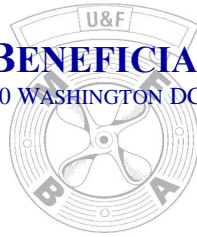


# MARINE ENGINEERS' BENEFICIAL ASSOCIATION (AFL-CIO)

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April 28, 2011

The National Ocean Council  
722 Jackson Place  
Washington, DC 20503

Comments: Development of Strategic Action Plans for the National Policy for the Stewardship of the Ocean, Our Coasts, and the Great Lakes

***Submitted via electronic filing and hand-delivered to White House***

Dear Members of the Council:

The Marine Engineers' Beneficial Association (MEBA) AFL-CIO is the nation's oldest maritime labor union representing deck and engineering officers in the United States Merchant Marine. Our Officers serve in a variety of capacities in the commercial, government owned and operated, and domestic fleets, as well as in shore side employment at various marine terminals. The vessels we work on include crude oil and product tankers, freighters, container vessels, large passenger/cruise vessels, ferry systems, Roll/on Roll/off vessels, dry bulk carriers and inland waterway tugs and barges.

The U.S. Merchant Marine is America's fourth arm of defense ó a title given to us during World War II, but one which we have earned since this nation's earliest days. MEBA supports strong security measures that protect our vessels and our ports. We have demonstrated that support in many ways, including widespread participation in various committees across the country<sup>1</sup> as well as international bodies (such as the International Maritime Organization and the International Labor Organization) that are tasked with examining and improving not only shipboard and port security but also safeguarding the marine environment.

MEBA has a vested interest as well to ensure that US flag shipboard transportation remains competitive, profitable, and safe. Shipboard transportation is our lifeblood and sustains a trained maritime workforce and US flag merchant fleet that can be used by our nation in time of international conflict or for humanitarian relief efforts. With that in mind MEBA offers the following comment:

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<sup>1</sup> The Marine Engineers' Beneficial Association is a member and/or participant in the following committees, boards, working groups, associations (this is not an exhaustive): National Defense Transportation Association, Merchant Marine Personnel Advisory Committee, Ship Operations Cooperative Program, USCG Chemical Transportation Advisory Committee, USCG Towing Safety Advisory Committee, USCG Navigation Safety Advisory Council, American Society of Naval Engineers, Society of Naval Architects and Marine Engineers, Marine Highways Cooperative Short Sea Shipping, Great Lakes Maritime Task Force, and International Propeller Club.

Pursuant to the Final Recommendations that were adopted in Executive Order 13547, the National Ocean Council is charged with developing Strategic Action Plans for each of the following nine national priority objectives:

- (1) Ecosystem-Based Management;
- (2) Coastal and Marine Spatial Planning (CMSP);
- (3) Inform Decisions and Improve Understanding;
- (4) Coordinate and Support;
- (5) Resiliency and Adaptation to Climate Change and Ocean Acidification;
- (6) Regional Ecosystem Protection and Restoration;
- (7) Water Quality and Sustainable Practices on Land;
- (8) Changing Conditions in the Arctic; and
- (9) Ocean, Coastal, and Great Lakes Observations, Mapping, and Infrastructure

In seeking public input on the development of the Strategic Action Plans, the National Ocean Council has requested comments that address the opportunities, obstacles, and metrics of progress relevant to each of the nine national priority objectives, specifically seeking comments on the following points:

É Near-term, mid-term, and long-term actions that would most effectively help the Nation achieve each priority objective;

É Obstacles to achieving the priority objectives and opportunities the priority objectives can further (including transformative changes in how stewardship of the oceans, coasts, and Great Lakes is addressed); and

É Milestones and performance measures most useful for measuring progress toward achieving the priority objectives

MEBA strongly believes that it is absolutely essential that a national ocean policy be based on expansive stakeholder input and be fully vetted regarding economic impact and future considerations that may affect our nation's merchant fleet and U.S. maritime industry.

While MEBA appreciates the opportunity to provide comments, it is, unfortunately, not yet possible to adequately address the questions presented by the National Ocean Council. However, we do provide the following facts that must be considered as the Council moves forward.

## **TRANSPORTATION**

MEBA has serious concerns with the national security implications of a flawed national ocean policy. This policy cannot require such prohibitive costs that the private sector maritime owners and operators are forced out of business. America's domestic fleet is an important part of the national maritime infrastructure which helps ensure there will be ample U.S. sealift capacity to defend our nation. American ships, crews to man them, ship construction and repair yards, intermodal equipment, terminals, cargo tracking systems, and other infrastructure can be made available to the U.S. military at a moment's notice in times of war, national emergency, or even

in peacetime. In addition, during a major mobilization, American domestic vessels move defense cargoes to coastal ports for overseas shipments.

