



**U.S. Department
of Transportation**

BUDGET ESTIMATES

FISCAL YEAR 2026

MARITIME ADMINISTRATION

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

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**DEPARTMENT OF TRANSPORTATION
MARITIME ADMINISTRATION
Budget Estimates, Fiscal Year 2026**

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MARITIME ADMINISTRATION FISCAL YEAR 2026 BUDGET REQUEST

SECTION ONE OVERVIEW



May 27, 2025

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MARITIME ADMINISTRATION

FY 2026 Budget Request

Overview

The Fiscal Year 2026 Budget request includes \$1.5 billion for the Maritime Administration (MARAD), an increase of \$582.1 million (or 64.7%) above the FY 2025 enacted level to strengthen the United States' maritime transportation system. A strong, resilient marine transportation system is essential for economic recovery and growth, to keep the United States (U.S.) competitive in the global economy, and to provide sealift capacity to support our military. MARAD helps to foster, promote, and develop the U.S. maritime industry to meet our Nation's economic and national security needs. MARAD remains focused on implementing policies that address our Nation's maritime infrastructure gaps while fostering and sustaining American job opportunities in the maritime industry, increasing our global competitiveness, and leveraging technology to meet the needs and challenges of the maritime transportation system. In addition, the Infrastructure Investment and Jobs Act (IIJA) continues critical investments in our nation's ports to help support American jobs and more efficient and resilient operations that address supply chain needs for delivery of goods.

MARAD programs support port infrastructure, small shipyards, shipbuilding financing, waterways, ships and shipping, vessel operations, strategic mobility for National security, ship disposal, and maritime education and training. In addition, MARAD partners with the Department of Defense (DoD) to maintain the National Defense Reserve Fleet (NDRF) of vessels to provide sealift to transport military equipment and supplies during war and National emergencies. DoD provides funding for NDRF through an inter-agency reimbursable agreement.

MARAD educates and trains future mariners and maritime leaders by operating the Federal U.S. Merchant Marine Academy (USMMA). Funding requested in the FY 2026 Budget will allow MARAD to continue to help to educate and train mariners, the next generation of future leaders, and foster innovation to support the U.S. marine transportation infrastructure which includes shipyards and ports.

The members of the U.S. Merchant Marine have gone above and beyond to ensure the effective and efficient operations of the entire maritime transportation system as they always have during times of crisis in our Nation's history. Funding in the FY 2026 Budget request continues to invest in the development of the USMMA campus, U.S. mariner training, supporting programs that help U.S.-flag commercial vessels and product tankers to compete globally, provides grants and federal assistance to support our Nation's ports and maritime industrial base, and maintains sealift readiness to meet national security requirements.

The FY 2026 Budget request is summarized by account as follows:

Operations and Training

The Operations and Training (O&T) request is \$235.0 million, a decrease of \$32.8 million from the FY 2025 enacted level and includes \$151.5 million for the USMMA and \$83.5 million for

MARAD Operations and Programs. This level of funding will help ensure that the USMMA continues to educate merchant mariners who can serve the economic and national security needs of the Nation.

The O&T request supports the following programs:

U.S. Merchant Marine Academy

For FY 2026, \$151.5 million is requested for the USMMA, a decrease of \$33.2 million from the FY 2025 enacted level, to educate and train the next generation of seagoing officers and maritime leaders, while providing opportunities for a world-class education. Funding will provide \$101.5 million for academic operating expenses and resources critical to respond to emerging needs, and \$50.0 million to support urgent deferred maintenance projects and facilities maintenance and repair needs of the aging academy campus to execute on the President's Executive order "Restoring America's Maritime Dominance".

- ***Academy Operations***

For FY 2026, \$101.5 million is requested for Academy Operations to support mission-essential educational and IT infrastructure requirements, the housing and feeding of Midshipmen, administrative services, and security priorities. Funding will support salaries, benefits and overhead for Academy employees (293 Full-Time Equivalents (FTEs)), which includes 2 new FTEs.

- ***Capital Asset Management Program (CAMP)***

The funding request for CAMP includes \$50.0 million, more than double FY 2025 enacted levels, to support Facilities Maintenance, Repairs, and Equipment (FMRE) requirements. This level of funding is essential to addressing urgent deferred maintenance projects and other mission critical repair works as well as high priority mission-related physical plant projects that emerge during the fiscal year due to facility deterioration and delivers resources needed to continue to reduce the backlog of deferred capital maintenance projects.

MARAD Operations and Programs

For FY 2026, \$83.5 million is requested for MARAD Operations and Programs, an increase of \$454.0 thousand from the FY 2025 enacted level and includes \$73.5 million to support core agency functions. This request proposes additional funding for six (6) new FTPs at Headquarters and contract support necessary for MARAD to lead federal permitting necessary for the processing of deepwater port applications.

The remaining \$10.0 million will support the ***United States Marine Highway Program (USMHP)*** for infrastructure project grants that support the increased use, development, and expansion of the 26,000 miles of America's navigable waterways and landside infrastructure to enable the movement of freight by water, thereby reducing highway congestion and associated emissions. The USMHP facilitates partnerships with a variety of stakeholders including shippers and manufacturers, truckers, ports and terminals, ocean carriers, and U.S.-flag vessel operators to utilize our waterways to move freight. These new supply chains enable more cost-effective transportation options for U.S. shippers and manufacturers.

State Maritime Academy (SMA) Operations

The FY 2026 request includes \$90.0 million, a decrease of \$35.8 million from the FY 2025 enacted level, to provide Federal assistance to support the six SMAs that educate and train mariners who will become the future leaders in the U.S. maritime transportation industry.

The requested funding includes \$70.0 million for the National Security Multi-mission Vessel (NSMV) program. The FY 2026 request continue to support any remaining pier infrastructure costs, government material condition surveys, Department of Transportation (DOT) cyber security requirements, IT Network and Authority to Operate (ATO), maintenance and repair, GPS hardening, government oversight and logistics support, which is critical in managing risk for effective operation of the NSMV State-class.

In addition, the request includes \$7.8 million to fund critical maintenance and repairs for the legacy training ships on loan to the SMAs to ensure they are maintained in compliance with U.S. Coast Guard (USCG) and American Bureau of Shipping requirements while the NSMVs are constructed and delivered. This funding also provides training ship sharing capacity to enable uninterrupted availability of mandatory at sea training for cadets.

Funding requested also includes \$2.4 million for the Student Incentive Program (SIP) to offset student expenses related to rising education and tuition costs and to support student retention. In addition, \$6.0 million is requested for direct payments divided equally among each of the six SMAs to assist with higher operating costs at these specialized institutions.

Finally, \$3.8 million is requested for fuel assistance payments. This funding request will help to alleviate the operational and logistics burden on all the SMAs as they continue to deal with the educational challenges in the post-coronavirus environment, as well as work through their ship capacity challenges in providing safe training platforms for the next generation of U.S. mariners.

Assistance to Small Shipyards

The FY 2026 Budget request includes \$105.0 million to provide grant funding for infrastructure improvements at qualified small U.S. shipyards to help maximize their efficiency and ability to compete for domestic and international commercial ship construction and maintenance opportunities. Small shipyard grants support the acquisition of equipment upgrades by small shipyards, such as equipment upgrades and other capital investments, defense ship building supply chain improvements, and in-house ship building capabilities. In addition, investing in shipbuilding supports job creation in a vital Maritime Industrial Base.

Ship Disposal

For FY 2026, \$6.0 million is requested for the Ship Disposal program, including funding for support salaries and overhead for Ship Disposal and Nuclear Ship SAVANNAH (NSS) staff and support personnel. This funding also includes \$3.0 million to maintain the NSS in protective storage pursuant to Nuclear Regulatory Commission license requirements while decommissioning of the vessel's defueled nuclear reactor, components, and equipment is in progress.

Maritime Security Program (MSP)

The FY 2026 Budget requests \$372.0 million which includes 60 vessels participating in the program. This is a \$54.0 million increase from the FY 2025 enacted level. The program maintains a viable commercial fleet of vessels that can provide a U.S. presence in foreign commerce while also meeting the Nation's need for sustained military sealift capacity. The program also supports over 7,400 American maritime jobs, bolstering coastal economies. Without MSP subsidies, operators would likely reflag vessels, jeopardizing these jobs and national security. Furthermore, the MSP strengthens supply chain resilience by ensuring the availability of U.S.-flagged vessels for transporting critical goods, a need underscored by recent supply chain disruptions. Finally, the program develops the next generation of mariners by providing training opportunities for U.S. Merchant Marine Academy cadets.

Tanker Security Program (TSP)

For FY 2026, \$120.0 million is requested for the TSP to support 20 U.S.-flag product tankers. This reflects a \$60.0 million increase from the FY 2025 enacted level. This funding for the program addresses the urgent and critical National security requirements for U.S.-flag product tankers to support our deployed Armed Forces in contingency operations and improves core assets to enhance our Nation's global network of distribution capabilities.

TSP also provides substantial economic benefits to the United States. The program directly supports approximately 500 to 600 well-paying, skilled U.S. Merchant Mariner jobs, with the potential for further job creation in shore-side operations, contributing to the U.S. tax base and strengthening the middle class. By ensuring the reliable transport of fuel and other essential commodities, a strong U.S.-flagged fleet enhances the nation's economic resilience, reducing dependence on foreign-flagged vessels.

Maritime Guaranteed Loan (Title XI) Program

For FY 2026, \$4.0 million is requested to support administrative costs necessary to manage the current loan guarantee portfolio of the Title XI program, as well as new loan agreements. This is an increase of \$1.0 million from the FY 2025 enacted level necessary to continue to maintain effective monitoring of existing loan guarantees and support underwriting of new loan guarantee applications to support construction of new Jones Act qualified vessels for the Administration's offshore wind energy initiative.

The Title XI program helps to provide shipbuilding financial incentives to promote economic growth and modernization of the U.S. shipyard industry by providing additional opportunities to build the Maritime Industrial Base for vessel construction and modernization, including repowering, that may otherwise be unavailable to ship owners.

Port Infrastructure Development Program (PIDP)

For FY 2026, \$550.0 million is requested for grants to improve port infrastructure and facilities, sustain and grow the supply and demand for the U.S. Maritime Industry, and to stimulate economic growth in, near and around ports and improve safety and efficiency. This represents a significant investment of \$500.0 million above the FY 2025 enacted level. This increase will create good paying jobs for American workers and helps transform our deteriorating

infrastructure into a 21st century system that supports efficiency in our freight supply chains and increases our global competitiveness.

In addition to the funding proposed in this Budget, IIJA continues to provide additional funding of \$450.0 million in advance appropriations to support critical investments in our nation's ports. This provides a total of \$1.0 billion to support American jobs, and more efficient and resilient operations to meet the supply chain needs for delivery of goods to the American people. Funding will continue to fund grant resources for port infrastructure projects to support the increase in port capacity.

**MARITIME ADMINISTRATION
FY 2026 BUDGET REQUEST SUMMARY
(Dollars in Thousands)**

<u>ACCOUNT/PROGRAM</u>	<u>FY 2024 ACTUAL</u>	<u>FY 2025 ENACTED</u>	<u>FY 2026 REQUEST</u>
OPERATIONS & TRAINING	<u>\$267,775</u>	<u>\$267,775</u>	<u>\$235,000</u>
U.S. Merchant Marine Academy	<u>\$184,729</u>	<u>\$184,729</u>	<u>\$151,500</u>
Academy Operations	92,729	92,729	101,500
<u>Capital Asset Management Program</u>	<u>92,000</u>	<u>92,000</u>	<u>50,000</u>
Capital Improvement Program	70,000	70,000	0
Facilities Maintenance and Repair, Equipment	22,000	22,000	50,000
MARAD Operations & Programs	<u>\$83,046</u>	<u>\$83,046</u>	<u>\$83,500</u>
Headquarters Operations	70,546	70,546	73,500
<u>Maritime Program Initiatives</u>	<u>12,500</u>	<u>12,500</u>	<u>10,000</u>
Maritime Environmental and Technical Assistance	7,500	7,500	0
United States Marine Highway Program	5,000	5,000	10,000
STATE MARITIME ACADEMY OPERATIONS	<u>\$125,788</u>	<u>\$125,788</u>	<u>\$90,000</u>
Student Incentive Program	2,400	2,400	2,400
Direct SMA Support	6,000	6,000	6,000
Fuel Assistance Payments	8,800	8,800	3,800
School Ship M&R	22,000	22,000	7,800
National Security Multi-Mission Vessel	86,588	86,588	70,000
ASSISTANCE TO SMALL SHIPYARDS	<u>\$8,750</u>	<u>\$8,750</u>	<u>\$105,000</u>
SHIP DISPOSAL	<u>\$6,000</u> ^{1/}	<u>\$6,000</u>	<u>\$6,000</u>
MARITIME SECURITY PROGRAM	<u>\$318,000</u> ^{2/}	<u>\$318,000</u>	<u>\$372,000</u> ^{6/}
CABLE SECURITY FLEET PROGRAM	<u>\$10,000</u>	<u>\$10,000</u>	<u>\$0</u> ^{7/}
TANKER VESSEL SECURITY PROGRAM	<u>\$60,000</u> ^{3/}	<u>\$60,000</u>	<u>\$120,000</u> ^{8/}
MARITIME GUARANTEED (TITLE XI) LOAN PROGRAM	<u>\$53,586</u>	<u>\$53,586</u>	<u>\$4,000</u> ^{9/}
PORT INFRASTRUCTURE DEVELOPMENT PROGRAM	<u>\$120,460</u> ^{4/}	<u>\$50,000</u>	<u>\$550,000</u>
NATIONAL DEFENSE RESERVE FLEET RECAPITALIZATION	<u>\$12,000</u> ^{5/}	<u>\$0</u>	<u>\$0</u>
NEW BUDGET AUTHORITY REQUESTED	<u>\$982,359</u>	<u>\$899,899</u>	<u>\$1,482,000</u>
<u>IIJA SUPPLEMENTAL (DIVISION J)</u>	<u>\$450,000</u>	<u>\$450,000</u>	<u>\$450,000</u>
Port Infrastructure Development Program	450,000	450,000	450,000
GRAND TOTAL	<u>\$1,432,359</u>	<u>\$1,349,899</u>	<u>\$1,932,000</u>

1/ Public Law 118-42 rescinded \$3.664 million in prior-year unobligated balances.

2/ Public Law 118-42 rescinded \$17 million in prior-year unobligated balances.

3/ Public Law 118-48 rescinded \$21 million in prior-year unobligated balances.

4/ Includes \$70,460,124 for Community Project funding.

5/ Public Law 118-42 provides \$12 million to complete vessel designs for the purpose of constructing 10 sealift vessels for the NDRF under the Ready Reserve Force Program.

6/ MARAD proposes cancellation of \$27 million in prior-year unobligated balances.

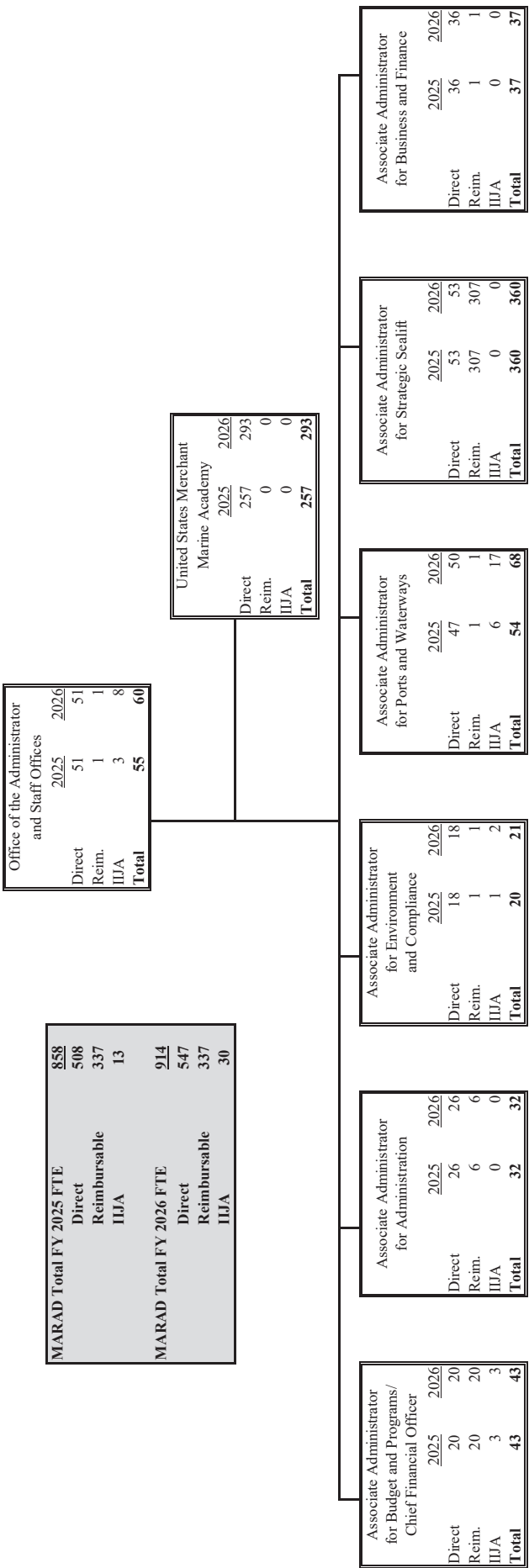
7/ MARAD proposes cancellation of \$12 million in prior-year unobligated balances.

8/ MARAD proposes cancellation of \$65 million in prior-year unobligated balances.

9/ MARAD proposes cancellation of \$86 million in subsidy prior-year unobligated balances.

U.S. Department of Transportation
Maritime Administration

Organizational Chart - Direct/Reimbursable Funded Full-Time Equivalents
FY 2025 - FY 2026



U.S. Department of Transportation Maritime Administration

Organizational Chart - Direct/Reimbursable Funded Full-Time Positions FY 2025 - FY 2026

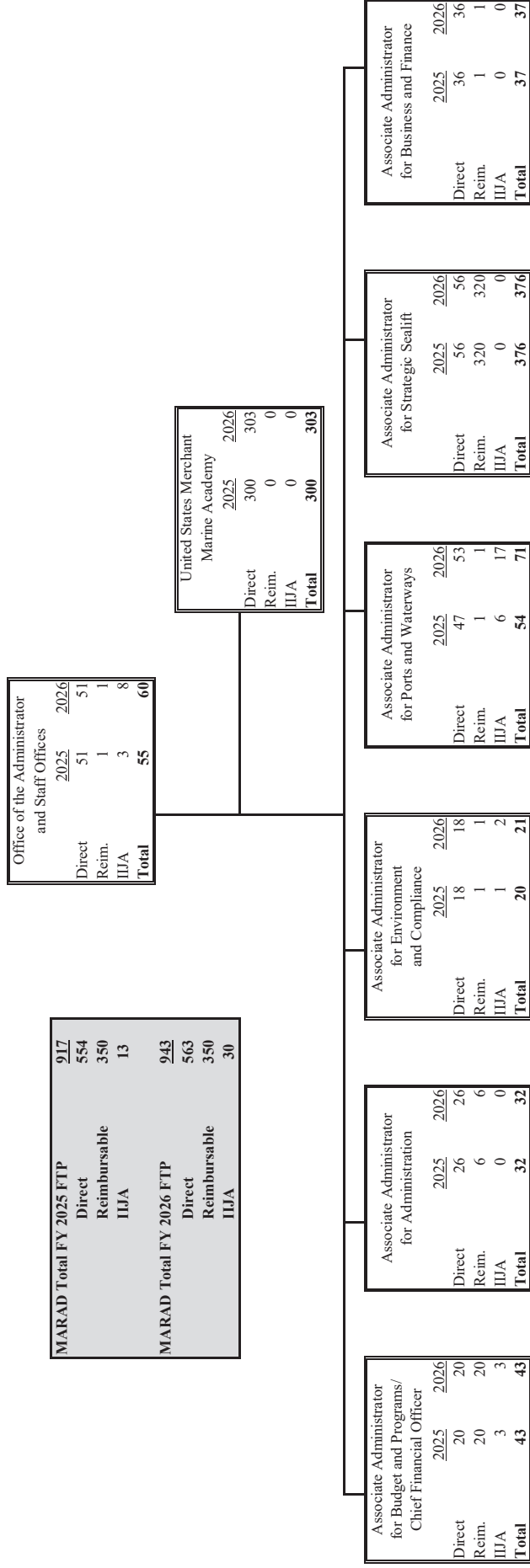


EXHIBIT II-1
FY 2026 BUDGET AUTHORITY
MARITIME ADMINISTRATION
(\$000)

		(A)	(B)	(C)
ACCOUNT NAME	M / D	FY 2024 ACTUAL	FY 2025 ENACTED	FY 2026 REQUEST
Operations and Training	D	\$267,775	\$267,775	\$235,000
U.S. Merchant Marine Academy		184,729	184,729	151,500
MARAD Operations		83,046	83,046	83,500
State Maritime Academy Operations	D	\$125,788	\$125,788	\$90,000
Assistance to Small Shipyards	D	\$8,750	\$8,750	\$105,000
Ship Disposal	D	\$6,000	\$6,000	\$6,000
Ship Disposal		3,000	3,000	3,000
NS Savannah		3,000	3,000	3,000
Maritime Security Program	D	\$318,000	\$318,000	\$372,000
Cable Security Fleet	D	\$10,000	\$10,000	\$0
Tanker Security Program	D	\$60,000	\$60,000	\$120,000
Maritime Guaranteed Loan (Title XI) Program Account	D	\$53,586	\$53,586	\$4,000
Administrative Expenses		3,000	3,000	4,000
Loan Subsidies		50,586	50,586	0
Port Infrastructure Development Program	D	\$120,460	\$50,000	\$550,000
Gifts and Bequests	M	\$2,000	\$2,000	\$2,000
National Defense Reserve Fleet Recapitalization	D	\$12,000	\$0	\$0
Gross New Budget Authority		\$984,359	\$901,899	\$1,484,000
Rescissions		0	0	0
Transfers		0	0	0
Offsets		0	0	0
NET NEW BUDGET AUTHORITY REQUESTED:		\$984,359	\$901,899	\$1,484,000
[Mandatory BA]		2,000	2,000	2,000
[Discretionary BA]		982,359	899,899	1,482,000
Supplemental Funding				
IIJA Supplemental (Division J)		\$450,000	\$450,000	\$450,000
America's Marine Highway Grants		0	0	0
Port Infrastructure Development Program		450,000	450,000	450,000
Grand Total, All Appropriations		\$1,434,359	\$1,351,899	\$1,934,000

EXHIBIT II-2
FY 2026 TOTAL BUDGETARY RESOURCES BY APPROPRIATION ACCOUNT
MARITIME ADMINISTRATION
Appropriations, Obligation Limitations, and Exempt Obligations
(\$000)

		(A)	(B)	(C)
ACCOUNT NAME	M / D	FY 2024 ACTUAL	FY 2025 ENACTED	FY 2026 REQUEST
Operations and Training	D	\$267,775	\$267,775	\$235,000
U.S. Merchant Marine Academy		184,729	184,729	151,500
MARAD Operations		83,046	83,046	83,500
State Maritime Academy Operations	D	\$125,788	\$125,788	\$90,000
Assistance to Small Shipyards	D	\$8,750	\$8,750	\$105,000
Ship Disposal	D	\$6,000	\$6,000	\$6,000
Ship Disposal		3,000	3,000	3,000
NS Savannah		3,000	3,000	3,000
Maritime Security Program	D	\$318,000	\$318,000	\$372,000
Cable Security Fleet	D	\$10,000	\$10,000	\$0
Tanker Security Program	D	\$60,000	\$60,000	\$120,000
Maritime Guaranteed Loan (Title XI) Program Account	D	\$53,586	\$53,586	\$4,000
Administrative Expenses		3,000	3,000	4,000
Loan Subsidies		50,586	50,586	0
Port Infrastructure Development Program	D	\$120,460	\$50,000	\$550,000
National Defense Reserve Fleet Recapitalization	D	\$12,000	\$0	\$0
TOTAL BASE APPROPRIATION		\$982,359	\$899,899	\$1,482,000
Gross New Budgetary Resources		982,359	899,899	1,482,000
Rescissions		0	0	0
Transfers		0	0	0
Offsets		0	0	0
TOTAL BUDGETARY RESOURCES:		\$982,359	\$899,899	\$1,482,000
[Mandatory]		0	0	0
[Discretionary]		982,359	899,899	1,482,000
[Obligation Limitation]		0	0	0
Supplemental Funding				
IIJA Supplemental (Division J)		\$450,000	\$450,000	\$450,000
America's Marine Highway Grants		0	0	0
Port Infrastructure Development Program		450,000	450,000	450,000
Grand Total, All Appropriations		\$1,432,359	\$1,349,899	\$1,932,000

