



*For Immediate Release*  
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## **Statement of USA Maritime on Proposed Changes to the Food for Peace Program (PL 480)**

**WASHINGTON D.C.** – USA Maritime Chairman James L. Henry today issued the following statement to correct reports about the efficacy of the U.S. Merchant Marine in delivering U.S. food aid and to comment on the detrimental effects of proposed changes to the Food for Peace Program (PL 480) offered in the Administration’s Fiscal Year 2014 budget.

“The United States is the largest provider of nutrition to the hungry and undernourished, contributing about 60 percent of the world’s food aid. Humanitarian assistance is a pillar of American foreign policy dating back to 1812 when President Madison sent emergency aid to South American earthquake victims and carried forward over the past sixty years as the Food for Peace Program,” said **James L. Henry**, chairman of USA Maritime. “This successful program is now threatened by overwrought political efforts to provide cash donations rather than American grown and delivered food, changing longstanding assistance into a payment scheme that places the world’s most vulnerable populations at risk.

“Food for Peace has had the support of farmers, international relief and development organizations, ports, and inland and ocean transporters. This support ensures the success of the program and forms the basis of a resilient government policy. When commodities turn to cash, support is lost. Europe replaced its food delivery with a similar cash handout program only to see its contribution of food assistance drop by 40 percent. With the many complex and nuanced U.S. foreign policy interests, now is the wrong time to dismantle an effective tool of American diplomacy.

“So-called food aid reformers point to U.S. ocean carriers as the primary example of wasteful spending in the current program, but they do so without regard to the facts. Claims that U.S. ocean carriers have a captive customer and inexplicably raise prices for food aid delivery are false. Besides, program regulations limit carriers to Government-defined fair and reasonable rates.

“The percentage of food aid budgets consumed by ocean freight has fallen 27% in recent years, and the cost of transporting PL 480 food aid on American commercial ships has decreased 22% for packaged products since 2009. A comparison of U.S. and foreign flagged ocean transportation found in 2008 that foreign vessels were 7.8% less expensive, far less than claimed by food aid reformers. The cost of U.S. flagged transportation is internationally competitive, and claims that U.S. flagged shipping costs impede the efficacy of Food for Peace are unfounded.

“In fact, the U.S. Agency for International Development’s (USAID) own data reveal that traditional Food for Peace aid is 78% cheaper per ton of food delivered than the cash transfer approach proposed by food aid reformers. The Administration has not disputed this, and the difference can be significant in addressing global hunger.



“Global ocean carriers of food aid invest in U.S. flagged vessels, pay U.S. taxes as American companies, and employ 11,500 American seafarers – the modern U.S. Merchant Marine. According to an independent study, the elimination of seafarer billets as a result of squashing Food for Peace funding would result in 16,500-33,000 job losses throughout the U.S. economy. In all, the process of providing food aid employs 44,000 across the country and adds to the economies of 28 states. Job-cutting “reform” of an effective program has no place in a sputtering economy.

“The nation’s leaders have long recognized the importance of the U.S. Merchant Marine. President Kennedy issued a directive reinforcing his support of the American seafarers. On the heels of World War II and the Korean War, Kennedy understood the value of a strong commercial sealift for the nation’s security. The U.S. Merchant Marine’s contribution to war efforts since 9/11 has been equally important, and U.S. flagged commercial carriers continue to deliver over 90 percent of all equipment and supplies into Afghanistan.

“The Department of Defense understands the critical role of the U.S. Merchant Marine. General Duncan McNabb, former commander of the U.S. Transportation Command, told Congress, “U.S. commercial sealift is a vital component in meeting the Nation’s strategic sealift requirements. The movement of international food aid has been a major contributor to the cargo we have moved under the cargo preference law that our U.S. commercial sealift industry depends on.” The U.S. needs American seafarers, and as war efforts in Afghanistan end, Food for Peace cargo is an economical means to retain a strong merchant marine.

“Despite calls to continue the Food for Peace Program, food aid reformers have twisted the truth about U.S. ocean shipping, forgotten our history, and neglected economic effects at home. Changing the food aid system will weaken the U.S. Merchant Marine, our national security and diplomatic effectiveness, and it will undermine the supply chain that delivers U.S. produced food aid worldwide. We should not replace this critical program with cash handouts and forced bureaucratic reform. Bags of food stamped USA are America’s most visible sign of goodwill, and the current structure of PL 480 must be upheld to bring nutrition to those ravaged by hunger.”

### **About USA Maritime**

USA Maritime is a coalition of ship owning companies, maritime labor organizations and maritime trade associations committed to protecting our national security through a public-private partnership that features the U.S. 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 hundreds of thousands of people worldwide.

For more information, please visit: (<http://www.usamaritime.org/>)

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