



U.S. POLICY SHIPBUILDING AND REPAIR

It is necessary for the national defense and for the development of its foreign and domestic commerce that the United States has efficient facilities for shipbuilding and repair. It is the policy of the United States, therefore, to foster the development and encourage the maintenance of a healthy and efficient shipbuilding and repair industry. The U.S. Maritime Administration, (MARAD), is charged with implementing this policy.

There are three elements to MARAD's approach to policy implementation:

Promotion:

MARAD will seek to maximize the use of U.S. shipyards for the construction, conversion and repair of all US-registered ships, boats, barges and other floating structures, without exception. This effort will include active discouragement of the use of foreign shipyards, except in emergencies.

Financing:

MARAD will provide financial assistance for the construction in U.S. shipyards of efficient new US-flag ships, to the maximum extent allowable under the law and funded by the Congress. This effort will include the provision of incentives for the replacement of old and/or obsolete vessels. MARAD will also provide financial assistance for intelligent investments in shipyards.

Technology:

MARAD will encourage improvements in the efficiency of the shipbuilding and repair industry. This will include (a) participation, with the Navy, in the National Shipbuilding Research Program, (NSRP); (b) development of new, efficient and producible ship designs; and (c) generation of up-to-date market data and projections of demand.

Finally, MARAD will set and publish annual goals for substantive progress in each of these three areas and will report on its performance in the first quarter of each year.

Tim Colton, October 7, 2007.