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## News Release

January 15, 2015

# Lakes Rise to Defend U.S. Build Requirement of Jones Act

TOLEDO, OH – An effort to remove the U.S.-build requirement from the Jones Act is being soundly rejected by Great Lakes Maritime Task Force, the largest labor/management coalition ever assembled to promote shipping on America's Fourth Sea Coast. The Task Force sees no benefit to allowing foreignbuilt vessels to carry cargo between U.S. ports, but warns that nearly 60,000 jobs in the Great Lakes states will be sacrificed for no good reason if the amendment to the Keystone pipeline bill offered by Senator John McCain (R-AZ) is accepted.

"There is no reason to even consider this amendment," said John D. Baker, President of GLMTF and President Emeritus of the ILA's Great Lakes District Council "The vessels built in Great Lakes shipyards are so efficient that year in, year out they save their customers billions of dollars in freight costs compared to the land-based transportation modes. What shortcoming, what failing can be found there?"

Thomas Curelli, 1<sup>st</sup> Vice President of GLMTF and Director of Operations for Fraser Shipyards, noted vessels built in Great Lakes shipyards are also environmental pacesetters. "A Corps of Engineers study found that the ships we build here travel more than 600 miles on one gallon of fuel per ton of cargo. A train travels just 200 miles using the same measure, a truck, 59. A 1,000-ton cargo moved by a laker produces 90 percent less carbon dioxide compared to a truck, and 70 percent less than the same cargo moved by rail. Why would anyone subject an industry that produces such superior products to unfair competition from government-subsidized shipyards throughout the world? It's not just about the new construction we'd be losing, it's all the work related to keeping the vessels in service. Without construction, we cannot sustain this industry.

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### Great Lakes Maritime Task Force News Release January 15, 2015 Lakes Rise to Defend Build Requirement of Jones Act

"Make no mistake about it, this is about keeping good-paying jobs in America," said Brian D. Krus, 2<sup>nd</sup> Vice President of GLMTF and Senior National Assistant Vice President of American Maritime Officers. "Right now tens of thousands of men and women are busy building new vessels at Great Lakes shipyards. The large yards and smaller top-side facilities around the Lakes have a payroll that tops \$125 million. What gain is there from making shipbuilding another American industry that 'used to be'?"

Jim Weakley, 3<sup>rd</sup> Vice President of GLMTF and President of Lake Carriers' Association warned that eliminating the build requirement will open the doors to dismantling the U.S. crews and U.S. ownership requirements of the law. "It would be just a matter of time before someone proposed completely gutting our maritime cabotage laws. Do we really want to take the risk that terrorists could be among crewmembers on foreign-flag vessels moving cargo down the Cuyahoga River in Cleveland or the Saginaw River in Michigan? Foreign ownership would mean the companies that operate these vessels would be flying the latest flag of convenience and be largely unregulated. America's strict safety and operational requirements would not apply."

Weakley also cautioned that this assault affects more than the shipyards. "If Jones Act ships suddenly could be built in China, it would destabilize and devalue all the current LCA ships on the Lakes. Millions, if not billions in assets, would be affected."

The major shipyards on the Lakes are located in Sturgeon Bay, Superior and Marinette, Wisconsin; Erie, Pennsylvania; and Toledo, Ohio. Smaller "top-side" repair operations are located in Cleveland, Ohio; Escanaba, Michigan; Buffalo, New York; and several cities in Michigan.

Passage of the McCain amendment would also send shockwaves through the U.S. Navy, Marine Corps and Coast Guard. Loss of commercial work would swell the cost of building the vessels that defend America's interests worldwide. The Navy League of the United States was among the first organizations to reject the amendment.

The Task Force has urged Great Lakes Senators to vote "No" when the amendment is offered, perhaps as early as next Tuesday. "The Lakes Jones Act fleet moved more than 90 million tons of cargo in 2014 and did it safely and efficiently," said Baker." "There is no reason to change the build requirement of the Jones Act. Domestic waterborne commerce has been well served by Great Lakes shipyards. There is nothing to be gained by removing the build requirement from the Jones Act."

Founded in 1992, Great Lakes Maritime Task Force promotes domestic and international shipping on the Great Lakes. With 87 members, it is the largest coalition to ever speak for the Great Lakes shipping community and draws its membership from both labor and management representing U.S.-flag vessel operators, shipboard and longshore unions, port authorities, cargo shippers, terminal operators, shippards and other Great Lakes interests. Its goals include ensuring Lakes dredging is adequately funded, adequate Coast Guard icebreaking assets, construction of a second Poe-sized lock at Sault Ste. Marie, Michigan, protecting the Jones Act and other U.S. maritime cabotage laws and regulations; maximizing the Lakes overseas trade via the St. Lawrence Seaway; opposing exports and/or increased diversions of Great Lakes water; and expanding short sea shipping on the Lakes.

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