from the funding of the NSS program. Similar public benefits are derived from the historic stewardship activities that flow collaterally from NRC licensed maintenance and husbandry.

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MARITIME SECURITY PROGRAM

For necessary expenses to maintain and preserve a U.S.-flag merchant fleet to serve the national security needs of the United States, [\$300,000,000] \$314,007,780, to remain available until expended: Provided, That of the unobligated balances of funds made available under this heading by previous appropriations, \$20,553,780 is hereby permanently cancelled: Provided further, That no amounts may be cancelled from amounts that were designated by the Congress as an emergency or disaster relief requirement pursuant to the concurrent resolution on the budget or the Balanced Budget and Emergency Deficit Control Act of 1985.

(Department of Transportation Appropriations Act, 2020)

EXHIBIT III-1

MARITIME SECURITY PROGRAM
Summary by Program Activity
Appropriations, Obligation Limitations, and Exempt Obligations
(\$000)

| | <u>FY 2019</u> <u>ACTUAL</u> | <u>FY 2020</u> <u>ENACTED</u> | <u>FY 2021</u> <u>REQUEST</u> | <u>CHANGE</u> <u>FY 2020-2021</u> |
|--------------------------------|---|--|--|--|
| Maritime Security Program | 300,000 | 300,000 | 314,008 | 14,008 |
| Total | 300,000 | 300,000 | 314,008 | 14,008 |
| FTEs | | | | |
| Direct Funded | - | - | - | - |
| Reimbursable, Allocated, Other | - | - | - | - |

MARITIME SECURITY PROGRAM

The Maritime Security Program provides direct payments to U.S. flag ship operators engaged in foreign commerce to partially offset the higher operating costs of U.S. registry. The purpose of the program is to establish and sustain a fleet of active ships that are privately owned, commercially viable, and militarily useful to meet national defense and other emergency sealift requirements. 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. Commercial transportation resources include ships, logistics management services, port terminal facilities, and U.S. citizen merchant mariners to crew both commercial and Government-owned merchant ships.

EXHIBIT III -1a

**MARITIME SECURITY PROGRAM
SUMMARY ANALYSIS OF CHANGE FROM FY 2020 TO FY 2021
Appropriations, Obligations, Limitations, and Exempt Obligations
(\$000)**

| | <u>\$000</u> | <u>FTE</u> |
|--------------------------------------|---------------------|-------------------|
| FY 2020 ENACTED | \$300,000 | 0 |
| ADJUSTMENTS TO BASE: | | |
| SUBTOTAL, ADJUSTMENTS TO BASE | \$0 | 0 |
| PROGRAM REDUCTIONS | 0 | |
| SUBTOTAL, PROGRAM REDUCTIONS | 0 | 0 |
| PROGRAM INCREASES | | |
| Maritime Security Program | 14,008 | |
| SUBTOTAL, PROGRAM INCREASES | \$14,008 | 0 |
| FY 2021 Request | \$314,008 | 0 |

DETAILED JUSTIFICATION
FY 2021 Budget Request
MARITIME SECURITY PROGRAM (MSP)

| (\$000) | | | |
|---------------------------|---------------------------|----------------------------|----------------------------|
| Program Activity | FY 2019 Actual | FY 2020 Enacted | FY 2021 Request |
| Maritime Security Program | 300,000 | 300,000 | 314,008 |
| Total | \$300,000 | \$300,000 | \$314,008 |

For FY 2021, \$314 million is requested for the Maritime Security Program (MSP) at the fully authorized level for the program, an increase of \$14 million from the FY 2020 enacted level. The request supports continued operation of the authorized number of 60 vessels enrolled in the program at \$5,233,463 per ship. Additionally, MARAD proposes a cancellation of \$20.5 million in prior-year unobligated balances for the program.

What is this program and what does this funding level support?

Established by the Maritime Security Act of 1996, the MSP is a critical national security program that supports the Department's priorities to invest in infrastructure to ensure transportation mobility and accessibility, while also contributing to economic growth. The FY 2021 request of \$314 million for MSP at the fully authorized level provides the U.S. Department of Defense (DoD) with assured access to a fleet of 60 commercially viable, militarily useful U.S.-flagged ships, active in international trade, yet available "on-call" to meet contingency requirements. It also assures access to the multibillion-dollar global intermodal networks maintained by participating carriers. In addition, the MSP provides employment for approximately 2,400 of the trained, skilled U.S. Merchant Mariners needed to crew the U.S. Government-owned surge sealift fleet in times of war or national emergency, and supports up to 5,000 additional shore-side maritime industry jobs.

