



September 1, 2011

The Honorable John Mica
Chairman
Transportation and Infrastructure
Committee
U.S. House of Representatives
2165 Rayburn House Office Building
Washington, DC 20515

The Honorable Nick Rahall
Ranking Member
Transportation and Infrastructure
Committee
U.S. House of Representatives
2163 Rayburn House Office Building
Washington, DC 20515

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Horizon Lines

The Honorable Frank LoBiondo
Chairman
Coast Guard and Maritime
Transportation Subcommittee
U.S. House of Representatives
507 Ford House Office Building
Washington, DC 20515

The Honorable Rick Larsen
Ranking Member
Coast Guard and Maritime
Transportation Subcommittee
U.S. House of Representatives
507 Ford House Office Building
Washington, DC 20515

Dear Chairmen Mica and LoBiondo and Ranking Members Rahall and Larsen:

The American Maritime Partnership (AMP) is writing to express its concerns about and objections to certain coastwise waivers that we understand are being considered for the Fiscal Year 2012 Coast Guard Authorization bill. AMP specifically requests that Congress not legislatively grant coastwise privileges for the vessels MACY RENEE (U.S. Official Number 1107319), M/V GEYSIR (U.S. Official Number 622178), OCEAN VERITAS (U.S. Official Number 553645), LUNA (U.S. Official Number 280133), and IL MORO DI VENEZIA IV (U.S. Official Number 1028654). AMP believes that these vessel-specific waivers of federal law are not justified and/or could have an adverse competitive impact on existing operators in the coastwise trade.

AMP is a broad-based coalition representing the U.S. domestic maritime industry. Comprised of more than 400 American companies, associations, shipyards, labor organizations, defense groups, and other interested in maintaining America's strong domestic maritime industry, AMP is a leading advocate for the U.S. maritime cabotage laws, including the Jones Act.

The nation's maritime cabotage laws restrict the use of foreign-built, foreign-flag, foreign-owned, or foreign-crewed vessels from operating in the domestic coastwise trades of the United States. The laws also stipulate that coastwise-qualified vessels will lose their coastwise trading privileges if a vessel is sold foreign or documented under foreign registry. These laws are important to

ensuring, among other things, a level competitive playing field for American companies operating in the U.S. domestic trades and future investment by American companies in coastwise-qualified vessels for those trades.

American maritime companies make significant investments into their operations in reliance on coastwise laws, including specifically those laws that cover the loss of coastwise privileges because the vessel is sold foreign or documented under foreign registry. Permitting these legislative coastwise waivers could upset the competitive balance of the domestic trades.

After careful review of each individual waiver and what is known about the specific justifications for their respective requests, AMP opposes five coastwise waivers that are being considered for inclusion in the House version of the Fiscal Year 2012 Coast Guard Authorization bill. This letter sets forth AMP's positions on those waiver requests.

- **MACY RENEE (O.N. 1107319).** AMP has repeatedly expressed its opposition to MACY RENEE. The owners of the vessel made clear in prior communications to Congress that their interest in a coastwise waiver for MACY RENEE was to improve their competitive positioning against other dredging contractors who have made significant investments in reliance of the law, stating that they want "more flexibility to utilize the vessel more effectively on dredging and construction projects." Having failed to obtain a coastwise waiver on that basis in the last Congress, and having completed the work on the Columbia River where the vessel was recently employed, the owners now appear to seek to increase the value of the vessel for the purpose of selling it. (See Attachment A.) Thus, it appears that the owners are simply seeking legislation granting coastwise privileges for the vessel in order to increase the sale value of that vessel. AMP does not believe Congress should be in the business of legislating coastwise waivers for the purpose of profiteering by vessel owners.
- **M/V GEYSIR (O.N. 622178).** AMP objects to a waiver for M/V GEYSIR, a vessel owned by TransAtlantic Lines (TAL) that previously operated under the Norwegian registry. M/V GEYSIR is under contract to the Department of Defense to carry cargo between the U.S. and Azores until February 2012. TAL has expressed interest in coastwise trade as an option once that contract is complete. TAL specifically states it is "seeking the Jones Act Trade waiver in order to pursue these smaller, one-time [Jones Act] opportunities that present themselves on occasion." Further, TAL has said "that there would not be enough business to keep the vessel busy even 30% of the time in the Jones Act Trade." Put another way, TAL wants a legislative coastwise waiver to cherry-pick the Jones Act trade for business, which hurts existing operators that have invested in reliance of the law. There is no justification for permitting M/V GEYSIR to redeploy into the coastwise trade to unfairly compete against existing ship and tug/barge operators, especially if their primary objective is to selectively choose only the most profitable cargoes for carriage.

