



June 28, 2010

Statement of Maritime Cabotage Task Force Opposing S. 3525, Legislation to Repeal Jones Act

Washington, D.C – We oppose this legislation. All the McCain bill would do is put more Americans out of work.

The McCain bill proposes to eliminate the very American industry that is helping to clean up the spill - an industry that supports 500,000 U.S. jobs - and outsource that work to foreign workers and foreign companies registered in nations like Liberia and the Marshall Islands that operate outside of American law. Using a spill caused by foreign companies as a pretext to bring in more foreign companies is a backward approach. It makes as much sense as replacing the American workers currently cleaning up the Gulf beaches with foreign companies and foreign workers.

The McCain legislation is based on the completely false claim that the Jones Act is hindering the Gulf clean-up effort. The Coast Guard and National Incident Command have unambiguously rejected that idea. They should know the truth better than anyone. While there is a critical shortage of supplies like skimmers and boom, scores of large American vessels are standing by in the Gulf ready to deploy these supplies and equipment as they become available. Specialized foreign oil spill response vessels are welcome and already working -- they either do not need a Jones Act waiver, or can get one without delay.

Finally, the McCain bill is based on studies that are outdated and widely discredited. Long ago, the U.S. Government Accountability Office in response to a request from Senator McCain reviewed those same studies and advised the Senator that they failed to accurately assess the costs and benefits of the Jones Act.

Maritime Cabotage Task Force (www.mctf.com) was founded in 1995 to promote the U.S.-flag fleet engaged in domestic waterborne commerce. With more than 400 members, MCTF is the largest coalition ever assembled to represent the domestic segment of the U.S. merchant marine. Nationwide, there are more than 39,000 vessels engaged in Jones Act commerce and they annually move more than 1 billion tons of cargo and 100 million passengers. The Jones Act annually generates more than \$100 billion in total economic output, adds \$46 billion to the value of U.S. economic output, provides \$29 billion in wages for nearly 500,000 workers, and contributes \$11 billion in federal, state, and local taxes. The Act has been broadly supported by every Congress and Administration since its passage in 1920 and is considered a key element in the nation's national defense capabilities.

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