The MSP ships and their crew are the backbone of U.S. sustainment sealift capacity and global response capability. The MSP ensures our Nation's ability to deploy our U.S. Armed Forces and military assets anywhere in the world on short notice, sustain them while they are overseas, and bring them home safely when their missions are complete. The program also ensures that the U.S. maintains a presence in international commercial shipping, while safeguarding America's role as a leader in the development of international maritime standards.

The ships in the MSP fleet have supported every U.S. conflict since 1997 by making sustainable sealift and intermodal capacity available to DoD through direct contract or charter arrangements. MSP ships carried the majority of sustainment cargoes required for operations in Iraq and Afghanistan. These vessels continue to play a vital role in support of U.S. military operations worldwide. The MSP funding ensures their ongoing availability to meet national emergencies or

DoD contingency requirements. The U.S. Government Accountability Office completed a study of MSP¹ in August 2018, which found that the program helps ensure that a sufficient number of U.S.-flag vessels are available to meet DoD cargo capacity needs. Not having the required number of American deep-draft vessels available for military use when needed would pose a significant risk to national security.

The MSP provides fixed annual retainer payments that enable participating carriers to operate successfully under U.S.-flag registry. As stated by some of these same carriers to MARAD, many U.S.-flag ships would have left the U.S.-flag fleet for open or foreign-flag registry in the absence of MSP support. Without a sufficient number of U.S.-flag vessels, DoD would have to rely more on foreign-owned, foreign-registered, and foreign-crewed vessels to meet sealift requirements. The MSP also ensures that the global intermodal assets of current U.S.-flag ship operators will be readily available to DoD. A requirement for entry into the MSP is that carriers commit both vessel capacity and intermodal resources to MARAD's emergency preparedness programs.

In FY 2019, the MSP fleet was at the full-capacity of 60 ships enrolled, and comprised of 23 containerships, 11 geared containerships, 18 roll-on/roll-off vessels, 6 heavy lift vessels, and 2 product tanker vessels. Overall, the MSP fleet's militarily useful capacity continues to be at the highest level in the program's history. MARAD will continue efforts through FY 2021 to maintain the unique mix of militarily useful MSP vessels that are critical to meet projected DoD contingency needs.

What benefit will be provided to the American public through this request and why is this program necessary?

The MSP is a national security program that supports MARAD's core mission to strengthen the U.S. Marine Transportation System -- including infrastructure, industry, and labor -- to meet the economic and security needs of the Nation. Vessels enrolled in the MSP benefit the American public by providing a U.S. presence in international commerce while supporting national security requirements in times of war or national emergency.

A major benefit of the MSP is the program's self-recapitalization feature. MSP operators are encouraged to replace vessels in the MSP with newer, more capable ships, and must replace vessels reaching age-out limits under the program. Since 2005, MSP operators have replaced older vessels with more than 80 newer ships. The average age of the current MSP fleet is 13.5 years old. (In contrast, the average age of vessels in the Ready Reserve Force, managed by MARAD, exceeds 40 years.) Additionally, the MSP supports the Secretary's infrastructure priority by emphasizing the retention of vessels that are in a state of good condition. Any ship offered as a replacement for an existing MSP vessel must be less than 15 years old (10 years for tankers) and must be found by MARAD to be commercially viable and by the U.S.

Transportation Command to be militarily useful. MARAD continuously looks to secure newer, more militarily useful vessels with higher capacities for service in the MSP fleet.

¹ United States Government of Accountability Office, DOT Needs to Expediently Finalize the Required National Maritime Strategy for Sustaining U.S.-Flag Fleet, August 2018.

The MSP continues to provide DoD with assured access to the global networks and resources maintained by participating carriers, including logistic management services, port terminals, intermodal facilities and equipment, and overland transport capacity. This funding ensures the continued availability of this global logistical support network of capabilities to meet defense and other emergency sealift requirements. MSP participants are continuously developing, maintaining, and upgrading their global logistical support systems.

The MSP also helps address the risk of a shortage in U.S.-flag ships and U.S. Coast Guard-licensed Mariners with unlimited tonnage credentials sufficient to meet the Nation's needs in both peace and war. To adequately respond to a range of contingencies, the U.S. requires a modern fleet of U.S.-flag ships manned by trained, experienced American mariners. The U.S. must also, to the greatest extent possible, maintain control over its own trade, as reliance on foreign-flag ships to carry the Nation's commerce may expose the country to significant strategic risk. As stated in the National Security Directive 28, the U.S. must be prepared to respond unilaterally to security threats in geographic areas not covered by alliance commitments, and sufficient U.S.-owned sealift resources must be available to meet the requirements for such unilateral responses. The MSP helps meet these requirements.

