

VOLUME 70, No. 1 • JANUARY 8, 2013

**HIGHLIGHTS IN THIS ISSUE**

Lee Amendment to Bypass Jones Act Withdrawn.....	1
AWO, WCI Commend Corps Work in Maintaining Mississippi River Navigation..	1
Maritime Workers Applaud Presidential Signature of Coast Guard Bill.....	3
California Proposes Vessel Discharge Monitoring Study.....	3
AMP Responds to Bloomberg Editorial on Jones Act.....	4
Coast Guard Extends Suspension of CDC Barge Reporting to IRVMC Until September 15.....	5
TSAC to Hold Teleconference on January 16.....	5
AWO Promotes Tank Barge Best Practices at CTAC Meeting.....	6
AWO Announces New Atlantic Region Manager.....	7
AWO Member Hosts Tug Tour for Staff of Reps. Hahn and Sanchez.....	7

## Lee Amendment to Bypass Jones Act Withdrawn

During Senate consideration of an emergency funding bill for damage caused by super-storm Sandy, Sen. Mike Lee (R-UT) filed an amendment to waive the Jones Act in declared disaster areas for 14 days. A last-minute lobbying effort undertaken by AWO and the American Maritime Partnership ultimately prompted Sen. Lee to withdraw the measure on December 28. Had the amendment passed, it would have bypassed the Jones Act with no benefit to recovery efforts.

The Lee Amendment would have undermined ongoing work by domestic maritime operators in the Northeast—who have made a substantial contribution to relief assistance—by placing them at a competitive disadvantage to foreign vessels exempt from U.S. laws. As AWO and AMP explained, such a waiver creates a commercial disincentive to use American vessels, compounding storm-related employment loss by giving a preference to foreign companies and mariners. This would have resulted in an idling of American vessels at a time when coastal maritime fleets are fully integrated into the post-Sandy recovery.

Sen. Lee's amendment was also unnecessary, AWO and AMP pointed out. The measure called for the Jones Act waiver period to begin upon enactment of the emergency disaster supplemental, two months after the storm hit the Northeast. Given the near-universal recognition that there was never a need for a broad Jones Act waiver even in the immediate aftermath of Sandy, issuing a waiver have been pointless. Moreover, the existing, well-functioning case-by-case Jones Act

waiver process is preferable to an automatic legislative waiver that does not take into account the specific requirements and the availability of

American vessels to meet those requirements.

In spite of widespread opposition to the proposed amendment, Sen. Lee has said he will consider reintroducing his amendment as stand-alone

legislation in the 113th Congress. AWO will continue to monitor the situation closely and will lead opposition to any such action.

For more information, please contact Craig Montesano at (703) 841-9300, extension 297, or at [cmontesano@vesselalliance.com](mailto:cmontesano@vesselalliance.com).



## AWO, WCI Commend Administration, Senator Durbin, Corps Stress Continued Need for Assurance of 9-Foot Navigation Channel on Mississippi River

In a January 8 press statement, the American Waterways Operators and Waterways Council, Inc. reacted to recent statements from Senator Dick Durbin (D-IL) and the U.S. Army Corps of Engineers which indicate that the Mississippi River will be able to sustain navigation through the end of January for towboats and barges at a 9-foot draft, as rock pinnacle removal work at Thebes, Illinois, has

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(continued on page 2)

## **AWO, WCI Commend Administration, Senator Durbin, Corps**

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gone better than expected. The Corps has also released additional water from the Carlyle Lake Reservoir to augment water depth on the mid-Mississippi.

The statement expressed that AWO and WCI are grateful for the efforts of the Obama Administration, Senator Durbin, and the many other Senators, Members of Congress, and Governors from Mississippi River states, who have underscored the importance of maintaining barge traffic on the nation's busiest water transportation artery. The industry reiterated, however, that it continued to seek assurances that all options to maintain navigation without further restrictions on draft remain on the table, noting that certainty is particularly important, with long-range forecasts continuing to show water levels on the Mississippi dropping to historic lows.