EXHIBIT II-4
FY 2026 OUTLAYS
MARITIME ADMINISTRATION
(\$000)

	(A)	(B)	(C)
	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>
<u>M / D</u>	<u>ACTUAL</u>	<u>ENACTED</u>	<u>REQUEST</u>
Operations and Training	D	\$199,901	\$196,000
			\$253,000
State Maritime Academy Operations	D	\$329,213	\$423,000
			\$51,000
Assistance to Small Shipyards	D	\$24,859	\$9,000
			\$90,000
Ship Disposal Program	D	\$16,552	\$10,000
			\$9,000
Maritime Security Program	D	\$305,075	\$318,000
			\$370,000
Cable Security Fleet Program	D	\$10,000	\$10,000
			\$0
Tanker Security Program	D	\$49,936	\$60,000
			\$90,000
Maritime Guaranteed Loans Program		\$83,866	\$66,853
			\$4,000
A. Administrative Expenses	D	3,000	3,000
B. Loan Guarantees - Reestimates	M	80,866	63,853
			-
Port Infrastructure Development Program	D	\$100,319	\$83,000
			\$96,000
Ready Reserve Force	D	-\$102,892	\$20,000
			\$42,000
War Risk Insurance Rev. Fund	D	-	-
			-
Vessel Revolving Fund	D	-\$1,726	-
			-
Gifts and Bequests	M	\$968	\$1,500
			\$1,500
TOTAL:		\$1,023,510	\$1,210,353
<i>[Mandatory BA]</i>		81,834	65,353
<i>[Discretionary BA]</i>		941,676	1,145,000
			1,018,000
Supplemental Funding			
IIJA Supplemental (Division J)		7,439	13,000
			13,000
AMERICA'S MARINE HIGHWAY GRANTS		2,461	4,000
			4,000
PORT INFRASTRUCTURE DEVELOPMENT PROGRAM		4,978	9,000
			9,000
Grand Total, Outlays from all Appropriations		\$ 1,030,949	\$ 1,223,353
			\$ 1,032,500

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

Operations and Training	Baseline Changes							Inflation and other adjustments to base	FY 2026 Baseline Estimate	Program Increases/Decreases	FY 2026 Request
	FY 2024 Enacted	FY 2025 Enacted	Annualization of new FY 2025 FTE	FY 2026 Pay Raises	Adjustment for Compensable Days (261 days)	WCF Increase/Decrease					
Operations and Training											
DIRECT FTE 1/	467	469	0	34	0	0	0	0	503	5	508
PERSONNEL RESOURCES (FTE)											
Direct FTE	258	257	0	34	0	0	0	[-19]	291	2	293
ACADEMY OPERATIONS											
FINANCIAL RESOURCES											
ADMINISTRATIVE EXPENSES											
Salaries and Benefits	\$46,237	\$48,788	\$0	\$6,035	\$0	\$0	\$0	\$0	\$54,823	\$257	\$55,080
Instructional Programs	8,238	7,553	0	0	0	0	0	130	7,683	617	8,300
Midshipmen Programs	20,403	18,896	0	0	0	0	0	-1,596	17,300	0	17,300
Facilities & Infrastructure Operations	0	0	0	0	0	0	0	9,227	9,227	0	9,227
Mission Support (Formerly PD&A)	17,851	17,492	0	0	0	0	0	-5,899	11,593	0	11,593
Admin Subtotal	\$92,729	\$92,729	\$0	\$6,035	\$0	\$0	\$0	\$1,862	\$100,626	\$874	\$101,500
FINANCIAL RESOURCES											
CAPITAL ASSET MANAGEMENT PROGRAM:											
Capital Improvement Program	\$70,000	\$70,000	\$0	\$0	\$0	\$0	\$0	\$0	\$70,000	-\$70,000	\$0
Facilities Maintenance and Repair, Equipment	22,000	22,000	0	0	0	0	0	0	22,000	28,000	50,000
Admin Subtotal	\$92,000	\$92,000	\$0	\$0	\$0	\$0	\$0	\$0	\$92,000	-\$42,000	\$50,000
BASE PROGRAMS TOTAL	\$184,729	\$184,729	\$0	\$6,035	\$0	\$0	\$0	\$1,862	\$192,626	-\$41,126	\$151,500
PERSONNEL RESOURCES (FTE)											
Direct FTE	199	199	0	0	0	0	0	0	199	3	202
MARAD OPERATIONS AND PROGRAMS											
FINANCIAL RESOURCES											
ADMINISTRATIVE EXPENSES											
Salaries and Benefits	\$42,000	\$43,000.00	\$0	\$0	\$0	\$0	-\$3,895	\$0	\$39,105	\$570	\$39,675
Non-Discretionary Operations	18,568	15,443	0	0	0	0	7,997	154	23,594	0	23,594
-WCF	[\$10,328]	[\$9,792]	[\$0]	[\$0]	[\$0]	[\$0]	[\$7,997]	[0]	[\$10,992]	[\$0]	[\$10,992]
Operations and Travel	7,838	10,002	0	0	0	0	-1,302	100	8,800	930	9,730
Information Technology	2,140	2,101	0	0	0	0	-1,600	0	501	0	501
Admin Subtotal	\$70,546	\$70,546.00	\$0	\$0	\$0	\$0	\$1,200	\$254	\$72,000	\$1,500	\$73,500
PROGRAMS											
Maritime Environmental and Technical Assistance (META)	\$7,500	\$7,500.00	\$0	\$0	\$0	\$0	\$0	\$0	\$7,500	-\$7,500	\$0
United States Marine Highway Program	5,000	5,000	0	0	0	0	0	0	5,000	5,000	10,000
Programs Subtotal	\$12,500	\$12,500.00	\$0	\$0	\$0	\$0	\$0	\$0	\$12,500	-\$2,500	\$10,000
BASE PROGRAMS TOTAL	\$83,046	\$83,046.00	\$0	\$0	\$0	\$0	\$1,200	\$254	\$84,500	-\$1,000	\$83,500
GRAND TOTAL	\$267,775	\$267,775	\$0	\$6,035	\$0	\$0	\$1,200	\$2,116	\$277,126	-\$42,126	\$235,000

1/ Includes Title XI Admin, 13 FTEs.

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

	Baseline Changes						Inflation and				Program Increases/ Decreases	FY 2026 Baseline Estimate	FY 2026 Request
	FY 2024 Enacted	FY 2025 Enacted	Annualization of Prior Pay Raises	Annualization of new FY 2025 FTE	FY 2026 Pay Raises +/-	Adjustment for Compensable Days (261 days)	WCF Increase/ Decrease	other adjustments to base					
U.S. Merchant Marine Academy	258	257	0	34	0	0	0	0	0	291	2	293	
PERSONNEL RESOURCES (FTE)													
Direct FTE													
ACADEMY OPERATIONS													
FINANCIAL RESOURCES													
ADMINISTRATIVE EXPENSES													
Salaries and Benefits	\$46,237	\$48,788	\$0	\$6,035	\$0	\$0	\$0	\$0	\$0	\$54,823	\$257	\$55,080	
Instructional Programs	8,238	7,553	0	0	0	0	0	130	130	7,683	617	8,300	
Midshipmen Programs	20,403	18,896	0	0	0	0	0	-1,596	-1,596	17,300	0	17,300	
Facilities & Infrastructure Operations	-	-	0	0	0	0	0	9,227	9,227	9,227	0	9,227	
Mission Support (Formerly PD&A)	17,851	17,492	0	0	0	0	0	-5,899	-5,899	11,593	0	11,593	
Admin Subtotal	\$92,729	\$92,729	\$0	\$6,035	\$0	\$0	\$0	\$1,862	\$1,862	\$100,626	\$874	\$101,500	
FINANCIAL RESOURCES													
CAPITAL ASSET MANAGEMENT PROGRAM:													
Capital Improvement Program	\$70,000	\$70,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$70,000	-\$70,000	\$0	
Facilities Maintenance and Repair, Equipment	22,000	22,000	0	0	0	0	0	0	0	22,000	28,000	50,000	
Program, Subtotal	\$92,000	\$92,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$92,000	-\$42,000	\$50,000	
BASE PROGRAMS TOTAL													
	\$184,729	\$184,729	\$0	\$6,035	\$0	\$0	\$0	\$1,862	\$1,862	\$192,626	-\$41,126	\$151,500	

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

MARAD Operations and Programs	Baseline Changes										FY 2026 Baseline Estimate	Program Increases/ Decreases	FY 2026 Request 2/
	FY 2024 Enacted	FY 2025 Enacted	Annualization of Prior Pay Raises	Annualization of new FY 2025 FTE	FY 2026 Pay Raises	Adjustment for Compensable Days (261 days)	GSA Rent	WCF Increase/ Decrease	Inflation and other adjustments to base				
PERSONNEL RESOURCES (FTE)													
Direct FTE	199	199	1/	0	0	0	0	0	[-19]	0	199	3	202
FINANCIAL RESOURCES													
ADMINISTRATIVE EXPENSES													
Salaries and Benefits	\$40,681	\$43,000	\$0	\$0	\$0	\$0	\$0	\$0	-\$3,895	\$0	\$39,105	\$570	\$39,675
Non-Discretionary Operations	16,601	15,443	0	0	0	0	0	0	7,997	154	23,594	0	23,594
-WCF	[\$10,824]	[\$0,792]	[\$0]	[\$0]	[\$0]	[\$0]	[\$0]	[\$0]	[\$7,997]	[0]	[\$17,789]	[\$0]	[\$17,789]
Operations and Travel	10,926	10,002	0	0	0	0	0	0	-1,302	100	8,800	930	9,730
Information Technology	2,338	2,101	0	0	0	0	0	0	-1,600	0	501	0	501
Admin Subtotal	\$70,546	\$70,546	\$0	\$0	\$0	\$0	\$0	\$0	\$1,200	\$254	\$72,000	\$1,500	\$73,500
PROGRAMS													
Maritime Environmental and Technical Assistance (META)	\$7,500	\$7,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$7,500	-\$7,500	\$0
United States Marine Highway Program	5,000	5,000	0	0	0	0	0	0	0	0	5,000	5,000	10,000
Programs Subtotal	\$12,500	\$12,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$12,500	-\$2,500	\$10,000
BASE PROGRAMS TOTAL	\$83,046	\$83,046	\$0	\$0	\$0	\$0	\$0	\$0	\$1,200	\$254	\$84,500	-\$1,000	\$83,500

1/ Reflects reduction of 19 FTEs associated with the organizational changes to improve efficiency as discussed in the footnote below.

2/ The FY 2026 President's Budget reflects organizational changes to improve efficiency. The Budget request assumes that positions and program funding supporting Human Resource, Information Technology, Procurement, Government Affairs, Communications/Public Affairs, and Civil Rights functions are consolidated within the Office of the Secretary through the Working Capital Fund (WCF). This realignment is reflected by a decrease in program resources, which is offset by a corresponding increase to WCF expenses.

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

	Baseline Changes											
	FY 2024 Enacted	FY 2025 Enacted	Annualization of Prior Pay Raises	Annualization of new FY 2025 FTE	FY 2026 Pay Raises	Adjustment for Compensable Days (261 days)	GSA Rent	WCF Increase/ Decrease	Inflation and other adjustments to base	FY 2026 Baseline Estimate	Program Increases/ Decreases	FY 2026 Request
State Maritime Academy Operations												
PERSONNEL RESOURCES (FTE)												
Direct FTE	0	6	0	0	0	0	0	0	0	6	0	6
PROGRAMS												
Student Incentive Payments	\$2,400	\$2,400	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,400	\$0	\$2,400
Direct SMA Payments	6,000	6,000	0	0	0	0	0	0	0	6,000	0	6,000
Training Ship Fuel Assistance Payments	8,800	8,800	0	0	0	0	0	0	0	8,800	-5,000	3,800
School Ship M&R/Capacity Sharing	22,000	22,000	0	0	0	0	0	0	0	22,000	-14,200	7,800
National Security Multi-Mission Vessel Program	86,588	86,588	0	0	0	0	0	0	0	86,588	-16,588	70,000
Programs Subtotal	\$125,788	\$125,788	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$125,788	-\$35,788	\$90,000
BASE PROGRAMS TOTAL												
	\$125,788	\$125,788	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$125,788	-\$35,788	\$90,000

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

	Baseline Changes										FY 2026 Baseline Estimate	Program Increases/ Decreases	FY 2026 Request
	FY 2024 Enacted	FY 2025 Enacted	Annualization of Prior Pay Raises	Annualization of new FY 2025 FTE	FY 2026 Pay Raises	Adjustment for Compensable Days (261 days)	GSA Rent	WCF Increase/ Decrease	Inflation and other adjustments to base				
Assistance to Small Shipyards													
PERSONNEL RESOURCES (FTE)													
Direct FTE	1	1	0	0	0	0	0	0	0	0	1	0	1
FINANCIAL RESOURCES													
ADMINISTRATIVE EXPENSES													
Salaries and Benefits	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,560	\$1,560
Travel	0	0	0	0	0	0	0	0	0	0	0	129	129
Other Services	0	0	0	0	0	0	0	0	0	0	0	411	411
Admin Subtotal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,100	\$2,100
PROGRAMS													
Shipyard Grants	\$8,750	\$8,750	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$8,750	\$94,150	\$102,900
Programs Subtotal	\$8,750	\$8,750	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$8,750	\$94,150	\$102,900
BASE PROGRAMS TOTAL													
	\$8,750	\$8,750	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$8,750	\$96,250	\$105,000

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

	Baseline Changes										FY 2026 Baseline Estimate	Program Increases/ Decreases	FY 2026 Request
	FY 2024 Enacted	FY 2025 Enacted	Annualization of Prior Pay Raises	Annualization of new FY 2025 FTE	FY 2026 Pay Raises	Adjustment for Compensable Days (261 days)	GSA Rent	WCF Increase/ Decrease	Inflation and other adjustments to base				
Ship Disposal													
PERSONNEL RESOURCES (FTE)													
Direct FTE	10	15	0	0	0	0	0	0	0	0	15	0	15
FINANCIAL RESOURCES													
ADMINISTRATIVE EXPENSES													
Salaries and Benefits	\$2,347	\$2,394	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,394	\$0	\$2,394
Travel	5	5	0	0	0	0	0	0	0	0	5	0	5
Operating Expenses	151	104	0	0	0	0	0	0	0	-5	99	0	99
Other Services: -WCF	497	497	0	0	0	0	0	0	5	0	502	0	502
Admin Subtotal	\$3,000	\$3,000	\$0	\$0	\$0	\$0	\$0	\$0	\$5	-\$5	\$3,000	\$0	\$3,000
PROGRAMS													
Ship Disposal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
NS Savannah Protective Storage	3,000	3,000	0	0	0	0	0	0	0	0	3,000	0	3,000
Programs Subtotal	\$3,000	\$3,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,000	\$0	\$3,000
BASE PROGRAMS TOTAL													
	\$6,000	\$6,000	\$0	\$0	\$0	\$0	\$0	\$0	\$5	-\$5	\$6,000	\$0	\$6,000

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

	FY 2024 Enacted	FY 2025 Enacted	Baseline Changes					Inflation and other adjustments to base	FY 2026 Baseline Estimate	Program Increases/ Decreases	FY 2026 Request
			Annualization of Prior Pay Raises	Annualization of new FY 2025 FTE	FY 2026 Pay Raises	Adjustment for Compensable Days (261 days)	GSA Rent	WCF Increase/ Decrease			
Maritime Security Program											
PERSONNEL RESOURCES (FTE)											
Direct FTE	0	0	0	0	0	0	0	0	0	0	0
FINANCIAL RESOURCES											
ADMINISTRATIVE EXPENSES											
Salaries and Benefits	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Travel	0	0	0	0	0	0	0	0	0	0	0
Operating Expenses	0	0	0	0	0	0	0	0	0	0	0
GSA Rent	0	0	0	0	0	0	0	0	0	0	0
Other Services:											
-WCF	0	0	0	0	0	0	0	0	0	0	0
Admin Subtotal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
PROGRAMS											
Maritime Security Program	\$318,000	\$318,000	\$0	\$0	\$0	\$0	\$0	\$0	\$318,000	\$54,000	\$372,000
Programs Subtotal	\$318,000	\$318,000	\$0	\$0	\$0	\$0	\$0	\$0	\$318,000	\$54,000	\$372,000
BASE PROGRAMS TOTAL	\$318,000	\$318,000	\$0	\$0	\$0	\$0	\$0	\$0	\$318,000	\$54,000	\$372,000

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

	FY 2024 Enacted	FY 2025 Enacted	Baseline Changes					WCF Increase/ Decrease	Inflation and other adjustments to base	FY 2026 Baseline Estimate	Program Increases/ Decreases	FY 2026 Request
			Annualization of Prior Pay Raises	Annualization of new FY 2025 FTE	FY 2026 Pay Raises	Adjustment for Compensable Days (261 days)	GSA Rent					
Cable Security Fleet												
PERSONNEL RESOURCES (FTE)												
Direct FTE	0	0	0	0	0	0	0	0	0	0	0	0
FINANCIAL RESOURCES												
ADMINISTRATIVE EXPENSES												
Salaries and Benefits		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Travel	0	0	0	0	0	0	0	0	0	0	0	0
Operating Expenses	0	0	0	0	0	0	0	0	0	0	0	0
GSA Rent	0	0	0	0	0	0	0	0	0	0	0	0
Other Services:												
-WCF	0	0	0	0	0	0	0	0	0	0	0	0
Admin Subtotal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
PROGRAMS												
Cable Security Fleet	\$10,000	\$10,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$10,000	-\$10,000	\$0
Programs Subtotal	\$10,000	\$10,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$10,000	-\$10,000	\$0
BASE PROGRAMS TOTAL	\$10,000	\$10,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$10,000	-\$10,000	\$0

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

Tanker Security Program	Baseline Changes										FY 2026 Baseline Estimate	Program Increases/ Decreases	FY 2026 Request
	FY 2024 Enacted	FY 2025 Enacted	Annualization of Prior Pay Raises	Annualization of new FY 2025 FTE	FY 2026 Pay Raises	Adjustment for Compensable Days (261 days)	GSA Rent	WCF Increase/ Decrease	Inflation and other adjustments to base				
PERSONNEL RESOURCES (FTE)													
Direct FTE	0	0	0	0	0	0	0	0	0	0	0	0	0
FINANCIAL RESOURCES													
ADMINISTRATIVE EXPENSES													
Salaries and Benefits	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Travel	0	0	0	0	0	0	0	0	0	0	0	0	0
Operating Expenses	0	0	0	0	0	0	0	0	0	0	0	0	0
GSA Rent	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Services:													
-WCF	0	0	0	0	0	0	0	0	0	0	0	0	0
Admin Subtotal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
PROGRAMS													
Tanker Security Program	\$60,000	\$60,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$60,000	\$60,000	\$120,000
Programs Subtotal	\$60,000	\$60,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$60,000	\$60,000	\$120,000
BASE PROGRAMS TOTAL													
	\$60,000	\$60,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$60,000	\$60,000	\$120,000

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

Maritime Guaranteed Loan (Title XI) Program Account	Baseline Changes										FY 2026 Baseline Estimate	Program Increases/ Decreases	FY 2026 Request
	FY 2024 Enacted	FY 2025 Enacted	Annualization of Prior Pay Raises	Annualization of new FY 2025 FTE	FY 2026 Pay Raises	Adjustment for Compensable Days (261 days)	GSA Rent	WCF Increase/ Decrease	Inflation and other adjustments to base	FY 2026 Baseline Estimate			
PERSONNEL RESOURCES (FTE)													
Direct FTE	10	13	0	0	0	0	0	0	0	13	0	0	13
FINANCIAL RESOURCES													
ADMINISTRATIVE EXPENSES													
Salaries and Benefits	\$2,489	\$2,551	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,551	\$0	\$0	\$2,551
Travel	5	5	0	0	0	0	0	0	0	5	0	0	5
Operating Expenses	506	444	0	0	0	0	0	0	0	439	615	615	1,054
Other Services:													
-WCF	0	0	0	0	0	0	0	0	390	0	390	0	390
Admin Subtotal	\$3,000	\$3,000	\$0	\$0	\$0	\$0	\$0	\$0	\$390	-\$5	\$3,385	\$615	\$4,000
PROGRAMS													
Loan Subsidies	\$50,586	\$50,586	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$50,586	-\$50,586	-\$50,586	\$0
Programs Subtotal	\$50,586	\$50,586	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$50,586	-\$50,586	-\$50,586	\$0
BASE PROGRAMS TOTAL	\$53,586	\$53,586	\$0	\$0	\$0	\$0	\$0	\$0	\$390	-\$5	\$53,971	-\$49,971	\$4,000

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

Port Infrastructure Development Program	FY 2024 Enacted	FY 2025 Enacted	Annualization of Prior Pay Raises	Annualization of new FY 2025 FTE	FY 2026 Pay Raises	Adjustment for Compensable Days (261 days)	GSA Rent	WCF Increase/ Decrease	Inflation and other adjustments to base	FY 2026 Baseline Estimate	Program Increases/ Decreases	FY 2026 Request 1/ Request 12
PERSONNEL RESOURCES (FTE)												
Direct FTE	12	12	1/	0	0	0	0	0	[-1]	0	0	12
FINANCIAL RESOURCES												
ADMINISTRATIVE EXPENSES												
Salaries and Benefits	\$2,409	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Travel	0	0	0	0	0	0	0	0	0	0	0	0
Operating Expenses	0	0	0	0	0	0	0	0	0	0	0	0
Other Services:												
- WCF	0	0	0	0	0	0	0	0	0	0	0	0
Admin Subtotal	\$2,409	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
PROGRAMS												
Discretionary Grants	\$47,591	\$50,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$50,000	\$500,000	\$550,000
Community Project Funding (Earmarks)	70,460	0	0	0	0	0	0	0	0	0	0	0
Programs Subtotal	\$118,051	\$50,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$50,000	\$500,000	\$550,000
BASE PROGRAMS TOTAL	\$120,460	\$50,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$50,000	\$500,000	\$550,000

1/ Reflects reduction of 1 FTEs associated with the organizational changes to improve efficiency as discussed in the footnote below. Carryover funds will be used to cover this expense.

1/ The FY 2026 President's Budget reflects organizational changes to improve efficiency. The Budget request assumes that positions and program funding supporting Human Resource, Information Technology, Procurement, Government Affairs, Communications/Public Affairs, and Civil Rights functions are consolidated within the Office of the Secretary through the Working Capital Fund (WCF). This realignment is reflected by a decrease in program resources, which is offset by a corresponding increase to WCF expenses.

EXHIBIT II-5a
SUMMARY OF IIJA SUPPLEMENTAL (DIVISION J) BUDGET OBLIGATIONS OVER FISCAL YEARS
Maritime Administration
Appropriations, Obligation Limitations, and Exempt Obligations
(\$000)

	FY 2024	FY 2025 1/	FY 2026 2/
Unobligated Carryforward Balance, start of FY (+)	899,416	1,189,982	1,478,356
FY Advance Appropriations (Budget Authority) (+)	450,000	450,000	450,000
FY Planned Obligations (-)	(159,434)	(161,626)	(158,342)
Unobligated Balance, end of FY (+)	1,189,982	1,478,356	1,770,014

Planned Obligations by Fiscal Year

PERSONNEL RESOURCES (FTE)

Direct FTE	16	12	30
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FINANCIAL RESOURCES

ADMINISTRATIVE EXPENSES

Salaries and Benefits	3,005	2,422	2,325
Travel	20	75	20
Operating Expenses	575	707	575
Other Services:			
-WCF	834	1,422	1,422
Admin Subtotal	\$4,434	\$4,626	\$4,342

PROGRAMS

Discretionary Grants	155,000	157,000	154,000
Programs Subtotal	\$155,000	\$157,000	\$154,000

IIJA/IRA TOTAL	\$159,434	\$161,626	\$158,342
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1/ Reflects reduction of 4 FTEs associated with the organizational changes to improve efficiency as discussed in the footnote below.

