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Papavizas Quoted on U.S. Maritime Security Fleet Subsidy Program

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In a recent update featured in the October 25, 2012 *Bloomberg* article, "Maersk-Led Foreign Control of U.S. War Shipping Seen Continuing," Washington, D.C.-based partner Charlie Papavizas was quoted on the diminished U.S. footprint in the maritime security fleet. According to Mr. Papavizas, this raises questions about whether companies based overseas would guarantee the ships to the Pentagon during an unpopular conflict.

"How are we so sure that Denmark and Norway and Singapore are going to be on our side in every circumstance?" Mr. Papavizas asked.

Mr. Papavizas, who is lobbying on behalf of Liberty Maritime, criticized the Maritime Administration for allowing companies to transfer contracts to each other instead of returning them to be rebid. The new legislation would prevent companies such as Liberty from competing for more slots and eliminate a preference for awarding contracts to U.S.-based companies, he said.

Mr. Papavizas was quoted in the October 3, 2012 *TradeWinds* article, "Maersk Ready to Pick Up Lion's Share of $2bn U.S. Subsidy Programme."

The U.S. Maritime Security Fleet subsidy program may soon be renewed by Congress on terms which will allow all existing contracts to be extended until 2025 without competition, awarding $2.076 billion to the current nine shipowners. One U.S. owner, Liberty Maritime, is critical of the renewal and calling for open competition.

Mr. Papavizas says that the subsidy program and U.S. military's chartering needs being concentrated in the hands of non-U.S. companies poses a problem. A large portion of this subsidy would go to Denmark's Maersk Line, in addition to other foreign-controlled companies.

"The issue is, why does Maersk have half of the contracts?" Mr. Papavizas said. "I challenge you to find another defense program that's dominated by foreigners."

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