

Papavizas Discusses U.S.-Flag Subsidy Program with *TradeWinds*

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Winston & Strawn maritime partner Charlie Papavizas, based in the firm's Washington, D.C. office, was quoted in the *TradeWinds* article, "Shapiro Hits Out at Rivals For 'Renting' US Subsidy Rights," published October 10, 2012.

A legislative proposal that would renew all existing U.S.-flag ship contracts until 2025 without competition is being criticized by Philip Shapiro, the owner of Liberty Maritime. Mr. Papavizas, Liberty's Washington lobbyist, said that although Congress has the power to dispense with competition, it goes against established practice under the U.S. Competition in Contracting Act.

"The government has long learned that it gets the best results when bidding is fair and open," Mr. Papavizas said. "When the government attempts to sole-source things, it always raises doubts about the process and the motives."

According to the article, Shapiro accused shipowners of "renting" their subsidies to other companies. He wants subsidy recipients who do not plan on commercially operating U.S.-flag ships to return the subsidy to be rebid in a competitive process. He would like to see the entire 10-year renewal open to competitive bidding, but offered a compromise that would end subsidy "rental," bid 12 of the 60 ships, and enforce U.S. citizenship requirements more rigorously.

Mr. Papavizas concentrates his practice in administrative, legislative, and corporate matters, primarily in the maritime industry.

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