2/ The FY 2026 President's Budget reflects organizational changes to improve efficiency. The Budget request assumes that positions and program funding supporting Human Resource, Information Technology, Procurement, Government Affairs, Communications/Public Affairs, and Civil Rights functions are consolidated within the Office of the Secretary through the Working Capital Fund (WCF). This realignment is reflected by a decrease in program resources, which is offset by a corresponding increase to WCF expenses.

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

	FY 2024 ACTUAL	FY 2025 ENACTED	FY 2026 REQUEST ^{1/}
DIRECT:			
Operations and Training	15,282	15,250	21,568
Ship Disposal	497	497	497
Maritime Guaranteed Loan (Title XI) Program Account	-	-	390
Port Infrastructure Development Program	401	401	642
SUBTOTAL	\$ 16,180	\$ 16,148	\$ 23,097
REIMBURSABLE:			
Ready Reserve Force	8,651	8,651	13,696
SUBTOTAL	\$ 8,651	\$ 8,651	\$ 13,696
TOTAL, Base programs	\$ 24,831	\$ 24,799	\$ 36,793
SUPPLEMENTAL FUNDING			
IIJA Supplemental (Division J) Subtotal	\$ 834	\$ 834	\$ 1,422
Port Infrastructure Development Program	834	834	1,422
Total, All Sources	\$ 25,665	\$ 25,633	\$ 38,215

1/ The FY 2026 President's Budget reflects organizational changes to improve efficiency. The Budget request assumes that positions and program funding supporting Human Resource, Information Technology, Procurement, Government Affairs, Communications/Public Affairs, and Civil Rights functions are consolidated within the Office of the Secretary through the Working Capital Fund (WCF). This realignment is reflected by a decrease in program resources, which is offset by a corresponding increase to WCF expenses.

EXHIBIT II-7
MARITIME ADMINISTRATION
PERSONNEL RESOURCE -- SUMMARY
TOTAL FULL-TIME EQUIVALENTS

	FY 2024 ACTUAL	FY 2025 ESTIMATE ^{1/}	FY 2026 REQUEST ^{2/}
<u>DIRECT FUNDED BY APPROPRIATION</u>			
Operations and Training	467	469	508
State Maritime Academy Operations	0	6	6
Ship Disposal	10	15	15
Assistance to Small Shipyards	1	1	1
Port Infrastructure Development Program	12	12	12
SUBTOTAL, DIRECT FUNDED	490	503	542
<u>REIMBURSEMENTS/ALLOCATIONS/OTHER</u>			
Reimbursements and 'Other'			
Ready Reserve Force	293	336	336
Operation and Training	1	1	1
Allocations from other Organizations			
Operation and Training	4	5	5
SUBTOTAL, REIMBURSE./ALLOC./OTH.	298	342	342
BASE TOTAL FTEs	788	845	884
<u>SUPPLEMENTAL FUNDED FTEs</u>			
IIJA Supplemental Funding			
United States Marine Highway Program	0	1	1
Port Infrastructure Development Program	16	12	29
SUBTOTAL, Supplemental Funded	16	13	30
TOTAL FTEs	804	858	914

1/ Reflects reduction of 50 FTEs associated with the organizational changes to improve efficiency as discussed in the footnote below. Carryover funds will be used to cover this expense.

2/ The FY 2026 President's Budget reflects organizational changes to improve efficiency. The Budget request assumes that positions supporting Human Resource, Information Technology, Procurement, Government Affairs, Communications/Public Affairs, and Civil Rights functions are consolidated within the Office of the Secretary through the Working Capital Fund (WCF). The realignment of FTEs to the WCF are reflected in the FY 2026 FTEs levels. This also reflects reduction of 26 FTEs against the RRF reimbursable program.

EXHIBIT II-8
MARITIME ADMINISTRATION
RESOURCE SUMMARY – STAFFING
FULL-TIME PERMANENT POSITIONS

	FY 2024 ACTUAL	FY 2025 ESTIMATE	FY 2026 REQUEST
<u>DIRECT FUNDED BY APPROPRIATION</u>			
Operations and Training	419	515	524
State Maritime Academy Operations	0	6	6
Ship Disposal	10	15	15
Assistance to Small Shipyards	1	1	1
Port Infrastructure Development Program	12	12	12
SUBTOTAL, DIRECT FUNDED	442	549	558
<u>REIMBURSEMENTS/ALLOCATIONS/OTHER</u>			
Reimbursements and 'Other'			
Ready Reserve Force	299	349	349
Operation and Training	1	1	1
Allocations from other Organizations			
Operation and Training	4	5	5
SUBTOTAL, REIMBURSE./ALLOC./OTH.	304	355	355
BASE TOTAL POSITIONS	746	904	913
<u>SUPPLEMENTAL FUNDED FTPs</u>			
IIJA Supplemental Funding			
America's Marine Highway Program	0	1	1
Port Infrastructure Development Program	16	12	29
SUBTOTAL, Supplemental Funded	16	13	30
TOTAL POSITIONS	762	917	943

1/ The FY 2026 President's Budget reflects organizational changes to improve efficiency. The Budget request assumes that positions supporting Human Resource, Information Technology, Procurement, Government Affairs, Communications/Public Affairs, and Civil Rights functions are consolidated within the Office of the Secretary through the Working Capital Fund (WCF). The realignment of FTPs to the WCF are reflected in the FY 2026 FTPs levels.

**MARITIME ADMINISTRATION
FISCAL YEAR 2026 BUDGET REQUEST**

**SECTION THREE
BUDGET REQUEST BY APPROPRIATION ACCOUNT**



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OPERATIONS & TRAINING

For necessary expenses of operations and training activities authorized by law,
[\$267,775,000]\$235,000,000: *Provided*, That of the sums appropriated under this heading—

(1) [\$92,729,000]\$101,500,000 shall remain available until September 30, [2026]2027, for the operations of the United States Merchant Marine Academy;

(2) [\$22,000,000]\$50,000,000 shall remain available until expended for facilities maintenance and repair, and equipment, at the United States Merchant Marine Academy;

[(3) \$70,000,000 shall remain available until expended for capital improvements at the United States Merchant Marine Academy;]

[(4) \$7,500,000 shall remain available until September 30, 2026, for the maritime environmental and technical assistance program authorized under section 50307 of title 46, United States Code;] and

[(5)](3) [\$5,000,000]\$10,000,000 shall remain available until expended, for the United States marine highway program to make grants for the purposes authorized under section 55601 of title 46, United States Code:

Provided further, That, except for funds provided under paragraph (3) of the previous proviso, the Secretary of Transportation is authorized to transfer funds made available under this heading in this Act or prior appropriations Acts across appropriations under such headings in this and such prior Acts: Provided further, That, notwithstanding paragraph (5) of section 405 of this Act, no transfer pursuant to the previous proviso shall increase any appropriation by more than 10 percent unless prior notice is provided to the House and Senate Committees on Appropriations.

Provided Further, funds transferred under the second proviso shall be merged with the receiving appropriation;

Provided further, That 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 3510 of the National Defense Authorization Act for fiscal year 2017 (46 U.S.C. 51318): Provided further, That available balances under this heading for the short sea transportation program or America's marine highway program (now known as the United States marine highway program) from prior year recoveries shall be available to carry out activities authorized under section 55601 of title 46, United States Code.

Note.—This account is operating under the Full-Year Continuing Appropriations and Extensions Act, 2025 (Division A of Public Law 119–4).

EXHIBIT III-1

OPERATIONS AND TRAINING

Summary by Program Activity

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

	FY 2024 ACTUAL	FY 2025 ENACTED	FY 2026 REQUEST
U.S. Merchant Marine Academy	\$ 184,729	\$ 184,729	\$ 151,500
MARAD Operations & Programs	\$ 83,046	\$ 83,046	\$ 83,500
TOTAL, Base appropriations	\$ 267,775	\$ 267,775	\$ 235,000
FTEs			
Direct Funded	467	469	508
Reimbursable, allocated, other	5	6	6
Supplemental Funding			
IIJA Supplemental (Division J)			
MARAD Operations & Programs	-	-	-
TOTAL, Base appropriations	\$ -	\$ -	\$ -
FTEs			
Direct Funded	-	1	1
Reimbursable, allocated, other	-	-	-
Account	\$ 267,775	\$ 267,775	\$ 235,000

OPERATIONS AND TRAINING

Program and Performance Statement

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, including the United States Marine Highway program.

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 operations of the academic institution, midshipmen training at sea, and capital investments in USMMA campus facilities.

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

EXHIBIT III-1a

**OPERATIONS AND TRAINING
SUMMARY ANALYSIS OF CHANGE FROM FY 2025 TO FY 2026
Appropriations, Obligations, Limitations, and Exempt Obligations
(\$000)**

	<u>\$000</u>	<u>FTE</u>
FY 2025 ENACTED	<u>\$267,775</u>	<u>469</u>
ADJUSTMENTS TO BASE:		
Annualization of Prior Pay Raise(s)	0	0
Annualization of FY 2025 FTE	6,035	34
FY 2026 Pay Raise	0	0
Working Capital Fund	1,200	0
Inflation and other adjustments to base	2,116	0
SUBTOTAL, ADJUSTMENTS TO BASE	\$9,351	34
PROGRAM REDUCTIONS		
Capital Improvement Program	-70,000	0
Maritime Environmental and Technical Assistance (META)	-7,500	0
SUBTOTAL, PROGRAM REDUCTIONS	-\$77,500	0
PROGRAM INCREASES:		
Academy Operations	874	2
MARAD Operations	1,500	3
Facilities Maintenance and Repair, Equipment	28,000	0
United States Marine Highway Program	5,000	0
SUBTOTAL, PROGRAM INCREASES	35,374	5
FY 2026 REQUEST	<u>\$235,000</u>	<u>508</u>
Supplemental Appropriations	<u>\$0</u>	<u>1</u>
TOTAL	<u>\$235,000</u>	<u>509</u>

Detailed Justification

FY 2026 – United States Merchant Marine Academy – Budget Request (\$000)

Program Activity	FY 2024 Actual	FY 2025 Enacted Level	FY 2026 Request
Academy Operations	92,729	92,729	101,500
Capital Asset Management Program:	92,000	92,000	50,000
<i>Capital Improvement Program</i>	70,000	70,000	0
<i>Facilities Maintenance Repair & Equipment</i>	22,000	22,000	50,000
Total	\$184,729	\$184,729	\$151,500
FTE	258	257	293

For FY 2026, \$151.5 million is requested for the U.S. Merchant Marine Academy (USMMA/Academy); a decrease of \$33.2 million from the FY 2025 enacted level. The request provides \$101.5 million for Academy Operations, and \$50.0 million for Facilities Maintenance and Repair, and Equipment within the Capital Asset Management Program (CAMP).

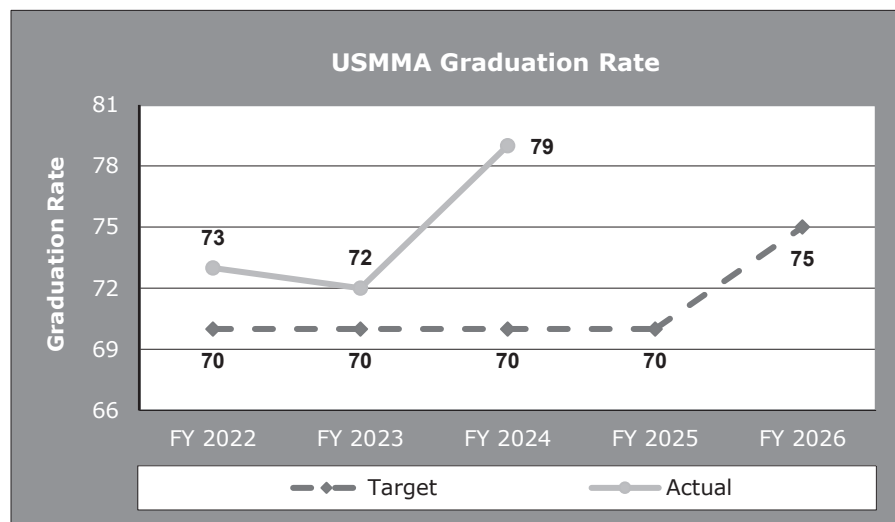
What is this program and what does this funding level support?

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. According to 46 U.S.C. § 51314, attendance at USMMA is without charge for tuition, room, or board. In exchange for a tuition-free education, Academy graduates incur an obligation to serve the Nation, which includes: 1) serving for five years as a Merchant Marine officer, or on active duty in the U.S. Armed Forces or uniformed services; 2) maintaining a U.S. Coast Guard (USCG) license credential for six years; and, 3) serving for eight years as a commissioned officer in a reserve component of the U.S. Armed Forces.

From a performance management perspective, as a degree-granting institution of higher education, the Academy is reviewed periodically by external accrediting groups. These comprehensive, independent evaluations by the Middle States Commission on Higher Education (MSCHE) and the Accreditation Board for Engineering and Technology (ABET)

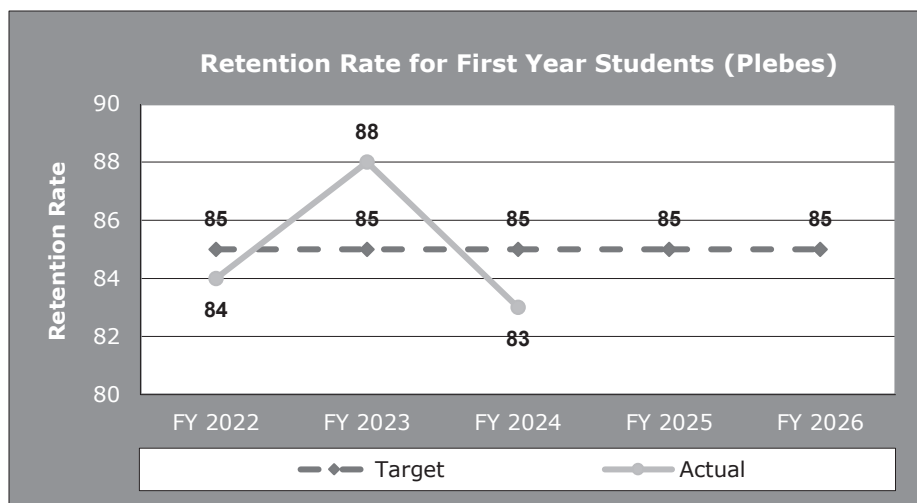
document USMMA's record of academic excellence. MSCHE reviews the overall program every 8 years. MSCHE initiated its scheduled re-accreditation review of the Academy in 2024 and conducted a site visit in 2025. MSCHE is in the final stage of completing the accreditation review and its final report is expected later this year. ABET reviews the Marine Engineering Systems and Marine Engineering and Shipyard Management programs every 6 years. ABET visited the Academy in October 2023 and accredited the Marine Engineering and Shipyard Management (Bachelor of Science) and Marine Engineering System (Bachelor of Science) degrees through September 30, 2030.

The USCG also evaluates and approves the Academy's training program every five years to ensure that it meets the national and international training requirements to prepare individuals for USCG examination and credentialing to serve on ocean-going vessels of unlimited tonnage and horsepower. The USCG and MARAD also perform an in-depth Standards of Training, Certification and Watchkeeping (STCW) audit at the Academy every five years to ensure: the quality of USCG-approved STCW training; the adherence to those standards continues to be achieved; and that a plan is in place to correct any nonconformities discovered through internal and external audits.



To help ensure the USMMA is graduating highly qualified merchant marine officers, MARAD will work with the Academy to meet the established performance measures and the target graduation rate of 70.0 percent. This metric indicates the percentage of students who

graduate within four years after they begin as a plebe in their first year at the Academy. For the Class of 2024, the Academy reports that 79.0 percent of students graduated within four years.



The USMMA also tracks and measures the retention rate for returning first year students who continue their second year at the Academy. For FY 2024, the Academy reported an 83.0 percent freshmen retention rate, slightly below the 85.0 percent target.

The retention rate metric plays an important role in achieving the goal of attracting and retaining high quality students.

In FY 2021, the National Academy of Public Administration (NAPA) made a number of recommendations to DOT and MARAD to resolve systemic issues affecting USMMA's operations and ability to modernize. In FY 2024, Congress appropriated \$1.5 million specifically for the Academy to address the NAPA's recommendations. To date, the Academy has utilized these funds to:

- Contract with an assessment specialist to support the Academy's development of an Academic Assessment System;
- Add a second Strategic Sealift Officer to the Sexual Assault Response and Prevention Office to increase the capacity of that office;
- Support the development of enhancements to the Academy's web presence to improve student recruitment and stakeholder engagement;
- Acquire a contractor to assist the Academy's Admissions Office with the creation of a digital marketing and media strategy to improve outreach to high schools and prospective applicants; and
- To acquire a customer relationship management system that will track interested candidates' journeys from the time they learn about the Academy, through the application process, acceptance, and enrollment.

The Academy is on track to fully utilize these resources by September 30, 2025.

In FY 2025, MARAD and the USMMA are working to implement the requirements of the President's Executive Orders including the April 9th Executive Order, "Restoring America's Maritime Dominance" to modernize the Academy by focusing on executing urgent deferred maintenance projects and any other mission critical repair works while finalizing a long-term facilities master plan. On April 11th, 2025, the Academy entered a long-term partnership agreement with the U.S. Army Corp of Engineers to provide expertise and assistance with the planning, design, and construction efforts that will be required to modernize the Academy's facilities, address long-term maintenance deficiencies, and improve basic infrastructure. The

Academy also successfully recruited and on-boarded a full-time, Senior Executive Service facilities management professional to lead its facilities operations, maintenance, and capital improvement efforts.

Funding requirements by program are described below:

ACADEMY OPERATIONS

For FY 2026, USMMA requests \$101.5 million for Academy Operations and increase of \$8.8 million from the FY 2025 enacted level. Of the requested increase:

- \$6.3 million is required to fully fund the Academy's salaries and benefits and to add additional staff capacity required to implement the April 9th Executive Order "Restoring America's Maritime Dominance"; and,
- \$2.5 million is required to fund planned and anticipated escalation in contractual and support services in the non-pay operating programs, travel, and provide for additional instructional support in the Academy's academic programs to accommodate unplanned retirements and illnesses, sabbaticals, and military furloughs within the faculty that impeded efficient execution of the curriculum.

The Academy is a 24-hour, seven-day a week, labor-intensive operation with salaries and benefits constituting over 50.0 percent of the Academy Operations budget. Without the requested funding adjustments, the Academy cannot absorb mandatory labor cost increases without eroding its base for non-pay related services such as Midshipman meals, instructional materials and textbooks, travel to and from Sea Year training assignments, athletic programs, library services, Midshipman health and welfare programs, and information technology requirements.

The request provides \$55.1 million for salaries and benefits including Federal Employees' Compensation Act (FECA) liabilities and \$46.4 million for non-pay operations.

Salaries and Benefits: MARAD requests \$55.1 million to fund 293 full-time equivalent (FTEs) salaries and benefits and FECA liabilities at the Academy. Within salaries and benefits \$6.0 million is requested to restore the baseline funding to all of the Academy's current authorized positions eroded by the required absorption of mandatory increases in salaries and benefits, inflationary, and operational costs in FY 2025 as a result of the full-year continuing resolution.

In addition, to begin fulfilling the expectation of the April 9th Executive Order "Restoring America's Maritime Dominance" to modernize the campus an additional \$257.0 thousand is requested to fund three new positions: a dedicated Information Technology (IT) professional to lead the Academy's IT modernization efforts and two project management specialists to support the projects that will be necessary to rehabilitate the Academy facilities and infrastructure.

Non-pay Operations: USMMA requests \$46.4 million for non-pay operations in four programmatic areas as shown below:

- Instructional Programs operated by the Academic Dean and Provost
- Midshipman Programs operated by the Commandant of Midshipmen
- Facilities and Infrastructure Operations operated by the senior Facilities Executive
- Mission Support Operations under the direction of the Deputy Superintendent and senior office leaders

Instructional Program

The request for the Instructional Program is \$8.3 million, a net increase of \$747.0 thousand from the FY 2025 enacted level. The additional funding includes a net \$130.0 thousand increase to address the recurring escalation in programs with embedded multi-year contracts, increasing costs associated with certain program delivery changes such as the transition of athletic team travel from Midshipman and coach driven Academy vans to commercial buses to mitigate the safety risks of in-house athletic travel operations, and escalation in airfare costs associated with Midshipman Sea Year travel. An additional \$617.0 thousand is requested to fund the full year cost of two senior Strategic Sealift Officers on detail from the U.S. Navy to provide additional hands-on course instruction capacity in the Academy's Marine Transportation and Marine Engineering departments.

Midshipman Program

The request for the Midshipman Program is \$17.3 million, a net decrease of \$1.6 million from the FY 2025 enacted primarily reflecting a proposed realignment of certain Academy functions such as mailroom, GSA vehicle management, warehouse, and janitorial/custodial operations from this program to a Facilities and Infrastructure Operations program and to Mission Support Operations. Funds requested within this program are necessary to feed, house, supply uniforms, and support the Midshipman health, welfare, and religious services programs as well as fund the instructional, athletic, and recreational programs managed by the Waterfront Activities Department including the operation and maintenance of the Academy's primary training vessels: T/V Kings Pointer, T/V Elizabeth Ann, and other support watercraft.

Facilities and Infrastructure Operations

The request for Facilities and Infrastructure Operations is \$9.2 million, a net increase of \$9.2 million from the FY 2025 full-year continuing resolution reflecting the costs of the functions being realigned: campus security, mail room operations, utilities, public works and engineering resources, the Safety and Environmental Protection Office, and custodial and janitorial operations. In FY 2025, the Academy proposed to consolidate its facilities operations including custodial, security, environmental and employee safety programs as well as utilities management and project planning; however, the realignment was deferred due to the enactment of the full-year continuing resolution. In FY 2026, the Academy plans to complete this realignment. The requested resources will address anticipated inflation and increases in the cost of contracts that support these functional areas.

Mission Support Operations (renamed from Program Direction and Administration)

The request for Mission Support Operations is \$11.6 million, a net decrease of \$5.9 million from the FY 2025 full-year continuing resolution. The decrease reflects the realignment of certain functions from this program to the Facilities and Infrastructure Operations program as well as the realignment of certain administrative functions from the Midshipman program to Mission

Support. Upon completion of the realignment of functions, the base program will support the Office of the Superintendent that oversees the entirety of the Academy's operations and houses the Sexual Assault Prevention and Response Office (SAPRO), the Offices of Admissions, External Affairs, Budget and Finance, Procurement, Personnel, and the Department of Information Technology. The program also funds the operations of the American Merchant Marine Museum.

CAPITAL ASSET MANAGEMENT PROGRAM (CAMP)

MARAD requests \$50.0 million for the Academy's CAMP. The CAMP is comprised of two components:

- Facilities Maintenance and 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 repairs and deferred maintenance projects; and
- Capital Improvement Program (CIP) investments that accomplish major facility and infrastructure improvements such as new buildings and campus infrastructure or the total rehabilitation or replacement of facilities.

In addition to the CAMP funding request, Appropriations language changes are requested in FY 2026 to allow the Secretary to adjust funding between Academy appropriations if necessary to address critical infrastructure requirements or expedite the modernization efforts as anticipated by the Executive Order.

Facilities Maintenance and Repairs, and Equipment (FMRE): MARAD requests \$50.0 million for FMRE, an increase of \$28.0 million from the FY 2025 enacted level. The increase directly supports the President's direction in the April 9th Executive Order, "Restoring America's Maritime Dominance", that among other things, requires MARAD and the Academy "to execute urgent deferred maintenance projects and any other mission critical repair works at the USMMA." For example, in FY 2026, the Academy plans to conduct an overdue dredging of the Hague Basin which provides safe dockage for the Academy's fleet of training vessels. The Hague Basin was last dredged in 2006 and sediment build up over the past two decades, if not addressed, will limit the ability of the Academy's larger training vessels to safely dock during low tide periods. Overdue are also a number of roof replacements throughout the Academy's campus where roof patching is no longer a cost-effective solution.

