



NEWS RELEASE

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OMSA APPLAUDS CUSTOMS AND BORDER CONTROL MOVE TO ENFORCE JONES ACT

Harahan, LA-- The U.S. Customs and Border Protection (CBP) has issued a proposal, open for public comment through mid-August, that will take important steps to help enforce the Jones Act more effectively and protect American maritime jobs, according to the Offshore Marine Service Association (OMSA).

Under the Jones Act, cargo can only be carried between two U.S. points on vessels that are owned and crewed by Americans and built in American shipyards. CBP, which administers the Jones Act as it applies to offshore energy operations, announced on July 17 that it plans to revoke or modify 20 rulings to restore the original intent of the Jones Act as it applies offshore. Specifically, in its proposal, CBP compares several rulings to the original Jones Act, as well as a 1976 landmark ruling, and states, "CBP recognizes that allowing foreign-flagged vessels to transport merchandise from one U.S. point and install that merchandise at another point...on the condition that is merely be accomplished 'on or from that vessel' would be contrary to the legislative intent" of the Jones Act.

"With this proposal, CBP is saying that there is a hard line between transportation and installation. Foreign boats may be able to install oilfield equipment, but only U.S. boats can carry it offshore," said OMSA President Ken Wells. "The problem is that for many years, CBP rulings had allowed foreign vessels to carry cargo to subsea oil and gas locations as long as that vessel also installed it."

Foreign vessel owners have already signaled their opposition to the proposal, even claiming it would shut down offshore projects. "Those claims are simply not true. They have made some statements that are a little hysterical. Obviously this could cost them business. However, the fact is American vessels are ready to do this work and if anything, the CBP proposal will protect existing U.S. jobs by keeping foreign boats from flooding the market in the future., " said Wells.

"The impact of this is to restore the intent of the Jones Act and provide the type of field guidance that will allow CBP agents to effectively enforce the law. CBP is to be applauded for taking this important step. U.S. vessel owners, American mariners and the shoreside businesses that benefit from workboat activity need to weigh in support of the proposal" Wells continued.

Wells urged the offshore oil and gas companies to support the CBP proposal, saying "those of us involved in the offshore sector have been arguing for some time that opening up new offshore areas for exploration would help boost the economy and put Americans to work. This is the sort of landmark

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decision that could create new jobs and result in new American shipbuilding and port activity. Opposing the CBP initiative would be the same as saying ‘we don’t want Americans to work in offshore energy’ at a time when we are arguing that expansion would create jobs.”

Instead, Wells said the oil and gas companies should reach out to the U.S. vessel owners to make sure that their workboat transportation needs are met and offshore activity can go on without interruption.

The public comment period is open through August at which time CBP will finalize the interpretation, unless opponents can make compelling legal arguments to the contrary.

OMSA is the national trade association representing the U.S. Flag offshore workboat industry.

For additional information or for assistance in commenting on the CBP proposal call 504-734-7622 or e-mail kenwells@offshoremarine.org.