The DoD has consistently supported the 60-ship MSP fleet as necessary to fulfill DoD's sealift requirements. Without this funding, MSP operators could decide that they cannot economically operate under the U.S. flag, leave the MSP, and replace their U.S.-flag vessels with foreign-flag vessels. If MSP operators decided to adopt this course of action and leave the program, DoD may lose assured access to their ships and the global intermodal networks maintained by those MSP participants. By ensuring the continued availability of the MSP fleet, the Nation is assured that a core fleet of U.S.-flag vessels will be available to support national security, economic, and homeland security objectives, as well as humanitarian needs in the event of natural disasters.

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READY RESERVE FORCE

The Ready Reserve Force (RRF) fleet is comprised of Government-owned merchant ships within the National Defense Reserve Fleet that are maintained in an advanced state of surge sealift readiness for the transport of cargo to a given area of operation to satisfy combatant commanders' critical war fighting requirements. Resources for RRF vessel maintenance, activation and operation costs, as well as RRF infrastructure support costs and additional Department of Defense/Navy-sponsored sealift activities and special projects, are provided by reimbursement from the Department of Navy.

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VESSEL OPERATIONS REVOLVING FUND

This fund is authorized for the receipt of sales proceeds from the disposition of obsolete Government-owned merchant vessels. Collections from this account are authorized for allocation and distribution according to prescribed statutory formulas for use under three maritime-related purpose areas: 1) supporting acquisition, maintenance, repair, reconditioning, or improvement of National Defense Reserve Fleet vessels; 2) supporting state maritime academies and the United States Merchant Marine Academy; and 3) supporting the preservation and presentation to the public of maritime property and assets, including funds for the National Park Service National Maritime Heritage Grant Program.

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WAR RISK

The Maritime Administration is authorized to insure against war risk loss or damage to maritime operators until commercial insurance can be obtained on reasonable terms and conditions. This insurance includes war risk hull and disbursements interim insurance, war risk protection and indemnity interim insurance, second seamen's war risk interim insurance, and the war risk cargo insurance standby program.

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MARITIME GUARANTEED LOAN (TITLE XI) PROGRAM ACCOUNT

[(INCLUDING TRANSFER OF FUNDS)]

[For administrative expenses to carry out the guaranteed loan program, \$3,000,000, which shall be transferred to and merged with the appropriations for “Operations and Training”, Maritime Administration.] Of the unobligated balances of funds made available under this heading by previous appropriations, \$27,900,000 is hereby permanently cancelled: Provided, That no amounts may be cancelled from amounts that were designated by the Congress as an emergency or disaster relief requirement pursuant to the concurrent resolution on the budget or the Balanced Budget and Emergency Deficit Control Act of 1985.

(Department of Transportation Appropriations Act, 2020)

EXHIBIT III-1

MARITIME GUARANTEED LOAN PROGRAM
Summary by Program Activity
Appropriations, Obligation Limitations, and Exempt Obligations
(\$000)

| | <u>FY 2019 ACTUAL</u> | <u>FY 2020 ENACTED</u> | <u>FY 2021 REQUEST</u> | <u>CHANGE FY 2020-2021</u> |
|--------------------------------|----------------------------------|-----------------------------------|-----------------------------------|---------------------------------------|
| Maritime Guaranteed Loan | | | | |
| Program | 3,000 | 3,000 | - | -3,000 |
| Total | 3,000 | 3,000 | - | -3,000 |
| FTEs | | | | |
| Direct Funded | [12] | [14] | [-] | [-14] |
| Reimbursable, Allocated, Other | - | - | - | - |

MARITIME GUARANTEED LOAN (TITLE XI) PROGRAM

The Maritime Guaranteed Loan (Title XI) program provides for a full faith and credit guarantee of debt obligations issued by U.S or foreign ship owners to finance or refinance the construction, reconstruction, or reconditioning of U.S.-flag vessels or eligible export vessels in U.S. shipyards; or for a full faith and credit guarantee of debt obligations issued by U.S. shipyard owners to finance the modernization of shipbuilding technology at shipyards located in the United States.

As required by the Federal Credit Reform Act of 1990, this account also includes the subsidy costs associated with loan guarantee commitments made in 1992 and subsequent years which are estimated on a present value basis.

In 2021, the Maritime Guaranteed Loan (Title XI) program is proposed for elimination and the management of the existing loan guarantee portfolio and program would be administered by the Office of the Secretary's National Surface Transportation and Innovative Finance Bureau.

