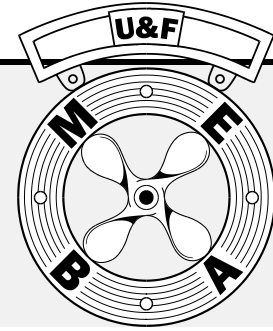


# LEGISLATIVE UPDATE

*MARCH 2018*



The President's \$4.4 trillion budget, requests big money for the U.S. Navy and Coast Guard but gives short shrift to the Maritime Security Program, MarAd, NOAA and Army Corps of Engineers, among others. The release of the President's proposal normally represents the first step in the budget process followed by work on Congressional authorization bills. However, the two year spending authorization recently passed by Congress complicates the clout of the proposed budget and may make it more difficult for the President to readjust federal priorities. The 2019 fiscal year begins on October 1, 2018.

The proposal would chop down Maritime Administration funding by over \$122 million compared with the 'FY 18 level. The proposal zeroes out assistance to small shipyards and Title XI ship financing. More disconcerting is the Trump budget's request for only \$214 million for the Maritime Security Program instead of the authorized \$300 million level that M.E.B.A. has fought so hard to attain. M.E.B.A. will go full ahead to ensure that Congress embraces the full \$300 million. Within the proposal for MarAd, \$22 million is requested in the Trump budget for maintenance and repair of the six state maritime academy training vessels. Elsewhere in the Transportation Department budget, \$300 million is proposed for the School Ship Replacement program supporting procurement and retrofitting of two used cargo ships to replace SUNY and Massachusetts Maritime's ancient training vessels.

The President's budget request lops off \$1.1 billion from the FY '18 funding level for the National Oceanic and Atmospheric Administration (NOAA). The 20% cut largely focuses on NOAA studies and programs relating to climate change.

The budget request proposes slashing 22% of Army Corps of Engineers civil works project funding from the level in FY '18. The FY '19 request would reduce, by half-a-billion dollars, the Harbor Maintenance Tax rate, from \$1.6 billion collected into the Harbor Maintenance Trust Fund currently to around \$1.1 billion "to better align estimated annual receipts from the tax with recent appropriation levels for eligible expenditures from the Harbor Maintenance Trust Fund.

In the coming weeks and months, Congress will work to fund a series of popular food aid programs zeroed-out by the recently-released Trump budget. The President's budget was hard on overseas food assistance programs and, among other things, recommended that no money should be made available for the USAID-administered PL-480 Food for Peace program and the USDA's Food for Progress program which provide critical humanitarian aid.

P.L. 480 Title II grants fund emergency and development food aid programs authorized under Title II of the Food for Peace Act. Food for Progress helps provide U.S. agricultural commodities for developing countries and emerging democracies. Both programs serve as sources of cargo for U.S.-flag ships.

Last year's Presidential budget proposal was largely ignored by Congress. Some Members of Congress have similarly called this year's budget "dead on arrival" and indicate that Congressional funding bills will more than likely drastically diverge from the blueprint presented by the President.