

U.S. Maritime Administration (MARAD)

The U.S. Maritime Administration (MARAD) is a federal agency within the Department of Transportation responsible for America's waterborne transportation system and merchant marine. Its mission is "to foster, promote and develop the maritime industry of the United States to meet the nation's economic and security needs"[1]. MARAD oversees U.S. port and shipping infrastructure, supports environmental and safety standards, and – critically – maintains strategic sealift capacity. It administers the National Defense Reserve Fleet of government-owned cargo ships (for wartime surge sealift) and runs programs that keep a viable U.S.-flag commercial fleet in international trade. In particular, MARAD manages the *Maritime Security Program* (MSP) and the *Tanker Security Program* (TSP), which pay U.S.-flag merchant vessels to stay active in commerce in exchange for guaranteed availability to the Department of Defense (DoD) in war or emergencies[2][3]. These programs help ensure that American ships and crews remain part of global trade routes while bolstering national defense logistics.

- **Mission & Roles:** MARAD's core roles include supporting U.S. ships and ports, integrating maritime transport with the rest of the economy, and preserving national security sealift[2]. It promotes U.S.-flag vessel use and maintains the National Defense Reserve Fleet for rapid mobilization during conflict[4].
- **Economic and Security Functions:** By subsidizing U.S.-flag vessels and mariners, MARAD strengthens supply chains and creates skilled jobs, while ensuring ships can be mobilized for defense. As Secretary Buttigieg noted, the U.S.-flag fleet is "a critical link in our supply chain" in peacetime and a support for military missions in crisis[5][3].

Maritime Security Program (MSP)

Purpose & History: The Maritime Security Program (MSP) was established in 1996 (Maritime Security Act) to sustain a core fleet of commercially viable U.S.-flag ships for national defense. MSP's goal is to ensure that, in a crisis, DoD can mobilize those ships (and their U.S. crews) for sealift of military cargo worldwide. To that end, MARAD provides participating vessels with an annual *retainer* (stipend) to help offset the higher costs of U.S. registration. In return, each MSP ship must be available on short notice for DoD use. The FY 2020 National Defense Authorization Act extended MSP through FY2035[6].

Program Structure: MSP is structured as a fixed-size fleet of 60 U.S.-flag operating agreements. Each agreement corresponds to one active ship in international trade. By law MARAD can support up to 60 vessels at a time, and *all 60 slots are currently filled*[7][3]. Participating ships are required to be crewed and maintained by U.S. mariners and must adhere to U.S. documentation and security requirements. In practice, MSP covers *militarily useful* cargo ships – primarily large containerships, roll-on/roll-off vehicle carriers, and

heavy-lift breakbulk vessels – that sail foreign routes. For example, the MSP fleet collectively has on the order of 3.5 million square feet of RO/RO cargo space, 131,000 TEUs of container capacity, and nearly 3.0 million barrels of fuel-carrying capacity[8]. These ships remain engaged in commerce in peacetime but can be activated for military logistics as needed[9][8].

Funding: Congress funds MSP through appropriations. Each MSP vessel currently receives on the order of \$5–6 million per year (a **stipend** paid even if the ship is unused by DoD, to keep it commercially viable)[9]. In FY2023 this totaled roughly \$300–320 million for 60 ships. MARAD publishes periodic notices for new agreements if slots open. Under current law, MSP is guaranteed through FY2035[6].

Strategic Importance: MSP ensures continuity of U.S. sealift capability. In peacetime the MSP ships help U.S. companies compete globally; in wartime they provide DoD with “sustainment sealift” of equipment and supplies[5][3]. This also preserves a base of U.S. merchant mariners with unlimited Coast Guard licenses. As Admiral Van Ovost (USTRANSCOM) noted, both MSP and TSP “underscore [the] commitment to national security and economic stability” and help address shortages of U.S.-flag ships and qualified mariners[10].