EXHIBIT III -1a

**MARITIME GUARANTEED LOAN PROGRAM
SUMMARY ANALYSIS OF CHANGE FROM FY 2020 TO FY 2021
Appropriations, Obligations, Limitations, and Exempt Obligations
(\$000)**

| | <u>\$000</u> | <u>FTE</u> |
|--------------------------------------|---------------------|-------------------|
| FY 2020 ENACTED | \$3,000 | [14] |
| ADJUSTMENTS TO BASE: | | |
| Annualization of FY 2020 Pay Raise | 20 | |
| FY 2021 Pay Raise | 17 | |
| Less: One Compensable Day | -9 | |
| GSA Rent | 9 | |
| Working Capital Fund | 88 | |
| Other Non-Discretionary Increases | -125 | |
| SUBTOTAL, ADJUSTMENTS TO BASE | \$0 | 0 |
| PROGRAM REDUCTIONS | | |
| Administrative Expenses | -3,000 | [-14] |
| SUBTOTAL, PROGRAM REDUCTIONS | -3,000 | [-14] |
| PROGRAM INCREASES | | |
| | - | 0 |
| SUBTOTAL, PROGRAM INCREASES | \$0 | 0 |
| FY 2021 Request | \$0 | 0 |

**DETAILED JUSTIFICATION
FY 2021 Budget Request**

MARITIME GUARANTEED LOAN PROGRAM

(\$000)

| Program Activity | FY 2019 Actual | FY 2020 Enacted | FY 2021 Request |
|-------------------------|---------------------------|----------------------------|----------------------------|
| Administrative Expenses | 3,000 | 3,000 | 0 |
| Loan Guarantees | 0 | 0 | 0 |
| Total | \$3,000 | \$3,000 | \$0 |

For FY 2021, no new funding is requested for the Maritime Guaranteed Loan Program (Title XI). The FY 2021 Budget Request proposes to move the administration of the Title XI program from the Maritime Administration (MARAD) to the National Surface Transportation and Innovative Finance Bureau (Bureau). The administration of the existing loan guarantees portfolio can benefit from the guidance and oversight of the Bureau in mitigating defaults and improving the process for modeling of the risk to the Federal Government. Additionally, under this appropriation account, MARAD proposes a cancellation of \$27.9 million in prior-year unobligated balances for the program.

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MARITIME GUARANTEED LOAN (TITLE XI) FINANCING ACCOUNT

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from Maritime Guaranteed Loan (Title XI) program loan guarantee commitments in 1992 and subsequent years. The amounts in this account are a means of financing and are not included in the budget totals.

In 2021, the Maritime Guaranteed Loan (Title XI) program is proposed for elimination and the management of the existing loan guarantee portfolio and program would be administered by the Office of the Secretary's National Surface Transportation and Innovative Finance Bureau.

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PORT INFRASTRUCTURE DEVELOPMENT PROGRAM

[To make grants to improve port facilities as authorized under section 50302 of title 46, United States Code, \$225,000,000 to remain available until expended: *Provided*, That projects eligible for funding provided under this heading shall be projects for coastal seaports, inland river ports, or Great Lakes ports: *Provided further*, That of the amounts made available under this heading, no less than \$200,000,000 shall be for coastal seaports or Great Lakes ports: *Provided further*, That the Maritime Administration shall distribute funds provided under this heading as discretionary grants to port authorities or commissions or their subdivisions and agents under existing authority, as well as to a State or political subdivision of a State or local government, a tribal government, a public agency or publicly chartered authority established by one or more States, a special purpose district with a transportation function, a multistate or multijurisdictional group of entities, or a lead entity described above jointly with a private entity or group of private entities: *Provided further*, That projects eligible for funding provided under this heading shall be designed to improve the safety, efficiency, or reliability of the movement of goods into, out of, around, or within a port and located—

- (1) within the boundary of a port, or
- (2) outside the boundary of a port, and directly related to port operations, or to an intermodal connection to a port:

Provided further, That project awards eligible under this heading shall be only for—

- (1) port gate improvements;
- (2) road improvements both within and connecting to the port;
- (3) rail improvements both within and connecting to the port;
- (4) berth improvements (including docks, wharves, piers and dredging incidental to the improvement project);
- (5) fixed landside improvements in support of cargo operations (such as silos, elevators, conveyors, container terminals, Ro/Ro structures including parking garages necessary for intermodal freight transfer, warehouses including refrigerated facilities, lay-down areas, transit sheds, and other such facilities);
- (6) utilities necessary for safe operations (including lighting, stormwater, and other such improvements that are incidental to a larger infrastructure project); or
- (7) a combination of activities described above:

Provided further, That the Federal share of the costs for which an expenditure is made under this heading shall be up to 80 percent: *Provided further*, That for grants awarded under this heading, the minimum grant size shall be \$1,000,000: *Provided further*, That for grant awards less than \$10,000,000, the Secretary shall prioritize ports that handled less than 10,000,000 short tons in 2017, as identified by the U.S. Army Corps of Engineers: *Provided further*, That for grant awards less than \$10,000,000, the Secretary may increase the Federal share of costs above 80 percent: *Provided further*, That not to exceed 2 percent of the funds appropriated under this heading shall be available for necessary costs of grant administration.]

