MAY 2012

Deep Water Port *notes*

The News Portfolio of The Connecticut Deep Water Port Community *New London . New Haven . Bridgeport*

Maritime Matters in Washington

By Mr. Paul Bea



Tanker offloading petroleum products at Magellan Terminal, Port of New Haven – Captain Charles Jonas

POLITICO, the successful Washington, DC daily journal that was born of the digital age, published a story on May 22nd by reporter Jessica Meyers on one of my favorite topics, marine highway development. The story is here: http://www.politico.com/news/stories/0512/76633.html.

I wasn't fully satisfied with the piece but then any reader who knows a subject better than the writer who is new to the topic will find something to complain about. However it was the multiple titles that sat atop the various pages and editions of the piece that got to me. "Industry appears stalled on marine highways," "Federal marine highways project hard to launch," and one that elicited a quiet groan, "Marine highways projects often sink."

It's hard to argue with the conclusions of a headline writer who considers the story that illuminates little evidence of successful services, hears sources say there is no market or it is still being identified, and then calls it as she or he sees it.

Face it. At the moment the shelf isn't lined with gleaming trophies of winning marine highway projects. Then there was this piece that appeared the next day in Lloyd's List entitled "Built in the USA." http://www.lloydslist.com/ll/sector/ containers/article398945.ece "Tobias Koenig's decision to withdraw financial support from American Feeder Lines...

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has opened a fresh debate on the US-build requirement of the 1920 law."

Whether it has given us a fresh debate or is just another log to grow the flames of that US-build debate isn't so important. The debate continues and the heat is being felt.

The two articles point to the challenge facing marine highway service start-ups and the broader Jones Act container/trailer carrier community whose market is pretty much limited to the non-contiguous trade and whose fleet has far too many old fuel burners for the new Emissions Control Area (ECA) age we are about to enter.

Two weeks prior to those articles going to print The Maritime Executive folks convened a long planned "Revitalizing the Maritime Industry" forum. It was a Jones Act centric program and audience, although there might have been some outliers in the room.

The two-day program opened with a plainly stated concern about how the Jones Act industry today finds itself in the position of having to defend the cabotage principle instead of the onus being on challengers to explain why it would be in the nation's interest to allow the Jones Act walls to tumble.

John Graykowski, former Deputy Administrator of MARAD and Jones Act advocate, said at the opening of the forum that "the future isn't as clear or...as bright as any of us would like it to be." He noted "challenges" that don't seem to diminish and "an ever present growing threat" to the Jones Act. He pointed to fewer maritime industry advocates today in government, and to challenges to the cargo preference program and the protected noncontiguous trade.



In the background, as one easily took from the forum's title, was the fact that important elements of the Jones Act industry have been in decline for too long a time, a condition that the marine highway effort hopes to reverse.

Along the way there were unequivocal and unchallenged statements heard in the hall as to the importance of the domestic maritime sector to the nation, the competitiveness of American crews and the competitiveness of American shipyards. Also heard was the immutability of the Jones Act.

The problem isn't that it is broke, the message went. The problem is that aggressors are gathering at the gate and our defenders are fewer. This is a time for a collective "gut check." The walls must be defended. Whatever happens, the law "ain't gonna" change.

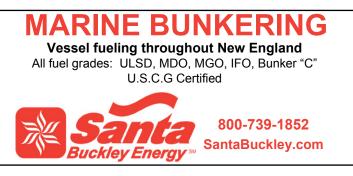
A few people with microphones suggested the need for some flexibility in the law. A short term reflagging of suitable, foreign built ships to enable a demonstration of marine highway service in the North Atlantic is an example that I suggested. (I argued that position on behalf of American Feeder Lines in its attempt earlier this year to win government approval of a waiver with the condition that US-built ships would be ordered to replace them.)

There were Jones Act defenders in the room who themselves are frustrated with the no-exceptions perspective. But it is a frustration that is not given expression in public, certainly not in a gathering such as this.

Speaking for myself, cabotage is a principle important to the national economy and defense. However, as I suggested in making my marine highway presentation at the forum that with present law being nearly 100 years old, "I don't think that living in the twentieth century today is necessarily how we get" to a revitalized American

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industry. The principle is sound but how we get to a revitalized industry, including the shipbuilding sector, is the question. And with a revitalized industry we can be more successful in defending the gate.

MarEx Editor-in-Chief Tony Munoz, the convener of the event, concluded by saying the forum and the attendees are the "tip of the spear" to "move this agenda forward."

But will preserving every jot and title of the status quo be the only element of that agenda?

Paul Bea is a government relations and policy advisor in Washington, DC. He chairs the marine highway advocacy group, The Coastwise Coalition, and discusses marine transportation system matters at www.MTSmatters.com.

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The Office of Military Affairs

Mr. Robert Ross, Executive Director (860) 270-8074 bob.ross@ct.gov http://www.ct.gov/oma/site/default.asp

Federal Resources

VOW to Hire Heroes Act of 2011 Creates New Benefit for Unemployed Veterans.

This legislation offers a tax credit up to \$5,600 for companies that hire veterans who have been unemployed six months or longer. Hiring a veteran with a serviceconnected disability bumps the credit up to \$9,600. http://courtney.house.gov/index.php?option=com_conte nt&view=article&id=6533&Itemi



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The Connecticut Maritime Coalition is a non-profit trade association facilitating the competitiveness of Connecticut's maritime industries. Our member network is mostly composed of small and medium-sized businesses.

The Connecticut Maritime Coalition's mission is to advocate for Connecticut's maritime industry.

To join the Connecticut Maritime Coalition or to advertise your business in Deep Water Port notes, please contact:

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