In addition to routine maintenance and repair and replacement of major facilities equipment, FMRE funds have been and will continue to be used for minor renovation projects to keep classrooms, faculty and staff offices, multi-purpose facilities, and specialty use areas (e.g., dining areas, IT closets, athletic areas, etc.) functional and up-to-date and to support the replacement and rehabilitation of major operating systems and equipment (roofs, chillers, boilers, water mains, etc.) that are operating beyond their useful life, or are in disrepair due to accumulated deferred maintenance. When appropriate, the Academy may also use these funds to conduct service life extensions to facilities until major capital improvements can be implemented.

With an increased level of FMRE funding, on a sustained basis, the Academy can ensure that essential and recurring maintenance and repair activities and emerging physical plant emergencies caused by accidents, weather events, or other unanticipated deteriorations are addressed expeditiously and do not become deferred resulting in costlier remediations and potential hazards to the Academy's Midshipmen and staff. In addition, this increase will specifically enable the Academy to begin to address long-deferred, larger-scale remediations and rehabilitations of deteriorated core infrastructure in concert with its schedule of Capital Improvement Program projects designed to modernize the campus for the coming decades in accordance with its mission and strategic planning documents. Finally, the Academy has deferred maintenance and repair requirements in its inventory of residential quarters that has grown beyond the capacity of the funding provided by tenant rent collections to address. The Academy proposes to apply FMRE funds where necessary to projects in the quarters that cannot be funded from annual rent collections. Rent collections will continue to be used for minor repairs and operational upkeep of the residential units.

Capital Improvement Program (CIP): No funds are requested for the CIP for FY 2026. Pursuant to the President's direction in the April 9th executive order, the Academy with the assistance of the U.S. Army Corp of Engineers is taking action to finalize a long-term master facilities plan (LMFP) for the modernization of the Campus and is preparing to submit the LMFP to the Director of OMB and the Assistant to the President for National Security Affairs for concurrence. Upon concurrence of the plan, a 5-year capital improvement plan will be submitted with project sequencing, schedules, and budgets. Planning for new capitalization projects sequenced for FY 2026 will be funded, to the extent possible, from the Academy's unobligated balances in the program accumulated from prior year appropriations including the \$70.0 million appropriated in FY 2025 under the full-year continuing resolution.

In addition to new projects that may be sequenced for FY 2026, the Academy plans to substantially complete the renovation of Samuels Hall in FY 2026, as well as complete the renovations and upgrade in the Fulton and Gibbs Halls' complex. Additionally, with the support of the U.S. Army Corp of Engineers, the Academy will begin the rehabilitation of the Seawall along the Hague Basin and Long Island Sound and assessment studies necessary to improve the Academy's Stormwater Management System.

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

The FY 2026 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 that demand renewed sea lift capacity.

USMMA programs are critical to restoring America's maritime dominance by providing the U.S. Maritime industry with highly trained marine professionals. Each year, approximately 75.0 percent of Academy graduates are recruited as Merchant Mariners in the U.S. commercial fleet

or approved maritime related careers while fulfilling their commitment as commissioned military reserve officers. Approximately 25.0 percent of graduates opt for 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 a tuition-free educational opportunity for qualified young men and women with a commitment to serve the Nation to receive a first-class education regardless of their economic circumstances.

Detailed Justification

FY 2026 – MARAD Operations and Programs – Budget Request (\$000)

Program Activity	FY 2024 Actual	FY 2025 Enacted Level	FY 2026 Request
Headquarters Operations	70,546	70,546	73,500
Maritime Program Initiatives:	<u>12,500</u>	<u>12,500</u>	<u>10,000</u>
<i>Maritime Environmental & Technical Assistance</i>	7,500	7,500	0
<i>U.S. Marine Highway Program</i>	5,000	5,000	10,000
Total	\$83,046	\$83,046	\$83,500
FTE	199	199	202

For FY 2026, a total of \$83.5 million is requested for MARAD Operations and Programs which includes \$73.5 million for Headquarters Operations and \$10.0 million for United States Marine Highway program within Maritime Program initiatives.

The FY 2026 President’s Budget reflects organizational changes to improve efficiency. The Budget request assumes that positions and program funding supporting Human Resource, Information Technology, Procurement, Government Affairs, Communications/Public Affairs, and Civil Rights functions are consolidated within the Office of the Secretary through the Working Capital Fund (WCF). This realignment is reflected by a decrease in program resources, which is offset by a corresponding increase to WCF expenses.

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

HEADQUARTERS OPERATIONS

For FY 2026, MARAD’s request of \$73.5 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 \$39.7 million for salaries and benefits for full-time equivalents 202 FTEs staff. The request also provides \$33.8 million for non-pay operations. This includes funding to support adjustments for the Working Capital Fund, inflation, and \$1.5 million to support leadership of deepwater port applications and related federal permitting responsibilities.

MARAD has included \$1.5 million for NEPA and environmental compliance reviews related to Deepwater Ports. MARAD requires a specialized team with institutional knowledge and capacity to ensure efficient processing of applications. This investment will strengthen and establish dedicated resources for management of the Deepwater Ports (DWP) Program.

This request includes an increase of \$570.0 thousand to hire 6 new FTPs (3 FTEs) for a total of 10 DWP Program staff to effectively fulfill its expanded duties in licensing deepwater ports, maintaining compliance with all regulatory requirements, and successfully absorbing and executing leadership of federal permitting responsibilities. Operational expenses of \$930.0 thousand are requested for travel, training, and contract support to fill staffing and skills gaps. Resources are also included to support activities related to technology tools, website development, and communication materials.

The below positions will be placed in three offices within MARAD. Three at the Office of Ports and Waterways, two at the Office of Environment & Compliance, and one at the Office of Chief Council.

New FTPs include:

- 1 FTP – Deputy Director for Operations serves as the senior operational manager of the Office, second only to the Program Office Director. This position oversees all daily activities and ensures that the deepwater port licensing and other functions are executed efficiently, in accordance with law and Departmental policy.
- 1 FTP – Financial Analyst charged with evaluating and overseeing the financial aspects of deepwater port licensing activities. This position will ensure applicants and projects meet all financial requirements and that government's interests are protected in each transaction or license.
- 1 FTP – Civil Engineer will provide technical and engineering expertise crucial for evaluating deepwater port proposals and coordinating with respective federal agencies engineering aspects and conditions of deepwater port projects. This position will ensure that all engineering aspects of proposed projects meet safety standards and that potential environmental impacts are properly understood from a technical standpoint.
- 1 FTP – NEPA Project Coordinator to lead environmental compliance Deepwater Port responsibilities, including regulatory updates. Position will also coordinate internal and external stakeholders, ensures progress tracking, and manages environmental compliance.
- 1 FTP – Program Manager will take lead in data tracking, dashboard management, and program performance reporting. The position will also analyze risks, ensures policy alignment, and maintains environmental compliance documentation systems.
- 1 FTP – Attorney will provide support in pertinent areas of law throughout the deepwater port life cycle, including the construction, maintenance, and decommissioning phases (contract, energy, maritime, environmental, regulatory, and litigation).

MARAD's operational mission is comprised of the offices identified below. While the organizational elements and responsibilities of these offices reflects a realignment approved in the Consolidated Appropriations Act, 2021 (Public Law 116-260), MARAD notified Congress that the realignment of the two new MARAD offices has been paused due to changes in DOT and MARAD leadership since the enactment of the Act. MARAD has completed its review of the approved realignment and submitted the updated request below that reflects the Administration's priorities and vision.

The operational mission is comprised of:

The Office of Strategic Sealift administers national security related programs that provide commercial and government-owned shipping capability in times of national emergency and to meet the Department of Defense (DoD) strategic sealift requirements (e.g. Maritime Security Program, 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, the administration of the cargo preference program, compliance monitoring with the domestic coastwise trade (Jones Act) and small vessel waivers, and the administration of the maritime labor and training programs. The office is also responsible for providing support to the State Maritime Academies (SMAs) program, including the administration and promotion of the Student Incentive Program (SIP) for tuition assistance, the administration of responsibilities with respect to U.S. Merchant Marine Academy (USMMA) and SIP undergraduate and graduate service obligations, and management of training ship maintenance and repair activities in addition to the execution and oversight of the school ship replacement program.

The Office of Environment and Compliance supports the U.S. maritime industry in three key areas. The office fosters innovation, development and adoption of technologies and practices that increase energy efficiency, enable the use of a range of domestically produced fuels, and address vessel discharges, such as ballast water and underwater hull fouling. The office also collaborates closely with federal and industry partners to maintain maritime domain awareness, minimize the potential for cyber, pirate and terrorist attacks against maritime assets, and alert the industry when such threats appear. Additionally, the office participates in developing maritime safety standards, promoting safety awareness, and developing improved safety-related technology and practices, and provides oversight of previously funded Maritime Environment and Technology Assistance interagency and cooperative agreements.

The Office of 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 existing United States Marine Highway discretionary grants. The office also oversees activities at MARAD's ten gateway offices located at regionally significant ports throughout the U.S. to provide the Agency's day-to-day presence related to the marine transportation infrastructure. Further, the office oversees the Maritime Transportation System National Advisory Committee (MTSNAC), legislated through 46 U.S.C. 55601, which is designed to provide an industry stakeholder and academic perspective to the Departmental issues that impact the efficiency and safety of waterborne freight and critical passenger movements. MTSNAC's role is to provide the Secretary of Transportation with technical advice; information

related to the 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.

The Office of Business and Finance Development provides support on broad national maritime policies and programs, including oversight of existing Assistance to Small Shipyard grants, 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 also encompasses MARAD's leadership and mission and program support functions and initiatives including Human Resources; Financial Management and Budget; Information Technology; Legal Counsel; Office of Acquisitions, Office of Civil Rights, as well as other Headquarters support organizations. These organizations perform implementation, service, oversight, compliance, and accountability functions for all MARAD's operations. These operations and programs also contribute to the Departmental priorities and help advance implementation of the Administration's Executive Orders.

MARAD Headquarters Operations fosters a culture of learning and continuous improvement through OMB-sponsored, virtual, on-the-job, and other trainings to remain current of the evolving appropriations requirements, regulations, and technologies. Analysis of data collected informs policy making such as estimating the regulatory impacts and other relevant effects of Congressional regulations to enhance the effectiveness and efficiency of programs while assessing and minimizing risk. For example, MARAD is engaged in coordinating analysis and evaluation activities to inform policy decisions. Transparency and improved communications with the public are enhanced by the U.S. Department of Transportation website and other outreach efforts.

MARITIME PROGRAM INITIATIVES

United States Marine Highway Program (\$10.0 million)

The mission of the United States Marine Highway (USMH) program is to support the development, expansion and modernization of services that move containerized and unitized freight, and bulk freight along our waterways and coastlines and to facilitate their integration into the U.S. surface transportation system. Our waterways are being utilized to move unitized and bulk agricultural exporters, U.S. steel and pipes, heavyweight freight, construction materials, and containerized freight, among other products. This program facilitates partnerships with a variety of stakeholders including shippers and manufacturers, truckers, ports and terminals, ocean carriers, and U.S.-flag vessel operators to create new supply chains that increase the utilization of our waterways, thus expanding lower-cost transportation options for shippers and manufacturers while realizing the economic, health, and safety benefits created by moving freight on the water.

MARAD's FY 2026 request includes \$10.0 million for USMH program, to provide grants to support the increased use, development, and expansion of America's navigable waterways and landside infrastructure to enable the movement of freight by water. The grants are designed to reduce the upfront private sector capital risk associated with the creation of new transportation services, kick start private sector involvement, and develop/modernize inland and coastal

terminals (especially in rural areas) to provide new domestic transportation options, alleviate congestion, and reduce maintenance costs on our Nation's highways all while creating good American jobs to strengthen our future workforce and economic competitiveness.

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

MARAD Operations and Programs fund the agency mission and administrative infrastructure, including operating expenses and professional staff working on MARAD operating mission and support programs, and MARAD program initiatives. Headquarters Operations contributes to operational program effectiveness by providing the leadership, management, and administrative support infrastructure for all agency programs. 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 staff who provide technical guidance and assistance to the USMMA.

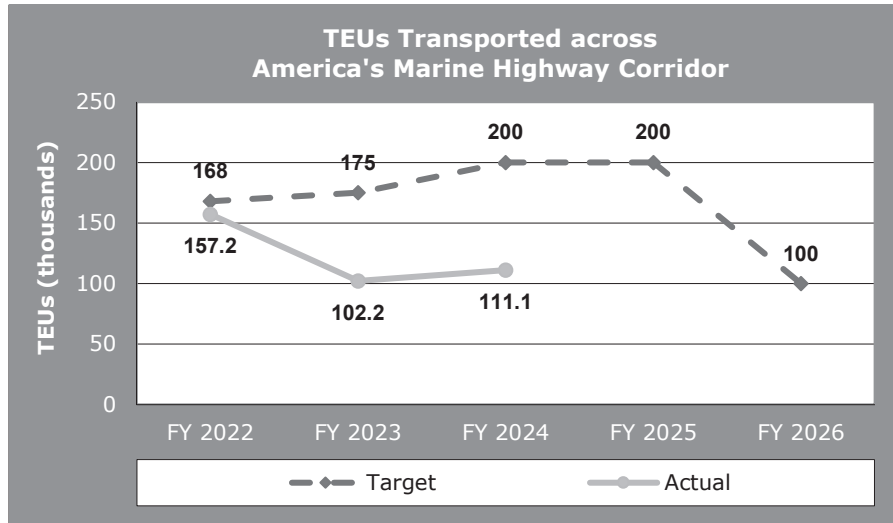
United States Marine Highway Program (USMHP)

Shippers and manufacturers in our Nation are constantly looking for lower-cost alternatives to move their goods to market. The USMH System includes more than 26,000 miles of waterways and coastlines, encompasses 41 states, the District of Columbia, five United States territories, and reaches the majority of America's industrial centers. Access to safe, reliable, efficient, resilient, and cost-effective transportation options is one of the key decision factors manufacturers and shippers consider when locating their facilities. The modernization of our Nation's core waterways and coastline infrastructure to move domestic freight not only provides new, safe transportation options, but also reduces highway maintenance costs, congestion, and related emissions.

The USMHP provides our agricultural, steel, construction, and finished goods sectors, as well as maritime transportation providers with an opportunity to expand new transportation options. This will enable them to lower transportation costs and become more competitive on the world market. The efficiency, flexibility, and system resiliency provided by our navigable waterways can benefit the public, but they are currently underutilized within the U.S. surface transportation system. One reason for this underutilization is that many of the benefits generated by the Marine Highway services cannot be captured by individuals. By acting to increase the use of the underutilized marine transportation assets in the United States, the USMHP helps to generate the following public benefits and opportunities that are not normally considered by shippers:

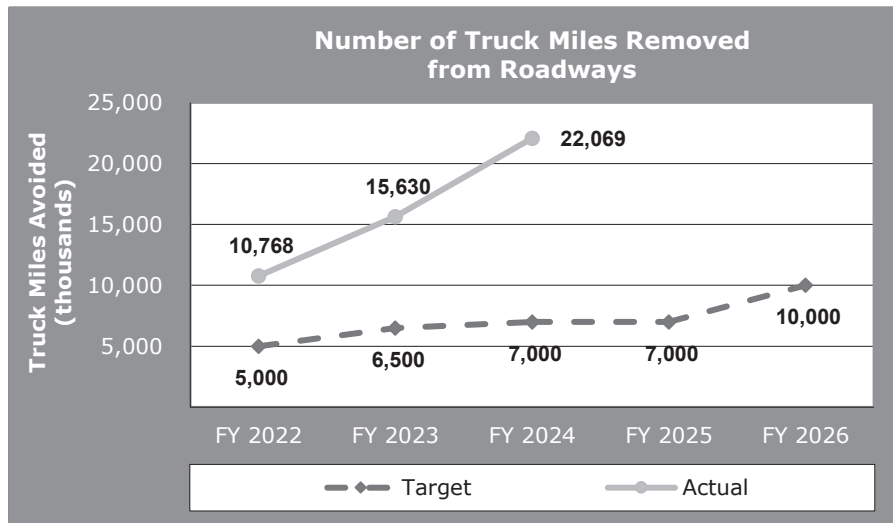
- Creating and sustaining jobs in U.S. vessels, ports and shipyards;
- Improving the U.S. transportation system by reducing maintenance costs from wear and tear on roads and bridges;
- Increasing our Nation's exports by adding new, cost-effective freight and passenger transportation capacity;
- Supporting efforts to help minimize supply chain impacts;
- Reducing air emissions;
- Increasing public safety and security by providing alternatives for the movement of hazardous materials outside heavily populated areas; and

- Increasing national security by adding to the Nation's strategic sealift resources.



In 2016, MARAD started tracking the volume of containers, or twenty-foot equivalent unit (TEUs), transported across the Marine Highway Routes, as well as the number of truck miles removed from the roadways. For every container that travels across a Marine Highway corridor is equal to the removal of one truck from our roadways;

therefore, this is an indicator of direct grant-related program performance and benefits. Since the changes to the NDAA program in FY 2023, projects funded under the USMHP can move bulk cargo. While the metrics for TEUs moved has dropped below the targeted ranges in FY 2023 and FY 2024, the tonnage of bulk freight moved on the marine highways has risen from 0 ton in FY 2022, to 305,000 metric tons in FY 2023, and 510,000 metric tons in FY 2024. Thus, the new eligibilities to move bulk freight through the program has provided new opportunities.



For FY 2023, MARAD reported a baseline of 15.6 million truck miles removed from roadways, and 22.1 million in FY 2024. These results are far above the baseline estimates. This is an indication of the success of the program not only continuing to move TEUs, but also bulk commodities, off the nation's roadways.

STATE MARITIME ACADEMY OPERATIONS

For necessary expenses of operations, support, and training activities for State Maritime Academies, [~~\$125,788,000~~]~~\$90,000,000~~: *Provided*, That of the sums appropriated under this heading—

- (1) [~~\$22,000,000~~]~~\$7,800,000~~ shall remain available until expended for maintenance, repair, [and]life extension, *insurance, and capacity improvement of National Defense Reserve Fleet* [of]training ships [at the State Maritime Academies;]*and for expenses related to training mariners, including costs associated with training vessel operations and vessel sharing pursuant to section 51504(g)(3) of title 46, United States Code*;
- (2) [~~\$86,588,000~~]~~\$70,000,000~~ shall remain available until expended for the national security multi-mission vessel program, including funds for [construction, planning, administration, and design of school ships and, as determined by the Secretary, necessary expenses to design, plan, construct infrastructure, and purchase equipment necessary to berth such ships, of which up to \$8,900,000 may be used for expenses related to the oversight and management of school ships to include the purchase of equipment and the repair and maintenance of training vessels: *Provided*, That such funds may be used to reimburse State Maritime Academies for costs incurred prior to the date of enactment of this Act]*expenses related to the operation, integration, oversight, and management of school ships constructed with funds provided for the National Security Multi-Mission Vessel Program, including insurance, maintenance, repair and equipment costs*;
- (3) \$2,400,000 shall remain available until September 30, [~~2029~~]~~2030~~, for the student incentive program;
- (4) [~~\$8,800,000~~]~~\$3,800,000~~ shall remain available until expended for training ship fuel assistance; and
- (5) \$6,000,000 shall remain available until September 30, [~~2026~~]~~2027~~, for direct payments for State Maritime Academies.

Note.—This account is operating under the Full-Year Continuing Appropriations and Extensions Act, 2025 (Division A of Public Law 119–4).

EXHIBIT III-1

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

	FY 2024	FY 2025	FY 2026
	ACTUAL	ENACTED	REQUEST
Student Incentive Payments	\$ 2,400	\$ 2,400	\$ 2,400
Direct SMA Payments	\$ 6,000	\$ 6,000	\$ 6,000
Training Ship Fuel Assistance Payments	\$ 8,800	\$ 8,800	\$ 3,800
School Ship M&R/Capacity Sharing	\$ 22,000	\$ 22,000	\$ 7,800
National Security Multi-Mission Vessel Program	\$ 86,588	\$ 86,588	\$ 70,000
TOTAL, Base appropriations	\$ 125,788	\$ 125,788	\$ 90,000
FTEs			
Direct Funded	0	6	6
Reimbursable, allocated, other	-	-	-
Account	\$ 125,788	\$ 125,788	\$ 90,000

STATE MARITIME ACADEMY OPERATIONS

Program and Performance Statement

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 student financial assistance, direct assistance to each of the six SMAs, and activities in support of operation, integration, oversight, and management of school ships constructed with funds provided for the National Security Multi-Mission Vessel Program.

EXHIBIT III-1a

**STATE MARITIME ACADEMY OPERATIONS
SUMMARY ANALYSIS OF CHANGE FROM FY 2025 TO FY 2026
Appropriations, Obligations, Limitations, and Exempt Obligations
(\$000)**

	<u>\$000</u>	<u>FTE</u>
FY 2025 ENACTED	<u>\$125,788</u>	<u>6</u>
ADJUSTMENTS TO BASE:		
Annualization of Prior Pay Raise(s)	0	0
Annualization of FY 2025 FTE	0	0
FY 2026 Pay Raise	0	0
Adjustment for Compensable Days (261 days)	0	0
Inflation and other adjustments to base	0	0
SUBTOTAL, ADJUSTMENTS TO BASE	\$0	0
PROGRAM REDUCTIONS		
Training Ship Fuel Assistance Payments	-5,000	0
School Ship M&R/Capacity Sharing	-14,200	0
National Security Multi-Mission Vessel Program	-16,588	0
SUBTOTAL, PROGRAM REDUCTIONS	-\$35,788	0
PROGRAM INCREASES:		
SUBTOTAL, PROGRAM INCREASES	\$0	0
FY 2026 REQUEST	<u>\$90,000</u>	<u>6</u>
Supplemental Appropriations	<u>\$0</u>	<u>0</u>
TOTAL	<u>\$90,000</u>	<u>6</u>

Detailed Justification

FY 2026 – State Maritime Academy Operations – Budget Request (\$000)

Program Activity	FY 2024 Actual	FY 2025 Enacted Level	FY 2026 Request
Student Incentive Payment Program (SIP)	2,400	2,400	2,400
Direct SMA Support	6,000	6,000	6,000
Fuel Assistance Payments	8,800	8,800	3,800
School Ship M&R	22,000	22,000	7,800
NSMV Program	86,588	86,588	70,000
Total	\$125,788	\$125,788	\$90,000
FTE	0	6	6

The FY 2026 budget request allocates \$90.0 million to support State Maritime Academies (SMAs), encompassing several key programs:

- Student Incentive Payment Program (SIP) attracts and supports qualified students.
- Direct SMA Support payments to the six SMAs to bolster their operations.
- Fuel Assistance Payments offset the increasing costs of fuel for training ships.
- School Ship Maintenance and Repair for the maintenance, repair, and operational support of MARAD-owned training vessels, including capacity sharing and marine insurance.
- National Security Multi-Mission Vessel (NSMV) Program provides the SMA pier infrastructure, ship delivery, cyber security, transit, GPS hardening, operations, integration, oversight, capacity sharing, marine insurance, and overall management of the new NSMV training ships.

The requested budget provides for infrastructure, equipment, and materials needed to support SMA berthing and hosting of the vessels, as well as personnel to oversee and manage the NSMV program, ensuring these modern assets are effectively maintained and utilized.

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

This program provides Federal funding to the SMAs to assist them in educating and training future merchant mariners. The six SMAs provide students an affordable, high-quality education

from an accredited institution and the training that will enable them to become licensed officers in the U.S. Merchant Marine. The six SMAs are:

- California Poly 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
- State University of New York Maritime College in the Bronx, New York
- Texas A&M Maritime Academy in Galveston, Texas.

