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May 1, 2014

The New York Times  
Letter to the Editor

USA Maritime members are the internationally trading United States flag carriers, labor unions, and associations that compose today's deep water U.S. Merchant Marine. We were disappointed to see the one-sided "*Provision Could Limit U.S. Food Aid*" in the September 25th edition of the New York Times. Although the piece states that "shipping industry representatives did not respond to repeated requests for comment," none of our members reports receiving any inquiries from you.

The legislative provision at issue, "cargo preference", would ensure that U.S.-flag ships crewed by Americans, like the MAERSK ALABAMA, would be able to carry 75% of U.S. taxpayer financed aid shipments, instead of "open-registry" ships that do not hire Americans, pay U.S. taxes, or abide by U.S. environmental, health and safety, or labor standards. Whereas cargo preference for most government shipments is 100%, food aid alone moved at only 75% until degraded even further to 50% at the request of the Administration in an unrelated MAP-21 surface transportation bill in 2012.

Using cargo preference is the most efficient way to go, because it permits us to take a transportation dollar we would already spend, and to leverage that dollar to ensure that we have a U.S. Merchant Marine necessary to support our nation in times of war and national emergency. For example, the U.S.-flag merchant fleet carried over 95% of the supplies our troops needed in Iraq and Afghanistan. Relying upon this partnership with the U.S. commercial fleet, instead of replicating that sealift capacity by building military gray-hull ships, saves taxpayers \$1 billion in annual operating costs and \$9 billion in vessel capital costs. In contrast, U.S. Maritime Administration data and Congressional Budget Office findings estimate the cost of restoring cargo preference to 75% to be no more than \$11 million per year. And a 2009 report by economists Promar International concluded that the shipment of international food aid under cargo preference supports American 33,000 jobs—jobs now put at risk by the Administration's attacks on cargo preference.

We also take exception to the characterization of the cargo preference provision as tucked away or hidden inside of the Coast Guard bill. The Coast Guard bill is the regular and appropriate bill for legislation affecting the Merchant Marine and this provision has been exposed to daylight and transparent debate—in stark contrast to the Administration's MAP-21 provision that stripped cargo preference to 50% at the very last minute without any chance to vet the wisdom of the change.

The Department of Defense has long touted its partnership with the U.S. Merchant Marine as one of the best bargains around, and cargo preference is a crucial piece that makes this partnership work. The Administration's attacks on the provision are unwise, unsupported, and put at risk American jobs and our national defense sealift capability.

Respectfully submitted,

James L. Henry  
Chairman  
USA Maritime  
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