



A bold voice for transportation workers

REFORMS TO STRENGTHEN U.S. MARITIME CARGO PREFERENCE LAWS

U.S. government policy has long recognized the importance of a strong U.S. merchant marine to our national economy and global defense network. These policies and laws reflect the changing dynamics of the global maritime system, and are designed to promote the health and viability of a privately owned U.S.-flag fleet and the maintenance of a trained U.S. mariner workforce capable of meeting the U.S. government's sealift objectives. Most of this will be at risk if we fail to advance a sensible federal maritime policy.

The U.S.-flag fleet plays an important role in our national security, serving as a naval auxiliary in time of war or national emergency, in addition to being an economic engine capable of moving goods to and from our nation's shores. U.S.-flag ships have delivered the majority of the material to Operation Enduring Freedom/Operation Iraqi Freedom, and since 2009, U.S.-flag vessels have moved more than 90 percent of all the cargoes to Afghanistan and Iraq supporting U.S. and coalition forces. The success of our maritime policies is as important today as ever due to the fiscal constraints facing the U.S. and the burdens on our national defense across the globe.

Cargo preference statutes and other U.S.-flag shipping requirements are integral to the maintenance of a strong U.S.-flag fleet. These statutes ensure that U.S. Government-generated import and export cargoes move in substantial volume on U.S.-flag vessels. Cargo preference does not apply to the transport of purely private commercial export-import cargoes, but only to the movement of those generated by the U.S. government. While limited in scope, these policies are critically important to maintaining the merchant fleet necessary to meet our national goals. The U.S. is not alone in implementing such policies either, as it is the general practice of other maritime nations to move the vast majority of their government shipments in vessels of their own flag. We must continue to vigorously defend our national maritime interests.

Unfortunately, cargo preference laws have been hampered both by their loose application by federal agencies and recent legislative actions meant to undermine the goals of cargo preference. We oppose language that was inserted into last year's surface reauthorization law (MAP-21) that reduced the application of cargo preference for the Food for Peace program from 75 percent of government-generated cargo to 50 percent. This language was inserted in the dead of night, without consulting maritime labor or the U.S. maritime industry, and without even a single congressional hearing on the subject. The loss of cargo for U.S.-flag vessels could result in the loss of good middle class jobs for U.S. mariners and cause more than 16 privately owned ships to fly a foreign flag. The legislation strikes at the core of U.S. cargo preference laws and undermines the U.S.-flag fleet's ability to serve our national economic and security interests.

TTD strongly opposes this legislative action, and will work to prevent any further efforts to undermine U.S. cargo preference laws. In fact, we supported bipartisan legislation introduced in the 112th Congress by Reps. Elijah Cummings (D-MD) and Jeff Landry (R-LA), the Savings Essential American Sailors Act (H.R. 6170), that would have overturned the language in MAP-21 and restored the cargo preference requirement for Food for Peace cargo to 75 percent. We look forward to this legislation being introduced in the 113th Congress and will push for its swift passage.

Improvements to U.S. cargo preference laws do not stop in the halls of Congress as the Administration must vigorously enforce the laws throughout our government. In recent years, the applicability of cargo preference requirements to specific federal activities has been called into question. All too frequently federal agencies and departments have implemented them in ways that allow for only minimal compliance, missing an opportunity to further strengthen the U.S. fleet and its workforce.

The Administration's policy should reaffirm a commitment to fully adhere to cargo preference laws, and should give the Maritime Administration – the only federal agency tasked with promoting the U.S.-flag fleet – the resources and authority it needs to implement cargo preference throughout the federal agencies. The cargo preference laws are broadly written and should be broadly applied to federal activities without exception.

To further this goal, the Administration has an opportunity to maximize the use of U.S.-flag vessels. Some cargo preference laws require less than 100 percent of applicable government-generated cargo to be transported on U.S.-flag vessels, such as the 50 percent minimum for the international food aid program noted above. In these circumstances the minimum percentage required under law should be viewed as just that: a minimum. The goal for every federal agency should be to maximize their use of U.S.-flag vessels when shipping government-generated cargoes and 100 percent should be the clear objective.

The Maritime Administration must be given the authority to determine the applicability of cargo preference to various federal agencies. Agencies should work closely with the Maritime Administrator to implement regulations and guidelines necessary for the Administrator to fulfill his or her enforcement authorities granted by law (PL 110-417). Federal agencies should also provide the Administrator the data and statistics related to cargo preference activities in order to develop a pathway forward to maximize the use of U.S.-flag vessels. Finally, the Administrator should have sole responsibility, as provided by law, to issue waivers to cargo preference laws.

These reforms are not radical, nor are they burdensome. They will, however, provide necessary clarification about cargo preference laws, and allow the U.S. government to fulfill these laws in the spirit in which they were written.

The U.S.-flag fleet and its dedicated and highly trained workforce are an extremely important resource for our economic health and national security. In order ensure that the U.S.-fleet remains viable and effective in the global marketplace, cargo preference laws need to be strengthened by Congress and fully adhered to by our government.

Policy Statement No. W13-02
Adopted February 24, 2013