Overall, the total enrollments participating in the Marine Transportation (Deck) or Marine Engineering (Engine) curriculums to eventually obtain an unlimited Merchant Marine Credential from the United States Coast Guard (USCG) for 2024 of 2,767 were consistent with the previous year, with forecasts for 2025 potentially indicating modest growth. The graduation levels for unlimited license merchant mariners in FY 2024 were slightly lower than the previous year (596 compared to 602) and significantly lower than in 2022 (718), reflecting a residual impact of COVID-19. Five SMAs are integrated within their state-university systems, except for Maine Maritime Academy, which operates as an autonomous state entity. All six SMAs are regional academies that provide maritime learning opportunities to broader areas and partner states.

The FY 2026 funding level is necessary to support mariner training and sea time requirements mandated by the USCG and the International Maritime Organization (IMO), Standards for Training Certification and Watchkeeping¹ (STCW). The federal assistance provided ensures that sufficient highly trained U.S. Merchant Marine officers are available to meet the Nation's safety, economic, and national security requirements. In addition, the request includes funding for school ship maintenance and repair to maintain the existing fleet of National Defense Reserve Fleet (NDRF) training ships near the end of their service lives. It will also provide viable options and alternatives to maximize at-sea training capacity while complying with USCG and the American Bureau of Shipping (ABS) ship maintenance and safety requirements. Training ships provide the at-sea training that SMA cadets and midshipmen need to qualify for unlimited merchant mariner credentials from the USCG. MARAD training ships are the primary platforms on which more than two-thirds of US mariners with unlimited credentials have been trained.

STUDENT INCENTIVE PAYMENT PROGRAM (SIP)

In FY 2026, MARAD's request of \$2.4 million for SIP will help provide financial assistance to selected students enrolled in an SMA's Strategic Sealift Midshipmen Program (SSMP). SIP funding is provided to eligible students accepted into the program and is used to offset costs for uniforms, books, and tuition in exchange for a service obligation, paying each eligible student up to \$64,000.

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 requiring full compliance with the requirements went into effect on January 1, 2017.

As a result of the recent 2024 NDAA increase in authorization to \$64,000 in FY 2024, the program has seen a 50.0 percent increase in interest in SIP, with over 145 students currently indicating their interest.

The SIP, when combined with the anticipated number of U.S. Merchant Marine Academy (USMMA) graduates, helps meet the US Navy Reserve's Strategic Sealift Officer Program (SSOP) personnel requirements. The Department of the Navy SSOP established an annual requirement for 225 reserve officers to enter the program upon graduation from the SMAs and USMMA. The annual accession of Strategic Sealift Officers into the Navy Reserve will vary based on the number of graduates who choose to go active duty. Based on the current number of graduates entering SSOP from USMMA, a minimum of approximately 75 SMA graduates are required annually to meet the total Navy Reserve's SSOP accession requirement.

SIP students in good standing receive a payment each semester in return for post-graduation service obligations. SIP graduates serve in a reserve component of the US Armed Forces for eight years or serve on active duty in the US 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 fulfilling their service obligation until the obligation is completed.
2. Maintain three years of maritime employment and prioritize sailing with their Merchant Mariner Credentials on U.S. flag vessels.
3. Maintain a valid USCG Merchant Mariner Credential with an officer endorsement for at least six years.
4. Serve as a commissioned officer in a US Armed Forces reserve component for at least eight years.

Graduates may also fulfill requirements two and four above by serving as an active duty commissioned officer in the US Armed Services or as a NOAA or PHS officer for five years after graduation. Additionally, the US 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 obligations.

DIRECT SMA SUPPORT

MARAD's request of \$6.0 million provides \$1.0 million in direct assistance to each of the six SMAs for maintenance and support. The academies rely on these funds to help meet expanding domestic and international training requirements, which increase the overall costs of training mariners. These funds strengthen the ability of SMAs to maintain high-quality faculty, innovative facilities, and state-of-the-art simulator technology.

FUEL ASSISTANCE PAYMENTS

The FY 2026 request includes \$3.8 million for Fuel Assistance Payments, providing vital support for the six State Maritime Academy (SMA) training ships. These payments defray SMA operational expenses and ensures that midshipmen/cadets affordably obtain the necessary sea time to qualify for USCG Merchant Mariner Credentials, directly benefiting the U.S. maritime workforce. The funding supports compliance with Emission Control Area (ECA) regulations, requiring the use of more expensive ultra-low sulfur fuel, and addresses rising fuel costs due to increase at-sea training requirements. This investment is critical to maintain training standards and ensure a well-qualified U.S. maritime officer corps.²

NATIONAL SECURITY MULTI-MISSION VESSEL (NSMV) PROGRAM

The FY 2026 request includes \$70.0 million for the NSMV Program which supports the following areas: SMA pier infrastructure improvements, NSMV program operations in support of ship delivery, cyber security, transit costs, GPS hardening, operations, integration, oversight, and management of school ships constructed with funds provided for the National Security Multi-Mission Vessel Program. More specifically, funding will support any remaining pier infrastructure costs, government material condition surveys, Department of Transportation (DOT) cyber security requirements, IT Network and Authority to Operate (ATO), maintenance and repair, GPS hardening, government oversight and logistics support, which is critical in managing risk for effective operation of the NSMV State-class. Logistics support includes items such as consumables, long-lead time shore-based spares, and operational outfitting items (e.g., medical space outfitting, engineering tools, habitability for staterooms, and galley equipment). Long-lead time materials are those components of a system or piece of equipment for which the times to acquire are the longest, and therefore, to which an early commitment of funds may be desirable to complete the procurement by the time the vessels are delivered to reduce overall cost, schedule, and performance risks to the NSMV Program.

SCHOOL SHIP MAINTENANCE AND REPAIR (M&R)

The FY 2026 request includes \$7.8 million for School Ship Maintenance & Repair (M&R), essential for ensuring the operational readiness and regulatory compliance of MARAD-owned training ships loaned to the State Maritime Academies (SMAs). This program directly contributes to ensuring a well-trained U.S. maritime workforce.

The funding request supports routine maintenance, periodic inspections, and certifications. Further, the request supports capacity sharing as an interim measure when insufficient school ships are available. The expenses in vessel sharing include transits, repositioning, pre/post-cruise repair, fuel, travel, insurance, and ship manager fees.

This investment directly benefits the U.S. maritime industry by:

- Providing Quality Training: Ensuring the training ships remain operational, enabling SMAs to graduate qualified merchant marine officers.

² International law goes into effect beginning January 2022 requiring all ships to burn 0.1% low sulfur fuel when Navigating or Berthing inside the Control Zones. The requirements became more restrictive in January 2020, which outpaced demand, and becomes even more restrictive in FY 2022.

- **Maintaining Safety:** Supporting critical repairs, preventative maintenance, and equipment upgrades to prevent failures and ensure safety at sea.
- **Maximizing Fleet Availability:** Enables flexibility for capacity sharing to allow MARAD to manage existing vessel capacity to meet current training capacity requirements for the SMAs.

The funding also supports the potential maintenance of the T/V FREEDOM STAR as a backup training platform, further mitigating risks to cadets and their ability to attain adequate sea service time, which would ultimately harm the industry.

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

Congress has authorized MARAD to support six State Maritime Academies (SMAs) to train US citizens for safe and efficient operation of the merchant marine.³ These SMAs produce well-educated, USCG-credentialed officers who boost commerce and aid national defense by serving in the merchant marine and U.S. Armed Forces. American taxpayers benefit from skilled mariners filling critical jobs, supporting national defense, and responding to contingencies. The American taxpayer benefits significantly from this investment by receiving:

- **A Qualified Maritime Workforce:** Well-educated and trained merchant mariners who are prepared to fill critical roles within the maritime industry, supporting both national defense and economic stability.
- **Support for National Security:** Personnel capable of responding to national emergencies and contingencies.

The SMAs, in turn, agree to provide reduced tuition rates for out-of-state students, fostering a broader regional reach.

This program directly aligns with the long-standing U.S. objective of maintaining a strong, commercially viable Merchant Marine, owned and operated by U.S. citizens and employing U.S. mariners. It supports the Department of Transportation's (DOT) efforts to maintain a skilled workforce and robust transportation infrastructure, essential for national defense and economic security as outlined in National Security Directive 28 on sealift.⁴ The U.S. Merchant Marine is a vital national asset that underpins economic growth and national defense through its sealift capacity.

The strategic priorities of this program are to:

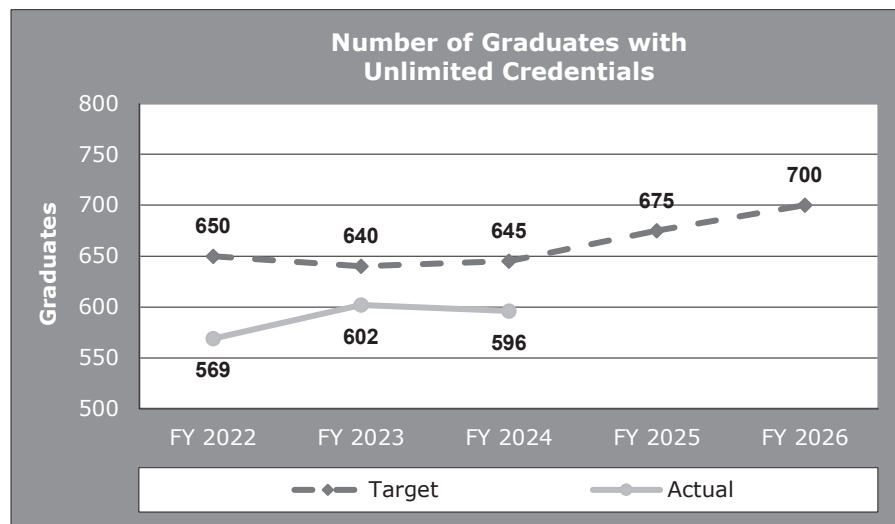
- Train highly skilled mariners.
- Support U.S.-flag vessels in commercial operations.
- Maintain U.S. shipbuilding capacity.

³ 46 U.S.C. § 55103, §50501 et seq.

⁴ National Security Directive 28.

These appropriations provide critical federal assistance to the SMAs, fostering innovation and supporting the U.S. marine transportation infrastructure. The SMA programs advance DOT’s goal of expanding and strengthening the recruitment, training, and retention of a relevant workforce and aligns with the Secretary’s priorities for maritime dominance. The NSMV program further supports the Administration’s priority for shipbuilding, modernizing the maritime training fleet, strengthening the industrial base, and directly supporting American shipyard jobs. These new vessels will be a benefit to the SMAs and the American people for generations. The SMA programs also mitigate risks by addressing the need to invest in the modernization of school ships and reducing the economic and national security risks posed by having a shortage of US Coast Guard-licensed Mariners with unlimited tonnage credentials.

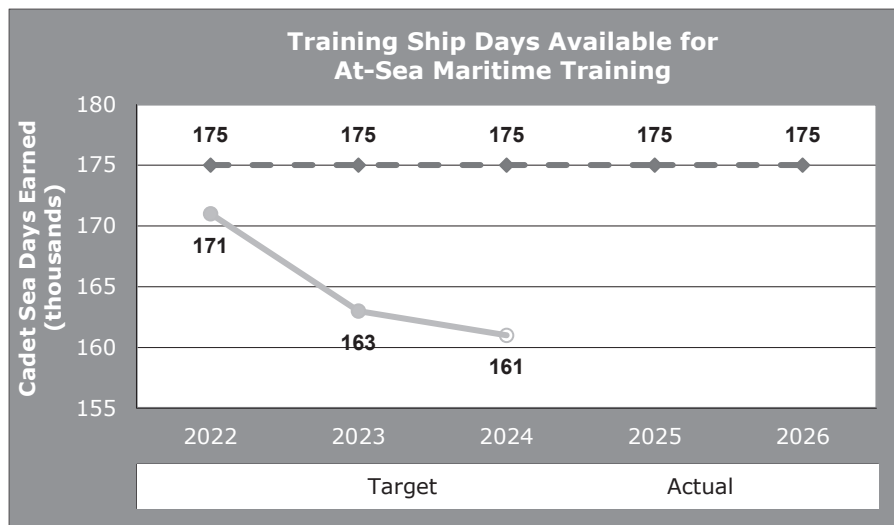
The SMAs provide exceptional value, consistently ranking high in terms of academics and career potential. Graduates achieve near-perfect employment rates within months of graduation, securing well-paying jobs in the transportation industry. With over 40,000 American vessels operating in U.S. waters, crewed by U.S. citizen mariners, the SMA program underpins a vast marine transportation ecosystem. This ecosystem generates an estimated \$4.6 trillion in economic activity and supports millions of jobs. A strong U.S. Merchant Marine is critical to expanding trade, creating well-paying jobs, and driving national economic growth.⁵



This program effectively uses Federal resources in a well-defined, cost-shared partnership with the SMAs to produce highly qualified officers for the U.S. Merchant Marine. In FY 2024, the number of SMA students graduating with unlimited USCG MMC credentials totaled 596, falling below the program’s performance target. The enrollment

trends and graduation rates are consistent with national averages. The number of graduates is expected to continue declining through FY 2026 based on decreased enrollment during the COVID-19 pandemic. These graduates support numerous components of the maritime industry. America depends on its U.S. maritime industry and U.S. Merchant Marine to move cargo and goods by maritime transportation systems through our Nation and the world.

⁵ 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.



MARAD tracks the number of training ship days available for at-sea maritime training and cadets onboard for agency program performance measures. To meet the at-sea training requirements for cadets earning their USCG Merchant Mariner Credential, MARAD supports training vessel and capacity sharing to maximize cadets sailing

time in the winter or summer training cruise season. As MARAD recapitalizes the legacy training ships with the new NSMVs, there will be greater berthing capacity across the school ships for cadets to earn sea time. It is projected in 2025 that 190,000 sea days will be earned for over 1,850 cadets across the SMAs.

TS KENNEDY — Texas A&M 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 days at sea per year: 60
Average # of training days at campus per year: 210
Home port: Galveston, TX

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. This training vessel is expected to be replaced by the fourth constructed NSMV in 2026.

TS GOLDEN BEAR — California Poly 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 days at sea per year: 124
Average # of training days at campus per year: 210
Home port: Vallejo, CA

TS GOLDEN BEAR recently underwent a major lifesaving upgrade project to include 4 newly installed enclosed lifeboats and marine evacuation slides (MES). The vessel is the only west coast training ship. The ship is actively engaged in diesel exhaust emissions research and has been used to generate baseline emissions data for marine diesel engines and improving its ballast water management system (BWMS) as part of the Vessel Incidental Discharge Act (2018). The vessel was utilized for ship sharing to support the at-sea training requirements 2019 and again in 2022 for cadets at other State Maritime Academies. Expected to be replaced by the fifth constructed NSMV in 2027.

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 days at sea per year: 124
Average # of training days at campus per year: 224
Home port: Traverse City, MI

TS STATE OF MICHIGAN is the only training platform located on the Great Lakes St. Lawrence Seaway System. The TS STATE OF MICHIGAN is a critical to training ships for Great Lakes mariners. All ocean-going ships operating on the Great Lakes and St. Lawrence Seaway are required by law to hire marine pilots to assist with navigation, many of these pilots begin their career training onboard the TS STATE OF MICHIGAN. The vessel also participates in exercise Northern Strike with the Michigan Air National Guard.

The National Security Multi-Mission Vessels (NSMV) Program was part of the 2017 National Defense Authorization Act (NDAA). Each NSMV will have total berthing for 760 people (600 Cadets, 100 officers, faculty, staff, & crew + 60 for surge capacity). These ships will provide modern and reliable world-class maritime training-at-sea for America's future mariners.

NSMV EMPIRE STATE — State University New York Maritime College	
	Year built: 2023 Capacity: 600 Cadets / 100 Crew & Instructors Propulsion: Diesel Electric Average # of training days at sea per year: 75 Average # of training days at campus per year: 224 Home port: New York, NY
PATRIOT STATE — Massachusetts Maritime Academy	
	Year built: 2024 Capacity: 600 Cadets / 100 Crew & Instructors Propulsion: Diesel Electric Average # of training days at sea per year: 50 Average # of training days at campus per year: 224 Home port: Buzzards Bay, MA
STATE OF MAINE — Maine Maritime Academy	
	Year built: 2025 Capacity: 600 Cadets / 100 Crew & Instructors Propulsion: Diesel Electric Average # of training days at sea per year: 75 Average # of training days at campus per year: 224 Home port: Castine, ME
LONE STAR STATE — Texas A&M Maritime Academy	
	Year built: estimated 2026 Capacity: 600 Cadets / 100 Crew & Instructors Propulsion: Diesel Electric Average # of training days at sea per year: 124 Average # of training days at campus per year: 224 Home port: Galveston, TX
GOLDEN STATE — California Poly Maritime Academy	
	Year built: estimated 2027 Capacity: 600 Cadets / 100 Crew & Instructors Propulsion: Diesel Electric Average # of training days at sea per year: 124 Average # of training days at campus per year: 224 Home port: Vallejo, CA

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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, [~~\$8,750,000~~]*\$105,000,000*, to remain available until expended; *Provided, That in awarding grants, the Secretary shall give priority to projects—*

- (1) for equipment upgrades or other capital and related improvements; or*
- (2) for supply chain improvements that support construction of ships with defense applications;*

Provided further, That in awarding grants from amounts made available under this heading in this Act, the Secretary shall give priority to applications that identify a higher percentage of non-Federal matching funds.

Note.—This account is operating under the Full-Year Continuing Appropriations and Extensions Act, 2025 (Division A of Public Law 119–4)

EXHIBIT III-1

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

	FY 2024 ACTUAL	FY 2025 ENACTED	FY 2026 REQUEST
Assistance to Small Shipyards	\$ 8,750	\$ 8,750	\$ 105,000
TOTAL, Base appropriations	\$ 8,750	\$ 8,750	\$ 105,000
FTEs			
Direct Funded	1	1	1
Reimbursable, allocated, other	-	-	-
Account	\$ 8,750	\$ 8,750	\$ 105,000

ASSISTANCE TO SMALL SHIPYARDS

Program and Performance Statement

The Assistance to Small Shipyards program provides 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.

EXHIBIT III-1a

**ASSISTANCE TO SMALL SHIPYARDS
SUMMARY ANALYSIS OF CHANGE FROM FY 2025 TO FY 2026
Appropriations, Obligations, Limitations, and Exempt Obligations
(\$000)**

	<u>\$000</u>	<u>FTE</u>
FY 2025 ENACTED	<u>\$8,750</u>	<u>1</u>
ADJUSTMENTS TO BASE:		
Annualization of Prior Pay Raise(s)	0	0
Annualization of FY 2025 FTE	0	0
FY 2026 Pay Raise	0	0
Adjustment for Compensable Days (261 days)	0	0
Inflation and other adjustments to base	0	0
SUBTOTAL, ADJUSTMENTS TO BASE	\$0	0
PROGRAM REDUCTIONS		
Administrative Expenses	2,100	0
SUBTOTAL, PROGRAM REDUCTIONS	\$2,100	0
PROGRAM INCREASES:		
Grants	94,150	0
SUBTOTAL, PROGRAM INCREASES	\$94,150	0
FY 2026 REQUEST	<u>\$105,000</u>	<u>1</u>
Supplemental Appropriations	<u>\$0</u>	<u>0</u>
TOTAL	<u>\$105,000</u>	<u>1</u>

Detailed Justification

FY 2026 – Assistance to Small Shipyards – Budget Request (\$000)

Program Activity	FY 2024 Actual	FY 2025 Enacted Level	FY 2026 Request
Assistance to Small Shipyards	8,750	8,750	105,000
Total	\$8,750	\$8,750	\$105,000
FTE	1	1	1

For FY 2026, \$105.0 million is requested to support the Assistance to Small Shipyards program. Funding will provide grants to make infrastructure improvements and efficiencies at small U.S. shipyards. This program includes 1 FTE for grant administration which funds salaries and benefits and administrative operating costs. The above FTE is funded through 2 percent grant administration takedown with funds grant oversight management and operating expenses.

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

The emphasis of the program is to provide grant funding for infrastructure improvements at qualified U.S. shipyards to help improve their capacity, efficiency and ability to compete for domestic and international commercial ship construction and maintenance opportunities. Grants may not be used to construct buildings or other physical facilities, or to acquire land unless such use is specifically approved by the Maritime Administration as being consistent with, and supplemental to, capital and related infrastructure improvements.

Grant funding used by the shipyards bring transformative changes to our Nation's transportation system by improving, modernizing, and increasing capacity and efficiency of shipbuilding and repair processes. Improving shipyard capacity and efficiency increases productivity by utilizing newer equipment and technology, which may ultimately increase the shipyard workload and lead to the creation of increased equitable permanent jobs for both skilled and unskilled labor. The potential for increased throughput means a shipyard can build vessels at a more competitive price and better compete domestically as well as internationally for additional work. Increased throughput also increases the purchase of vendor-supplied equipment and services in the local community and throughout the country, supporting additional job creation. A recent economic

study¹ has shown shipbuilding activity extends to all 50 states encompassing vendor and supplier contributions to shipbuilding and repair. Additionally, this report found that our Nation's private shipyards support \$42.4 billion in gross domestic product, and more than 107,000 American jobs.

The U.S. Coast Guard's recent 46 CFR for "Inspection of Towing Vessels"² requires towing vessels that are certificated under the rule to maintain certificates of inspection, which previously was not required. The rule will affect approximately 5,920 U.S.-flag towing vessels engaged in pushing, pulling, or hauling, and the more than one thousand companies that own and/or operate them. The rule applies to (with exceptions) all U.S.-flag towing vessels 26 feet or more in length, and those less than 26 feet moving barges carrying oil or hazardous material in bulk. The rule lays out new compliance options as well as new equipment, construction, and operational requirements for towing vessels. The new requirement will create higher demands for shipyard services and new construction of towing vessels.

The FY 2026 funding request of \$105.0 million will continue investments in capital and related improvements for qualified U.S. shipyard facilities to advance efficiency, cost-effectiveness, and capability in domestic ship construction, conversion, and repair for commercial and Federal government use. The unprecedented funding level helps address the backlog of projects that are received every year. In a normal grant application cycle, we receive about \$80.0 to \$120.0 million in project requests compared to \$20.0 million historically awarded annually. This increase will enable MARAD to award larger projects, fund additional projects, and supports the focus on Shipbuilding by the Administration's "Restoring America's Maritime Dominance" Executive Order. This investment will expand the shipbuilding industrial base, build more ships, and reduce the cost of shipbuilding.

Assistance to Small Shipyards grants will prioritize the acquisition of equipment and other capital improvements, especially those that support construction of ships with defense applications. Although a lower priority, grants may also foster technical skills and operational productivity, including workforce training. In awarding grants, MARAD will also give priority to applications that identify a higher percentage of non-federal matching funds.

Historically, shipyards have hired an estimated 20 jobs per grant, with an average cost to the Federal government of \$1.0 million per grant. Funding at this level would produce a minimum of 20 projects with the potential to account for up to 400 American jobs. These production-type jobs typically do not require advanced education and can be performed after the completion of local shipyard training and/or apprenticeships.

¹ Maritime Administration, The Economic Importance of the U.S. Shipbuilding and Repairing Industry, March 2021.

² 46 CFR Chapter 1 Subchapter M, Inspection of Towing Vessels.

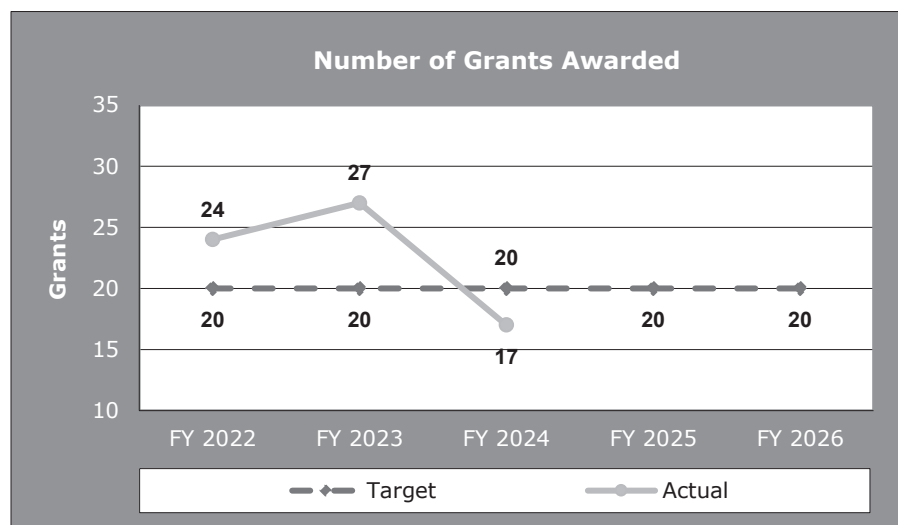
What benefits will be provided to the American public through this request and why is this program necessary?

