



A bold voice for transportation workers

STRENGTHENING THE U.S. MARITIME INDUSTRY FOR THE FUTURE

Since President Biden assumed office a little more than a year ago, the Biden administration has taken several actions to review and address current U.S. supply chain disruptions caused in large measure by a global pandemic and compounded by years of failure on the part of our government to develop and implement a realistic national maritime policy. As the federal government and the commercial maritime industries work to build a more resilient supply chain, TTD urges Congress and the administration to implement a national maritime strategy that includes, among other things, core policies that increase the size of our U.S.-flag fleet and the amount of America's trade carried by U.S.-flag ships, enhance and strengthen U.S.-flag cargo preference laws, fully fund the maritime and tanker security programs, and categorically reject flag-of-convenience and open registry schemes.

Support and Enforce the Jones Act

Key to the development and implementation of a realistic national maritime strategy is the continued application of the Jones Act to the movement of waterborne commerce in the domestic trades. The United States has a vital need for self-reliance in ocean shipping; this self-reliance can be strengthened by an expansion of the U.S.-flag domestic fleet and Jones Act vessels.

The Jones Act, otherwise known as the Merchant Marine Act of 1920, requires any cargo moving between U.S. ports to be carried by ships built in America, owned and operated by U.S. citizens, and crewed by American mariners. Jones Act supply chains have distinguished themselves from foreign flag shipping alternatives by consistently providing cost-effective, reliable services to communities across America and supplying places like Hawaii, Puerto Rico, Guam, and Alaska with extra insulation against many supply chain challenges. Because our domestic maritime industry has dedicated terminals, equipment, and longstanding partnerships in U.S. ports, Jones Act vessels have been able to deliver goods without the outsized increases in freight rates, disruptions, and service challenges wrought by foreign cargo vessels during the pandemic. Without the Jones Act, domestic waterborne commerce would be controlled by foreign vessels, threatening our economic competitiveness and national security. The Jones Act remains the single most powerful tool to empower our domestic maritime workforce and sustain domestic maritime services through times of peace or conflict.

Despite more than 100 years of success, there have been repeated attempts to permanently repeal or hollow out the Jones Act via waivers by those who see profit in abandoning skilled U.S. mariners and shuttering American shipyards for substandard alternatives abroad. Let's be clear: any waiver to the Jones Act would displace American vessels and crews and outsource jobs to foreign workers. Instead, we should be supporting U.S. mariners, who often spend months at sea away from their families and serve as an auxiliary for the U.S. military, while also supporting

U.S. port workers, who facilitate the efficient movement of cargo and materials that drive our economy while spending their workdays exposed to the elements. Even long before the pandemic, American mariners and port workers played a critical role in keeping our economy strong and our country safe.

To this end, TTD urges Congress and the administration to take the necessary steps to facilitate the construction and operation of Jones Act vessels as part of a new, expanded marine highway system along America's coasts. Creating a fleet of U.S.-built, U.S.-flagged and crewed feeder vessels to carry a portion of America's trade along our coasts to be offloaded in underutilized ports for transportation by truck and rail to their ultimate inland destination will not only strengthen the maritime industry and create jobs aboard ship and in our ports, but will help mitigate against future shipping supply chain disruptions.

Increase U.S. Cargo Preference Requirements

U.S.-flagged ships currently carry less than 2 percent of cargo in the U.S.-international trade. One way to increase the amount of cargo carried by U.S.-flag vessels is to stimulate demand by restoring and enhancing U.S.-flag cargo preference shipping requirements. In 2012, Congress arbitrarily reduced civilian cargo preference laws in the Moving Ahead for Progress in the 21st Century Act, slashing Cargo Preference or Ship-American policies for international aid cargoes from 75% to 50%. This change has drastically reduced the size of our American fleet and outsourced American maritime jobs.

TTD strongly urges Congress to take up the U.S. Maritime Administration (MARAD) Reauthorization package this year and include the Elijah Cummings Ship American Act to restore and improve upon the longstanding cargo preference compromise of 1985, ending the downward trend of civilian preference cargoes available for the U.S.-flag fleet. The legislation requires that 75% of all civilian agency cargoes be carried on U.S.-flag vessels but only when such ships are available at fair and reasonable rates and requires 100% of all food aid cargoes be carried on U.S.-flag vessels but only when such ships are available at fair and reasonable rates. U.S. shipper agencies responsible for the shipment of food aid cargoes would be reimbursed for any additional cost associated with the utilization of U.S.-flag vessels.

At the same time, TTD urges Congress and the administration to consider proposals that will increase the share of U.S. commercial cargoes carried by U.S.-flag vessels in the foreign trades. A new national maritime strategy must reflect the fact that the privately owned U.S.-flag fleet must try to compete against various foreign state owned and controlled fleets, most prominently the Chinese fleet, in this trade while only U.S.-flag, U.S.-crewed vessels must comply with U.S.-government imposed shipping related rules, regulations and tax obligations. Increasing the amount of America's foreign trade carried aboard U.S.-flag ships will increase the number of American maritime jobs and strengthen America's military and economic security.

Oppose Ongoing Flag-of-Convenience Registries and Policies

Lastly, to sustain a robust maritime workforce at home, Congress and the administration should reject any action that would support flag-of-convenience (FOC) "open registries," which are

formed to deliberately skirt labor, employment, and tax law obligations that apply to U.S.-flag vessels and their crews.

FOC registries are predatory models that exist purely to enrich foreign shipping interests by encouraging the employment of licensed and unlicensed foreign mariners at the expense of American mariners and their jobs. Companies interested in these models want to lower business costs and increase profits, which poses a significant risk to the safety and welfare of global seafarers and contributes to the decline of the critically important American maritime workforce. Transportation labor knows well the damage that FOCs can inflict on industries, jobs, and working people as there has been a direct decline in U.S. mariner jobs after WWII when FOC registries became more widespread. We urge Congress and the Biden administration to forcefully and unequivocally reject any proposal to establish a U.S. Virgin Islands open registry and any notion that foreign flag, foreign crewed vessels should be treated as if they are U.S.-flag and U.S.-crewed vessels or enhance the commercial sealift readiness capability of the United States.

The dual public health and global security crises caused by COVID-19 and the war in Ukraine are a meaningful reminder that the United States should be in control of our commercial goods, energy production, and cargo transportation needs. TTD commends President Biden's Buy America and Ship American policies that prioritize U.S.-flag, and U.S.-crewed vessels and create good middle class maritime jobs. More needs to be done to strengthen the United States maritime industry and help our country achieve greater self-reliance within our supply chain. TTD stands ready to work with Congress and the administration to achieve these goals.

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