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November 15, 2022

Rear Admiral Ann C. Phillips
Administrator
Maritime Administration
1200 New Jersey Ave SE
Washington, DC 20590

Dear Administrator Phillips:

Thank you for providing insightful testimony at our recent Subcommittee hearing, “Cargo Preference: Compliance with and Enforcement of Maritime’s Buy American Laws”. I appreciate the work the Maritime Administration (MARAD) has done to encourage compliance with cargo preference laws, which are crucial for maintaining U.S. economic viability and a presence in the international shipping market. We share a mutual goal of growing the United States-flag fleet and that begins with ensuring government compliance with existing cargo preference laws. I believe, however, that MARAD could be doing more to work towards more robust cargo preference compliance, especially when it comes to enforcement capabilities.

During our hearing, Mr. Von Ah of the Government Accountability Office (GAO) summarized the findings of GAO’s report on cargo preference compliance and the next steps MARAD could be taking to improve cargo preference compliance. When asked about MARAD’s plans to address this issue, you cited an upcoming request for information (RFI) that MARAD intends to send to stakeholders to better understand gaps in current regulations. I encourage you to commence the RFI immediately and not allow it to stand as an impediment to any future rulemaking or completion of the recommendations from GAO.

When asked by Congressman Larsen about whether MARAD has the authority to follow through with a rulemaking on the 2009 cargo preference laws¹, you stated, “We believe the

¹ Amendments made by the *Duncan Hunter National Defense Authorization Act for Fiscal Year 2009 (P.L. 110-417) (2009 NDAA)* to section 55305(d) of title 46, United States Code.

authority of the law is what we have and what we need to be able to move forward in this context, to move a regulatory process.²” With a mutual understanding of MARAD’s authority, I strongly urge MARAD to move forward in the regulatory process and commence a negotiated rulemaking as recommended by the GAO as soon as possible.

Thank you for your ongoing work with President Biden to prioritize American jobs and businesses. I look forward to working together to ensure agencies’ compliance with cargo preference laws and bolster the U.S.-flag fleet. If you have questions please contact Matt Dwyer, Democratic Staff Director, Subcommittee on Coast Guard and Maritime Transportation at (202) 225-4472.

Sincerely,



Salud Carbajal
Chair
Subcommittee on Coast Guard
and Maritime Transportation

² U.S. House of Representatives Committee on Transportation and Infrastructure. Statement of Administrator Ann C. Phillips, Acting Administrator, Maritime Administration, U.S. Department of Transportation, Before the Committee on Transportation and Infrastructure, Subcommittee on Coast Guard and Maritime Transportation, U.S. House of Representatives, Hearing on “Cargo Preference: Compliance with and Enforcement of Maritime’s Buy American Laws.” September 14, 2022.