(Department of Transportation Appropriations Act, 2020)

EXHIBIT III-1

PORT INFRASTRUCTURE DEVELOPMENT PROGRAM
Summary by Program Activity
Appropriations, Obligation Limitations, and Exempt Obligations
(\$000)

| | <u>FY 2019 ACTUAL</u> | <u>FY 2020 ENACTED</u> | <u>FY 2021 REQUEST</u> | <u>CHANGE FY 2020-2021</u> |
|--|----------------------------------|-----------------------------------|-----------------------------------|---------------------------------------|
| Port Infrastructure Development Program | <u>292,730</u> | <u>225,000</u> | <u>-</u> | <u>-225,000</u> |
| Total | <u>292,730</u> | <u>225,000</u> | <u>-</u> | <u>-225,000</u> |
| | | | | |
| FTEs | | | | |
| Direct Funded | - | - | - | - |
| Reimbursable, Allocated, Other | - | - | - | - |

PORT INFRASTRUCTURE DEVELOPMENT PROGRAM

The Port Infrastructure Development Program provides grants to assist ports with improving seaport infrastructure in, near and around maritime facilities. These projects are eligible for funding requested under the INFRA and BUILD programs in 2021 so no additional funds are requested for this program.

EXHIBIT III -1a

**PORT INFRASTRUCTURE DEVELOPMENT PROGRAM
SUMMARY ANALYSIS OF CHANGE FROM FY 2020 TO FY 2021
Appropriations, Obligations, Limitations, and Exempt Obligations
(\$000)**

| | <u>\$000</u> | <u>FTE</u> |
|--------------------------------------|---------------------|-------------------|
| FY 2020 ENACTED | \$225,000 | 0 |
| Adjustments to Base | 0 | |
| Subtotal, Adjustments to Base | \$225,000 | 0 |
| PROGRAM REDUCTIONS | | |
| Grants | -225,000 | 0 |
| SUBTOTAL, PROGRAM REDUCTIONS | -\$225,000 | 0 |
| PROGRAM INCREASES | 0 | 0 |
| SUBTOTAL, PROGRAM INCREASES | \$0 | 0 |
| FY 2021 Request | \$0 | 0 |

ADMINISTRATIVE PROVISIONS

SEC. 170. Notwithstanding any other provision of this Act, in addition to any existing authority, the Maritime Administration is authorized to furnish utilities and services and make necessary repairs in connection with any lease, contract, or occupancy involving Government property under control of the Maritime Administration: *Provided*, That payments received therefor shall be credited to the appropriation charged with the cost thereof and shall remain available until expended: *Provided further*, That rental payments under any such lease, contract, or occupancy for items other than such utilities, services, or repairs shall be covered into the Treasury as miscellaneous receipts.

(Department of Transportation Appropriations Act, 2020)

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**INFORMATION TECHNOLOGY
DEPARTMENT OF TRANSPORTATION
MARITIME ADMINISTRATION
BUDGET AUTHORITY**

(\$000)

| Budget Account | FY 2019 Enacted /1 | FY 2020 Enacted /1 | FY 2021 Request /1 |
|----------------------------------|-------------------------------|-------------------------------|-------------------------------|
| MARAD O&T – HQ Direct | \$9,656 | \$10,108 | \$10,009 |
| <i>Commodity IT SS WCF</i> | <i>\$4,989</i> | <i>\$7,071</i> | <i>\$6,784</i> |
| <i>Programmatic IT SS WCF</i> | <i>\$0</i> | <i>\$0</i> | <i>\$0</i> |
| <i>O&T Programmatic IT</i> | <i>\$4,667</i> | <i>\$3,037</i> | <i>\$3,225</i> |
| MARAD O&T - USMMA | \$12,379 | \$10,031 | \$8,610 |
| <i>Commodity IT SS WCF</i> | <i>\$1,608</i> | <i>\$5,235</i> | <i>\$5,071</i> |
| <i>Programmatic IT SS WCF</i> | <i>\$0</i> | <i>\$0</i> | <i>\$0</i> |
| <i>USMMA Programmatic IT</i> | <i>\$10,771</i> | <i>\$4,796</i> | <i>\$3,539</i> |
| MARAD Reimbursable - RRF | \$6,303 | \$6,633 | \$6,567 |
| <i>Commodity IT SS WCF</i> | <i>\$774</i> | <i>\$2,378</i> | <i>\$1,762</i> |
| <i>Programmatic IT SS WCF</i> | <i>\$0</i> | <i>\$0</i> | <i>\$0</i> |
| <i>RRF Programmatic IT</i> | <i>\$5,529</i> | <i>\$4,255</i> | <i>\$4,805</i> |
| Total | \$28,338 | \$26,772 | \$25,186 |

1/ Includes funding from non-O&T appropriated sources, including reimbursable RRF, USMMA Capital Improvement Projects (CIP), USMMA Facilities, Maintenance, Repair and Equipment (FMRE), and USMMA Graduate Program tuition fees.