Key facts (MSP):

- 60 U.S.-flag merchant vessels (all authorization slots filled as of 2023)[7][3].
- Includes a mix of **militarily useful cargo ships** (containerships, RO/RO, heavy-lift, etc.)[9][8].
- Provides annual stipend (~\$5–6M/vessel) to sustain commercial operation[9].
- Ships commit to priority DoD use when activated.
- Extended to FY2035 by Congress[6].

Tanker Security Program (TSP)

Purpose & Authorization: The Tanker Security Program (TSP) is a newer subsidy program, established by Congress in 2021 to rebuild the U.S.-flag fleet of product tankers. DoD and MARAD recognized that the U.S. had very few large fuel tankers under its flag (fewer than 50 “militarily useful” tankers, most of which operate domestically), raising concerns about wartime fuel logistics[11]. The FY 2021 NDAA (sec. 3511) authorized TSP to create an *active, commercially viable fleet of U.S.-flag product tanker vessels*, with an initial fleet size of up to 10 ships[12][13]. This program is explicitly modeled on the MSP concept but focused on fuel transport.

Program Structure: TSP provides an annual retainer (up to \$6 million) for each enrolled tanker, in exchange for guaranteed availability to DoD. By statute, up to 10 tankers can participate through FY2035, with a program cap of \$6M per ship per year (a \$60M total cap)[14]. The vessels must be U.S.-owned, U.S.-crewed, and carry refined petroleum products in international trade lanes. Congress appropriated initial TSP funding in FY2022, and regulations were finalized in late 2022[12][14].

Fleet Participants: In October 2023 MARAD announced the first nine TSP agreements (with a tenth slot pending)[15]. These include three medium-range tankers each from Overseas Shipholding Group, Crowley/Stena JV, and Seabulk/Torm. For instance, the Crowley-Stena managed tankers *Stena Impeccable* and *Stena Imperative* and the newly reflagged *CS Anthem* (replacing *Stena Immaculate*) are in TSP[16]. Each enrolled tanker (~30,000–50,000 DWT) agreed to U.S. flag during the contract term. MARAD reports that with these awards TSP has “full enrollment,” completing the 10-vessel core fleet[16][14].

Strategic Importance: TSP ensures that, during conflict or national emergency, DoD has assured access to fuel transport capacity independent of foreign-flag markets[12]. As Administrator Ann Phillips explained, TSP “grows our U.S.-flagged fleet and... expands our ability to deliver vital fuel supplies to support military missions across the globe”[17]. In essence, TSP complements MSP by preserving a U.S.-flag presence in a critical segment of the maritime fuel supply chain. In doing so, it also helps to address the decline in U.S.-flag tanker capacity and the risk of over-reliance on foreign carriers[11][12].

Key facts (TSP):

- Authorized for 10 U.S.-flag product tankers through FY2035[12].
- Participants earn up to \$6M per tanker per year (subject to a \$60M total cap)[14].
- Vessels must reflag to U.S., have U.S. crews, and operate in international trade.
- Initial enrollment (9 ships) announced in 2023[15]; final 10th tanker secured by end of 2023.
- Ensures DoD wartime fuel sealift and shoring-up of the U.S.-flag tanker fleet[12][17].

U.S.-Flagged Commercial Fleet Data

The U.S.-flag commercial merchant fleet is relatively small. As of early 2025 the DOT reports about **188–189 U.S.-flag vessels** engaged in foreign trade[18][19]. These include all large oceangoing ships (tankers, containerhips, bulk carriers, vehicle carriers, etc.) under the U.S. flag. For context, the July 2025 *gCaptain* report notes the fleet had grown to 189 ships after the CMA CGM *Phoenix* (9,300 TEU) re-flagged to the U.S.[19]. (That vessel now is the largest U.S.-flag containership, illustrating how recent U.S.-flagging efforts – including in MSP/TSP – are expanding the fleet.)