The shipbuilding and repair industry is a vital part of this country's transportation infrastructure, and part of the strong industrial base that assists in meeting Department of Defense and U.S. Coast Guard shipbuilding and repair requirements. The program helps to transform our nation's maritime transportation industry by enabling U.S. shipyard efforts to modernize infrastructure and improve technology with capital that might not otherwise be available.

Purchasing new equipment also enables yards to increase the amount of work they perform in-house. This is especially important for remote yards that may be located hundreds of miles away from other vendors.

The FY 2026 funding request for the Assistance to Small Shipyard grants advances the Department of Transportation's goal for Economic Growth and Modernization, and objectives supporting system reliability and job creation. Expansion of shipyard capabilities provides for increased economic growth and competitiveness, reduces overhead costs, and supports the creation and sustainability of jobs. Past shipyard grants resulted in shipyards creating up to an additional 20 production-type jobs per project; such jobs typically do not require advanced education and can be performed after the completion of local shipyard training or apprenticeships.

The 2021 economic study³ showed the average salary for shipyard workers is above the national average. Shipyard trades include pipefitters, riggers, welders, and painters. Pathways to these jobs are available through apprentice programs, trade schools, and shipyard in-house training programs. These types of jobs are examples of how investing in shipbuilding will provide opportunities for better employment in a vital domestic industrial base.



Annually, the number of applications submitted to the Small Shipyard Grants Program has far exceeded the available funds. In previous years, the dollar amount requested by all applications has ranged from 5 to 10 times greater than the available grant funds. For FY 2024, we awarded 17 new grants. To drive competition, shipyards

³ Maritime Administration, The Economic Importance of the U.S. Shipbuilding and Repairing Industry, March 2021.

are typically contributing more than the required 25.0 percent in matching funds. Even with reduced appropriations in 2024, the target of 20 awards was almost met.

SHIP DISPOSAL

For necessary expenses related to the disposal of obsolete vessels in the National Defense Reserve Fleet of the Maritime Administration, \$6,000,000, to remain available until expended.

Note.—This account is operating under the Full-Year Continuing Appropriations and Extensions Act, 2025 (Division A of Public Law 119–4).

EXHIBIT III-1

SHIP DISPOSAL

Summary by Program Activity

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

	FY 2024 ACTUAL	FY 2025 ENACTED	FY 2026 REQUEST
Ship Disposal	\$ 6,000	\$ 6,000	\$ 6,000
TOTAL, Base appropriations	\$ 6,000	\$ 6,000	\$ 6,000
FTEs			
Direct Funded	10	15	15
Reimbursable, allocated, other	-	-	-
Account	\$ 6,000	\$ 6,000	\$ 6,000

SHIP DISPOSAL

Program and Performance Statement

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. The Ship Disposal program also 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 2025 TO FY 2026
Appropriations, Obligations, Limitations, and Exempt Obligations
(\$000)

	<u>\$000</u>	<u>FTE</u>
FY 2025 ENACTED	<u>\$6,000</u>	<u>15</u>
ADJUSTMENTS TO BASE:		
Annualization of Prior Pay Raise(s)	0	0
Annualization of FY 2025 FTE	0	0
FY 2026 Pay Raise	0	0
Adjustment for Compensable Days (261 days)	0	0
Working Capital Fund	5	0
Inflation and other adjustments to base	-5	0
SUBTOTAL, ADJUSTMENTS TO BASE	\$0	0
PROGRAM REDUCTIONS		
SUBTOTAL, PROGRAM REDUCTIONS	\$0	0
PROGRAM INCREASES:		
SUBTOTAL, PROGRAM INCREASES	\$0	0
FY 2026 REQUEST	\$6,000	15
Supplemental Appropriations	\$0	0
TOTAL	\$6,000	15

Detailed Justification

FY 2026 – Ship Disposal – Budget Request (\$000)

Program Activity	FY 2024 Actual	FY 2025 Enacted Level	FY 2026 Request
Ship Disposal	3,000	3,000	3,000
Nuclear Ship Savannah	3,000	3,000	3,000
Total	\$6,000	\$6,000	\$6,000
FTE	10	15	15

The FY 2026 budget request includes \$6.0 million for the Ship Disposal Program. This amount breaks down to \$3.0 million allocated for salaries, support, and overhead, while the remaining \$3.0 million is designated for maintaining the Nuclear Ship SAVANNAH in protective storage, as mandated by the NRC. These funds will also support the personnel necessary to oversee the program.

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

Under the Federal Property and Administrative Services Act of 1949, the Maritime Administration (MARAD) is responsible for disposing of all federally owned merchant vessels that exceed 1,500 gross tons and are no longer needed for defense or support. These vessels may be transferred to MARAD's National Defense Reserve Fleet (NDRF) anchorages for military training or stripped for spare parts that can be utilized on other vessels. This program recovers equipment from these vessels for use by other agencies, which helps reduce procurement costs by at least 60 percent and shortens lead times for repairing active vessels in service. However, if a vessel is deemed to have no logistical value, it may be downgraded and disposed of at qualified U.S. ship-recycling facilities, with priority given to the vessels in the worst condition first.

The NS SAVANNAH is a nuclear-powered vessel that serves as a National Defense Reserve Fleet (NDRF) asset and is recognized as a National Historic Landmark. It is governed by the Atomic Energy Act, the Merchant Marine Act, and the National Historic Preservation Act. Currently, the NS SAVANNAH is undergoing decommissioning, with protective storage maintained until its Nuclear Regulatory Commission (NRC) license is terminated. Preserving the NS SAVANNAH offers several benefits. It represents a tangible link to the Cold War era and the "Atoms for Peace" program, highlighting the potential of nuclear energy for peaceful purposes.

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

Ship Disposal Program

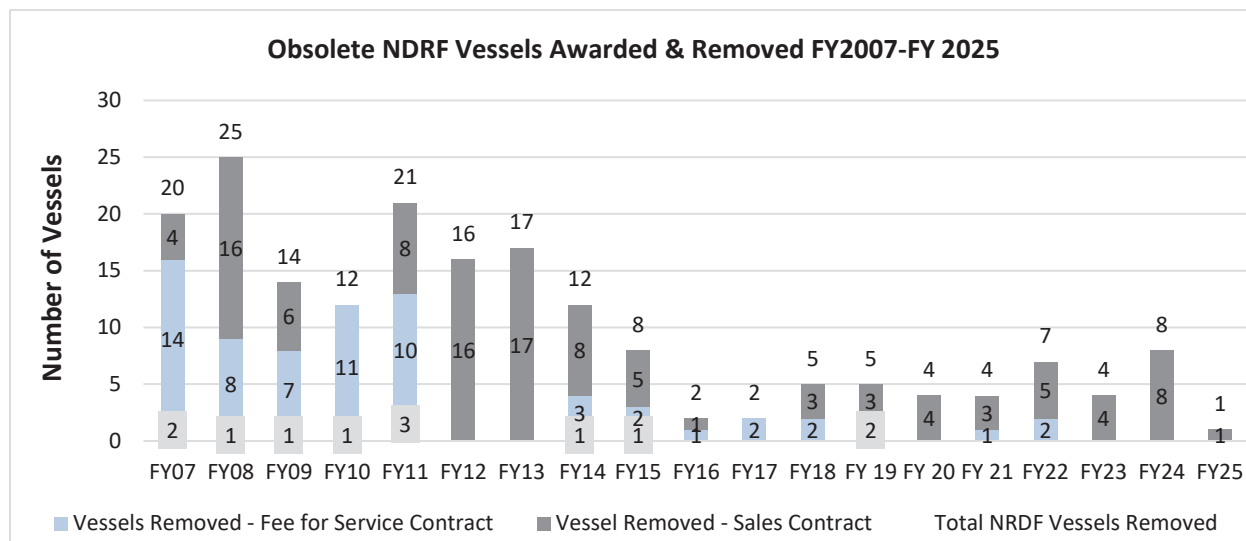
The Ship Disposal Program, primarily managed by the Maritime Administration (MARAD) is essential for the responsible management of obsolete ships, ensuring they are disposed of safely and efficiently. This process minimizes environmental risks and maximizes resource recovery, including spare parts for other government-owned vessels. Additionally, the program encourages domestic ship recycling, which creates jobs and supports the U.S. economy.

NS SAVNNAH

The NS Savannah holds a significant place in maritime history as the world's first commercial nuclear-powered vessel. Its innovative design and nuclear propulsion system were intended to set a precedent for the future of maritime shipping, potentially reducing reliance on fossil fuels and enhancing efficiency. The vessel remains on track for decommissioning and disposition by 2031.

Disposal Contracts Awarded / Vessels Removed

The table below reflects the removal of 187 obsolete non-retention vessels from the various NDRF fleets.



*Includes other disposal alternatives, such as artificial reefing, deep-sinking, sale for reuse, and donations utilized by MARAD. Obsolete NDRF vessels awarded in FY 2025 as of May 1, 2025.

Vessel Downgrade & Disposal Plans

In FY 2025, the MARAD downgraded (7) obsolete vessels from retention to non-retention status within the James River Reserve Fleet, the Beaumont Reserve Fleet, and the Suisun Bay Reserve Fleet (SBRF). By the end of September FY 2025, MARAD expects to sell and remove at least

five obsolete non-retention vessels.

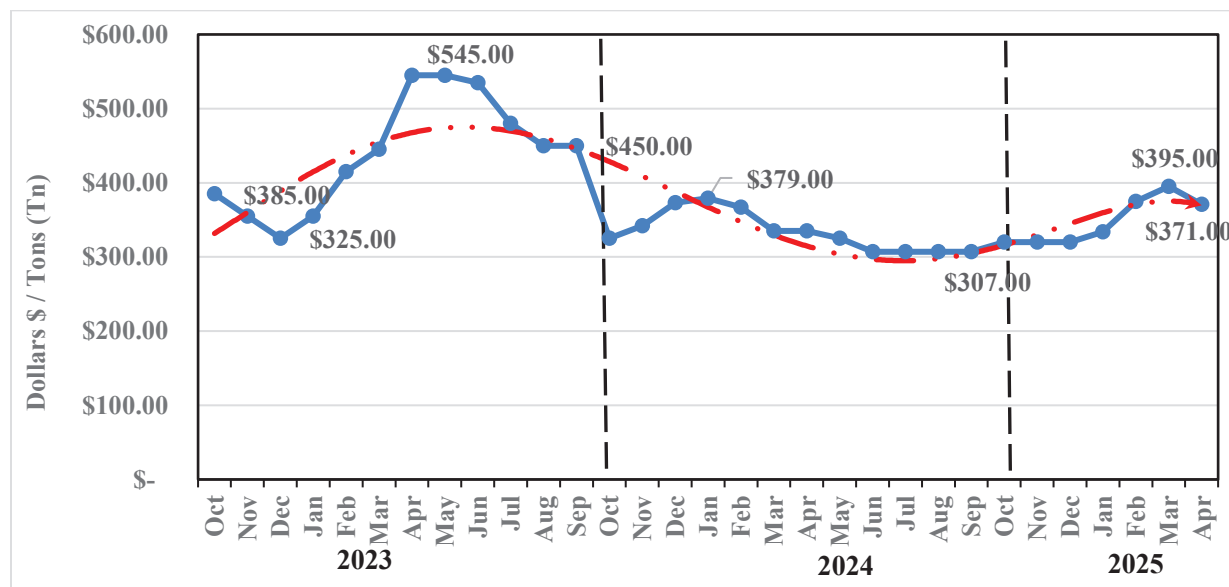
According to MARAD’s approved “Vessel Downgrade and Disposal Plans” for FY 2026, the agency anticipates selling and removing (3) MARAD and (5) Navy obsolete non-retention vessels. Additionally, in FY 2026, (3) more Naval obsolete non-retention vessels are anticipated to become available for disposal.

Scrap Steel Market Outlook

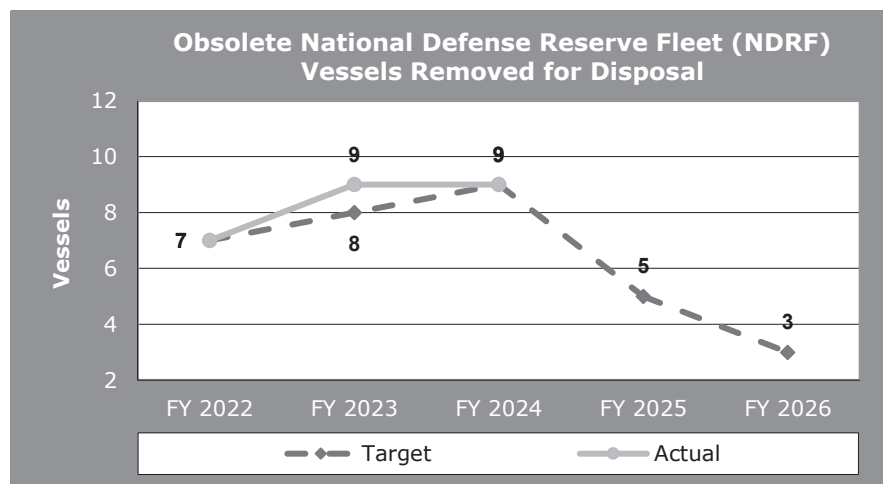
Scrap steel prices used for vessel demolition can be volatile, influenced by global economic conditions and cyclical trends in the shipping industry. Recent fluctuations have been observed, with prices sometimes reaching peaks and then experiencing declines.

The volatility in scrap prices presents challenges for both MARAD and recyclers when it comes to selling and removing vessels. These parties often encounter high costs and low profits. Federal funding is essential, especially when scrap prices are low, as it enables MARAD to recycle vessels. This funding helps cover the expenses associated with environmental hull cleaning requirements for West Coast vessels and assists in the unexpected disposal of vessels that may deteriorate rapidly. The following chart illustrates the volatility in scrap steel prices from FY 2022 to FY 2024.

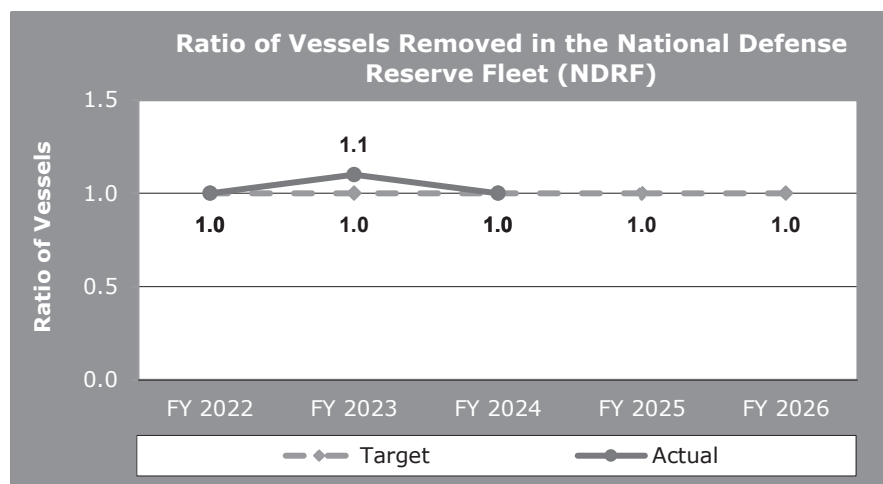
Average Scrap Steel Prices FY 2022 – FY 2025



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>).



MARAD monitors the Ship Disposal Program's success by tracking vessel removals to meet annual targets. In FY 2024, the program met its goal, removing nine NDRF vessels by taking advantage of high scrap steel prices.



MARAD also tracks the ration of vessels removed in the NDRF. The goal is to maintain an annual ratio of 1.0 by removing more non-retention vessels for disposal than are designated for disposal in a fiscal year. MARAD met the goals in FY 2024.

MARITIME SECURITY PROGRAM

(INCLUDING CANCELLATION OF FUNDS)

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses to maintain and preserve a U.S.-flag merchant fleet as authorized under chapter 531 of title 46, United States Code, to serve the national security needs of the United States, [\$318,000,000]\$372,000,000, to remain available until expended: *Provided, That any funds made available under this heading that remain unobligated on or after October 1, 2026 after making payments required under section 53106 of title 46, United states Code, may be—*

- (1) transferred to and merged with the appropriation for "Maritime Administration— Tanker Security Program", upon a determination by the Secretary that such transfer will promote a higher participation rate in the Tanker Security Fleet authorized under chapter 534 of title 46; or*
- (2) used to reimburse a program participant for verifiable training or capital improvement costs that, as determined by the Secretary, increase a vessel's capability to meet Department of Defense sealift requirements:*

Provided further, That funds transferred pursuant to paragraph (1) of the first proviso shall be made available for the same purposes as the appropriations to which transferred and merged; Provided further, That payments made under paragraph (2) of the first proviso shall be at the Secretary's discretion and in a manner that the Secretary shall determine: Provided further, That of the unobligated balances from prior year appropriations available under this heading, \$27,000,000 are hereby permanently cancelled.

Note.—This account is operating under the Full-Year Continuing Appropriations and Extensions Act, 2025 (Division A of Public Law 119–4).

EXHIBIT III-1

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

	FY 2024 ACTUAL	FY 2025 ENACTED	FY 2026 REQUEST
Maritime Security Program	\$ 318,000	\$ 318,000	\$ 372,000
TOTAL, Base appropriations	\$ 318,000	\$ 318,000	\$ 372,000
FTEs			
Direct Funded	-	-	-
Reimbursable, allocated, other	-	-	-
Account	\$ 318,000	\$ 318,000	\$ 372,000

MARITIME SECURITY PROGRAM

Program and Performance Statement

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. The program will also sustain a base of U.S. Merchant Mariners to support national security requirements during times of urgent need.

EXHIBIT III-1a

**MARITIME SECURITY PROGRAM
SUMMARY ANALYSIS OF CHANGE FROM FY 2025 TO FY 2026
Appropriations, Obligations, Limitations, and Exempt Obligations
(\$000)**

	<u>\$000</u>	<u>FTE</u>
FY 2025 ENACTED	<u>\$318,000</u>	<u>0</u>
ADJUSTMENTS TO BASE:		
Annualization of Prior Pay Raise(s)	0	0
Annualization of FY 2025 FTE	0	0
FY 2026 Pay Raise	0	0
Adjustment for Compensable Days (261 days)	0	0
Inflation and other adjustments to base	0	0
SUBTOTAL, ADJUSTMENTS TO BASE	\$0	0
PROGRAM REDUCTIONS	0	0
SUBTOTAL, PROGRAM REDUCTIONS	\$0	0
PROGRAM INCREASES:		
Maritime Security Program	54,000	0
SUBTOTAL, PROGRAM INCREASES	\$54,000	0
FY 2026 REQUEST	\$372,000	0
Supplemental Appropriations	\$0	0
TOTAL	\$372,000	0

Detailed Justification

FY 2026 – Maritime Security Program – Budget Request (\$000)

Program Activity	FY 2024 Actual	FY 2025 Enacted Level	FY 2026 Request
Maritime Security Program	318,000	318,000	372,000
Total	\$318,000	\$318,000	\$372,000

For FY 2026, a funding request of \$372.0 million is proposed for the Maritime Security Program (MSP) to support a fleet of 60 U.S.-flagged vessels enrolled into the program. This program also includes a proposed cancellation of prior year unobligated balances in the amount of \$27.0 million.

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

The MSP, established under the Maritime Security Act of 1996 and extended through 2040 by the Servicemember Quality of Life Improvement and National Defense Authorization Act for Fiscal Year 2025. The mission of MSP is to maintain a fleet of commercially viable, militarily useful, U.S.-flagged merchant ships that operate in international trade and are available to support U.S. Department of Defense (DoD) sustainment sealift requirements during conflicts or national emergencies. The program also provides DoD access to participants' global intermodal transportation networks, including terminals, facilities, logistic management services, and U.S. citizen merchant mariners, as outlined in 46 CFR Part 295.

The MSP's goals include:

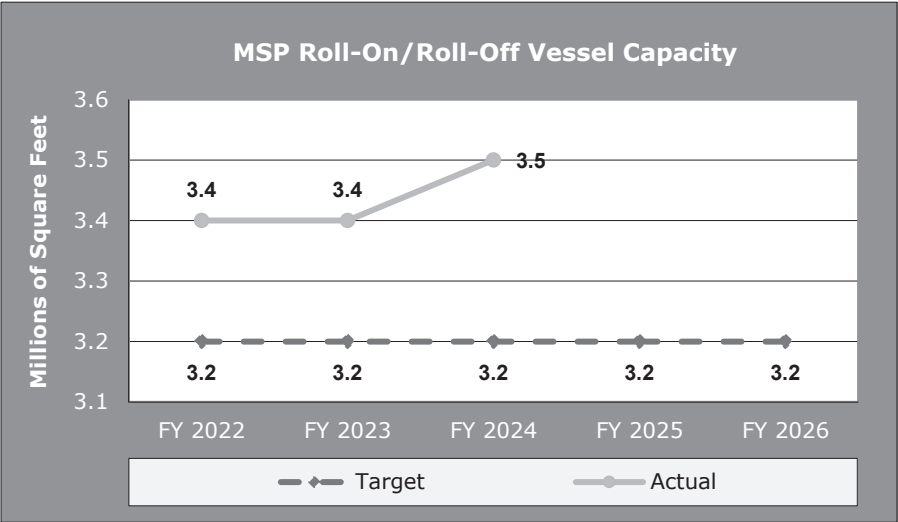
- Ensuring a reliable supply of militarily useful vessels for national defense.
- Supporting U.S. mariner employment and training, including opportunities for U.S. Merchant Marine Academy cadets.
- Maintaining a U.S. presence in international commercial shipping to support economic and security objectives.

MSP operates under operating agreements that fund annual stipends to vessel operators to offset the higher operating costs of U.S.-flagged vessels compared to foreign-flagged competitors and in return for commitments to be available to the Department of Defense (DoD) during times of war or national emergency through the Voluntary Intermodal Sealift Agreement (VISA). For enrollment, vessels must meet eligibility criteria, including U.S. documentation, age limits (15

years or less), and military utility, as specified in 46 CFR 295.10. The MSP fleet currently comprises 28 containerships, 7 geared containerships, 20 roll-on/roll-off vessels, and 5 heavy lift vessels, with an average age decreasing due to ongoing recapitalization efforts.

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

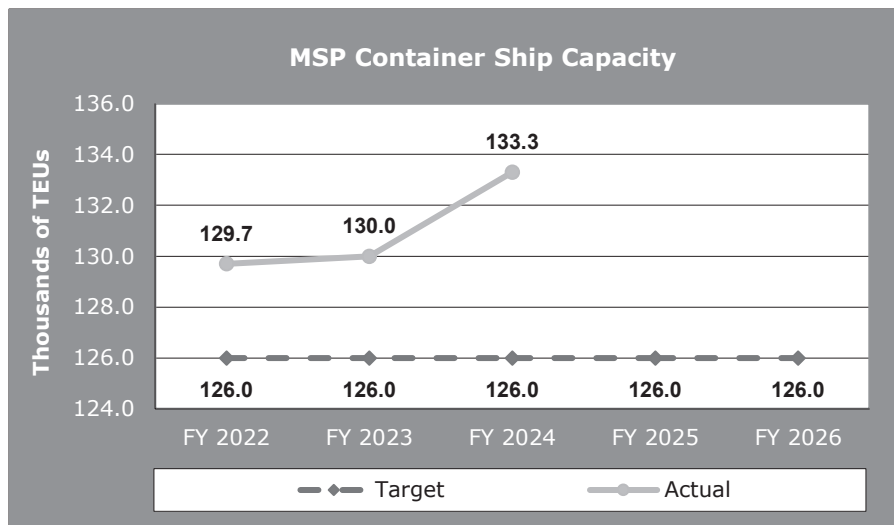
The MSP provides vital benefits for American national security, economic strength, and supply chain resilience. It ensures a dedicated U.S.-flagged fleet of 60 vessels for military sealift, vital for rapid response in times of conflict or emergency, as demonstrated in every U.S. conflict since 1997 and confirmed by a 2018 GAO study¹. This fleet integrates into DoD logistics planning, enabling global force projection and sustainment. The program also supports over 7,400 American maritime jobs, bolstering coastal economies. Without MSP subsidies, operators would likely reflag vessels, jeopardizing these jobs and national security. Furthermore, the MSP strengthens supply chain resilience by ensuring the availability of U.S.-flagged vessels for transporting critical goods, a need underscored by recent supply chain disruptions. Finally, the program develops the next generation of mariners by providing training opportunities for U.S. Merchant Marine Academy cadets. The MSP's self-recapitalization requirement, with eight new vessels added in 2024 have reduced the average fleet age to 13.9 years. This ensures a modern, efficient, and environmentally compliant fleet. This investment supports vessel operations, crew wages and benefits, cadet training, and provides DoD access to a global transportation network.



