



A bold voice for transportation workers

CARGO PREFERENCE: U.S. MERCHANT MARINE CRITICAL TO A STRONG NATIONAL DEFENSE

The U.S.-flag international commercial fleet has long served the nation, operating as a naval auxiliary during times of war and as an economic tool for maintaining domestic and international waterborne commerce. To meet these strategic objectives, Congress has long required that government-impelled cargo – or preference cargo – be carried on U.S.-flag oceangoing vessels that are crewed by a pool of highly-skilled mariners. But the drawdown of military forces combined with the failure of government agencies to properly comply with cargo preference requirements has imperiled government sealift objectives and U.S. mariner jobs. Fixing this problem will require full compliance with cargo preference laws and a renewed commitment to support and expanding the U.S.-flag fleet and the good-paying American jobs it supports.

Throughout its history, the U.S. has depended on the U.S.-flag Merchant Marine for military security and the delivery of foreign assistance. From George Washington’s impassioned pleas to “render our commerce and agriculture less dependent on foreign bottoms” to ensure better war preparedness to the modern day delivery of military personnel and goods to our foreign military theatres, the U.S. armed services have depended on the U.S.-flag Merchant Marine. Today’s U.S. Merchant Marine continues to demonstrate its value: providing global shipping facilities and support to the Department of Defense (DOD), facilitating the delivery of foreign aid, and providing a waterborne response for domestic and international disaster recovery missions. Over the past decade alone, the U.S.-flag industry’s sealift capabilities have delivered more than 90 percent of all cargoes bound to and from our military missions in Afghanistan and Iraq. Meanwhile, the U.S. fleet has also supported humanitarian missions, including in the Gulf following Hurricanes Katrina and Rita, in Haiti in the wake of the 2010 earthquake, and in New York and New Jersey following the destruction wrought by Hurricane Sandy. Today, this critical compact between the DOD and U.S. Merchant Marine is at risk.

Cargo preference statutes and other U.S.-flag shipping requirements are essential to the maintenance of the U.S.-flag fleet. By requiring that government-financed cargoes move on U.S.-flag vessels, we are able to retain a pool of highly-trained, qualified, and loyal civilian mariners who stand ready to meet our military and humanitarian needs while simultaneously operating in the commercial-flag industry. In recent years, government-generated cargoes have declined from both civilian agencies and the DOD. In part, this troubling trend is driven by budget-conscious agencies systemically engaged in efforts to evade statutory preference requirements by claiming that transportation costs must be reduced. In reality any savings from using foreign vessels is marginal at best and ignores the incredible cost savings that are realized from having a vibrant civilian merchant marine that can be used to meet our military needs. When combined with the pressures of ever-increasing global competition and reductions in U.S.-flag food aid carriage, evasion of cargo preference laws is putting our nation’s military and economic objectives in jeopardy.

Cargo reductions endanger the most central asset offered by the U.S.-flag to meet American policy objectives: civilian merchant mariners. The pool of U.S. mariners available to crew government ships when called upon has been declining over the last decade, creating the distinct possibility that there will not be enough mariners to meet military surge and sustainment requirements for future military conflicts. In 2016, the U.S. Maritime Administration (MARAD) put this threat to our national security in precise terms, revealing that we are 1,770 mariners and five ships short of the minimum requirements to support DOD's national sealift requirements, with over 900 mariners and counting leaving the Merchant Marine since 2010. A depleted U.S.-flag maritime capacity and mariner workforce becomes an even larger problem given President Trump's repeated vows to pursue the "biggest military buildup in history."

President Trump ran for office pledging to build a strong national defense and to protect and promote American jobs. The U.S.-flag shipping industry and the thousands of good-paying jobs that it supports create the perfect opportunity for this Administration to wed its rhetoric to actionable progress. This will require the Administration to reassert the primacy of U.S.-flag cargo preference laws. Specifically, we call on the Administration to express its full support for existing cargo preference shipping requirements and to compel all federal agencies and departments to use privately-owned U.S.-flag commercial vessels for the carriage of government cargoes as required by law.

Effectively meeting these goals will require providing MARAD the authority to determine which federal programs are subject to cargo preference and giving the agency enforcement powers. Congress must also restore the requirement that U.S.-flag vessels carry no less than 75 percent of U.S. government food aid cargoes. The 75 percent standard, which was rolled back absent any debate or formal consideration in the 2012 surface transportation bill, has been a primary driver in the damage to our national security created by the loss of maritime jobs.

Throughout our nation's history, a strong commercial maritime industry dependent on U.S. civilian mariners has enhanced our national and economic security. By letting the fleet wither despite repeated warnings, our government has created a crisis for the American maritime sector and its skilled mariners, and by extension, our national defense. An important way to address this crisis is through the rigid application of cargo preference laws, which ensure that taxpayer dollars are spent to support U.S.-flag shipping and U.S. mariners, rather than foreign shipping enterprises and crews, many of which work in deplorable conditions. Transportation labor calls on the Trump Administration and Congress to take these straightforward and important steps on cargo preference to help simultaneously support our national security, preparedness for humanitarian missions, and fortify middle class jobs.

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