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March 19, 2014

The Honorable Debbie Stabenow
Chairwoman
Committee on Agriculture, Nutrition & Forestry
United States Senate
Russell Senate Office Building, SR-328A
Washington, DC, 20510

Re: FY15 PL 480 Food for Peace Budget Request

Dear Ms. Chairwoman:

USA Maritime is deeply disappointed that the Obama Administration's budget proposes to overturn the bipartisan, bicameral compromise struck in the Farm Bill regarding the PL 480 Food for Peace Program. Under the Administration's proposal, (a) USAID would be permitted to divert another 25% (\$350 million) of the remaining PL 480 food aid budget for cash export programs, and (b) USAID would be permitted to divert an additional \$35 million from food purchases to "\$ 202(e)" cash administrative uses – similar proposals were rejected by Congress last year in the budget process and this year in the Farm Bill. In addition, the Administration's proposal would callously cut an additional \$66 million from the program budget. There is no authority for these proposals to convert food purchases to cash exports, and they needlessly reopen contentious issues which have been laid to rest by Congress.

PL 480 is unique because of its simplicity: It sends wholesome American-grown crops overseas to the most vulnerable people who lack access to food, unlike other programs which just export our tax dollars without demonstrable results. Because Food for Peace's reliable, transparent formula requires the export of crops grown by Americans on ships crewed by Americans, it has wide support among stakeholders here at home. PL 480 supports 33,000 jobs in the transportation sector alone and, according to the US Transportation Command, PL 480 cargoes are essential to maintaining the US-flag commercial fleet that our country needs in time of war and national emergency, saving DoD billions of dollars in sealift costs.

The Budget proposal's reiteration of last year's one-time \$25 million severance payment for the Merchant Marine is unavailing. The proposal evinces a lack of understanding regarding the long-term investments in mariners, ships, and infrastructure required of the American Merchant Marine. What the industry needs to keep working and to remain available for our military is a reliable pipeline of cargo at fair and reasonable rates, not worker retraining programs and short-term band aids.

Respectfully submitted,

James L. Henry
Chairman
USA Maritime