



MARITIME EXCHANGE

for the Delaware River and Bay

Leading the Way to Port Progress

John T. Reynolds, Chairman
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Robert A. Herb, Treasurer
Dennis Rochford, President
Lisa B. Hember, Vice President
A. Robert Degen, Esq., Secretary/Solicitor

December 11, 2018

The Honorable Christopher Coons
127A Russell Senate Office Building
Washington, D.C. 20510

Dear Senator Coons:

The Maritime Exchange for the Delaware River and Bay seeks your support to ensure that total funding included in the 2018 Transportation, Housing and Urban Development Appropriations Act for construction of two training vessels for U.S. maritime academies is awarded to the Maritime Administration. As information, it is expected that the Philly Shipyard will bid on the contract to build these training vessels.

This appropriation is now sitting in a conference committee. While it appears there is agreement on the particulars of THUD — which includes \$300 million for MARAD for the first of two vessels — there is concern that the president will insist on \$5 billion for the Mexican border wall, thereby causing appropriators to open up current agreements to redirect funding. It is a remote possibility that this could impact the maritime vessel funding. If the budget cannot be resolved, resulting in a Continuing Resolution, it is difficult to predict what a new Congress might do with the 2019 THUD.

It is critical that Chairman Frelinghuysen and other conferees remain aware, and you are encouraged to do all you can to protect any claw back on the funding for these needed vessels.

MARAD plans to award a U.S. shipyard the necessary contract to begin construction of the first of these ships in the first quarter of 2019. It is critical that the total \$600 million be available to MARAD in order to realize the benefits and efficiencies of planning for materials, design, labor, and similar factors that will allow the building of a second ship with greater savings. At present, students at these centers of learning train on ships well past their service life. This disservice must be corrected. These new vessels will provide students state of the art training platforms and support disaster response efforts.

Philly Shipyard is one of the tristate region's largest employers, is a critical asset in preserving American shipbuilding capability, and has a reputation for quality work and timely delivery. Philly Shipyard has employed as many as 1,800 workers. Scores of regional suppliers are dependent on its continued operations. At present, the shipyard is profitable and in the final construction stage of a fleet of tankers. With no ships in line behind, the prospect of layoffs is possible minus any new contracted work. The closing of this shipyard would be a devastating blow to Pennsylvania, New Jersey, and Delaware, and to the region's overall economy.

The Philly Shipyard stands an excellent chance in winning the MARAD contract. Clearly, a Pennsylvania yard constructing these vessels would be a matter of great pride for our region.

Thank you for your consideration of this request. Please contact me at 215-925-2615 with any questions.

Sincerely,

Dennis Rochford
President

cc: Lisa Hember