

C. James Patti
Chair



Statement of USA Maritime on S. Con. Res. 37 & 38 Waiving Ship American Rules

WASHINGTON, D.C.—USA Maritime strongly opposes S. Con. Res. 37 & 38 eliminating the Ship American “cargo preference” rules that are essential to the maintenance of our U.S.-flag Merchant Marine.

First, the resolutions are unnecessary. Existing law already allows for the waiver of Ship American preferences if U.S.-flag vessels are not available at fair and reasonable rates. USAID currently waives Ship American rules for 40% of its flagship Food for Peace program and awards 70% of such cargoes to foreign carriers.

Second, the resolutions are overbroad. They are not limited only to supplies for Ukraine but would waive Ship American rules everywhere. Resolution 37 would waive Ship American rules indefinitely; Resolution 38 would divert cargoes to foreign carriers for an arbitrary three-year period.

Third, the resolutions dramatically overstate the cost of shipping American. All ocean shipping under the Food for Peace program—foreign-flag and U.S.-flag combined—accounts for only 8% of program costs. The premium for using U.S.-flag ships accounts for less than 1% of program costs.

Today’s environment of rising peer nation competition from Russia and China is not the time to give up our U.S.-flag shipping capacity or turn it over to foreign interests. We need to be prepared to support our allies in Europe and elsewhere with American sealift ships and American mariners who have never failed to answer the call when needed by our nation.

About USA Maritime

USA Maritime is a coalition of American ship operators, maritime labor organizations, and maritime trade associations committed to protecting our national security through a public-private partnership that features the U.S.-flag Merchant Marine. During times of war, natural disaster, and famine around the globe, the U.S. Merchant Marine is always there, safely and cost-effectively delivering essential equipment and supplies, as well as needed food to millions of people worldwide.

For more information, please visit: www.usamaritime.org.