



June 18, 2013

**Statement of USA Maritime on Royce/Engel Amendment No. 55 to H.R. 1947
Federal Agriculture Reform and Risk Management (FARRM) Act of 2013**

USA Maritime is strongly opposed to the Royce/Engel amendment to the FARRM Act. The amendment will be harmful to the U.S. Merchant Marine, ports, and the tens of thousands of other Americans employed because of the carriage of American commodities for the PL 480 Food for Peace program. Over 33,000 Americans' jobs depend upon the transportation of U.S. food aid alone.

The amendment will also undermine our military readiness by putting at risk a third of the U.S.-flag international merchant fleet and the mariner pool which is essential to our national defense sealift capability. According to the U.S. Transportation Command, "The movement of U.S. international food aid has been a major contributor to the cargo we have moved under cargo preference law that our U.S. commercial sealift industry depends upon. Any reductions will have to be offset in other ways to maintain current DoD sealift readiness." The Department of Defense relies upon America's merchant marine to achieve over 90% of sealift needs and this has saved billions of dollars.

The amendment would take half of the funding for PL 480 and instead convert it to a cash-scheme whereby taxpayer money is wired or handed to foreign interests without accountability or transparency. These cash transfers can be used for anything—not just food—unlike PL 480 which requires that all funds be used for the purchase and delivery of wholesome U.S. grown commodities. These cash transfers are also available for the purchase of food commodities from our agricultural exporting competitors. The amendment includes no requirement that food be purchased "locally" or "efficiently".

PL 480 has suffered dramatic cuts of more than a third since 2008, and taking away half of what remains will be devastating. Cash advocates' claims of timeliness and efficiency advantages overlook recent improvements to PL 480, and the room that USAID has to improve it further within the existing program framework.

About USA Maritime

USA Maritime is a coalition of United States ship owning companies, maritime labor organizations and maritime trade associations committed to protecting our national security through a public-private partnership that features 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/>)