- **OCEAN VERITAS (O.N. 553645).** Similarly, as AMP has stated on numerous occasions, a waiver for OCEAN VERITAS would allow the vessel to unfairly compete against other U.S. flag offshore supply vessels. OCEAN VERITAS was formerly foreign registered and has gone through numerous conversions. According to information obtained by AMP, OCEAN VERITAS originally operated as a Panamanian-registered anchor handling tug/supply boat, JUNO DEL GOLFO, in the 1980s. She was subsequently purchased by Empire Alaska Seafoods and converted to the fishing vessel AMERICAN EMPIRE. The vessel was sold back into the oil patch in the mid-1990s, where she operated under foreign-flag as SEABULK VERITAS until being acquired by the current owner, Stabbert Maritime. Stabbert operates the vessel as a research vessel (which does not require a coastwise endorsement). The company has reflagged her to U.S.-flag and converted the vessel into an offshore supply vessel, which it says “would engage in commercial activity of dive support operations in the Gulf of Mexico.” At a time when the U.S. has excess U.S. flag offshore supply vessel capacity, in large part due to reductions in oil and gas drilling in the Gulf of Mexico, permitting a coastwise waiver for OCEAN VERITAS would adversely impact existing operators who made investments in offshore supply vessels during the period OCEAN VERITAS operated under foreign registry.

For reasons discussed below, AMP further believes there is a questionable need for legislative coastwise waivers for either of the foreign-built recreational vessels LUNA or IL MORO DI VENEZIA IV:

- **LUNA (O.N. 280133).** The stated purpose for the waiver is to employ the vessel in educational programs involving “marine science and conservation education, community service learning projects and sail training.” Customs and Border Protection (CBP) has long held that vessels engaged in certain educational activities, including operation of a vessel for bona fide instructional courses in oceanography, sailing and navigation/seamanship, and marine history and science, do not require coastwise endorsements (see Customs ruling letters 114279, dated March 19, 1998, and 114263, dated March 3, 1998). Therefore, AMP believes that Sea Fleet LLC should exhaust administrative remedies through the CBP private letter ruling process to determine the vessel’s compliance with the coastwise laws prior to any consideration of a legislative coastwise waiver. If Sea Fleet truly intends to utilize the vessel for such educational purposes, and does not intend to employ the vessel for recreational charter voyages, as the company does with certain other vessels in its fleet, then a CBP ruling could resolve the matter without the need for legislation.
- **IL MORO DI VENEZIA IV (O.N. 1028654).** IL MORO DI VENEZIA IV appears to be a small passenger vessel. The current owners have expressed a desire to increase tourism in San Diego by using the historic America’s Cup vessel for passenger cruise charters. While AMP appreciates the potential historical value of IL MORO DI VENEZIA IV and the tourism opportunities for San Diego, AMP is concerned about the potential impact on current coastwise-qualified recreational vessels engaged in similar vessel charters from the West Coast. Congress enacted a law to allow for administrative waivers of small passenger vessels

to negate the need for legislative waivers for vessels like IL MORO DI VENEZIA IV. (46 U.S.C. § 12121) AMP believes that IL MORO DI VENEZIA IV should go through that process so that interested parties that may be affected by the waiver can provide input into the process, before Congress even considers granting a legislative waiver to the vessel.

AMP's objection to waivers for MACY RENEE, M/V GEYSIR, OCEAN VERITAS, LUNA, and IL MORO DI VENEZIA IV are based on the assessment that such waivers are unnecessary and/or detrimental to existing coastwise-qualified vessel operators. Moreover, it is unfair to American companies making investments in reliance on the law, and not seeking to change the law to gain an unfair competitive advantage, to grant such waivers.

AMP does not object to the waivers for the AIDEA FDD-2, LNG GEMINI (U.S. Official Number 595752), LNG LEO (U.S. Official Number 595753), or LNG VIRGO (U.S. Official Number 595755). AMP has worked closely with the representatives of the drydock to develop a compromise that does not adversely impact the Jones Act or create a competitive disadvantage for existing drydock owners/operators. Moreover, the LNG vessels present a unique situation insofar as there are no coastwise-qualified U.S.-flag vessels that would compete against those ships.

As the Committee moves the Fiscal Year 2012 Coast Guard Authorization bill forward, AMP strongly urges the Committee to not include legislative coastwise waivers for MACY RENEE, M/V GEYSIR, OCEAN VERITAS, LUNA, and IL MORO DI VENEZIA IV.

Sincerely,

The Board of Directors of the
American Maritime Partnership

Marcon International, Inc.

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Wednesday
Aug 17, 2011
07: 57: 28 PST

Exterior Interior Deck Equipment

**For Sale
Foreign flag Ocean Spud Barge
Direct from U.S. Owners**

Marcon is pleased to offer for sale the following Int'l loadlined spud barge direct from US West Coast Owners.

