

[H.A.S.C. No. 110-36]

**THE FEDERAL SHIP CONSTRUCTION  
LOAN GUARANTEE PROGRAM**

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HEARING

BEFORE THE

SEAPOWER AND EXPEDITIONARY FORCES  
SUBCOMMITTEE

OF THE

COMMITTEE ON ARMED SERVICES  
HOUSE OF REPRESENTATIVES

ONE HUNDRED TENTH CONGRESS

FIRST SESSION

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HEARING HELD  
MARCH 15, 2007



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HOUSE OF REPRESENTATIVES,  
COMMITTEE ON ARMED SERVICES,  
SEAPOWER AND EXPEDITIONARY FORCES SUBCOMMITTEE,  
*Washington, DC, Thursday, March 15, 2007.*

The subcommittee met, pursuant to call, at 2:26 p.m. in room 2212, Rayburn House Office Building, Hon. Gene Taylor (chairman of the subcommittee) presiding.

### **OPENING STATEMENT OF HON. GENE TAYLOR, A REPRESENTATIVE FROM MISSISSIPPI, CHAIRMAN, SEAPOWER AND EXPEDITIONARY FORCES SUBCOMMITTEE**

Mr. TAYLOR. Meeting will come to order.

The committee today will meet to discuss the opportunities for Title XI loan guarantees for the shipbuilding industry for ship operators who choose to use that as a form of financing to try to revive the American shipbuilding industry.

This is nothing new. Those of us who have been around here a while have heard it under a number of different names, not to be limited to the National Shipbuilding Initiative. Both Democrats and Republicans have claimed to be its father, and I am for everyone who is for this.

I for one—and I think I can speak for my ranking member—remain concerned that a nation that can produce the world's greatest military, the world's largest economy and a nation that imports such a huge percentage of the world's goods continues to do so on foreign flag vessels. And we have taken what was once the world's greatest fleet and now become a nation that rarely builds a commercial ship. I am also reminded that we are a nation that is spending anywhere from \$6 to \$10 billion a month in another country helping them to build their infrastructure but gets amazingly stingy when it comes to taking care of our own.

The one that probably struck me the greatest with this Administration was, shortly after 9/11, the cancellation of the American classic line ships that were to have been built in Mississippi—were being built in Mississippi. They were sold for scrap when scrap was at an all time low, and then just a few years later our Nation turned around and chartered foreign flag cruise ships so that first responders in New Orleans and other folks who had lost their homes on the Mississippi gulf coast could have a place to live.

I am convinced that for what we spent to charter those vessels we could have gone a heck of a long way toward finishing those ships that were being built, had them in the inventory and then whatever the next catastrophe is, be it a weapon of mass destruc-

tion somewhere domestically, a typhoon in Guam, we would have had that housing available.

And so I happen to believe that was a very bad decision on the part of the Bush Administration. It struck me as more of a slap at the Clinton Administration than any sound business policy. But that is water under the bridge. But we just don't want to keep repeating those mistakes.

So, with that, I will yield to my extremely capable ranking member, Mr. Bartlett of Maryland.