"The Corps' progress in removing rock formations and providing additional water releases is a positive development," said Tom Allegretti, AWO's President & CEO. "However, we are not out of the woods, and further assurances are necessary to provide industry with certainty that is needed for sound business and transportation planning beyond January."

"If a barge has a 14-day transit time from loading to the low points on the river, barge operators and their customers must make plans based on the forecasted water depth at the time of the barge's arrival at the bottleneck," said Michael Toohey, WCI President & CEO. "That is why longer-term assurance that barges can reliably load to a 9-foot draft even beyond January is absolutely critical," he continued.

The groups pointed out that since

November, barge operators and shippers have had to base operating decisions about loading, transiting and purchases based on the best available, though changing, estimates. Economic damage has resulted from that uncertainty. In some cases, the size of tows carrying essential commodities for export and domestic use has been cut in half; transit times have more than doubled; orders have been cancelled or curtailed; and jobs have been jeopardized.

"There is too much at stake for businesses and their customers that depend on the river, as well as the economies of Mississippi River states and ultimately the country, to put our hopes in best-case scenarios," Mr. Allegretti and Mr. Toohey agreed. "Without an assurance that a 9-foot draft will be maintained throughout the winter months, we lack certainty that the nation's most important waterway will continue to effectively move the nation's commerce." ❁

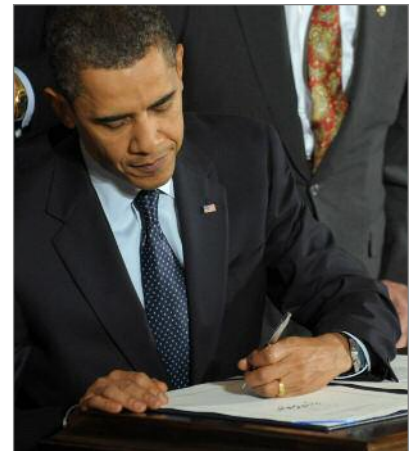
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## **Maritime Workers Applaud Presidential Signature of Coast Guard Bill**

In a press statement issued January 4, AWO President & CEO Tom Allegretti thanked bipartisan leaders in Congress for passing and President Obama for signing the Coast Guard and Maritime Transportation Act into law late last month.

The bill contained several AWO-supported provisions, including legislation that simplifies the process for mariners and other transportation workers to apply for and activate their Transportation Worker Identification Credential (TWIC). The TWIC language streamlines the current cumbersome, bureaucratic regulatory process under which workers must make two trips to a TWIC enrollment center to pick up and then activate their TWIC card.

"We are very grateful that Congress took this positive, bipartisan action and that the President acted quickly to sign this legislation into law," said Tom Allegretti, AWO's President & CEO. "This is a very important measure that removes a significant roadblock in the TWIC application and renewal process. It will help reduce the unnecessary red tape nearly two million Americans face



*(continued on page 3)*

## Maritime Workers Applaud Presidential Signature of Coast Guard Bill

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in obtaining TWIC cards, saving workers both time and money.”

As reported previously in the *AWO Letter*, the Coast Guard Maritime and Transportation Act contained other AWO-supported provisions which were also signed into law, including a provision that adds transparency to the Jones Act waiver process; language that gives the U.S. Coast Guard authority to extend the duration of mariner medical certificates; and an extension of the NPDES moratorium for fishing vessels and vessels under 79 feet until December 2014.

The bill also provides for studies on the use of container-on-barge transportation in the short sea trade and training needs of the maritime workforce, as well as an evaluation of the Coast Guard’s merchant mariner medical evaluation program.

“Even though 2012 was marked by a high level of partisan gridlock, Congress and the Administration worked together to pass meaningful reforms to the TWIC process and enact this critical bill,” Allegretti continued. “As we move ahead in 2013, we look forward to working with the Transportation Security Administration to ensure effective implementation of the TWIC provision.”