FILE: DB20048 Spud Barge - Ocean - Macy Renee

- Dimensions: 200' x 192' x 60' x 12'
- Welded steel flat deck spud barge with raked bow, square stern and a 15' half-pipe rubrail per side.
- 2 longitudinal and 5 transverse bulkheads creating 12 midbody water tight compartments.
- 3 x 42" square spud wells (2 raised and one flush mount) and 2 x 40" square x 85' long spuds.
- Spuds operated by 4 x Timberland 40 HP level wind electric winches each spooled w/ 1.25" wire rope.
- Alan Bradley winch control system w/ dynamic positioning/breaking to steer and "walk" the barge.
- Built 2001 at Bollingers, Marine Fabricators of Lockport, Louisiana Refurbished 2009. GRT:
- Mexican flag (no coastwise Jones Act trading priviledges).
- ABS International load line valid till April 13, 2014. Last dry-docking April 2009.
- 16' x 34' x 9' deckhouse divided into a generator & tool room spanning the width of barge forward.
- Modular office and anchor control tower located atop deckhouse.
- Mast outfitted with dredging, anchor and navigation lights.
- 2,000g fuel oil tank, mounted on deck, centerline, and forward of deckhouse.
- 1 x 180kW Perkins (2010) and 1 - 60kW John Deere (2009) generator.
- 4 x Smith Berger MD-2614 fairleads (new 2009).
- 2 x 28" Panama chocks.
- Ingersoll Rand 2475-E air compressor.

Hauled out, hull blasted, painted, internal voids recoated and all zincs renewed during last dry docking April 2009. Located in fresh water since 2008. The vessel is reported in very good condition and has been used as deck barge, crane barge, spacer barge and fleeting barge within the U.S. inland river system and in International waters.

Please call Marcon to obtain new lower price guidance. Recent (2010) general condition survey with photos as well as appraisal available upon request to named Buyers. Located on the U.S. West coast for immediate inspection and delivery. Inspections can be arranged promptly through Marcon's office.

Revised: January 2011

Exterior Interior Deck Equipment

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Equipment For Sale

Monday, 29 December 2008 08:41

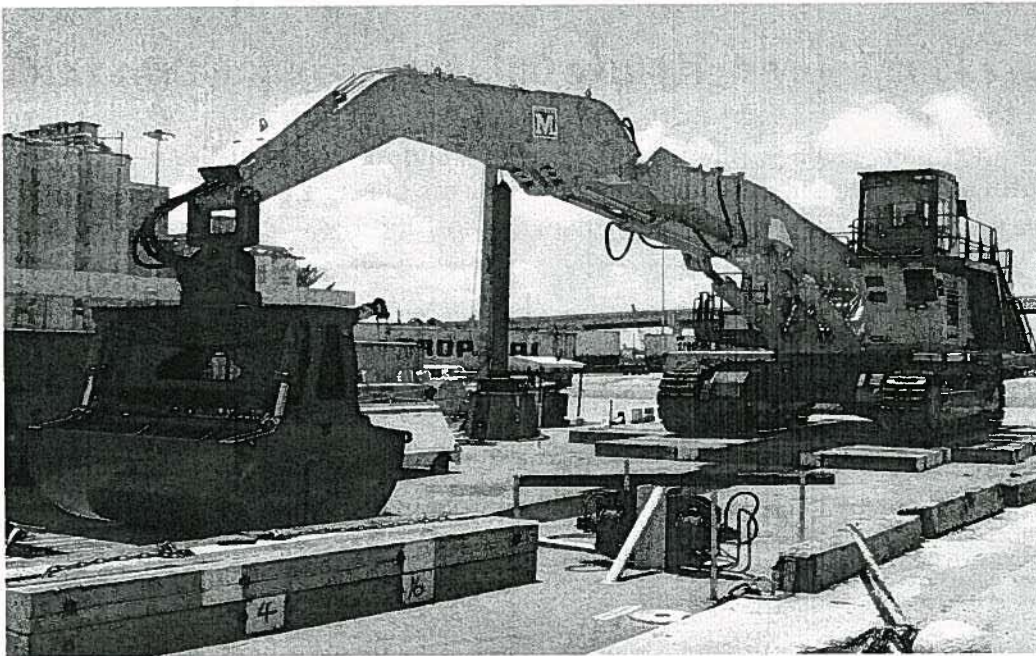
EQUIPMENT AVAILABLE FOR SALE

Spud Barge 200 x 60 x 12 ABS Load Line - Built 2001

Macy Renee - beautiful barge, completely overhauled. New house, office space, tool room, spuds and anchor system. Located in Portland, OR area. Please contact svandegrift@jemcamis.com for more details.

PC 1800 / PC 2000 Komatsu Long-Reach Front with 8 cubic yard clamshell (boom, stick and bucket only!!!)

Custom built by Pierce Pacific with less than 4,400 hours of use. Boom, stick and 8 cubic yard clamshell bucket, ideal for loading/unloading, trucks, barges, railcars, hoppers etc. Front was built with 60' of reach for a specific project which has since been completed, EXCELLENT condition, available for immediate purchase. Located in California. Please contact Scott Vandegrift @ 530.891.5061 or by email svandegrift@jemcamis.com for details and pricing.



Four (4) Komatsu HM-300 Off-Highway Trucks -

All four of these units have around 4000 hours and are in excellent condition. All four have tailgates. Trucks are located in the Portland area and are available for purchase. These trucks are discounted for a quick sale. Please contact Scott Vandegrift @ 530.891.5061 or by email svandegrift@jemcamis.com for pricing and availability.