



New Congress, New Opportunities for Maritime

The maritime industry learned a long time ago that bipartisanship works, especially for an industry so fundamental to the economic and national security of America. With the election of the 110th Congress last November, our commitment to working with members from parties has paid dividends yet again. While many other industries and interest groups are making major changes in their legislative and government relations strategies, we have the good fortune of having strong relationships with many of the new members of the House and Senate leadership, particularly with the standing committees of jurisdiction over maritime issues.

A review of the House leadership reads like a “who’s who” of maritime supporters. Chairman Jim Oberstar (D-MN) of the House Transportation and Infrastructure Committee is one of the most knowledgeable of those in Congress on maritime issues, having served for a number of years on the former Merchant Marine and Fisheries Committee. His counterpart in the Senate, Senator Daniel Inouye (D-HI), is another long-time maritime supporter, whose efforts in the Senate have resulted in hundreds of new jobs for M.E.B.A. and the industry with the return of the American flag to the cruise sector. House Coast Guard and Maritime Transportation Subcommittee Chairman Elijah Cummings (D-MD) represents the Helen Delich Bentley Port of Baltimore, and has already been active in working with the industry, including holding the first Congressional hearing on America’s Marine Highway, MarAd’s short sea shipping initiative. In the Senate, the Surface Transportation and Merchant Marine Infrastructure, Safety and Security Subcommittee is chaired by Frank Lautenberg (D-NJ), and its Ranking Member is Senator Gordon Smith (R-OR). Both have been key supporters, particularly on port security, and Senator Smith was very helpful in his work on behalf of the industry on the SAFE Ports Act, which became law late in the last session of Congress.

It is fortunate that we have such strong support in Congress, because we face a number of challenges that will only be solved at the legislative level. On February 6th, the President transmitted his budget request to the Congress for fiscal year 2008. The budget included a number of items that affect our industry, with two of them that are particularly important.

First, the Maritime Security Program did not receive its full appropriation for the second year in a row. When Congress reauthorized this critical program in 2003, it increased the per ship stipend to \$2.6 million and increased the size of the fleet to 60 vessels. However, MSP has not been fully funded, thanks to a 1% cut that many discretionary programs faced in the wake of Hurricane Katrina. Instead of reverting to the full funding level needed to make the program a success, the President’s budget request asks for \$154.45 million for the program for FY 2008, the same as the FY 2007 level. Full funding for the program is \$156 million. Every dollar that could be given to the program that isn’t

represents a dollar less that could be spent on wages, benefits, and operating expenses that help our companies and our ships compete internationally. It is all the more important that we get this funding back this year because under the reauthorization, the stipend authorization increases to \$2.9 million per ship in 2009. It will be even harder to ensure full funding next year at the increased level if we are unable to convince Congress of the need for full funding this year.

The other issue in the budget is a familiar one. Yet again, the President has requested that a quarter of the P.L. 480 Title II Food for Peace program funding be given directly to designated countries in the form of direct cash payments, rather than in the form of actual food, grown in America and carried on U.S.-flag vessels. It is hard to argue that a check has the same impact as a ship flying the American flag, off-loading tens of thousands of bags of needed food, each stamped with the Stars and Stripes and the words “A gift from the people of the United States.” And a check definitely doesn’t have the same impact on our domestic industries. The Food for Peace program has always had a dual purpose – both as a diplomatic tool, but also as economic stimulus at home, keeping farmers growing and mariners sailing. Thanks to the hard work of a broad coalition that included agriculture, maritime and the private voluntary organizations that administer food programs across the world, we have been able to remove similar language in the past, and we expect to work just as hard in defeating this proposal again this year.

In other news, I am pleased to announce that we have launched our new website, located at www.americanmaritime.org. We hope to use the new website to help further our mission of educating Congress, the media and the public on how important the maintenance of a U.S.-flag Merchant Marine is to our national and economic security. The website will include news items, white papers, speeches and statements from both AMC and M.E.B.A. and our member companies, Federal Register notices and other general information that may be of interest to the maritime community.

I would be remiss if I did not offer my condolences on behalf of the AMC to the family and friends of Peter Finnerty, former Vice President of Sea-Land, and a former member of our Board of Directors. Peter passed away suddenly in February. I had the pleasure of working with Peter in Washington on a variety of issues over the past four years and he was one of the most professional, articulate, and intelligent individuals I have had the privilege to work with in our industry. He will be missed.

This new Congress represents a new opportunity for maritime, and one that we are well positioned to take advantage of. Thanks to our commitment to bipartisanship, we have a head start in Washington this year. It is up to all of us in the industry to turn that head start into accomplishments. ■