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 March 25, 2010, 2:00PM, 2167 Rayburn House Office Building
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THE JONES ACT IS STILL THE LAW, AND MORE RELEVANT TO JOBS THAN EVER BEFORE

Op-Ed by Ken Wells, President, Offshore Marine Service Association

Our maritime cabotage laws are among the oldest in the nation, so why is the Department of Homeland Security (DHS) acting like they've never heard of them before?

The most famous of our cabotage laws, the Jones Act, says simply that merchandise, no matter what its value, can only be transported between U.S. points on a vessel that flies the U.S. flag. That means it is built here, owned by Americans and crewed by Americans. Sounds simple enough. Yet every day foreign vessels carry cargo from U.S. ports to offshore facilities for installation.

Last summer, the Customs and Border Protection Agency, a part of DHS, appeared ready to address this very issue when it proposed returning to the original intent of the Jones Act and to dramatically limit the ability of foreign vessels carrying cargo between our shores and our offshore energy sites.

But opponents of the law argued hard to keep from having to use American-crewed, American vessels and ever since last summer, that proposal had been stalled at DHS. Just recently DHS said it would move forward with the proposal but needed to use a formal – and much longer rulemaking process to do so. Instead of addressing the problem now, this process may delay a solution for months. Some rulemaking processes have dragged on for years.

Why would the Administration need to take even one more day to study a law that keeps Americans working? The issue is really on the front burner right now because it is so closely related to our future offshore energy plans.

The Administration will likely soon announce a plan to expand and explore America's offshore energy resources, whether through the opening of new areas for oil and gas leasing or alternative sources like wind power and wave generation. In order to make this possible, American maritime companies already working offshore are ready to commit to building new, state-of-the-art, multi-million dollar vessels for the coming energy expansion. But they need a commitment from Washington that our country is willing to properly interpret and enforce the laws which protect our domestic maritime trade.

We have watched with alarm as more and more offshore energy work is being done by foreign vessels; vessels which limit their spending in U.S. ports, which aren't built in America, generally don't hire Americans to work aboard, and which are often not subject to the same kinds of rigorous security requirements as the U.S. vessels. Recently the IRS put together a task force to investigate why so many foreign boats working in our offshore energy sector weren't even paying taxes on profits earned while in America.

What are the stakes for our industry, local and state economies, as well as the national bottom-line? A recent study commissioned by the Offshore Marine Service Association indicates that U.S. vessels involved in offshore energy, the shipyards that build them and the companies that assist them create over 100,000 American jobs on the water and shore-side, producing over \$18 billion in business sales activities and \$4.6 billion in household earnings per year. That is money that is generated back into our U.S. economy.

But if we are going to continue to see that positive impact on our nation's economy we must ensure that the offshore work is performed on U.S.-flag vessels that are built in America, and owned and crewed by Americans.

Exploring our offshore oil, gas and wind resources can provide relief to our nation's energy challenges and sustain and create new jobs for American mariners if we hold true to the Jones Act now and for the future. President Obama said, "Jobs must be our number one focus in 2010," during his State of the Union address at the end of January.

We support that. We need his agencies to support it as well.

Ken Wells leads the Offshore Marine Service Association (OMSA), which represents more than 250 member companies, including about 100 firms that own and operate marine service vessels. These sophisticated vessels, some 1,200 in number, connect America with its offshore energy resources, providing every pipe, wrench, computer, barrel of fuel, and gallon of drinking water to rigs and platforms, as well as transporting tens of thousands of workers to and from the facilities. In addition to its members that own and operate vessels, OMSA's associate members include shipyards, surveyors, vessel equipment manufacturers and distributors, even financial institutions, attorneys, and accountants. www.offshoremarine.org

ITF TO LAUNCH 'TIME TO BEAT PIRACY' CAMPAIGN

Union representatives meeting in Berlin have voted to launch a new campaign to persuade all governments to commit the resources necessary to end the increasing problem of Somalia-based piracy.

Seafarers' delegates at ITF meetings in Germany authorized the Federation to build a campaign that is hoped to deliver half a million signatures to governments by World Maritime Day, September 23rd. The campaign will call on them to close the circle on protection of ships, and for those states now ducking their responsibilities to stand up and follow the example of those which are actively involved in combating the threat.

The petition will call on nations to:

- Dedicate significant resources and work to find real solutions to the growing piracy problem.
- Take immediate steps to secure the release and safe return of kidnapped seafarers to their families.
- Work within the international community to secure a stable and peaceful future for Somalia and its people.

Speaking from Berlin, ITF Maritime Coordinator Steve Cotton said: "This decision has empowered us to build a worldwide campaign to put pressure on all governments to close the gap in their anti-piracy efforts. At the end of last year we warned that a point had been reached where the affected area had become too dangerous to enter, except in exceptional circumstances. We also highlighted the scandalous negligence of countries making billions from ships they are doing nothing to protect. There has been no improvement since then."

He continued: "The reality is that seafarers are risking their lives transporting the world's goods through areas that are daily growing more dangerous. That situation is not going to change without dramatic efforts to address the problems of Somalia and its people and grasp the nettle of confronting and prosecuting piracy."

The Berlin meeting also agreed to support the inclusion, where appropriate, of armed military personnel on ships in addition to the commitment by flag states of naval vessels. The ITF remains firmly opposed to the arming of seafarers. It is also gravely concerned by attempts to prevent the payment of ransoms and considers that it is the duty of shipowners and flag states to take all necessary measures to swiftly reunite seafarers with their families when they are held hostage. The ITF also stated that it is unforgivable that the major flag of convenience states have done little more to fight piracy than sign pieces of paper. They have taken no other concrete action, nor have they used their flag state jurisdiction to enable the prosecution of any pirates.