

MARITIME CABOTAGE



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March 16, 2010

The Honorable Jim Oberstar
Chairman
House Transportation & Infrastructure
Committee
2165 Rayburn House Office Building
Washington, DC 20515

The Honorable John Mica
Ranking Member
House Transportation & Infrastructure
Committee
2163 Rayburn House Office Building
Washington, DC 20515

Dear Chairman Oberstar and Ranking Member Mica:

The Maritime Cabotage Task Force (MCTF), a broad-based coalition of domestic interests and a leading advocate for U.S. maritime cabotage laws, writes to reiterate its strong opposition to a coastwise waiver for the vessel MAYA (currently known as MACY-RENEE) (U.S. Official Number 1107319).

In response to the MCTF's letter dated January 21, 2010 expressing opposition to a waiver for MAYA, the current owner of the vessel, J.E. McAmis, on February 15, 2010, wrote to the Committee seeking to further justify the waiver, currently contained in H.R. 3619, the Coast Guard Authorization Act for Fiscal Year 2010. The MCTF believes that J.E. McAmis has not only failed to provide an adequate justification for the coastwise waiver, but has in fact offered evidence supporting the MCTF reasons for not granting such a legislative waiver. This letter is intended to further elaborate on the MCTF's position opposing MAYA.

As set forth in the MCTF's January 21st letter, the coastwise laws of the United States, including those stipulating when a U.S. vessel is disqualified from engaging in coastwise trades, are important to ensuring, among others, a level competitive playing field for American companies engaged in the domestic commerce of the U.S. Permitting companies to use the legislative process to gain an economic advantage or to obtain more flexibility in the use of its assets in domestic trades hurts American companies abiding by the coastwise laws.

More specifically, J.E. McAmis admits in its February 15th letter that it did not have adequate coastwise-qualified vessels for the Columbia River Channel Improvement project, stating "the company was unable to locate a vessel that would be suitable for the project ..." and therefore, "J.E. McAmis identified and decided to purchase the [foreign-flagged MAYA] because it was the best available solution." J.E. McAmis, seeking to downplay what it purchased, states in its letter that MAYA is "not a passenger or cargo vessel. Instead, [MAYA] is a non-self propelled, 200x60x12 ft. steel, flat-deck spud barge." J.E. McAmis seems to suggest in making that statement that MAYA was the only barge available on the market to meet the needs for the project. The MCTF suggests that was not the case, and offers as evidence to support that contention, (1) the fact that certain competitors for the Columbia River project offered bids that utilized

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coastwise-qualified assets and (2) the fact that there are more than 26,000 non-self-propelled, coastwise-qualified dry cargo vessels in the domestic fleet.

J.E. McAmis also notes in its letter that it has a ruling from Customs and Border Protection permitting it to engage in “a very limited function as a fixed-platform positioning barge on the project,” demonstrating that the vessel can be employed in limited circumstances without the need for a coastwise waiver. While it may be true that MAYA was the “best available solution” for J.E. McAmis to meet its needs on the Columbia River project, it does not mean that the vessel is an appropriate candidate for a coastwise waiver. In fact, as stated in the February 15th J.E. McAmis letter, the only reason the company is seeking the waiver is because it provides “more flexibility to utilize the vessel more effectively on dredging and construction projects,” i.e., to use the vessel to compete against existing American marine contractors that have made significant investments based on the coastwise laws.

The MCTF does not believe that, under these circumstances, there is any reasonable justification for permitting greater flexibility to J.E. McAmis to use MAYA in the coastwise trades. Therefore, the MCTF strongly objects to granting a legislative waiver of the coastwise laws for the vessel MAYA.

Sincerely,

Brenda Otterson
American Maritime Officers Service

Thomas Allegretti
American Waterways Operators

Terry Turner
American Shipping Group

Michael Roberts
Crowley Maritime Corp.

Barry Holliday
Dredging Contractors of America

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Overseas Shipholding Group

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cc: The Honorable Elijah Cummings
Chairman, House Coast Guard and Maritime Transportation Subcommittee

The Honorable Frank LoBiondo
Ranking Member, House Coast Guard and Maritime Transportation Subcommittee

John E. McAmis
President, J.E. McAmis, Inc.