

United States Senate

WASHINGTON, DC 20510

March 18, 2016

The Honorable Susan Collins
Chairman
Senate Committee on Appropriations
Subcommittee on Transportation,
Housing and Urban Development
184 Dirksen Senate Office Building
Washington, D.C. 20510

The Honorable Jack Reed
Ranking Member
Senate Committee on Appropriations
Subcommittee on Transportation,
Housing and Urban Development
125 Hart Senate Office Building
Washington, D.C. 20510

Dear Chairman Collins and Ranking Member Reed:

As you begin consideration of the FY2017 Transportation, Housing and Urban Development appropriations bill, we urge you to provide strong funding for the U.S. Department of Transportation Maritime Administration (MARAD) Small Shipyard Grant Program. We applaud your commitment to this program that helps modernize the country's small shipyards and repair facilities, while spurring American manufacturing and supporting local economies.

Small shipyards on U.S. coasts and inland waterways are often considered the lifeblood of the maritime community. Across the nation, small shipyards build and maintain more than 40,000 commercial workboats in the U.S. flag fleet. Roughly one third of this fleet of barges, vehicle ferries, fishing vessels and offshore supply vessels is now more than 25 years old. Small shipyards maintain the workboat fleet to ensure maritime transport remains one of the safest and most energy-efficient forms of transportation for both passengers and products. In this way, they are essential in maintaining commerce in the United States and throughout the world. Small shipyards also build and maintain vessels critical to transportation safety—including Coast Guard ships, dredges, icebreakers, research and military vessels, as well as fire and rescue boats.

The Small Shipyard Grant Program generates incentives for small shipyards to modernize and repair facilities, which enables them to make capital improvements to upgrade equipment and processes that make them more efficient and competitive in the global marketplace. The grants fund a variety of projects including infrastructure improvements, equipment upgrades, repair and reconfiguration. Grants may also be used to support employee training programs to promote technical skills, increasing workforce efficiency and productivity.

Additionally, small shipyard grants support American manufacturers and workers who provide parts for shipbuilding, routine maintenance and repair services. The program provides manufacturers with more opportunities to sell their products, and because Buy America Act restrictions are applied to the grant awards, the program has the crucial benefit of supporting American-made equipment and well-paying jobs.


Competition for the grants shows a strong demand for Small Shipyard Grant Program funding. Last month, MARAD closed its most recent application period and received applications requesting approximately \$80 million worth of grants for shipyard modernization projects. The FY16 Omnibus included \$5 million for the program, making \$4.9 million available for grant funding. This level of competition has been consistent in years Congress provided funding for

the Small Shipyard Grant Program. It is clear many shipyards would move forward with modernization projects, with the federal government as a partner, if strong funding for the grant program is available in FY2017.

Strong funding for the Small Shipyard Grant Program is a win for America's small shipyards, equipment manufacturers, the workboat fleet and jobs in all of these industries. Thank you for your consideration.

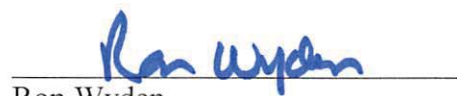
Sincerely,



Tammy Baldwin
United States Senator


Bill Cassidy
United States Senator


Richard Blumenthal
United States Senator


David Vitter
United States Senator


Ron Wyden
United States Senator


Cory Booker
United States Senator


Ben Cardin
United States Senator

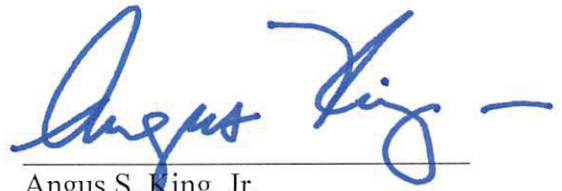

Gary C. Peters
United States Senator


Robert Menendez
United States Senator


Edward J. Markey
United States Senator



Sheldon Whitehouse
United States Senator



Angus S. King, Jr.
United States Senator



Maria Cantwell
United States Senator