

Van Loo, Maritime Witnesses Brief Congressional Subcommittee on State of U.S. Merchant Marine

M.E.B.A. Secretary-Treasurer Bill Van Loo was one of eight witnesses testifying before a Congressional Subcommittee on Wednesday about the capabilities and needs of the U.S.-flag maritime industry.



Rep. Duncan Hunter (R-CA) at left chaired the hearing. Ranking Member John Garamendi (D-CA) was vocal throughout and peppered witnesses with questions. [Photo credit: Mike Hickey/MTD]

Rep. Duncan Hunter (R-CA), Chairman of the Coast Guard & Maritime Transportation Subcommittee (part of the House Transportation & Infrastructure Committee) oversaw the hearing that explored various facets of the industry aimed at ensuring a viable U.S.-flag Merchant Marine thus aiding our nation's economy and national security.



M.E.B.A. Secretary-Treasurer Bill Van Loo testified on behalf of M.E.B.A., AMO, MM&P and SIU. [Photo credit: Mike Hickey/MTD]

Van Loo, speaking on behalf of the M.E.B.A., AMO, MM&P and SIU, talked about the erosion of the U.S.-flag Merchant Marine and the associated mariner base. He stressed that Members of Congress should reassert their support for key maritime statutes and adopt new initiatives to help expand the U.S.-flag fleet – which in turn would swell the ranks of American mariners. “In order to remain available in times of war and to support our Nation’s economic security, the U.S.-flag Merchant Marine must be supported during times of peace,” he testified. He called for a “coordinated approach to a national maritime policy that starts with ensuring a steady stream of cargo.” With a massive infrastructure spending bill inching forward, he told the subcommittee the “renewal of the U.S. Merchant Marine” needs to be part of the

discussions. Van Loo voiced the unions' praise of the Subcommittee's tireless efforts to extend and secure full funding for the Maritime Security Program. In addition, Ranking Member John Garamendi's legislation entitled "Energizing American Maritime Act" was lauded as a positive initiative to boost U.S.-flag cargoes in the energy sector. Van Loo urged that lawmakers and the Administration put a priority on incentivizing commercial cargoes onboard U.S.-flag ships while noting that the U.S.-flag currently accounts for only 2% of the global U.S. trade. "One way this can be accomplished is through the negotiation of bilateral shipping agreements. Congress should give the Administration whatever additional authority it needs to negotiate meaningful bilateral cargo sharing agreements with America's trading partners to provide U.S.-flag vessels with a greater share of our foreign trade."

"It is very simple," Van Loo said. "Without cargo, our ships do not sail and our mariners do not stand by."



Maritime Administrator Rear Admiral Mark Buzby expressed concerns that sealift readiness will be affected as the Ready Reserve Force fleet continues to age. [Photo credit: Mike Hickey/MTD]

"Cargo is king," Maritime Administrator Rear Admiral Mark Buzby testified in the lead panel. It determines "the number of ships in the U.S.-flagged fleet, and the number of ships then influences the number of mariners who are available to run those ships and maintain a strong, resilient, U.S. Merchant Marine." There are only 82 internationally-trading U.S.-flag ships at present and the erosion of the U.S. fleet that has led us to this point is especially worrisome, he noted, as it will impair

the nation's sealift readiness. Already the Administrator fears there aren't enough qualified mariners to sustain sealift operations after the initial surge. Continued erosion of the fleet could further jeopardize our capabilities.

He discussed the importance of cargo preference laws and the Maritime Security Program and talked about the need to recapitalize the Ready Reserve Force fleet to ensure the readiness of the 46 RRF ships (average age=43 years).

Citing the 40,000 small U.S.-flag/crewed brown water vessels circulating throughout our nation's waterways (often carrying sensitive and hazardous cargoes), Chairman Hunter asked the Administrator about the importance that those vessels be controlled by U.S. mariners instead of foreign counterparts.

“Those [American] mariners are a de facto layer of our national security,” Administrator Buzby declared voicing strong support for a heavy U.S.-flag presence. “And the Jones Act makes that possible,” Chairman Hunter interjected. “Yes sir!” Buzby agreed.



Panel Two witnesses included (l-r) AMP President Matt Woodruff, ARC President Eric Ebeling testifying on behalf of USA Maritime, OMSA President Aaron Smith, SCA President Matthew Paxton and M.E.B.A.'s Bill Van Loo testifying on behalf of M.E.B.A., AMO, MM&P and SIU. [Photo credit: Mike Hickey/MTD].

Further emphasis on the issues important to us was provided by USA Maritime, represented through testimony delivered by American Roll-On Roll-Off Carrier (ARC) President Eric Ebeling. USA Maritime is a coalition of maritime unions, associations and shipping companies – including the M.E.B.A. and American Maritime Congress – fighting for the U.S. Merchant Marine.

He offered three suggestions to stave off the precipitous decline of available government preference cargoes including “faithful execution” of strengthened cargo preference enforcement tools. He also called for “100% of all government-owned or financed cargoes to move on U.S.-flag ships.” In addition, he stressed that the Export-Import Bank must be afforded a quorum so that it can return to full functioning power. Importantly, a portion of cargo generated by the Bank is required to be transported aboard U.S.-flag ships and only U.S. vessels can be used for Bank transactions above \$20 million.

Several others testified on aspects of the industry including American Maritime Partnership President Matt Woodruff, Offshore Marine Service Association President Aaron Smith and Shipbuilders Council of America President Matthew Paxton.

There was lingering discussion about a Customs and Border Protection ruling, later withdrawn by the agency early last year, that would have helped strengthen Jones Act requirements related to the transportation of offshore oil and gas operation equipment. The initiative would have closed loopholes exploited by foreign shipping interests allowing them to transport equipment from the U.S. mainland to U.S. rigs using foreign-flag vessels. Foreign interests cheered the withdrawal of the ruling, witnesses asserted. It was urged that Congress and the Administration rally behind such initiatives that emphasize “Buy American, Hire American.”

You can view the prepared witness testimonies and also watch the hearing by visiting the following link: <https://tinyurl.com/maritimehearing>