Importantly, only a fraction of the U.S.-flag fleet participates in MSP/TSP. The MSP covers **60 ships** (≈32% of 188) as of 2024[7][3]. TSP covers **10 tankers** (≈5% of 188)[12][15]. In total these programs thus encompass about 70 U.S.-flag ships dedicated to strategic sealift roles, out of roughly 188–189 ocean-going U.S.-flag vessels[18][19]. The table below summarizes the current participation:

Program	Active vessels	Vessel types	Annual subsidy per ship
MSP – Maritime	60 (all slots filled)[7][3]	U.S.-flag cargo ships (containerhips, RO/RO vehicle	≈\$5–6 million (retainer)[9]

Program	Active vessels	Vessel types	Annual subsidy per ship
Security Program		carriers, heavy-lift/breakbulk, etc.) ^[9] ^[8]	
TSP – Tanker Security Program	10 (authorized; 9 enrolled, 10th pending) ^[12] ^[15]	U.S.-flag medium-range (MR) product tankers ^[20] ^[15]	Up to \$6 million ^[14]

Each program thus maintains a core U.S.-flag fleet of strategic vessels. MSP’s mix of cargo ships ensures DoD can sealift a wide range of military goods, while TSP’s dedicated tankers secure fuel supply lines. Both programs have reinforced U.S. shipping capacity and workforce at a time of rising geopolitical tension. As MARAD and industry officials emphasize, these fleets “provide crucial sealift capabilities for the Department of Defense during times of conflict” and bolster the security of U.S. supply chains^[19].

Sources: Official MARAD publications and press releases, U.S. Federal Register rules, congressional reports, and industry reporting (all 2021–2025)^[1]^[3]^[12]^[11]^[15]^[19]. Each cited source is linked in-text above.

^[1] ^[2] ^[4] About Us | MARAD

<https://www.maritime.dot.gov/about-us>

^[3] ^[5] ^[10] USDOT Strengthens Economic Supply Chain and Defense Operations | MARAD

<https://www.maritime.dot.gov/newsroom/usdot-strengthens-economic-supply-chain-and-defense-operations>

^[6] ^[7] ^[9] Maritime Security Program (MSP) | MARAD

<https://www.maritime.dot.gov/national-security/strategic-sealift/maritime-security-program-msp>

^[8] Slide 1

<https://www.maritime.dot.gov/sites/marad.dot.gov/files/2024-10/MSP%20SHIP%20POSTER%20-%20Rev%20AB%20-%20October%202024.pdf>

^[11] ^[13] [maritime.dot.gov](https://www.maritime.dot.gov)

<https://www.maritime.dot.gov/sites/marad.dot.gov/files/2023-04/%28U%29%20FY20%20NDAA%20Fuel%20Tanker%20Study%20-%20Executive%20Summary%20Report%20%2815Jun21%29.pdf>

^[12] ^[14] Federal Register :: Tanker Security Program

<https://www.federalregister.gov/documents/2022/12/07/2022-26358/tanker-security-program>

[15] [17] First Vessels Enroll in New Tanker Security Program | Seafarers International Union

<https://www.seafarers.org/seafarerslogs/2023/10/first-vessels-enroll-in-new-tanker-security-program/>

[16] Crowley Announces Addition to Tanker Security Program | Seafarers International Union

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[18] U.S.-Flagged Fleet - Dashboard | MARAD

<https://www.maritime.dot.gov/data-reports/us-flag-fleet-dashboard>

[19] CMA CGM Phoenix Becomes Largest Containership Ever to Fly U.S. Flag

<https://gcaptain.com/cma-cgm-phoenix-becomes-largest-containership-ever-to-fly-u-s-flag/>

[20] [maritime.dot.gov](https://www.maritime.dot.gov)

<https://www.maritime.dot.gov/sites/marad.dot.gov/files/2025-04/TSP%20Fleet%20%202025-01-01.pdf>