

Congress of the United States
Washington, DC 20510

March 26, 2019

The Honorable Robert E. Lighthizer
U.S. Trade Representative
Executive Office of the President

The Honorable Steven Terner Mnuchin
Secretary of the Treasury
U.S. Department of the Treasury

The Honorable Wilbur L. Ross, Jr.
Secretary of Commerce
U.S. Department of Commerce

Dear Ambassador Lighthizer, Secretary Mnuchin, and Secretary Ross:

We urge you to secure export opportunities for American mariners and shipyards as part of any trade agreement negotiated between the United States and the People's Republic of China.

There has been much speculation that China will agree to increase purchases of American energy under any such agreement. If not structured properly, we are concerned that such an agreement could miss a tremendous opportunity to put Americans to work by requiring that U.S.-flag vessels employing American mariners play a key role in the export of crude oil and liquefied natural gas (LNG) to China.

Our U.S.-flag international fleet, comprised of commercial vessels documented under the laws of the United States and owned and operated by American citizens, is in a state of precipitous decline. This important force for our national and economic security has declined by nearly 60 percent since 1991 to just 80 vessels, according to the Government Accountability Office (GAO).ⁱ U.S.-flag vessels now account for less than 2 percent of America's ocean-going foreign trade.ⁱⁱ

The United States is expected to be the world's third-largest producer of LNG for export by 2020ⁱⁱⁱ and crude oil exports are projected to reach 3.64 million barrels per day by 2025,^{iv} according to the Energy Information Administration. Global demand for American LNG and crude oil exports presents an opportunity to rebuild our nation's merchant fleet to meet our military and commercial needs.

Without your personal attention in these trade negotiations, American LNG and crude oil exports will almost certainly be on foreign-flag vessels operated by foreign crews. As such, we urge that any agreement negotiated with China involving increased purchases of American energy require that U.S.-flag vessels employing American mariners play a key role in the export


of crude oil and LNG to China. Such action by you and the Administration will be part of a government-wide effort to recapitalize our merchant marine fleet, strengthen our maritime industrial base, and safeguard our national security interests.

We will be reintroducing the “Energizing American Shipbuilding Act.” Our bipartisan bill would guarantee that fixed percentages of all exported LNG and crude oil travel on U.S.-built, crewed, and flagged vessels starting in 2025. Our bill would also require that exporters provide training opportunities for American mariners in preparation for these future job opportunities. Our bill would grow the U.S.-flag fleet and create thousands of new, well-paying jobs for American mariners, shipyards, and our domestic maritime industry.

Again, we urge that you make every effort to secure export opportunities for American mariners and shipyards as part of any trade agreement negotiated between the United States and the People’s Republic of China involving commitments to purchase American LNG and crude oil. This is a national security imperative and an opportunity to put Americans to work. We look forward to working with you on this important issue. Thank you for your consideration.

Sincerely,


JOHN GARAMENDI
Member of Congress


ROGER F. WICKER
United States Senator

ⁱ Government Accountability Office report (November 2018):

<https://www.gao.gov/products/GAO-19-260T>

ⁱⁱ Government Accountability Office report (November 2018):

<https://www.gao.gov/products/GAO-19-260T>

ⁱⁱⁱ Energy Information Administration: <https://www.eia.gov/todayinenergy/detail.php?id=37732>

^{iv} Energy Information Administration (September 2015):

<https://www.eia.gov/analysis/requests/crude-exports/pdf/fullreport.pdf>