MARAD tracks the vessel capacity committed by MSP carriers to the Department of Transportation (DOT)/DoD’s emergency preparedness sealift readiness program. The MSP performance goal for roll-on/roll-off vessel capacity and container ship capacity is set to 3.2 million square feet. In

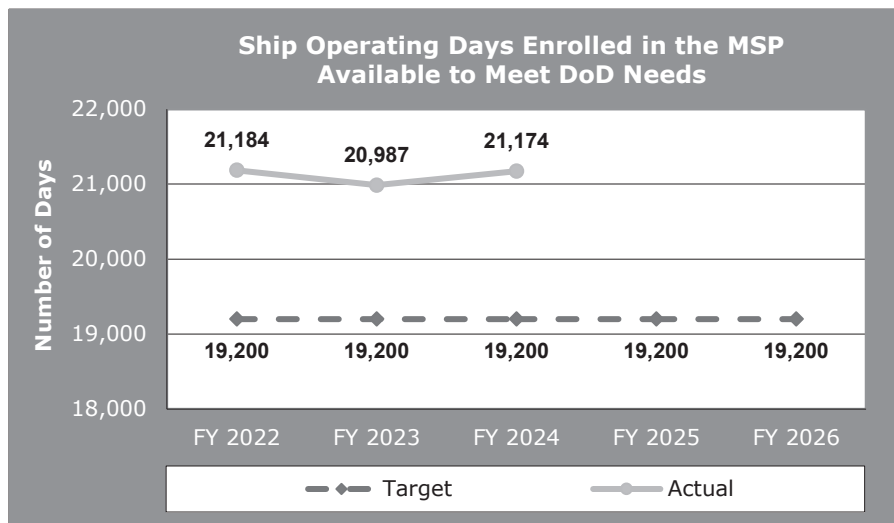
FY 2023 and FY 2024 the program exceeded the target and anticipates meeting the target for FY 2025 through FY 2027.

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.



With the full authorized 60 vessels enrolled and operating in the MSP, MARAD anticipates meeting the target of 126,000 containership capacity 20-foot equivalent units (TEUs) in FY 2025 by ensuring that MSP operators replace older MSP vessels with newer, more modern, and efficient vessels. In FY 2023 and FY 2024, the program

has exceeded the target and anticipates meeting the target for FY 2025 through FY 2027.



The MSP emphasizes the importance of a strong partnership with the commercial maritime industry to maintain an international presence in foreign commerce. MARAD monitors operating days monthly for each of the 60 vessels enrolled in the program to monitor agreements with the ship owners to ensure that MSP ships were operating as

required. MARAD exceeded the annual target of 19,200 operating days for FY 2022 through FY 2024 reporting a total of 21,184, 20,987, and 21,174 days respectively, for all vessels. The program has not only met but exceeded the annual target each year.

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CABLE SECURITY FLEET

(INCLUDING CANCELLATION OF FUNDS)

[For the cable security fleet program, as authorized under chapter 532 of title 46, United States Code, \$10,000,000, to remain available until expended]*Of the unobligated balances from prior year appropriations available under this heading, \$12,000,000 is hereby permanently cancelled.*

Note.—This account is operating under the Full-Year Continuing Appropriations and Extensions Act, 2025 (Division A of Public Law 119–4).

EXHIBIT III-1

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

	FY 2024 ACTUAL	FY 2025 ENACTED	FY 2026 REQUEST
Cable Security Fleet	\$ 10,000	\$ 10,000	\$ -
TOTAL, Base appropriations	\$ 10,000	\$ 10,000	\$ -
FTEs			
Direct Funded	-	-	-
Reimbursable, allocated, other	-	-	-
Account	\$ 10,000	\$ 10,000	\$ -

CABLE SECURITY FLEET PROGRAM

Program and Performance Statement

The Cable Security Fleet Program provides direct payments to U.S.-flag ship operators who in turn are required to operate cable repair ships in commercial service providing undersea cable repair services, and to make such vessels available upon request by the Department of Defense (DOD). The program will also sustain a base of U.S. Merchant Mariners to support national security requirements during times of urgent need. No new funding for 2026 is requested.

EXHIBIT III-1a

**CABLE SECURITY FLEET
SUMMARY ANALYSIS OF CHANGE FROM FY 2025 TO FY 2026
Appropriations, Obligations, Limitations, and Exempt Obligations
(\$000)**

	<u>\$000</u>	<u>FTE</u>
FY 2025 ENACTED	<u>\$10,000</u>	<u>0</u>
ADJUSTMENTS TO BASE:		
Annualization of Prior Pay Raise(s)	0	0
Annualization of FY 2025 FTE	0	0
FY 2026 Pay Raise	0	0
Adjustment for Compensable Days (261 days)	0	0
Inflation and other adjustments to base	0	0
SUBTOTAL, ADJUSTMENTS TO BASE	\$0	0
PROGRAM REDUCTIONS		
Cable Security Fleet	-10,000	0
SUBTOTAL, PROGRAM REDUCTIONS	-\$10,000	0
PROGRAM INCREASES:	0	0
SUBTOTAL, PROGRAM INCREASES	\$0	0
FY 2026 REQUEST	\$0	0
Supplemental Appropriations	\$0	0
TOTAL	\$0	0

TANKER SECURITY PROGRAM
(INCLUDING CANCELLATION OF FUNDS)
(INCLUDING TRANSFER OF FUNDS)

For Tanker Security Fleet[payments], as authorized under [section 53406]chapter 534 of title 46, United States Code, [\$60,000,000]\$120,000,000, to remain available until expended:
Provided, That any funds made available under this heading that remain unobligated on or after October 1, 2026 after making payments required under section 53406 of title 46, United states Code, may be—

- (1) transferred to and merged with the appropriations for "Maritime Administration—Maritime Security Program", upon a determination by the Secretary that such transfer of funds will promote a higher participation rate in the Maritime Security Fleet as authorized under chapter 531 of title 46; or*
- (2) used to reimburse a program participant for verifiable training or capital improvement costs that, as determined by the Secretary, increase a vessel's capability to meet Department of Defense sealift requirements;*

Provided further, That funds transferred under paragraph (1) of the first proviso shall be made available for the same purposes as the appropriation to which transferred and merged; Provided further, That payments made under paragraph (2) of the first proviso shall be at the Secretary's discretion and in a manner that the Secretary shall determine;

Provided further, That of the unobligated balances from prior year appropriations available under this heading, \$65,000,000 are hereby permanently cancelled.

Note.—This account is operating under the Full-Year Continuing Appropriations and Extensions Act, 2025 (Division A of Public Law 119–4).

EXHIBIT III-1

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

	FY 2024 ACTUAL	FY 2025 ENACTED	FY 2026 REQUEST
Tanker Security Program	\$ 60,000	\$ 60,000	\$ 120,000
TOTAL, Base appropriations	\$ 60,000	\$ 60,000	\$ 120,000
FTEs			
Direct Funded	-	-	-
Reimbursable, allocated, other	-	-	-
Account	\$ 60,000	\$ 60,000	\$ 120,000

TANKER SECURITY PROGRAM

Program and Performance Statement

The Tanker Security Program provides direct payments to U.S.-flag ship product tankers capable of supporting national economic and Department of Defense (DOD) contingency requirements. The purpose of this program is to provide retainer payments to carriers to support a fleet of militarily-useful, commercially viable product tankers sailing in international trade, as well as assured access to a global network of intermodal facilities. The program will also sustain a base of U.S. Merchant Mariners to support national security requirements during times of urgent need.

EXHIBIT III-1a

**TANKER SECURITY PROGRAM
SUMMARY ANALYSIS OF CHANGE FROM FY 2025 TO FY 2026
Appropriations, Obligations, Limitations, and Exempt Obligations
(\$000)**

	<u>\$000</u>	<u>FTE</u>
FY 2025 ENACTED	<u>\$60,000</u>	<u>0</u>
ADJUSTMENTS TO BASE:		
Annualization of Prior Pay Raise(s)	0	0
Annualization of FY 2025 FTE	0	0
FY 2026 Pay Raise	0	0
Adjustment for Compensable Days (261 days)	0	0
Inflation and other adjustments to base	0	0
SUBTOTAL, ADJUSTMENTS TO BASE	\$0	0
PROGRAM REDUCTIONS	0	0
SUBTOTAL, PROGRAM REDUCTIONS	\$0	0
PROGRAM INCREASES:		
Tanker Security Program	60,000	0
SUBTOTAL, PROGRAM INCREASES	\$60,000	0
FY 2026 REQUEST	\$120,000	0
Supplemental Appropriations	\$0	0
TOTAL	\$120,000	0

Detailed Justification

FY 2026 – Tanker Security Program – Budget Request (\$000)

Program Activity	FY 2024 Actual	FY 2025 Enacted Level	FY 2026 Request
Tanker Security Program	60,000	60,000	120,000
Total	\$60,000	\$60,000	\$120,000

For FY 2026, a funding request of \$120.0 million is proposed for the Tanker Security Program (TSP) to support a fleet of up to 20 U.S.-flagged vessels. This program also includes a proposed cancellation of prior year unobligated balances in the amount of \$65.0 million.

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

The Tanker Security Program (TSP) is a critical initiative authorized by Congress to ensure the availability of commercially viable, U.S.-flagged product tankers for national defense and economic security purposes. This program addresses a well-documented need for U.S.-controlled tanker capacity to support deployed U.S. Armed Forces in contingency operations and to maintain a resilient global network of distribution capabilities.

TSP provides annual payments to U.S.-flagged tanker operators to offset the higher costs of operating under the U.S. flag compared to foreign flags. In exchange for these payments, operators commit their vessels to the program and agree to make them available to the Department of Defense (DoD) during times of war or national emergency through the Voluntary Tanker Agreement (VTA).

This structure ensures that the U.S. military has ready access to:

- **A Fleet of U.S.-Flagged Tankers:** Provides direct access to a dedicated fleet of tankers, reducing reliance on foreign-owned and crewed vessels for critical fuel transport.
- **Skilled U.S. Mariners:** Creates sustainable employment for approximately 500 to 600 skilled U.S. Merchant Mariners, ensuring a pool of qualified personnel to crew both commercial and government-owned vessels.
- **Modern and Compliant Vessels:** Requires participating vessels to adhere to U.S. Coast Guard and Environmental Protection Agency safety and environmental standards.

A funding request of \$120.0 million for FY 2026 enables MARAD to support up to 20 U.S.-flag product tankers in the TSP, with maximum annual payments of \$8.0 million per vessel.

Specifically, this funding would:

- Provide Retainer Payments: Provide the authorized level of payment to each vessel operator, supporting their continued participation in the program.
- Maintain a Ready Fleet: Ensure the continued commercial viability and operational readiness of the TSP fleet.
- Support U.S. Mariner Jobs: Sustain employment opportunities for U.S. Merchant Mariners, including those certified as Tankerman-Person-in-Charge.
- Enhance National Security: Bolster DoD's ability to project power and sustain military operations in contested environments.
- Promote Economic Security: Reduce reliance on foreign-flag tankers and support the U.S. maritime industry.

The FY 2020 NDAA Fuel Tanker Study conducted by DoD identified a substantial risk to national defense from the reliance on foreign-flag tankers, particularly for intratheater movements. The TSP is a cost-effective way to mitigate this risk and ensure that the U.S. military has access to the fuel it needs, when and where it needs it. In addition, the proposed funding level will also advance the Department's effort to make transformative investments in our national transportation infrastructure by supporting a dedicated fleet of U.S.-owned, U.S.-flagged, and U.S.-crewed tanker vessels. This investment will help to reduce the risk of adverse foreign interference in U.S. economic activity while also providing sustainable, skilled American jobs with competitive, living wages that have applicability both afloat and ashore.

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

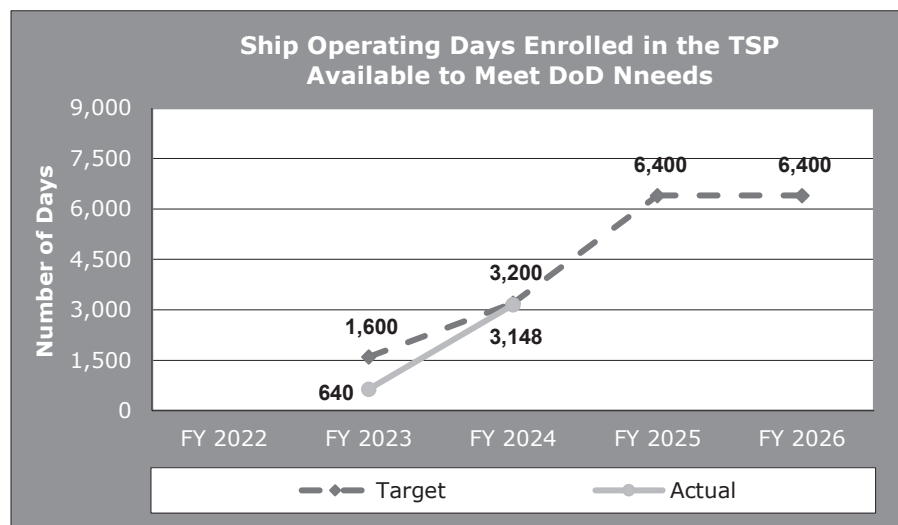
TSP provides significant benefits to the American public by strengthening both our national security and economic well-being. The program is necessary because it directly addresses a critical vulnerability in the U.S. supply chain and military readiness.

TSP provides significant national security benefits by guaranteeing the U.S. military has access to a reliable, U.S.-controlled fleet of product tankers capable of delivering fuel to deployed forces around the world, even in contested environments, thereby reducing reliance on potentially unavailable or untrustworthy foreign-flagged vessels. By ensuring a dedicated fleet of U.S.-flagged tankers, TSP minimizes the risk of disruption to military operations due to geopolitical instability, piracy, or other threats to international shipping lanes. Participating TSP vessels will be equipped for consolidation operations, which involve transferring fuel at sea to naval combatant vessels, a critical requirement for U.S. Navy fleet replenishment. This readily available and domestically controlled tanker fleet provides a strategic advantage to the U.S. military, allowing for more flexible and responsive deployment of forces.

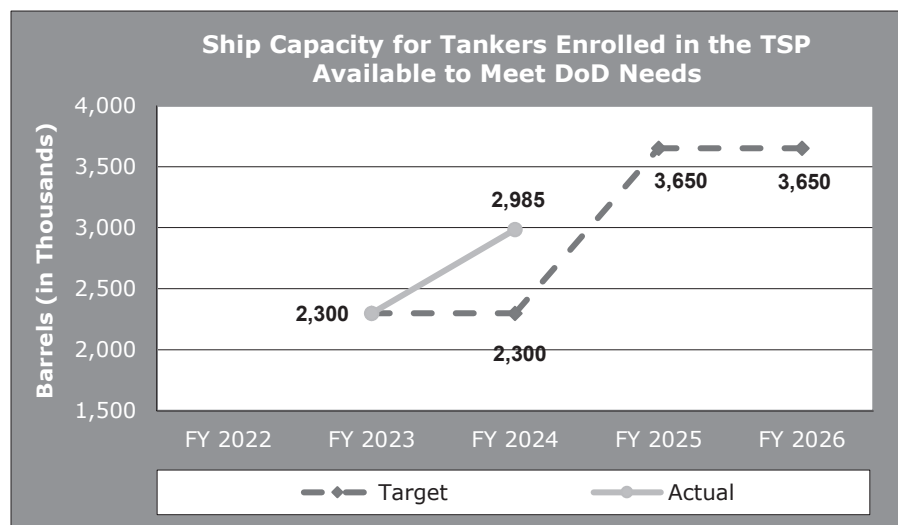
TSP provides substantial economic benefits to the United States. The program directly supports approximately 500 to 600 well-paying, skilled U.S. Merchant Mariner jobs, with the potential for further job creation in shore-side operations, contributing to the U.S. tax base and strengthening the middle class. By ensuring the reliable transport of fuel and other essential commodities, a strong U.S.-flagged fleet enhances the nation's economic resilience, reducing dependence on

foreign-flagged vessels. TSP also supports U.S. ship managers engaged in global commerce, contributing to the overall health of the U.S. maritime industry. Additionally, the program will support American job growth in clean energy and maritime transportation fields with domestic technology development and associated American manufacturing jobs, with MARAD exploring opportunities to adapt and scale technologies from other transportation modes and landside industries.

TSP is a necessary component of U.S. national security due to DoD's dependence on foreign tankers and the limited capacity of the current U.S.-flagged tanker fleet. The DoD's FY 2020 NDAA Fuel Tanker Study identified a substantial risk to the nation's defense associated with a heavy reliance on foreign-flag tankers, particularly for intratheater movements within contested environments. While there are U.S.-flag product tankers, the majority operate domestically and would be largely unavailable to DoD without major disruption to domestic transport needs. By requiring the use of U.S.-flagged vessels, the TSP adheres to the Jones Act, which requires vessels transporting merchandise between U.S. ports to be U.S. flagged, U.S. built, and mostly U.S. owned and crewed.



MARAD has enrolled 10 product tankers into the program. MARAD monitors operating days monthly for each of the 10 vessels enrolled in the program. MARAD will continue to monitor agreements with the ship owners to ensure the TSP ship are operating as required.



MARAD will verify TSP ship capacity to ensure the program is meeting DoD needs for 2.3 million barrels of fuel. The program expects to meet the target in FY 2025.

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MARITIME GUARANTEED (TITLE XI) LOAN PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

(INCLUDING CANCELLATION OF FUNDS)

For [the cost of]*administrative expenses to carry out the* guaranteed [loans]*loan program*, [\$53,586,000, of which \$50,586,000 shall remain available until expended: Provided, That such costs, including the costs of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: *Provided further*, That not to exceed \$3,000,000]*\$4,000,000*, [for administrative expenses to carry out the guaranteed loan program,]which shall be transferred to and merged with the appropriations for “Maritime Administration—Operations and Training”: *Provided, That of the unobligated balances from prior year appropriations available under this heading, \$86,000,000 are hereby permanently cancelled.*

Note.—This account is operating under the Full-Year Continuing Appropriations and Extensions Act, 2025 (Division A of Public Law 119–4)

EXHIBIT III-1

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

	FY 2024 ACTUAL	FY 2025 ENACTED	FY 2026 REQUEST
Administrative Expenses	\$ 3,000	\$ 3,000	\$ 4,000
Loan Subsidies	\$ 50,586	\$ 50,586	\$ -
TOTAL, Base appropriations	\$ 53,586	\$ 53,586	\$ 4,000
FTEs			
Direct Funded	10	13	13
Reimbursable, allocated, other	-	-	-
Account	\$ 53,586	\$ 53,586	\$ 4,000

MARITIME GUARANTEED LOAN (TITLE XI) PROGRAM

Program and Performance Statement

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.

Funding for the Maritime Guaranteed Loan (Title XI) program will be used for administrative expenses of the program which are paid to the Maritime Administration's Operations and Training account.

EXHIBIT III-1a

**MARITIME GUARANTEED (TITLE XI) LOAN PROGRAM ACCOUNT
SUMMARY ANALYSIS OF CHANGE FROM FY 2025 TO FY 2026
Appropriations, Obligations, Limitations, and Exempt Obligations
(\$000)**

	<u>\$000</u>	<u>FTE</u>
FY 2025 ENACTED	<u>\$53,586</u>	<u>13</u>
ADJUSTMENTS TO BASE:		
Annualization of Prior Pay Raise(s)	0	0
Annualization of FY 2025 FTE	0	0
FY 2026 Pay Raise	0	0
Adjustment for Compensable Days (261 days)	0	0
Working Capital Fund	390	0
Inflation and other adjustments to base	-5	0
SUBTOTAL, ADJUSTMENTS TO BASE	\$385	0
PROGRAM REDUCTIONS		
Loan Subsidies	-50,586	0
SUBTOTAL, PROGRAM REDUCTIONS	-\$50,586	0
PROGRAM INCREASES:		
Operating Expenses	615	0
SUBTOTAL, PROGRAM INCREASES	\$615	0
FY 2026 REQUEST	<u>\$4,000</u>	<u>13</u>
Supplemental Appropriations	<u>\$0</u>	<u>0</u>
TOTAL	<u>\$4,000</u>	<u>13</u>

Detailed Justification

FY 2026 – Maritime Guaranteed Loan (Title XI) Program Account – Budget Request (\$000)

Program Activity	FY 2024 Actual	FY 2025 Enacted Level	FY 2026 Request
Administrative Expenses	3,000	3,000	4,000
Loan Subsidies	50,586	50,586	0
Total	\$53,586	\$53,586	\$4,000
FTE	10	13	13

For FY 2026, the Maritime Administration requests \$4.0 million for the Maritime Guaranteed Loan (Title XI) Program to support staff salaries and operating costs necessary to manage the current \$1.3 billion loan portfolio in compliance with Federal Credit Reform Act requirements.¹ The increase is necessary to maintain effective monitoring of existing loan guarantees and support underwriting of new loan guarantee applications. This program also includes a proposed cancellation of prior year unobligated subsidy balances in the amount of \$86.0 million.

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

The primary purpose of the Title XI Program is to promote economic growth and modernization of the U.S. Merchant Marine and U.S. shipyard industry by providing additional opportunities to obtain long-term financing for vessel construction and modernization that may otherwise be unavailable to ship owners who are financially and economically sound.

MARAD has executed 112 loan guarantee contracts since credit reform in 1993, totaling \$7.1 billion in loan guarantees. The Title XI program currently has \$1.3 billion in outstanding loan guarantees encompassing 16 contracts. The current available loan subsidy amount is \$137.0 million which far outstrips anticipated obligations through the budget window. Therefore, the request cancels \$86.0 million of those balances as an offset in support of other Administration priorities.

Vessels eligible for loans generally include commercial vessels such as passenger ferries, bulk carriers, container ships, product and chemical tankers, towboats, barges, dredges, oceanographic research vessels, support vessels, and floating dry-docks.

¹ Credit Reform, [2 U.S.C. § 661 et seq.](#)

Private shipyard projects improving, modernizing, and increasing operational productivity and efficiency of the shipbuilding and repair processes are eligible for loans. Uses of loan proceeds may include acquisition of equipment and technology that increases or diversifies the shipyard workload.

