



R. Christian Johnsen
Chair

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VIA WWW.REGULATIONS.GOV
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RE: Request for Public Comments: Defense Federal Acquisition Regulation Supplement (DFARS): Modification of Notification of Intent to Transport Supplies By Sea

USA Maritime writes in strong support of the proposed changes to DFARS by removing the solicitation provision at DFARS 252.247-7022 and revising the contract clause at DFARS 252.247-7023, streamlining instructions to contractors regarding the required notifications to the federal government of transportation of supplies by sea. The announced changes will simplify the process and give MARAD a more realistic timeline to find appropriate U.S.-flag carriers and their American crews.

USA Maritime is a coalition of international-trading carriers, unions, and maritime associations working together to expand and secure the role of the U.S.-flag fleet in international shipping by protecting the Maritime Security Program and cargo preference laws. The Department of Defense has long depended on the members of USA Maritime to move sensitive defense material, deliver goods to the harshest conditions, and withstand enemy attacks. Time and time again, our members have delivered.

Cargo Preference laws require government-compelled cargo - 100% of Department of Defense cargo (The Cargo Preference Act of 1904), 100% of Export-Import Bank cargo (Public Resolution 17, 1934), and at least 50% of civilian agency cargo (The Cargo Preference Act of 1954) – to move on U.S.-flagged ships, crewed by Americans. These policies have long enjoyed strong bipartisan support from multiple Congresses and Presidential Administrations. The staunch support for these laws over a century is a testament to their effectiveness and common sense: American taxpayer dollars should be spent, when possible, on American companies and workers as a first choice. Portions of those payments will be returned to the Treasury as taxes and spent in the United States.

Most importantly, cargo preference laws strengthen the ocean-going U.S.-flag merchant marine. For the U.S.-flag merchant marine, cargo is key—if there is cargo to move, the merchant marine will thrive: strong commercial activity creates opportunities to keep ships and mariners trained and ready. Cargo strengthens readiness during peacetime, ensuring ships and crews are prepared and available when the Department of Defense needs defense material moved.



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We appreciate the efforts of the Department of Defense and MARAD to adhere to and enforce cargo preference laws. However, DOD suppliers are legion, and not all contracting officers, let alone contractors, are aware of cargo preference laws and their importance to our national security.

The proposed changes will streamline the process, preventing any contractors from misunderstanding that this is a requirement on DOD contracts. Including MARAD on the notification of any intent to move products by sea is critical: it brings in the government agency with the mission to promote the use of U.S.-flag and enforce cargo preference laws, MARAD will be an effective watchdog to ensure that those contractors are complying. Requiring MARAD to be informed of the intent to move any goods by sea within three days of contract award gives MARAD's cargo preference office an appropriate window of time to monitor the contract and ensure compliance with all applicable cargo preference laws.

All too often under the current system, MARAD is forced to spend months tracking down DOD contracts and bills of lading to ensure compliance with cargo preference laws. If the goods had already been transported by sea without using the U.S.-flag fleet, the violating contractor would only have to pay a fine into the treasury-which obviously does nothing to help strengthen the U.S.-flag fleet by generating much-needed cargo. These proposed changes will end these current challenges and streamline the process. As MARAD is already underfunded and understaffed, this more streamlined process will help ease the staff's burden.

Because the proposed changes are likely to strengthen the U.S.-flag fleet by increasing the amount of federal defense cargo to be moved, USA Maritime supports the proposed changes. When asked again, the U.S.-flag merchant will deliver what our nation needs thanks to the foundation of support from our cargo preference laws.

Thank you,

R. Christian Johnsen
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USA Maritime