The Maritime Administration (MARAD) is requesting **\$25.2 million** in FY 2021 for information technologies that support the full spectrum of MARAD programs as well as the Department’s initiative to transform and consolidate the management of certain IT solutions centrally by the Office of the Chief Information Officer (OCIO).

Commodity IT Shared Services (SS) through the Working Capital Fund

OCIO will continue to provide all modes Commodity IT Shared Services in FY 2021 to achieve economies of scale and increase consistency of cybersecurity protections across the Department. Commodity IT Shared Services include IT functions and activities dedicated to basic support services, including network operations, end-user computing, telecommunications services, and server operations.

- MARAD’s preliminary planning request is **\$6.8 million** from the Headquarters (HQ) Operations and Training (O&T) account, **\$5.1 million** from the USMMA account, and **\$1.8 million** from the Ready Reserve Force (RRF) account for Commodity IT Shared Services. MARAD’s share was based on actual commodity IT consumption in prior years. MARAD will only be charged for services rendered.

Full Time Equivalents

MARAD transferred 3 FTE to OCIO in FY 2020 which reflects the federal labor workload required for the activities that will be transferred under Commodity ITSS.

Modal IT

The following major mission-critical IT systems will be maintained by MARAD in FY 2021. This list is only a subset of all IT systems that support MARAD and are reported in OMB's the Corporate Investment Management System.

- **Nautical System Enterprise (NSE)** - MARAD will invest **\$1.779 million** in Operations & Maintenance (O&M) for RRF to support development and delivery of the Records Management System (RMS) Suite: NSE. Funding of the RMS NSE is essential to the achievement of MARAD's objective to ensure readiness by providing RMS users with the capability to plan and conduct maintenance and logistics actions, and purchase parts and services utilizing a workflow capability.
- **Common Computing Environment (CCE)** - MARAD will invest **\$588 thousand** in O&M to support application development and delivery of the CCE. Funding of the CCE is essential to the achievement of MARAD's twenty-four-hour availability of accurate and current business information to partners and public, as the CCE enables MARAD and improve availability of reliable business information to partners with timeliness.
- **SharePoint** - MARAD will invest **\$457 thousand** in O&M to support SharePoint and the development and delivery of the MARAD internal Intranet and external sites.
- **USMMA Marine Simulation Systems** - MARAD will invest **\$398 thousand** in O&M to support development and delivery of the USMMA Simulation Systems.
- **US Merchant Marine Academy Program Support** - MARAD will invest **\$396 thousand** in O&M for USMMA program support, which will be used to maintain a variety of IT applications supporting the higher education and academic training needs at USMMA.
- **Mariner Outreach System (MOS)** - MARAD will invest **\$360 thousand** in O&M to support development and delivery of the MOS. Funding of the MOS is essential to the achievement of MARAD's objective to ensure that the maritime workforce is qualified in the newest techniques and technologies used in marine transportation, including safety, security and environmental sustainability as the MOS enables MARAD to continuously improve Federal sponsorship of mariner training and education programs.
- **USMMA Comprehensive Academic Management System (CAMS)** - MARAD will invest **\$356 thousand** in O&M, for USMMA to support development and delivery of the USMMA CAMS. Funding of the CAMS is essential to the achievement of MARAD's

objective to provide comprehensive automated support for admissions, financial aid, academic records, student records, student finance, campus housing, student affairs, web portal access] as the USMMA CAMS enables MARAD to improved enterprise resource planning functionality regarding finance, housing, student affairs and online access to required admission information.

