

103D CONGRESS
1ST SESSION

S. RES. 95

To reaffirm cargo preference policy.

IN THE SENATE OF THE UNITED STATES

APRIL 19, 1993

Mr. INOUYE submitted the following resolution; which was referred to the Committee on Commerce, Science, and Transportation

RESOLUTION

To reaffirm cargo preference policy.

Whereas the maritime policy of the United States expressly provides that the United States have a Merchant Marine sufficient to carry a substantial portion of the international waterborne commerce of the United States;

Whereas the maritime policy of the United States expressly provides that the United States have a Merchant Marine sufficient to serve as a fourth arm of defense in time of war and national emergency;

Whereas the Federal Government has expressly recognized the vital role of the United States Merchant Marine during Operations Desert Shield and Desert Storm;

Whereas cargo reservation programs of Federal agencies are intended to support the privately owned and operated United States-flag Merchant Marine by requiring a cer-

tain percentage of Government-impelled cargo to be carried on United States-flag vessels;

Whereas when Congress enacted these reservation laws it contemplated that the Federal agencies would incur higher program costs to use the required United States-flag vessels;

Whereas Federal laws require that all United States military cargo (the Act of 1904), all cargo purchased with all loan funds and guarantees from the Eximbank (Public Resolution 17), 75 percent of concessionary agricultural cargo and at least 50 percent of all other international ocean borne cargo generated directly or indirectly by the Federal Government be carried on United States-flag vessels (Public Law 99-198 and Public Law 83-664);

Whereas cargo reservation programs are very important for United States ship owners who require compensation for maintaining a United States-flag fleet;

Whereas the United States-flag vessels which carry reserved cargo provide quality jobs for American seafarers;

Whereas, according to the latest statistics from the Maritime Administration, in 1990, cargo reservation programs generated \$2,400,000,000 in revenue to the United States fleet and accounted for one-third of all revenue from United States-flag foreign trade cargo;

Whereas the Maritime Administration has indicated that the total volume of cargoes moving under the programs subject to cargo reservation is declining and will continue to do so;

Whereas, in 1970, Congress found that the degree of agency compliance with the requirements of the cargo reserva-

tion laws was chaotic, uneven, and varied from agency to agency;

Whereas, to ensure maximum compliance by all agencies, Congress in 1970 enacted Public Law 91-469, which centralized monitoring and compliance authority for all cargo reservation programs in the Maritime Administration;

Whereas, notwithstanding Public Law 83-664, and the purpose and policy of the cargo reservation programs, agency compliance continues to be uneven;

Whereas the Maritime Administrator cited his agency's limited enforcement powers over government agencies which do not comply with Public Law 83-664 and other cargo reservation laws; and

Whereas the Maritime Administrator recommended that Congress grant the Maritime Administration the authority to settle any cargo reservation disputes that may arise between a ship operator and a Federal agency: Now, therefore, be it

1 *Resolved*, That it is the sense of the Senate that all
2 Federal agencies administer their programs to ensure they
3 are in maximum compliance with the intent and purpose
4 of all cargo reservation laws and regulations of the Mari-
5 time Administration; and that the Maritime Administra-
6 tion closely and strictly monitor cargoes subject to reserva-
7 tion laws.