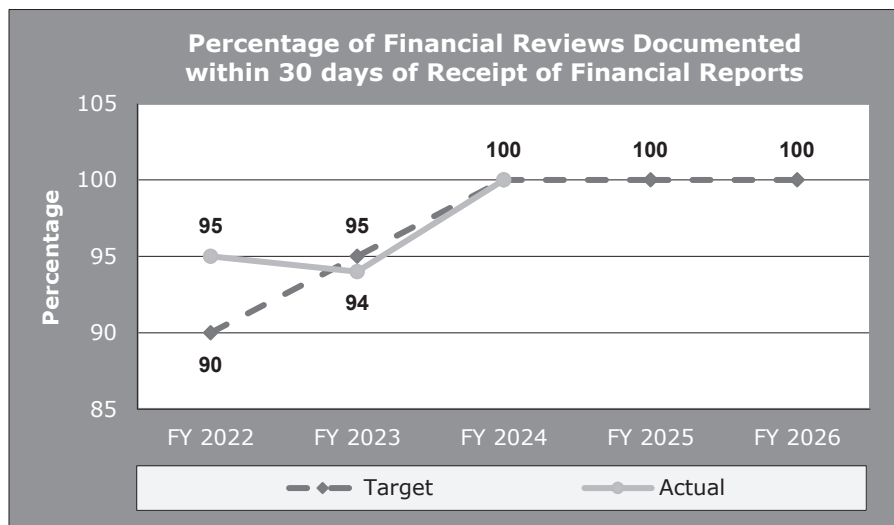
For FY 2026, the requested amount of \$4.0 million for Title XI will continue to support administrative management expenses, including staff salaries and operating expenses necessary to manage the current loan guarantee portfolio, review new applications, and process new agreements. Sufficient funding of administrative costs is a necessary component of the operation of the Title XI program for efficient review of new applications and timely monitoring of existing borrowers for compliance with loan covenants. This administrative funding will provide resources to enable compliance with the Federal Credit Reform Act and the Department of Transportation Inspector General and Government Accountability Office recommendations on application processing and asset management of the loan portfolio.

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

A key function of the Title XI Program is to protect and strengthen economic security by supporting domestic shipbuilding, which is a core asset of the U.S. marine industrial base. Most shipyards are in economically challenged and disadvantaged areas of the U.S. where there are limited employment opportunities. These high-paying jobs ensure these investments support the Administration's goal for economic inclusion. Shipyard jobs for Americans associated with the construction of vessels receiving Title XI support range from 300 jobs for a small vessel to as many as 1,200 jobs for large vessels. A recent March 2021² MARAD-funded report found that our Nation's private shipyards support \$42.4 billion in gross domestic product (GDP) and supports more than 107,000 American jobs.

Funding supports the continuous monitoring of the existing portfolio, and oversight to ensure compliance with loan guarantee requirements as MARAD continues to implement a more robust review and monitoring process to minimize the risk of default on existing loan guarantees.

²Maritime Administration, The Economic Importance of the U.S. Shipbuilding and Repairing Industry, March 2021.



Federal investment enables robust monitoring of the loan portfolio which is critical for timely intervention to reduce Government costs associated with default and maintenance expenses. Therefore, MARAD tracks efficiency of the program's financial review process. In compliance with prior audit recommendations

to minimize potential defaults for the Title XI Program, MARAD will review all borrower financial statements within 30 days of receipt. MARAD completed implementation of a loan management tool (LMT) in FY 2021 to improve monitoring of existing borrowers and tracks the number of days to complete the review of the financial statements. This is a new measure for FY 2021 and reporting 59.0 percent of financial statements reviewed within the 30 days as a baseline. The target for FY 2024 of 100.0 percent was met.³

³ Final data for FY 2025 will be available after the end of the fiscal year.

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MARITIME GUARANTEED LOAN (TITLE XI) FINANCING ACCOUNT

Program and Performance Statement

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. This account includes commitments made from 1992 until 2020. The amounts in this account are a means of financing and are not included in the budget totals.

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MARITIME GUARANTEED LOAN (TITLE XI) FFB FINANCING ACCOUNT

Program and Performance Statement

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 financed by the Federal Financing Bank (FFB) which has been financing all new loan guarantees since 2020. The amounts in this account are a means of financing and are not included in the budget totals.

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Port Infrastructure Development Program

To make grants to improve port facilities as authorized under section 54301 of title 46, United States Code, [\$50,000,000]\$550,000,000, to remain available until expended: *Provided*, That of the amounts appropriated under this heading in this Act shall be for projects for coastal seaports, inland river ports, or Great Lakes ports[, of which not less than \$42,000,000 shall be for coastal seaports or Great Lakes ports]: *Provided further*, That for grants awarded under this paragraph in this Act, the minimum grant size shall be \$1,000,000: *Provided further*, *That the Maritime Administration shall distribute amounts made available under this heading as discretionary grants: Provided further, That projects eligible for amounts made available under this heading shall be located—*

- (1) *within the boundary of a port; or*
- (2) *outside the boundary of a port, but directly related to port operations, or to an intermodal connection to a port.*

Note.—This account is operating under the Full-Year Continuing Appropriations and Extensions Act, 2025 (Division A of Public Law 119–4).

EXHIBIT III-1

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

	FY 2024 ENACTED	FY 2025 ENACTED	FY 2026 REQUEST
Port Infrastructure Development Program	\$ 120,460	\$ 50,000	\$ 550,000
TOTAL, Base appropriations	\$ 120,460	\$ 50,000	\$ 550,000
FTEs			
Direct Funded	12	12	12
Reimbursable, allocated, other	-	-	-
Supplemental Funding			
IIJA Supplemental (Division J)			
Port Infrastructure Development Program	\$ 450,000	\$ 450,000	\$ 450,000
TOTAL, Base appropriations	\$ 450,000	\$ 450,000	\$ 450,000
FTEs			
Direct Funded	16	12	29
Reimbursable, allocated, other	-	-	-
Account	\$ 570,460	\$ 500,000	\$ 1,000,000

PORT INFRASTRUCTURE DEVELOPMENT PROGRAM

Program and Performance Statement

The Port Infrastructure Development Program provides grants for coastal seaports, inland river ports, and Great Lakes ports infrastructure to improve the safety, efficiency, or reliability of the movement of goods.

EXHIBIT III-1a

**PORT INFRASTRUCTURE DEVELOPMENT PROGRAM
SUMMARY ANALYSIS OF CHANGE FROM FY 2025 TO FY 2026
Appropriations, Obligations, Limitations, and Exempt Obligations
(\$000)**

	<u>\$000</u>	<u>FTE</u>
FY 2025 ENACTED	<u>\$50,000</u>	<u>12</u>
ADJUSTMENTS TO BASE:		
Annualization of Prior Pay Raise(s)	0	0
Annualization of FY 2025 FTE	0	0
FY 2026 Pay Raise	0	0
Adjustment for Compensable Days (261 days)	0	0
Working Capital Fund	0	0
Inflation and other adjustments to base	0	0
SUBTOTAL, ADJUSTMENTS TO BASE	\$0	0
PROGRAM REDUCTIONS		
SUBTOTAL, PROGRAM REDUCTIONS	\$0	0
PROGRAM INCREASES:		
Discretionary Grants	500,000	0
SUBTOTAL, PROGRAM INCREASES	\$500,000	0
FY 2026 REQUEST	<u>\$550,000</u>	<u>12</u>
Supplemental Appropriations	<u>\$450,000</u>	<u>29</u>
TOTAL	<u>\$1,000,000</u>	<u>41</u>

Detailed Justification

FY 2026 – Port Infrastructure Development Program (\$000)

Program Activity	FY 2024 Actual	FY 2025 Enacted Level	FY 2026 Request
Port Infrastructure Development Program	120,460	50,000	550,000
Total	\$120,460	\$50,000	\$550,000
FTE	12	12	12

For FY 2026 request of \$550.0 million for the Port Infrastructure Development Program (PIDP) is the largest single annual appropriation in the history of program, exceeding the \$450.0 million annual appropriations for FY 2022 - FY 2026 made under the Infrastructure Investment and Jobs Act (IIJA). Combined with the \$450.0 million currently appropriated by the IIJA allocation for FY 2026, the \$550.0 million additional appropriation would essentially double program funding to \$1.0 billion for the FY 2026 grant cycle.

Based on historical activity, \$550.0 million would be expected to result in approximately 40 additional award selections, for a total of approximately 80 award selections anticipated in FY 2026. MARAD typically receives approximately 180 applications in any given program year. This investment is likely to double the opportunity of selection for applicants in FY 2026.

This funding will support grants to improve port infrastructure and facilities, and stimulate economic growth in and around ports, while also bolstering supply chain efficiency and resiliency, and improving safety. In addition, the above FTEs are funded through 2.0 percent grant administration takedown which funds grant oversight management and operating expenses.

In addition to this request, a supplemental \$450.0 million advance appropriation for FY 2026 was enacted under IIJA which provides additional grant resources for port infrastructure projects.

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

The PIDP provides grants to support projects that improve the safety, efficiency, and/or reliability of the movement of goods through ports in the U.S., and through intermodal connections to these ports. There are more than 300 public ports in the U.S. In addition, there are dozens of private ports and terminals. More than 30.0 million American jobs — including 28.6 million workers employed in exporter/importer-related businesses and their support industries — and \$378.0 billion in tax revenue depend to some extent on U.S. ports and the

goods and passengers that move through them.¹ The PIDP request will fund discretionary grant awards to support projects that improve facilities within, or outside of, and directly related to the operations of coastal seaports, inland river ports, and Great Lakes ports.

PIDP grants are awarded on a competitive basis to support projects that strengthen and modernize port infrastructure and support the Nation's long-term economic vitality. To maximize the value of the PIDP funds for all Americans, the Department of Transportation (DOT) seeks projects that support the following program objectives: (1) improving the safety, efficiency, or reliability of the loading and unloading of goods, the movement of goods, operational improvements (including projects to improve port resilience), or environmental and emissions mitigation measures; (2) supporting economic vitality at the national and regional levels; and (3) leveraging Federal funding to attract non-Federal sources of infrastructure investment.

From FY 2019 through FY 2024, the PIDP has awarded 140 grants totaling \$2.1 billion in 32 States and 3 U.S. Territories. In FY 2024, applicants sought \$3.0 billion in funding, far exceeding the level of funding available.

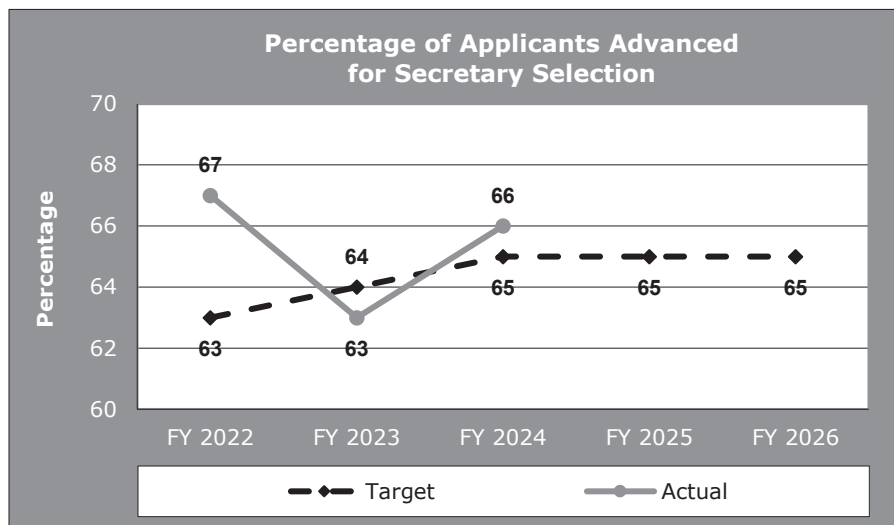
What benefits will be provided to the American public through this request and why is this program necessary?

Recent sharp increases in overall consumer demand² highlight the urgent need for transformational investments to expand and improve infrastructure at our Nation's ports. Great Lakes, inland waterway, and coastal seaport terminals are also critical hubs for the safe and efficient movement of freight that drives the national economy.

The PIDP advances the DOT's goal for Economic Strength and Global Competitiveness, and objectives supporting good movement and supply chain, system reliability and job creation. In addition, the PIDP will prioritize safety, the Department's highest priority goal, at port facilities for the transport and transfer of goods that drive economic recovery and growth. To promote economic strength, funding for PIDP grants will result in investments for repair and modernization of port infrastructure that create good paying union jobs for American workers and help transform our deteriorating infrastructure into a 21st century system that supports efficiency in our freight supply chains, accelerates long-term economic growth, and increases global competitiveness.

¹ *Martin & Associates – 2018 National Economic Impact of the U.S. Coastal Port System: Executive Summary*

² [U.S. Bureau of Labor Statistics: Recent increase in demand for consumer goods](#)



MARAD tracks the percentage of eligible applications that meet all the requirements of the Notice of Funding Availability Opportunity (NOFO) and are advanced to the DOT Secretary for final consideration of selection for award. The aim is to measure the quality of MARAD's outreach efforts, with the increase in percentage of

eligible and competitive applicants and projects. For FY 2024, MARAD reports 66.0 percent of the total 158 applications were advanced to the Secretary for consideration. Program staff have indicated that this percentage has stabilized over the past several grant cycles and represents a robust inventory of projects suitable for selection by the Secretary. Thus, for FY 2025, and 2026 the target remains at 65.0 percent.

In FY 2026, MARAD will continue to focus on expeditiously awarding all available PIDP funding including the \$450.0 million provided under IIJA. This historical investment provides more opportunities to support port infrastructure projects that increase port capacity and throughput capabilities to strengthen our supply chain. Building on the current processes in place for the existing PIDP program, MARAD is focused on ensuring a robust system of enterprise risk management and internal controls, and establishing the resources necessary to support it, for managing an effective control environment for these grants.

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READY RESERVE FORCE

Program and Performance Statement

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 the Department of Navy.

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VESSEL OPERATIONS REVOLVING FUND

Program and Performance Statement

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 INSURANCE REVOLVING FUND

Program and Performance Statement

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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ADMINISTRATIVE PROVISIONS—MARITIME ADMINISTRATION

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 deposited into the Treasury as miscellaneous receipts.

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MARITIME ADMINISTRATION FISCAL YEAR 2026 BUDGET REQUEST

SECTION FOUR INFORMATION TECHNOLOGY



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

(\$000)

Budget Account	FY 2024 Enacted ^{1/}	FY 2025 Enacted ^{1/}	FY 2026 Request ^{1/ 2/}
MARAD O&T – HQ Direct	\$8,438	\$8,603	\$8,023
<i>Commodity IT SS WCF</i>	\$6,450	\$6,114	\$6,114
<i>O&T Programmatic WCF IT</i>	\$1,988	\$2,489	\$1,909
MARAD O&T - USMMA	\$28,468	\$28,705	\$29,472
<i>Commodity IT SS WCF</i>	\$3,304	\$3,132	\$3,132
<i>USMMA Programmatic WCF IT</i>	\$25,164	\$25,573	\$26,340
MARAD Reimbursable - RRF	\$10,156	\$10,808	\$10,410
<i>Commodity IT SS WCF</i>	\$5,200	\$5,668	\$5,668
<i>RRF Programmatic WCF IT</i>	\$4,956	\$5,140	\$4,742
Total	\$47,061	\$48,116	\$47,905

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.

2/ The FY 2026 value is meant to illustrate the overall IT consolidation effort within the Department; however, this particular display will continue to undergo refinement as the consolidation takes place.

The Maritime Administration (MARAD) is requesting **\$47.9 million** in FY 2026 for information technologies (IT) 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 (WCF)

OCIO will continue to provide all modes Commodity IT Shared Services in FY 2026 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 **\$8.0 million** from the Headquarters (HQ) Operations and Training (O&T) account, **\$29.5 million** from the USMMA account, and **\$10.4 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 as well as planned future consumption. OCIO, in collaboration with MARAD, assumed a one-to-one cost estimate to transition all commodity IT to OCIO. MARAD will only be charged for services rendered.

Modal IT

The following major mission-critical IT systems will be maintained by MARAD in FY 2026. This list is only a subset of all IT systems that support MARAD and are reported in OMB's Corporate Investment Management System (CIMS). *(Note: these are preliminary planning estimates as of the time of this OMB-stage submission).*

- **Nautical System Enterprise (NSE)** – MARAD will invest **\$2.4 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.
- **USMMA Campus Solutions (UCAS)** – MARAD will invest **\$1.3 million** in O&M, for USMMA to support development and delivery of the USMMA UCAS. Funding of the UCAS 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 UCAS enables MARAD to improve enterprise resource planning functionality regarding finance, housing, student affairs and online access to required admission information.
- **Maritime Service Compliance System (MSCS)** – MARAD will invest **\$0.5 million** 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.
- **IT Security** – MARAD will invest **\$3.6 million** in O&M to ensure compliance with Cybersecurity requirements, NIST framework and FISMA requirements. It also performs Security Assessment and Authorization (SA&A) testing on all MARAD business systems on every other year basis.
- **IT Modernization** – MARAD will invest **\$3.1 million** to improve the security of its applications and will be ready for responding to the inevitable cryptographic challenges in the imminent quantum computing era by accomplishing its IT modernization initiatives. The core MARAD initiatives include implementation of DevSecOps, deployment of application security, enabling zero-trust capabilities, deploying offensive approach for cybersecurity, developing a strategic roadmap for cybersecurity, leveraging AI to identify potential threats and vulnerabilities, and applying robotic process automation (RPA) for business workflows to eliminate human error.

MARITIME ADMINISTRATION FISCAL YEAR 2026 BUDGET REQUEST

SECTION FIVE HISTORY OF APPROPRIATIONS



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**MARITIME ADMINISTRATION
HISTORY OF APPROPRIATIONS
OPERATIONS AND TRAINING
FY 2017 - FY 2026
Main Table - (\$000)**

<u>Fiscal Year</u>	<u>Request</u>	<u>Enacted</u>	
2017	194,146	175,560	
2018	171,820	523,642	1/
2019	152,428	149,442	2/
2020	377,497	155,723	
2021	137,797	155,616	
2022	172,204	172,204	
2022	0	25,000	3/
2023	192,000	213,181	
2024	289,773	267,775	
2025	285,000	267,775	
2026	235,000	TBD	

1/ Includes \$10M supplemental appropriation for Hurricane Harvey.

2/ Includes \$3.134M per P.L. 116-136 from the CARES Act.

3/ AMHP Funds provided by Investment and Jobs Act (IIJA) per P.L. 117-58.

**MARITIME ADMINISTRATION
HISTORY OF APPROPRIATIONS
STATE MARITIME ACADEMY OPERATIONS
FY 2017 - FY 2026
Main Table - (\$000)**

<u>Fiscal Year</u>	<u>Request</u>	<u>Enacted</u>	
2017	1/	1/	
2018	1/	1/	
2019	1/	345,200	2/
2020	1/	343,280	3/
2021	337,700	432,700	
2022	358,300	423,300	
2023	77,700	120,700	
2024	53,400	125,788	
2025	87,000	125,788	
2026	90,000	TBD	

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

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

3/ Includes \$1M per P.L. 116-136 from the CARES Act.

**MARITIME ADMINISTRATION
HISTORY OF APPROPRIATIONS
ASSISTANCE TO SMALL SHIPYARDS
FY 2017 - FY 2026
Main Table - (\$000)**

<u>Fiscal Year</u>	<u>Request</u>	<u>Enacted</u>
2017	-	10,000
2018	-	20,000
2019	-	20,000
2020	-	20,000
2021	-	20,000
2022	20,000	20,000
2023	20,000	20,000
2024	20,000	8,750
2025	20,000	8,750
2026	105,000	TBD

**MARITIME ADMINISTRATION
HISTORY OF APPROPRIATIONS
SHIP DISPOSAL
FY 2017 - FY 2026
Main Table - (\$000)**

<u>Fiscal Year</u>	<u>Request</u>	<u>Enacted</u>
2017	20,000	34,000
2018	9,000	116,000
2019	30,000	5,000
2020	5,000	5,000
2021	4,200	4,200
2022	10,000	10,000
2023	6,000	6,000
2023	-12,000	1/ -12,000 2/
2024	6,021	6,000 3/
2025	6,000	6,000
2026	6,000	TBD

1/ Proposed cancellation of \$12 million in prior-year unobligated balances.

2/ Public Law 117-328 rescinded \$12 million in prior-year unobligated balances.

3/ Public Law 118-42 rescinded \$3.664 million in prior-year unobligated balances.

**MARITIME ADMINISTRATION
HISTORY OF APPROPRIATIONS
MARITIME SECURITY PROGRAM
FY 2017 - FY 2026
Main Table - (\$000)**

<u>Fiscal Year</u>	<u>Request</u>	<u>Enacted</u>	
2017	211,000	300,000	
2018	210,000	300,000	
2019	214,000	300,000	
2020	300,000	300,000	
2021	314,008	314,000	1/
2022	318,000	318,000	
2023	318,000	318,000	
2023	-55,000	2/ -55,000	3/
2024	318,000	318,000	
2024	-17,000	4/ -17,000	5/
2025	318,000	318,000	
2026	372,000	TBD	
2026	-27,000	6/ TBD	

1/ \$314,007,780 is authorized for MSP, of which \$7,780 is funded from the carryover balance.

2/ Proposed cancellation of \$55 million in prior-year unobligated balances.

3/ Public Law 117-328 rescinded \$55 million in prior-year unobligated balances.

4/ Proposed cancellation of \$17 million in prior-year unobligated balances.

5/ Public Law 118-42 rescinded \$17 million in prior-year unobligated balances.

6/ Proposed cancellation of \$27 million in prior-year unobligated balances.

**MARITIME ADMINISTRATION
HISTORY OF APPROPRIATIONS
CABLE SECURITY FLEET PROGRAM
FY 2017 - FY 2026
Main Table - (\$000)**

<u>Fiscal Year</u>	<u>Request</u>	<u>Enacted</u>
2017	0	0
2018	0	0
2019	0	0
2020	0	0
2021	0	10,000
2022	0	10,000
2023	0	10,000
2024	0	10,000
2025	0	10,000
2026	0	TBD
2026	-12,000	1/ TBD

1/ Proposed cancellation of \$12 million in prior-year unobligated balances.

**MARITIME ADMINISTRATION
HISTORY OF APPROPRIATIONS
TANKER SECURITY PROGRAM
FY 2017 - FY 2026
Main Table - (\$000)**

<u>Fiscal Year</u>	<u>Request</u>	<u>Enacted</u>	
2017	0	0	
2018	0	0	
2019	0	0	
2020	0	0	
2021	0	0	
2022	60,000	60,000	
2023	60,000	60,000	
2024	60,000	60,000	1/
2025	60,000	60,000	
2026	120,000	TBD	
2026	-65,000	TBD	2/

1/ Public Law 118-42 rescinded \$21 million in prior-year unobligated balances.

2/ Proposed cancellation of \$65 million in prior-year unobligated balances.

**MARITIME ADMINISTRATION
HISTORY OF APPROPRIATIONS
MARITIME GUARANTEED LOAN PROGRAM
FY 2017 - FY 2026
Main Table - (\$000)**

<u>Fiscal Year</u>		<u>Request</u>	<u>Enacted</u>
2017	Guarantee Subsidy	-	-
	Administration	3,000	3,000
	TOTAL	3,000	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	-	3,000
	TOTAL	-	3,000
2022	Guarantee Subsidy	-	-
	Administration	3,000	3,000
	TOTAL	3,000	3,000
2023	Guarantee Subsidy	-	-
	Administration	3,000	3,000
	TOTAL	3,000	3,000
2024	Guarantee Subsidy	-	50,586
	Administration	3,020	3,000
	TOTAL	3,020	53,586
2025	Guarantee Subsidy	-	50,586
	Administration	3,700	3,000
	TOTAL	3,700	53,586
2026	Guarantee Subsidy	-	TBD
	Administration	4,000	TBD
	Cancellation of Prior Year Balances	-86,000 ^{1/}	TBD
	TOTAL	-\$82,000	TBD

1/ Proposed cancellation of \$86 million in prior-year unobligated balances.

**MARITIME ADMINISTRATION
HISTORY OF APPROPRIATIONS
PORT INFRASTRUCTURE DEVELOPMENT PROGRAM
FY 2017 - FY 2026
Main Table - (\$000)**

<u>Fiscal Year</u>	<u>Request</u>	<u>Enacted</u>	
2017	0	0	
2018	0	0	
2019	0	292,730	1/
2020	0	225,000	
2021	0	230,000	
2022	230,000	234,310	
2022	0	450,000	2/
2023	238,000	212,204	
2023	0	450,000	2/
2024	230,000	120,460	
2024	0	450,000	2/
2025	80,000	50,000	
2025	0	450,000	2/
2026	550,000	TBD	
2026	0	450,000	2/

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

2/ Funds provided by Investment and Jobs Act (IIJA) per P.L. 117-58.

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