America's domestic shipping industry is responsible for nearly 500,000 jobs and more than \$100 billion in annual economic output, according to a recent study by PricewaterhouseCoopers for the Transportation Institute<sup>2</sup>. Labor compensation associated with the domestic fleet exceeds \$29 billion annually with those wages spent in virtually every corner of the United States<sup>3</sup>. The American domestic fleet moves a variety of goods along the nation's internal waterways, across the Great Lakes, and over the oceans to Hawaii, Alaska, Puerto Rico, and U.S. territories<sup>4</sup>. With more than 40,000 vessels, the U.S. domestic fleet, is the envy of the world. Every job in a domestic shipyard results in four additional jobs elsewhere in the U.S. economy<sup>5</sup>.

Clearly, the U.S. shipboard and vessel transportation sector, a major driver of the U.S. economy, could be subject to significant adverse consequences under a poorly designed national ocean policy. Such a policy has the potential to seriously disrupt the water transportation sector through new access restrictions, limits on shipping vessel size, speed, and horsepower, new air and water quality regulations, new taxes and fees on transportation and port usage, higher energy costs, and inconsistent standards and rules—all of which could lead to loss of employment opportunities for Americans at the benefit of foreigners.

### ***National Security Impact***

- During Operations Enduring Freedom and Iraqi Freedom (2002 - 2010), U.S.-flag commercial vessels, including ships drawn from the domestic trades, transported 57% of all military cargoes moved to Afghanistan and Iraq. As important, the American domestic fleet also provided fully half of the mariners used to crew U.S. government-owned sealift vessels activated from reserve status, which carried an additional 40% of the total cargoes delivered.

### ***Economic Impact***

- The waterborne transportation sector contributed \$10.7 billion to GDP in 2007, with an operating surplus of \$4.9 billion<sup>6</sup>
- Nearly 267,000 individuals were employed by waterborne transportation, port services (cargo, handling, and other), and shipbuilding and repair industries in 2008<sup>7</sup>

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<sup>2</sup> See report: *Contribution of the American Domestic Maritime Industry to the U.S. Economy*, prepared for the Transportation Institute by PricewaterhouseCoopers, 2011.

<sup>3</sup> Id.

<sup>4</sup> Id.

<sup>5</sup> Id.

<sup>6</sup> U.S. Department of Transportation, Maritime Administration, U.S. Water Transportation Statistical Snapshot, July 2009, available at [http://www.marad.dot.gov/documents/US\\_Water\\_Transportation\\_Statistical\\_snapshot.pdf](http://www.marad.dot.gov/documents/US_Water_Transportation_Statistical_snapshot.pdf) (accessed May 10, 2010).

- In addition, both the U.S. freight railroad and truck transportation/warehousing industries are intricately tied to the waterborne transportation sector; the freight railroad industry produces \$265 billion in economic activity every year and supports 1.2 million jobs<sup>8</sup>, while the U.S. truck transportation and warehousing industry provided 2.1 million jobs<sup>9</sup> and is estimated to have generated over \$332 billion in revenue in 2008<sup>10</sup>
- In 2008, U.S. waterborne trade totaled 2.3 billion metric tons<sup>11</sup>
- 7,119 oceangoing vessels made 60,578 U.S. ports of call in 2008, 35% by tankers, 31% by containerships, 17% by dry bulk carriers, 10% by Roll-on/roll-off (Ro/Ro) vessels, and 6% by general cargo ships<sup>12</sup>
- In 2008, just under 10 million passengers spent 64 million passenger nights traveling on 4,212 of the seventeen largest North American cruise lines; in 2008, cruise lines and their passengers spent over \$19 billion on purchases, generating an economic impact in excess of \$40 billion and nearly 360,000 U.S. jobs that paid more than \$16 billion in wages<sup>13</sup>
- From 2003 to 2008, the average size of vessels transiting U.S. ports increased by 6%<sup>14</sup>

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<sup>7</sup> U.S. Department of Transportation, Maritime Administration, U.S. Water Transportation Statistical Snapshot, July 2009, available at [http://www.marad.dot.gov/documents/US\\_Water\\_Transportation\\_Statistical\\_snapshot.pdf](http://www.marad.dot.gov/documents/US_Water_Transportation_Statistical_snapshot.pdf) (accessed May 10, 2010).

