

**Congress of the United States**  
**Washington, DC 20515**

December 10, 2008

President-elect Barack Obama  
Presidential Transition Team  
451 6<sup>th</sup> St., NW  
Washington, DC 20001

Dear Mr. President-elect:

We write to ask you for your support of a robust budget for Navy, Marine Corps, Coast Guard, and commercial ship construction in the United States. Such budgets would stimulate the economy by creating highly skilled jobs, strengthen our national and homeland security, assist in attaining energy independence, and modernize and expand our domestic marine transportation highway.

The shipbuilding industry of the United States employs more than 400,000 people in 47 states. The industry consists of six major shipbuilding yards, several smaller ship construction and repair yards, and more than 4,000 major manufacturers of ship components and systems. Thousands of jobs will be created in the United States with a renewed commitment to shipbuilding that has been lacking in the past eight years. This letter provides a short overview of the national requirements and benefits for increased shipbuilding.

America's leading naval warfighters have documented for several years a minimum national requirement for 313 battle force ships to support our Navy and Marine Corps. Unfortunately, the Navy's Fleet has sunk to 283 ships. The last Administration never submitted a budget to Congress that would provide for the documented 313-ship force structure. To attain a 313 ship Navy, 12 battle force ships need to be budgeted annually. While our naval fleet is in decline, the navies of potential adversaries are on the rise. Russia has made rebuilding its naval power a priority, and the Navy of China is on a meteoric rise. By 2015 the Navy of China will be larger than ours, and Russia has stated that it plans to have the second largest Navy in the world by 2022. These countries are building their naval forces to deny America access to critical regions and to limit America's influence around the world. Because more than 90% of global commerce is transported by sea, naval power is the key to accessing critical raw materials, to securing sea lanes of commerce for trade and energy, and to projecting power quickly when needed. Other nations are also placing a premium on naval forces, and the instances of piracy on the world's oceans are increasing at an alarming rate. Terrorist attack from sea remains a high security threat.

The Coast Guard of the United States is one of the oldest in the world. Your commitment to modernize the Coast Guard fleet with new and improved cutters will be essential in defending our borders, conducting search and rescue, stopping illegal drug trafficking, and giving the Coast Guard the tools it needs to perform its national security missions.

Tight financial markets make it more vital than ever to budget \$60 million annually for the Title XI Ship Loan Guarantee Program administered by the Maritime Administration. This program provides a government guarantee of 87.5 percent of a commercial bank loan over 25 years to ship owners for ship construction in the United States. Vessels financed by Title XI will enhance our

domestic energy development and transportation capability for all forms of energy. The dry cargo ships currently serving American ports average more than their 20 year intended service lives and need to be replaced.

More ships need to be built to meet our security, energy, and transportation needs. Building more ships will also build our economy and create thousands of engineering and production jobs in the United States. Your efforts to reverse years of inadequate funding for Navy, Coast Guard, and commercial shipbuilding will provide many positive returns on a much needed investment.

Thank you for your favorable consideration of this important national economic and security matter.

Sincerely

Gene Taylor

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Steve Scalise

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Josh Wilson

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Walter B. Jones

Stewart Nothman

Gene King

Bob Goodlatte

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