



AMERICAN ROLL-ON ROLL-OFF CARRIER, LLC

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*** FOR IMMEDIATE RELEASE ***

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On Thursday, 8 May 2008 in the Port of Baltimore, American Roll-on Roll-off Carrier, LLC (ARC) welcomed the latest addition to its fleet of U.S. Flag vessels operating in international trade, the *Independence II*. The ceremony was a festive occasion with guests of honor from U.S. Transportation Command, the Maritime Administration, Capitol Hill, the Governor of Maryland's office, the Port of Baltimore, and a host of maritime industry and labor dignitaries. The lady sponsor for the ceremony was Mrs. Susan Tellez, wife of Mr. Auggie Tellez, Executive Vice President of the Seafarers International Union (SIU). The *Independence II* adds important militarily-useful tonnage crewed by U.S. citizen merchant mariners to the U.S. Flag international commercial fleet and the Maritime Security Program (MSP) fleet.

American Roll-on Roll-off Carrier Chairman & CEO Raymond Ebeling welcomed guests to the Helen Delich Bentley Port of Baltimore, including the Honorable Ms. Bentley herself, as well as head of the Port Mr. Jim White, and ably summed up the sentiment of the day by offering "we are very pleased to be able to continue to expand our U.S. Flag international fleet." General Norton A. Schwartz, Commander U.S. Transportation Command, and Mr. Michael Sacco, President SIU, were the featured speakers. General Schwartz commented, "This is a great day for American Roll-on Roll-off Carrier, and for our merchant mariners. And, ladies and gentlemen, if one of our Maritime Security Program partners and the merchant marine are having a good day, we know that it's also a great day for America." The general also pointed to the historical significance of the day as both the birth date of President Harry S. Truman and the anniversary of Victory in Europe Day, 1945. Of that generation, he stated, "were they here today, perhaps many of them would appreciate the real significance" and "effect on global transportation of what this ceremony signifies." During the event, Mr. Sacco added, "I would argue that now, more than any time since World War II, this country absolutely must maintain a viable supply of U.S. mariners. That's part of the significance of this ceremony- new tonnage under the American flag helps maintain that manpower pool."

Upon entering service with ARC in March, 2008 in the U.S.-North Europe service, *Independence II* joined ARC's fixed-day-of-the-week service along with *Patriot*, *Courage*, and *Integrity*. Built in 1994, *Independence II* takes her name after one of ARC's original ships, the *Independence*, which had the distinction of serving in all of ARC's various trade lanes to date as a true workhorse of the ARC fleet. After 30 years in service, the original *Independence* was recently retired from ARC's fleet due to her advanced age. As with all of ARC's Ro-Ro ships, the *Independence II* has adjustable decks and can be configured for the ideal mix and stowage of high and heavy cargo, military rolling stock and tracked vehicles, commercial and privately-owned autos, and breakbulk cargoes.

In addition to operating in the U.S. East Coast-North Europe trade, ARC also operates four vessels in the U.S. East Coast/Gulf Coast- Middle East trade- *Resolve*, *Freedom*, *Honor*, and *Liberty*. With the recent expansion from three to four ships in the trade lane, and with 760,000 square feet of cargo space and a 17-day frequency, ARC is ideally placed to meet the needs of its Department of Defense customers, project cargo shippers, and commercial customers.

ARC is committed to continuing to expand its U.S. Flag fleet to meet the needs of its valued customers. To that end, the importance of MSP cannot be underestimated. Administered by the Maritime Administration in partnership with the U.S. Transportation Command, MSP provides for the presence of a U.S.-flagged commercial fleet operating in international trade that also enables the government to pursue generous overseas economic and agricultural programs. Coupled with the U.S. cargo preference laws, it is the bedrock of the continued viability of the U.S. Flag international commercial fleet.

The MSP fleet provides a U.S. national security asset at a substantially lower cost than the government procuring, owning and maintaining an equivalent capability. In an August 2006 report entitled *The Role of the United States' Commercial Shipping Industry in Military Sealift* by the National Defense Transportation Association (NDTA), the cost to the U.S. Government to replicate the vessels provided for by MSP was estimated at \$13 billion, plus an additional \$52 billion to replicate the attendant global terminal, intermodal, and logistics networks provided by the MSP carriers. As pointed out by Mr. Ebeling, DoD "reliance on non-U.S. Flag ships is not reliable" and "reliance on a government-owned organic and reserve fleet for sustainment would be highly cost ineffective." MSP is "twelve times more cost effective" than the organic fleet and provides "the right balance of reliability and cost effectiveness to provide long-term sustainment sealift... we should, therefore, care a great deal that there are U.S. Flag international carriers."

The importance of maintaining a commercially viable and militarily-useful U.S. Flag fleet cannot be underestimated- it not only provides a vital economic link to the globalized economy, but a crucial security resource that enables the federal government to utilize the carriers' services and if necessary, take the ships and the crews in time of national emergency. During Gulf War I, the Department of Defense came face-to-face with the reality that it cannot and should not rely on foreign-flagged and foreign-crewed vessels, as numerous foreign flag commercial vessels refused to enter the warzone. In an after-action government-industry study, it was recognized that DoD needs the proper mix of U.S.-flagged and U.S.-crewed commercial ships in addition to its "organic", or DoD-owned, assets, in order to fully and effectively carry out its mission. As mentioned by Ebeling, "there is, and should always be, a strong, core organic fleet which manages the surge phase of a contingency- but there is not sufficient organic capability to provide long term sustainment sealift without the industry's contribution." This recognition helped bring about the creation of the Maritime Security Program, which continues to provide vital U.S. Flag sealift and intermodal capability to this day, crewed by the nation's "fifth service", the loyal U.S. citizen Merchant Marine, such as AMO and SIU, many of whom were in attendance at the May 8th ceremony, as were a number of merchant mariner trainees from the Paul Hall Center.

The MSP program is currently authorized through 2015, and is subject to the annual Congressional Appropriations process, but it has become increasingly apparent to many in industry and government that the expiration date should be eliminated outright in order to ensure DoD's continued assured access to the necessary assets and the U.S. Flag commercial fleet's continued ability to reinvest in the program. The true partnership between U.S. Transportation Command and the U.S.-flagged commercial fleet was emphatically reinforced by General Schwartz at the naming ceremony: "we'll do everything we can to ensure that the MSP partners are always on the team that delivers for America."