



A bold voice for transportation workers

A TURNING POINT FOR THE U.S. FLAG FLEET

The strength of the U.S.-flagged, U.S.-crewed merchant marine fleet continues to be an essential linchpin for economic security, military readiness, and the availability of good jobs with strong wages and benefits in the domestic maritime industry. However, for decades, the U.S. fleet and U.S. mariners have been buffeted by Flag of Convenience shipping models, shifting economic and military climates, and missed policy opportunities. Bold decisions and investments will be necessary to guarantee the enduring viability and growth in the U.S. maritime sector. With strong leadership from the Biden administration and recent Congressional action, it is apparent that we have arrived at a unique opportunity for transformational growth and increased ability to compete for a larger share of America's foreign trade.

Within days of assuming office, President Biden issued an Executive Order (E.O.) entitled "Made in America," which broadly sought to ensure that federal spending would benefit U.S. workers to the greatest extent possible, particularly through existing federal preference programs. In regards to domestic preference for maritime transport, the E.O. made clear that "The President will continue to be a strong advocate for the Jones Act," a foundational tenet of the industry. Transportation labor commends the President's clear and early stand on this policy.

The E.O. also establishes increased transparency and consideration in waiver processes, and requires suspending, revising, or rescinding existing agency actions that are inconsistent with the Order's intent. Historically, maritime labor has argued against the poorly reasoned granting of certain Jones Act waivers, and compliance by federal agencies with cargo preference requirements is a persistent challenge. We urge the administration and its Made in America Office to be vigilant on these issues, and to strictly apply and enforce federal maritime preference programs.

As mentioned, the core policy goal that will secure the future of the industry is to increase the totality and availability of cargoes to U.S.-flag vessels, which will ultimately result in a larger fleet and pool of qualified U.S. mariners. To this end, we call on Congress and the administration to take several common-sense actions to strengthen the maritime industry:

- Increase the percentage of non-defense U.S. impelled cargoes that must travel on U.S.-flag ships from 50% to 100%, bringing non-defense cargo requirements in line with long-standing thresholds for defense cargoes.
- Augment the amount of goods traveling on U.S. vessels by entering into agreements with international trade partners to guarantee that a portion of the trade between the nations takes place on U.S. flagged ships with U.S. mariners.
- Provide tax incentives to shippers to encourage the greater use of U.S.-flag vessels to carry America's export and import trade. Such financial incentives could help disincentivize the use of substandard foreign-flagged of convenience vessels with foreign citizen crews.

- Fully fund the Maritime Security Program (MSP) at currently authorized levels. The stipend vessel owners receive through MSP is critical in narrowing the cost gap between foreign and domestic vessels and ensuring that these vessels continue to operate under the U.S. flag with U.S. crews.
- Provide inaugural funding for the Tanker Security Program. The National Defense Authorization Act for FY' 2021 created a new program that operates similarly to the MSP, with oil tankers as the only eligible vessel. The program is necessitated by an increasingly dire lack of U.S.-flagged tankers, which presents a direct threat and logistical challenge to military operations and readiness. When the program is funded, operations on these vessels will create new jobs for U.S. mariners, which is why we call for full funding as soon as it is practicable.

In totality, the enactment of these proposals would have a dramatic and positive impact on the U.S. maritime industry by strengthening national security while simultaneously creating good jobs and ensuring the long-term viability of the sector. We are encouraged by the early actions of the Biden administration, and by the bipartisan and bicameral support we have received from Congress in recent years. It is our hope we can collectively move forward on an aggressive pro-U.S. flag fleet agenda.

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