

# MARITIME CABOTAGE



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**Matthew Paxton**

Shipbuilders Council of America

**James Henry**

Transportation Institute

June 30, 2010

RE: Please Reject Anti-Jones Act Legislation

Dear Senator:

On behalf of the Maritime Cabotage Task Force, a broad-based coalition of 400-plus members representing American vessel owners and operators, maritime labor groups, ship construction and repair yards, marine equipment manufacturers and vendors, trade associations, dredging and marine construction contractors, pro-defense groups, and companies in other modes of domestic transportation, we urge you to oppose S. 3525, Sen. John McCain's legislation to repeal the Jones Act, and S. 3512, Sen. Kay Bailey Hutchison's bill to waive the Act for certain purposes.

The Jones Act requires cargo transported between U.S. ports to move on vessels owned by American citizens, crewed by Americans, and built in American shipyards. The Jones Act only applies to transportation within the domestic commerce of the U.S. According to a recent study by PricewaterhouseCoopers for the Transportation Institute, the Jones Act generates 500,000 high-quality American jobs, produces an economic output in the U.S. of more than \$100 billion annually, and provides critical homeland security, economic, environmental, and safety benefits to our nation.

We represent men and women whose livelihood depends upon the Jones Act. We are deeply dismayed that a small minority of vocal Jones Act opponents have sought to use the unprecedented environmental disaster in the Gulf of Mexico as a pretext for attacking the Jones Act. It is both a factual misstatement and an affront to American workers employed in industries dependent on the Jones Act to suggest that our nation's time-tested cabotage laws are in any way an impediment to remediation of the continuing Gulf oil spill. In fact:

- Thousands of American vessels are actively participating in the Gulf cleanup operation. Foreign vessels are also deployed, doing offshore skimming and other work not covered by the Jones Act.

- More than 100 additional large American vessels are available in the Gulf seeking to be outfitted with skimming and other response equipment (which is extremely scarce) and activated. Many of these vessels have been idled because of the drilling moratorium.
- Foreign skimming vessels can be deployed without delay. The Jones Act does not even apply to vessels operating beyond three miles, which is where most of the skimming is occurring. Within three miles, there are extremely flexible mechanisms already in place to allow foreign vessels to skim oil.

We have not and will not object to Jones Act waivers in the Gulf as they are needed. However, we cannot accept mischaracterizations that threaten the livelihood of American workers and companies who have been subjected to a strange form of public blame-shifting. The Jones Act is not the problem. It is the unprecedented nature of the spill – with corresponding unprecedented demands upon spill response resources – that is the problem. The resource shortages include booms, portable skimmer equipment, and other hardware. The Jones Act has no effect whatsoever on these resources. To be clear, there is no shortage of American vessels to deploy those resources, and the Jones Act does not exclude foreign vessels when and where they can be useful.

We urge you to oppose S. 3525, S. 3512, and any other attempts to repeal or waive the Jones Act. They are harmful to American workers and companies and counterproductive to our nation's homeland security, economic vitality, environment, and quality of life.

Sincerely,

Brenda Otterson  
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