

C. James Patti
Chair



FACT CHECK: Cargo Preference & US Food Aid

To combat the misinformation circulating about cargo preference, food aid, and U.S.-flag shipping the unions, associations and carriers in USA Maritime are fact-checking these claims. We encourage you to check our work. References, all from government sources, are cited below.

Claim: There are only four U.S.-flag vessels that can carry food aid.

✘ FACT CHECK: FALSE! There are over 180 ocean-going vessels under U.S.-flag¹. Many different kinds of ships, including dry bulk, heavy lift, and container ships all carry food aid. To claim otherwise displays an ignorance of shipping!

Claim: Bureaucratic red tape forces USAID to wait for waivers of Cargo Preference Ship American rules.

✘ FACT CHECK: FALSE! USAID can — and regularly does- determine their own waivers² of cargo preference without waiting for any other government agency to approve the waiver.

Claim: USAID is forced to use U.S.-flag ships, no matter the price or how long they have to wait for them to become available.

✘ FACT CHECK: FALSE! The statute directs government agencies to use U.S.-flag ships IF they are available at “fair and reasonable rates³” – if the ship is either unavailable, or too expensive, USAID can –and does--choose a foreign carrier.

Claim: U.S.-flag ships take longer than foreign flag ships to deliver aid because USAID has to wait for U.S.-flag ships to become available.

✘ FACT CHECK: FALSE! If U.S.-flag ships are not available, USAID can self-determine that they need a waiver and contract with a foreign flag ship—without waiting for any authorization⁴!

Claim: American food will be left to rot on the ports as they wait for American ships to become available.

✘ FACT CHECK: FALSE! If an American ship is unavailable, USAID can use a foreign flag ship, as made explicit in the statute.⁵ There is no back up of foreign aid happening now.

Claim: If USAID spent less money on shipping, they would buy more American-grown food.

¹ <https://www.maritime.dot.gov/data-reports/data-statistics/vessel-inventory-reports-july-1990>

² <https://www.govinfo.gov/content/pkg/USCODE-2011-title46/html/USCODE-2011-title46-subtitleV-partD-chap553-subchapl-sec55305.htm>

³ <https://www.govinfo.gov/content/pkg/USCODE-2011-title46/html/USCODE-2011-title46-subtitleV-partD-chap553-subchapl-sec55305.htm>

⁴ <https://www.govinfo.gov/content/pkg/USCODE-2011-title46/html/USCODE-2011-title46-subtitleV-partD-chap553-subchapl-sec55305.htm>

⁵ <https://www.govinfo.gov/content/pkg/USCODE-2011-title46/html/USCODE-2011-title46-subtitleV-partD-chap553-subchapl-sec55305.htm>

X **FACT CHECK:** False! U.S.-flag shipping is such a small part of the budget⁶- only 9% combined with foreign shipping--it would not make a significant difference in commodity purchases. Can USAID be trusted to continue to Buy American if they won't Ship American?

Claim: USAID spends more on shipping than on commodities.

X **FACT CHECK: FALSE!** USAID's own budget breakdown⁷ shows ocean shipping- American and foreign combined – are only 9% of food aid spending. Most of the funding goes to USAID overhead.

Claim: Cargo Preference protects American jobs and sends taxpayer dollars to fellow Americans when possible.

✓ **FACT CHECK: TRUE!** Cargo Preference protects American jobs, with taxpayer-funded projects supporting our fellow Americans and ensures we have American sealift free from foreign control.

⁶ <https://www.usaid.gov/sites/default/files/documents/InternationalFoodAssistanceReportCongressFY2020.pdf> , p. 19

⁷ <https://www.usaid.gov/sites/default/files/documents/InternationalFoodAssistanceReportCongressFY2020.pdf> , p. 19