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NAVY LEAGUE

of the United States



Citizens in Support
of the Sea Services

June 14, 2013

The Honorable Edward R. Royce
Chairman, House Committee on Foreign Affairs
2170 Rayburn House Office Building
United States House of Representatives
Washington, DC 20515

The Honorable Eliot L. Engel
Ranking Member, House Committee on Foreign Affairs
2170 Rayburn House Office Building
United States House of Representatives
Washington, DC 20515

Dear Chairman Royce and Congressman Engel,

During the June 12 House Foreign Affairs Committee hearing on International Food Aid Modernization, witness Andrew Natsios responded to a question from Chairman Royce that maritime cargo preference requirements have outlived their usefulness and that the general justification for it doesn't exist anymore. During the response, Mr. Natsios also implied that U.S.-flag capability is not important in a post cold war environment and stated that U.S.-flag ships had not been called on during the past decade to "protect maritime security". The response confirms that Mr. Natsios is not an expert on maritime issues and national security, nor is he aware that U.S.-flag ships and U.S. citizen mariners contributed overwhelmingly to the sealift support mission leading to and during military operations in Afghanistan and Iraq during the very decade referenced in his response.

Throughout history, the U.S. maritime industry has played a vital role supporting the nation's military efforts -- whenever and wherever necessary, including through dangerous combat zones. With respect to U.S. military operations throughout the past decade, more than 90 percent of all cargoes bound to and from Afghanistan and Iraq were transported on U.S.-flag ships. The unprecedented efficiency of the sealift effort was the product of planning and partnership by U.S. Government Agencies with U.S.-flag shipping companies and maritime labor. It involved a combination of capabilities: early surge deployments with Government-owned assets operated by U.S.-flag ship managers and affiliated civilian crews under Navy operational control, and sustainment deployments of privately-owned and operated U.S.-flag, U.S.-crewed commercial vessels under Department of Defense service contracts or under Navy time charters.

The Nation's framework of maritime programs and policies should be viewed for their value as a means to grow and maintain a viable U.S.-flag merchant marine, but also for their cost effectiveness since they allow the Department of Defense to forego the need to spend billions of dollars building and maintaining equivalent assets. For example, the Maritime Security Program provides the Government assured access to sealift capacity in the form of commercial ships, citizen crews, operations and management, and related intermodal infrastructure while costing taxpayers less than 10 percent of what it would cost if the Department of Defense were to acquire, operate, and maintain equivalent sealift capabilities on its own. In April 2011 testimony before the Senate Armed

Services Committee on surge operations to Afghanistan, General Duncan McNabb, Commander, U.S. Transportation Command articulated the value of maintaining a strong U.S.-flag maritime industry.

“The big thing here is that we have not had to activate one military vessel to handle this. It’s all been handled by our commercial partners . . . [and] they stepped up superbly to both bring this stuff out of Iraq and into Afghanistan . . . If we can use commercial, it’s the cheapest way to do it, and it keeps our U.S.-flag fleet strong . . . They do depend on cargo preference and they do depend on the Maritime Security Program, and those two programs are really valuable so that we have a strong U.S.-flag fleet, which is in the interest of the taxpayer and in the interests of the warfighter.”

By any reasonable measure, MSP and cargo preference are indeed a bargain for United States taxpayers even without accounting for the economic benefits derived from maintaining critically important citizen jobs and related tax revenues.

We strongly oppose the proposed changes to food aid and the threats to cargo preference laws. Our national security depends on a strong U.S.-flag merchant marine fleet. On behalf of 47,000 Navy Leaguers, we urge the Committee to invite experts on the role of the U.S.-flagged merchant marine to add their perspective on the impact of the proposed changes for the record.

Thank you,



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