

Bill Provokes Fight over U.S. Ships Hauling U.S. Aid

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The Obama administration is fighting back hard against an attempt in the House to require the use of more U.S. flagged vessels to deliver food aid to the needy around the world, something government and nonprofit critics say would hamper the donations.

Tucked away inside the Coast Guard and Maritime Transportation Act of 2014 (H.R. 4005) — a bill to authorize spending for the Coast Guard for the next two fiscal years — lies a two-paragraph provision under the ambiguous title of Sec. 318, Minimum Tonnage.” The provision — on page 63 of the 81-page bill<<http://www.gpo.gov/fdsys/pkg/BILLS-113hr4005rfs/pdf/BILLS-113hr4005rfs.pdf>> — would mandate 75 percent of all U.S. food aid be shipped on U.S. vessels, up from the 50 percent required now, a change the U.S. shipping industry says will keep it profitable and ready to provide services to the U.S. military when needed.

However, officials at both the U.S. Agency for International Development and the Department of Homeland Security say the provision instead would sharply reduce the government’s ability to deliver food aid.

“This requirement would increase costs of shipping food aid by about \$75 million or more, funding that would otherwise allow more than 2 million people — mainly those in emergency food crises —to receive life-saving food each year,” DHS tells Senate Commerce, Science and Transportation Committee Chairman Jay Rockefeller (D-W.Va.) in a letter sent Thursday, a copy of which<<https://www.dropbox.com/s/5jakxmm34tv7bda/USCG-HR%204005%20Views%20Letter.pdf>> was obtained by POLITICO.

“The combined effect of this provision with the recent elimination of the Maritime Administration’s ocean freight differential reimbursements in the Bipartisan Budget Act of 2013 reduces that number of people — again, mostly those in crises —who can be fed annually by 4 million. This would have grave effects on United States humanitarian assistance programs. The Administration therefore urges the Senate to strike section 318 in its entirety.”

The administration hopes the language it finds objectionable in the House bill “can be addressed during Senate consideration of the measure, and we stand ready to work with the committee as it takes up this bill and related legislation,” USAID spokesman Matt Herrick told POLITICO.

The administration has the support of Oxfam America, a group dedicated to reducing poverty and hunger around the world, in fighting for the change to the legislation. It would undo gains in other areas to improve food aid — such as a provision in the 2014 farm bill that adds \$80 million per year to the roughly \$2 billion the U.S. already spends on food aid to needy countries, the group says.

That \$80 million increase is for purchasing food from countries in proximity to the site of disasters in order to deliver the aid more economically, taking shippers out of the equation completely.

But the Obama administration will face a tough lobbying battle with USA Maritime, the voice of the shipping industry. In a recent statement<<http://usamaritime.org/?p=1159>>, the shipping group says the

change would reverse “the arbitrary and unwarranted reduction to 50 percent enacted in 2012,” a reference to the reduction made in the Bipartisan Budget Act of 2013.<<http://budget.house.gov/the-bipartisan-budget-act-of-2013/>>

“Cargo preference is a necessary and cost-efficient way to help sustain the privately owned U.S.-flag commercial fleet, which is a critical national defense asset,” the group said in written testimony provided to the House Subcommittee on Coast Guard and Maritime Transportation last September. “Without a fully funded Maritime Security Program and full compliance with cargo preference requirements, the U.S. Government would have to spend far in excess of the cost of these programs to replicate the national security capabilities of the privately owned U.S.-flag commercial fleet.”