- **IT Governance** - MARAD will invest **\$338 thousand** in O&M to address all MARAD governance and Enterprise Architecture (EA) required for the successful execution of the MARAD 5-year IT Strategic Plan and EA Transition Strategy (e.g., proposed IT Modernization and optimization and to ensure EA alignment with Federal and Departmental guidelines and to maximize EA maturity within MARAD.
- **Maritime Service Compliance System (MSCS)** - MARAD will invest **\$287 thousand** in O&M to support development and delivery of the MSCS. Funding of the MSCS is essential to the achievement of MARAD's objective to effectively assist student and graduates of the U.S. Merchant Marine Academy (USMMA) and Student Intensive Payment (SIP) Program to complete annual compliance reports, as the MSCS enables MARAD to improve accuracy of information; track related compliance requirements effectively.
- **Vessel History** - MARAD will invest **\$175 thousand** in O&M for RRF to support development and delivery of the Vessel History system.
- **Excess Property Processing (EPP)** - MARAD will invest **\$93 thousand** in O&M for RRF to support development and delivery of the EPP system. Funding of the EPP is essential to the achievement of MARAD's objective for readiness of U.S.-flag fleet and regional offices in terms of accurate inventory level of excess material; and their associated costs; donation; and disposal, as the EPP enables MARAD to record and manage excess material accurately; accurate report on cost associated with excess material; seamless information exchange with GSA related system; Effective management of disposal of excess materials.
- **Cargo Preference Overview System (CAPOS)** - MARAD will invest **\$85 thousand** in O&M to support development and delivery of the CAPOS. Funding of the CAPOS is essential to the achievement of MARAD's objective to improve U.S.-flag vessels' share of U.S. trade; improve U.S.-flag vessels' access to foreign markets, as the CAPOS enables MARAD to improve: average time for report generation; increase data accuracy for data entry; and expedite international preference cargo tracking.
- **USMMA Blackboard** - MARAD will invest **\$60 thousand** in O&M, for USMMA to support development and delivery of the USMMA Blackboard. Funding of the USMMA Blackboard is essential to the achievement of MARAD's objective to provide effective course management, and learning management, systems within higher education, as the USMMA Blackboard enables MARAD to improve course automation support for residential classes.

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**MARITIME ADMINISTRATION
OPERATIONS AND TRAINING
HISTORY OF APPROPRIATIONS
FY 2012 - FY 2021
Main Table - (\$000)**

| <u>Fiscal Year</u> | <u>Request</u> | <u>Enacted</u> |
|---------------------------|-----------------------|-----------------------|
| 2012 | 161,539 | 156,258 |
| 2013 | 146,298 | 148,085 ^{1/} |
| 2014 | 152,168 | 148,003 |
| 2015 | 148,400 | 148,050 |
| 2016 | 184,637 | 171,155 |
| 2017 | 194,146 | 175,560 |
| 2018 | 171,820 | 523,642 ^{2/} |
| 2019 | 152,428 | 149,442 |
| 2020 | 377,497 | 152,589 |
| 2021 | 137,797 | TBD |

1/ This amount reflects FY 2013 sequestration reductions.

2/ Include \$10M supplemental appropriation for Hurricane Harvey

**MARITIME ADMINISTRATION
STATE MARITIME ACADEMY OPERATIONS
HISTORY OF APPROPRIATIONS
FY 2012 - FY 2021
Main Table - (\$000)**

| <u>Fiscal Year</u> | <u>Request</u> | <u>Enacted</u> |
|---------------------------|-----------------------|-----------------------|
| 2012 | 1/ | 1/ |
| 2013 | 1/ | 1/ |
| 2014 | 1/ | 1/ |
| 2015 | 1/ | 1/ |
| 2016 | 1/ | 1/ |
| 2017 | 1/ | 1/ |
| 2018 | 1/ | 1/ |
| 2019 | 1/ | 345,200 ^{2/} |
| 2020 | 1/ | 342,280 |
| 2021 | 337,700 | TBD |

1/ Previous request for SMA program activities were requested and enacted from the Operations & Training account.

2/ P.L. 116-6 established State Maritime Academy Operations as new treasury account in FY 2019.

**MARITIME ADMINISTRATION
HISTORY OF APPROPRIATIONS
ASSISTANCE TO SMALL SHIPYARDS
FY 2012 - FY 2021
Main Table - (\$000)**

| <u>Fiscal Year</u> | <u>Request</u> | <u>Enacted</u> |
|---------------------------|-----------------------|-----------------------|
| 2012 | - | 9,980 |
| 2013 | - | 9,458 1/ |
| 2014 | - | - |
| 2015 | - | - |
| 2016 | - | 5,000 |
| 2017 | - | 10,000 |
| 2018 | - | 20,000 |
| 2019 | - | 20,000 |
| 2020 | - | 20,000 |
| 2021 | - | TBD |

1/ This amount reflects FY 2013 sequestration reductions.

**MARITIME ADMINISTRATION
HISTORY OF APPROPRIATIONS
SHIP DISPOSAL
FY 2012 - FY 2021
Main Table - (\$000)**

| <u>Fiscal Year</u> | <u>Request</u> | <u>Enacted</u> |
|---------------------------|-----------------------|-----------------------|
| 2012 | 18,500 | 5,500 |
| 2013 | 10,000 | 5,212 1/ |
| 2014 | 2,000 | 4,800 |
| 2015 | 4,800 | 4,000 |
| 2016 | 8,000 | 5,000 |
| 2017 | 20,000 | 34,000 |
| 2018 | 9,000 | 116,000 |
| 2019 | 30,000 | 5,000 |
| 2020 | 5,000 | 5,000 |
| 2021 | 4,200 | TBD |

1/ This amount reflects FY 2013 sequestration reductions.

