



**USA Maritime Applauds Representatives Elijah Cummings and Jeff Landry for Introduction of Measure to Restore the Readiness of U.S.-Flag Fleet**

*Bipartisan legislation would overturn provision added to the National Highway Bill that repealed one-third of all U.S. cargo preference requirements, jeopardizing national security and eliminating thousands of American jobs*

WASHINGTON D.C. (July 25, 2012) – On behalf of the USA Maritime coalition (<http://www.usamaritime.org/>), Chairman James L. Henry applauded bipartisan legislation introduced by Representatives Elijah Cummings (D-MD-07) and Jeffrey Landry (R-LA-03) that would restore the readiness of the U.S.-flag fleet, boost national security and protect against the elimination of thousands of American jobs. Additional original co-sponsors include Representatives Nick Rahall (D-WV-03), Rick Larsen (D-WA-02), Bennie Thompson (D-MS-02), Colleen Hanabusa (D-HI-01), Cedric Richmond (D-LA-02), Michael Grimm (R-NY-13), Tim Bishop (D-NY-01), and Candice Miller (R-MI-10).

If enacted, the **Saving Essential American Sailors (SEAS) Act, H.R. 6170**, would repeal a provision added at the last minute to the recently-enacted Highway Bill – The Surface Transportation Extension Act of 2012, now P.L. 112-141 – that reduced the U.S.-flag vessel carriage of food aid cargoes overseas. The provision in question (Section 100124) overturned a 1985 bipartisan agreement that increased the percentage of U.S. government cargoes that must be transported on U.S.-owned and U.S.-crewed vessels from 50 percent to 75 percent, and mandated that increases in costs be shouldered by the Department of Transportation. The 1985 agreement was designed to ensure the retention of military-capable commercial U.S.-flagged and U.S.-crewed vessels that could be used by the federal government to transport military and international assistance around the world during times of war, natural disaster or famine.

Henry noted that the Highway Bill's provision that weakened these shipping requirements – known as cargo preference – downgraded the nation's commercial sealift capability, adversely impacting the U.S. economy and employment levels. Henry urged swift approval of the new bipartisan legislation in order to restore this ill-conceived change to U.S. cargo preference law.

*Following is the full statement by USA Maritime Chairman James L. Henry:*

“USA Maritime applauds the bipartisan efforts of Representatives Elijah Cummings and Jeffrey Landry who are taking action to restore the readiness of the U.S.-flag fleet. The bill they have introduced – along with a bipartisan group of eight members of Congress – would shore up national security and protect against the elimination of thousands of American jobs.

USA Maritime was disheartened to learn that earlier this summer, Congress repealed one-third of all cargo preference requirements applicable to international food aid programs. This ill-conceived provision, which was slipped into the Highway Bill with no open discussion during the rush to pass the bill before the July 4<sup>th</sup> recess, has serious repercussions for the readiness of the U.S.-flag fleet, while also undermining the delivery of global food aid shipments on U.S.-flagged ships and the strength of the U.S. Merchant Marine.



“Our nation relies upon the U.S. Merchant Marine to ensure that we have dependable sealift capacity – owned and operated by Americans – to respond during times of war and national emergencies. Most recently, the U.S. Merchant Marine responsibly and effectively carried over 90 percent of military cargoes to Iraq and Afghanistan. The U.S.-flag fleet also has transported supplies to victims of Hurricane Katrina and has helped to carry out numerous U.S. foreign policy missions, including the delivery of vital food aid to the world’s neediest peoples.

“Without U.S.-flag ships, important military missions and foreign aid programs will essentially be outsourced to foreign fleets. Highway Bill conferees may not have realized that these last-minute additions to the bill will result in the loss of 16 U.S.-flag vessels, according to preliminary estimates from the U.S. Maritime Administration. The loss of these vessels will have an immediate, detrimental impact on the U.S. Department of Defense and the readiness of the U.S. fleet.

“Furthermore, the carriage of food aid cargoes supports 33,000 U.S. jobs, \$523 million in U.S. household earnings and \$2 billion in U.S. economic output, according to a recent study by economists at Promar International.

“Unless this provision is overturned before the Highway Bill goes into effect on October 1, one-third of these economic benefits will be eliminated. A preliminary report from the Maritime Administration determined that this provision will initially lead to a loss of \$90 million worth of annual revenue for U.S. flag ocean carriers alone. Taxes on this revenue, without considering the taxes paid by crews or other businesses working with the carriers, will outstrip the \$15 million in annual savings thought to be achieved by the Highway Bill provision.

“During this time of economic uncertainty and international instability, USA Maritime urges Congress to quickly approve the legislation introduced by Representatives Cummings and Landry– thereby repealing section 100124 of the Highway Bill and reinstating the 1985 cargo preference agreement. Failure to do so will risk putting the U.S. on a slippery slope towards losing our national defense sealift capability entirely.”

### **About USA Maritime**

USA Maritime is a coalition of ship owning companies, maritime labor organizations and maritime trade associations committed to protecting our national security through the auspices of the public-private partnership of the U.S. Merchant Marine. During times of war, natural disaster and famine around the globe, the U.S. Merchant Marine is always there, safely and cost-effectively delivering essential equipment and supplies, as well as needed food to hundreds of thousands of people worldwide.

For more information, please visit: (<http://www.usamaritime.org/>)

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