

BLOG



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The U.S. Maritime Administration (MARAD) commissioned a "<u>Maritime Alignment Study</u>" from the National Academy of Public Administration (NAPA) in May 2017. It is anticipated that the results of the study will be made public in the fall of 2017.

U.S. law at Section 1 of the Merchant Marine Act, 1920 (codified today in 46 U.S.C. § 50101) declares that "it is necessary for national defense and the development of the domestic and foreign commerce of the United States that the United States have a merchant marine" which, among other things, is "sufficient to carry the waterborne domestic commerce and a substantial part of the waterborne export and import foreign commerce of the United States" and "capable of serving as a naval and military auxiliary in time of war or national emergency."

MARAD, established in 1950, is the primary federal agency charged with fulfilling this mission, and does so through a number of programs including the Maritime Security Program, U.S. cargo preference laws, the Ready Reserve Force, and the U.S. Merchant Marine Academy.

On March 28, 2017, The Heritage Foundation published a federal budget-suggested blueprint that included a recommendation that MARAD be closed down and that the Jones Act (which governs interstate U.S. maritime commerce) be repealed.

President Trump's fiscal year 2018 budget submitted to Congress on May 23, 2017, rejected the Heritage recommendation and retained MARAD and funding for most of its programs (although, most notably, at a reduced level from fiscal year 2017 for the Maritime Security Program).

The NAPA study will examine several "critical issues" including "how effectively and efficiently MARAD meets its statutory and presidentially-directed responsibilities" and "how MARAD's missions and operations can support national defense and maritime transportation responsibilities and best fit within DOT."

The study is charged to a five-person panel and is intended to be completed within six months. The study will provide recommendations "to enhance agency mission and provide optimum alignment of resources within the Department of Transportation and the federal government to best serve the nation."

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