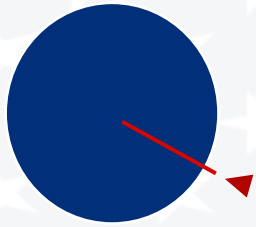




The American maritime industry contributes nearly **500,000** jobs, **\$29 billion** in labor income, and **\$92.5 billion** in US economic output.



Hiring Americans to ship food aid instead of foreign carriers and mariners adds just **one percent** to the Food for Peace budget.

**\$65 billion**

Approximate cost to the US Government to replicate the sealift capacity provided by the commercial US Merchant Marine.

Every dollar invested in shipping American returns approximately **\$3.14** in revenue to the Treasury.

Over **90%** of sealift capacity

for Iraq and Afghanistan since 2009 was provided by the US-Flag fleet that relies upon cargo preference and food aid cargo in peacetime.



**26%** The loss of national US Merchant Marine sealift capacity after ship-American requirements were *slashed by 1/3* in 2012.

Less than **1%**

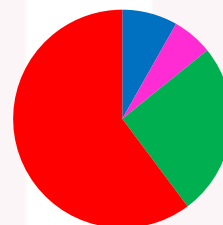
of the Food for Peace budget was saved by **USAID** after switching to foreign mariners in 2012.

**\$0**

was saved by **USDA** after switching to foreign mariners in 2012.

**40 ships** and **2,000 mariners** short of national defense needs.

Food for Peace spends **45¢** per pound to ship products to recipients while the **American consumer** pays an average of **48¢** per pound at home.



**Food for Peace Budget**

|                     |   |              |
|---------------------|---|--------------|
| Ocean Freight       | = | 8.2%         |
| Inland Freight      | = | 6.0%         |
| Commodities         | = | 25.6%        |
| <b>USAID Other*</b> | = | <b>60.2%</b> |

## Data Sources

- United States Agency for International Development Response to Questions for the Record, *Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations for 2015: Hearings Before a Subcommittee of the Committee on Appropriations, House of Representatives*, Part 5A at 1574-1584 (freight revenue data tax base for US carriers).
- *Id.* at 1234 (fiscal year 2015 latest available data illustrating break-out of PL 480 budget among commodities, ocean freight, inland freight, 202(e), ITSH).
- United States Maritime Administration, *A Report to Congress: Impacts of Reductions in Government Impelled Cargoes on the U.S. Merchant Marine* at 3-4 & Table 4 (April 21, 2015) (preference cargo decline responsible for fleet decline); see also Econometrica, Inc., Final Report: Maritime Security Program Impact Evaluation, Submitted to U.S. Maritime Administration, Order No. DTMA1F08157 at 26 (July 2009) (food aid largest tonnage of dry preference cargo; cost to replicate sealift capacity); Reeve & Assoc., *The Role of the United States' Commercial Industry in Military Sealift* (Aug. 2006) (same).
- United States Government Accountability Office, Report No. GAO-15-666 at 19 (Aug. 2015) (USAID costs fell by less than 10% and USDA not at all; low US flag premium).
- PwC Report prepared for Transportation Institute (2014) (overall jobs, economic output, labor income).
- Testimony of Paul N. Jaenichen, United States Maritime Administrator, before the House Armed Services Subcommittee on Seapower and Projection Forces, March 22, 2016; Testimony of Paul N. Jaenichen, United States Maritime Administrator, and David J. Berteau, Assistant Secretary of Defense, Logistics and Material Readiness, Department of Defense, before the House Agriculture Subcommittee on Livestock and Foreign Agriculture and House Transportation Committee on Coast Guard and Maritime Transportation, Nov. 17, 2015 (loss of fleet following reduction in ship-American requirements in 2012; national defense sealift readiness shortfall).
- Promar International, *Impacts on the U.S. Economy of Shipping International Food Aid* at ii (June 2010) (relative cost of shipping food aid vs. American consumer prices).
- \*USAID refers to these miscellaneous costs as "ITSH" and "202(e)"; they are composed of non-maritime costs including overhead, foreign in-country overland transportation / trucking / storage, and administrative costs. See, e.g., Food for Peace Information Bulletin No. 12-03, *Eligible Uses of Section 202(e) and ITSH Funding* (Aug. 10, 2012).