**MARITIME ADMINISTRATION
HISTORY OF APPROPRIATIONS
MARITIME SECURITY PROGRAM
FY 2012 - FY 2021
Main Table - (\$000)**

| <u>Fiscal Year</u> | <u>Request</u> | <u>Enacted</u> |
|---------------------------|-----------------------|-----------------------|
| 2012 | 174,000 | 174,000 |
| 2013 | 184,000 | 160,289 ^{1/} |
| 2014 | 208,000 | 186,000 |
| 2015 | 211,000 | 186,000 |
| 2016 | 211,000 | 210,000 |
| 2017 | 211,000 | 300,000 |
| 2018 | 210,000 | 300,000 |
| 2019 | 214,000 | 300,000 |
| 2020 ^{2/} | 300,000 | 300,000 |
| 2021 | 314,008 | TBD |

1/ This amount reflects FY 2013 sequestration reductions.

2/The Maritime Administration proposed a cancellation of \$25 million in Maritime Security Program prior-year unobligated balances in the FY 2020 Congressional Budget request.

**MARITIME ADMINISTRATION
HISTORY OF APPROPRIATIONS
MARITIME GUARANTEED LOAN PROGRAM
FY 2012 - FY 2021
Main Table - (\$000)**

| <u>Fiscal Year</u> | | <u>Request</u> | <u>Enacted</u> |
|---------------------------|---|-----------------------|-----------------------|
| 2012 | Guarantee Subsidy | - | - |
| | Administration | 3,740 | 3,740 |
| | Rescission of FY 2009/2010 Unobligated Balances | - | -35,000 ^{1/} |
| | TOTAL | 3,740 | -31,260 |
| 2013 | Guarantee Subsidy | - | - |
| | Administration | 3,750 | 3,544 ^{2/} |
| | Rescission of Unobligated Balance | - | - |
| | TOTAL | 3,750 | 3,544 |
| 2014 | Guarantee Subsidy | - | 35,000 |
| | Administration | 2,655 | 3,500 |
| | TOTAL | 2,655 | 38,500 |
| 2015 | Guarantee Subsidy | - | - |
| | Administration | 3,100 | 3,100 |
| | TOTAL | 3,100 | 3,100 |
| 2016 | Guarantee Subsidy | - | 5,000 |
| | Administration | 3,135 | 3,135 |
| | TOTAL | 3,135 | 8,135 |
| 2017 | Guarantee Subsidy | - | - |
| | Administration | 3,000 | 3,000 |
| | Cancellation of Unobligated Balance | -5,000 ^{3/} | - |
| | TOTAL | -2,000 | 3,000 |
| 2018 | Guarantee Subsidy | - | 27,000 |
| | Administration | - | 3,000 |
| | TOTAL | - | 30,000 |
| 2019 | Guarantee Subsidy | - | - |
| | Administration | - | 3,000 |
| | TOTAL | - | 3,000 |
| 2020 | Guarantee Subsidy | - | - |
| | Administration | - | 3,000 |
| | TOTAL | - | 3,000 |
| 2021 | Guarantee Subsidy | - | - |
| | Administration | - | - |
| | TOTAL | - | - |

1/ Includes \$35 million rescinded in P.L.112-55 against FY 2009 and FY 2010 balances.

2/ This amount reflects FY 2013 sequestration reductions.

3/ The Maritime Administration in FY 2017 Congressional Budget proposed cancellation of \$5 million in prior year unobligated balances.

MARITIME ADMINISTRATION
PORT INFRASTRUCTURE DEVELOPMENT PROGRAM
HISTORY OF APPROPRIATIONS
FY 2012 - FY 2021
Main Table - (\$000)

| <u>Fiscal Year</u> | <u>Request</u> | <u>Enacted</u> |
|---------------------------|-----------------------|-----------------------|
| 2012 | 0 | 0 |
| 2013 | 0 | 0 |
| 2014 | 0 | 0 |
| 2015 | 0 | 0 |
| 2016 | 0 | 0 |
| 2017 | 0 | 0 |
| 2018 | 0 | 0 |
| 2019 | 0 | 292,730 ^{1/} |
| 2020 | 0 | 225,000 |
| 2021 | 0 | TBD |

1/ P.L. 116-6 established Port Infrastructure as new treasury account in FY 2019.

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