

Op-Ed in Honor of the Maritime Industry Congressional Sail-In

By Congressman John Garamendi Ranking Member, Coast Guard and Maritime Transportation Subcommittee February 28, 2017

The United States is the world's commercial superpower. We are the largest importer and second largest exporter of merchandise. In 2015, American exports of merchandise abroad totaled over \$1.5 trillion. Seaborne trade represents an enormous share of this activity: in 2016, over \$475 billion worth of American exports were transported overseas by ship.

The average person might hear these numbers and assume that the United States and its industrial sector are deeply committed to maintaining fleets of reliable, modern American ships to carry cargo. Unfortunately, the maritime industry is a shadow of its former self. Just after the Second World War, the United States had 1,200 oceangoing ships. Even in the 1980s, we had several hundred ships flying under a U.S. flag. Today? That number is less than 80. Here's another shock: in 1955, a quarter of American exports traveled on U.S.-flagged ships. Today, it is below 1 percent.

As the Ranking Member of the Subcommittee on the Coast Guard and Maritime Transportation, I am all too familiar with the negative effects of the deterioration of the American maritime industry. Fewer American ships means fewer high-paying jobs for American mariners. It means fewer skilled manufacturing jobs for shipbuilders. And it means a striking loss of the technical know-how required to build the advanced ships that international commerce relies on today – knowhow that can often be transferred to other high-value domestic industries.

A robust maritime industry is also absolutely vital for our national security. The Department of Defense depends on the Merchant Marine for over 95 percent of our sealift needs in times of war or national emergency. Imagine a hypothetical scenario involving heightened tensions and a military buildup in the South Pacific. In times of war, our Army and Marine Corps routinely rely on the U.S. Merchant Marine and the Ready Reserve Force fleet of 46 ships for sealift and transport of vital equipment and support. Would our military

leaders feel comfortable having to rely on vessels flagged abroad and manned by foreign crews to provide this emergency sea lift capacity to transport our military into hostile regions? It's important to remember that our trade partners are not always our closest allies.

Projection of American soft power is equally dependent on a healthy, privately owned merchant marine. When disaster strikes, our Ready Reserve Fleet must stand ready to answer the call at home and abroad. Unfortunately, this fleet is aging, and without action, the time will soon come when our Ready Reserve fleet no longer has the capability to provide the relief that both Americans and the international community have come to expect.

It's time for Congress to stop ignoring the problem and make our maritime industry part of a comprehensive "Make It In America" agenda. That's why I introduced H.R. 1240, the Energizing American Maritime Act, which would require 30% of all American exports of crude oil and Liquefied Natural Gas (LNG) to be transported on U.S.-flag vessels by the year 2025. This modest carriage requirement would bolster our national security, put Americans to work, and re-create a great American industry that has eroded with time and bad policy.

The domestic energy boom, combined with recent changes to federal law, has led the United States to dramatically increase its energy exports. Congress recently voted to allow unlimited exports of American crude oil. By 2025, this means we could be exporting up to 3.64 million barrels of crude every day, which could require up to 380 tankers and 15,200 mariners. Absent Congressional action, almost all of these exports will be transported on foreign-flagged tankers, helping other nations grow their maritime industrial capabilities from the export of a strategic U.S. energy resource.

The LNG export boom is no less striking in its potential. By 2020, the US will be the thirdlargest exporter of LNG, with an average export of 7.4 billion cubic feet a day. Exporting that much LNG will require about 100 specialized vessels and 5,200 mariners. There are currently no U.S.-flagged LNG carriers, and unless Congress takes specific action, all export capacity will be on foreign-flagged ships using foreign crews.

Requiring even a percentage of these exports to be transported on U.S.-flagged ships will have a cascade of positive effects for our economy. The United States is a maritime, seafaring nation. It is past time for Congress to pay more attention to this vital industry as we work on rebuilding American infrastructure and as we contemplate a shifting national security environment in an uncertain world.