<sup>8</sup> Association of American Railroads, The Economic Impact of America's Freight Railroads, February 2010, see: <http://www.aar.org/~/media/AAR/BackgroundPapers/Economic%20Impact%20of%20US%20Freight%20ORRs%20%20Sept%202009.ashx> (accessed May 10, 2010).

<sup>9</sup> U.S. Department of Labor, Bureau of Labor Statistics, Career Guide to Industries, 2010-2011 Edition, Truck Transportation and Warehousing, available at <http://www.bls.gov/oco/cg/cgs021.htm> (accessed May 10, 2010).

<sup>10</sup> U.S. Census Bureau, Annual & Quarterly Services, 2008 Annual Survey Data, Truck Transportation, Messenger Services, & Warehousing-NAICS 48/49, see [http://www2.census.gov/services/sas/data/48/2008\\_NAICS48.pdf](http://www2.census.gov/services/sas/data/48/2008_NAICS48.pdf) (accessed May 10, 2010).

<sup>11</sup> U.S. Department of Transportation, Maritime Administration, U.S. Water Transportation Statistical Snapshot, July 2009, available at [http://www.marad.dot.gov/documents/US\\_Water\\_Transportation\\_Statistical\\_snapshot.pdf](http://www.marad.dot.gov/documents/US_Water_Transportation_Statistical_snapshot.pdf) (accessed May 10, 2010).

<sup>12</sup> U.S. Department of Transportation, Maritime Administration, U.S. Water Transportation Statistical Snapshot, July 2009, available at [http://www.marad.dot.gov/documents/US\\_Water\\_Transportation\\_Statistical\\_snapshot.pdf](http://www.marad.dot.gov/documents/US_Water_Transportation_Statistical_snapshot.pdf) (accessed May 10, 2010).

<sup>13</sup> See Cruise Line International Association, About CLIA, available at <http://www2.cruising.org/about.cfm> (accessed July 7, 2010).

<sup>14</sup> U.S. Department of Transportation, Maritime Administration, U.S. Water Transportation Statistical Snapshot, July 2009, available at

MEBA has the following concerns with respect to a National Ocean Policy:

- Establishment of new access and use restrictions that impact ships, tankers, and cruise ships, as well as transportation modes such as tugs and barges transiting inland waterways should be made with caution and with input from the industry
- Any regulations with regard to deep sea, costal, inland, and Great Lakes shipping should be applied to all vessels entering the designated waters regardless of flag. If undue burdensome regulations affect only the vessels operating under the U.S.-flag, those carriers will choose to reflag their vessel allowing them to use foreign crews and circumvent U.S. regulations
- Measures which in the past may have been traditionally established with little controversy and substantial industry participation (such as Areas To Be Avoided, Precautionary or Prohibited Areas, marine protected and other areas, Mandatory Vessel Traffic Routes, Vessel Traffic Separation Schemes, Lightering Areas, Particularly Sensitive Sea Areas, Pilot Boarding Areas, Safety Zones Around Vessels and Terminals, Anchoring and No Anchoring Grounds or Areas, and Security Zones in Ports and Waterways) are instead established arbitrarily without the proper risk analysis and with little opportunity for stakeholder input
- Utilization of the "precautionary approach" as applied to the creation of new restrictions under a National Ocean Policy
- Limitations on shipping vessel size or horsepower that result in increased air and water emissions and heightened safety risk
- New and duplicitous air and water quality regulations, including specification of the level of waste treatment technology and limitations on the amount of discharge in marine areas
- New taxes and fees on transportation and port usage
- Rising energy prices as a result of domestic offshore energy exploration and development restrictions that would cause serious harm to the transportation sector, a major consumer of energy

- Regional coastal and marine spatial plans could create mass confusion and drive waterborne commerce away from the U.S. due to variation of rules among regions and inconsistency with International Maritime Organization standards
- Conflicts in legal requirements within federal requirements across Executive Branch agencies as well as between federal and state requirements

## **Conclusion**

There is need for a consistent set of federal requirements for commercial marine vessels regardless of location within U.S. navigable waters and the exclusive economic zone. As stated above, there is real potential for the national ocean policy to disrupt the economic and national security of the United States.

The Marine EngineersøBeneficial Association AFL-CIO appreciates the opportunity to comment on a National Ocean Policy. Should you have any questions or comments, please do not hesitate to contact me and/or my Chief of Staff William P. Doyle at [wdoyle@meba.us](mailto:wdoyle@meba.us).

Respectfully submitted,

Mike Jewell  
National President  
Marine EngineersøBeneficial Association (AFL-CIO)