For more information, please contact Brian Vahey at [bvahey@vesselalliance.com](mailto:bvahey@vesselalliance.com) or (703) 841-9300, extension 251. ☘

### Pacific Region

## California Proposes Vessel Discharge Monitoring Study

The state of California’s section 401 certification of the U.S. Environmental Protection Agency’s 2013 Vessel General Permit included a condition requiring the operators of vessels in California to fund a study that inventories contaminants from a number of incidental discharges. Section 401 of the Clean Water Act requires states to certify the permits, either unconditionally or with state-specific conditions that become enforceable requirements of the permits, before EPA may issue them. AWO strongly opposed the condition in its June 8, 2012 letter to California on the draft VGP certification, which was published for public comment.

However, the certification was finalized in September with the condition included. The California State Water Resources Control Board (WRCB), which developed the condition, has now asked vessel operators to work with two California research institutes, the Southern California Coastal Water Resources Project (SCCWRP) and the San Francisco Estuary Institute (SFEI), to develop and fund a comprehensive vessel discharge monitoring study.

On December 12, AWO Coastal Committee Chairwoman Susan Hayman, Foss Marine Holdings, Inc., and Charlie Costanzo, AWO Vice President-Pacific Region, attended a meeting with WRCB, SCCWRP and SFEI to address significant hurdles facing the monitoring study. The WRCB supports an exhaustive study to evaluate the quantity and quality of a wide range of vessel discharge constituents, while industry advocates a risk-based approach that limits the

scope of the study to known, harmful constituents. Furthermore, the scope and duration of the study envisioned by the WRCB could lead to a situation where towing companies’ annual costs of testing for a single tugboat are higher than the value of the tugboat itself. During the meeting, the WRCB was firm that the entire cost burden of the monitoring study would be on the placed on vessel operators.


AWO is working to facilitate a process to address the different perspectives of industry and the WRCB. SCCWRP and SFEI recommended several negotiators to help industry and the WRCB define the parameters of the study over the coming year. The process, a review of literature and identification of sample sizes and discharge constituents for each maritime sector engaged in the study, is expected to take some time. AWO’s primary goals remain unchanged: 1) prepare AWO members for compliance with the condition, and 2) minimize the operational impact and costs of compliance on AWO members in California.

The challenge facing industry on this issue is significant. AWO staff and members will continue to work to mitigate unacceptable costs and operational burdens of the monitoring study.

For more information, please contact Charlie Costanzo at (206) 257-4723 or Caitlyn Stewart at (703) 841-9300, extension 262, respectively, or at [ccostanzo@vesselalliance.com](mailto:ccostanzo@vesselalliance.com) or [cstewart@vesselalliance.com](mailto:cstewart@vesselalliance.com). ☘

## AMP Responds to Bloomberg Editorial on the Jones Act

The following letter was sent by the American Maritime Partnership in response to a January 2 Bloomberg editorial, *How a Disaster Called the Jones Act Blocks Disaster Relief*.

The editorial contained misrepresentations as well as factual errors which AMP addressed in its response, reprinted here in its entirety. 

January 3, 2013

Dear Editor:

Your editorial about the Jones Act (Jan. 1, 2013) contains a boatload of errors and misrepresentations.

For example, it says President Obama suspended the Jones Act after the Gulf Spill. That is flatly untrue. The article quotes a 1999 International Trade Commission (ITC) finding that repeal of the Jones Act would save \$1.3 billion a year. In fact, the ITC has explicitly disavowed any such estimate. The article suggests that the Jones Act has no national security benefit yet fails to mention that the U.S. Navy strongly supports the Act because of its importance to military sealift capacity. The article says “by some estimates” the Jones Act makes the cost of goods a third more expensive in Hawaii. There is no creditable study that finds such and, of course, any such estimate is ridiculous on its face. The article mentions a lawsuit against the Jones Act that has been filed in Hawaii without noting that essentially the same lawsuit filed by the same lawyer was summarily dismissed in Hawaii several years ago. The article says high costs of shipbuilding have deterred upgrading of vessels without mentioning that within the last month a domestic carrier, TOTE Inc., announced plans to construct state-of-the-art container ships powered by liquefied natural gas vessels, the largest and first of their kind in the world. They will be built in a U.S. shipyard. Americans at shipyards on the West, Gulf and East Coasts have built dozens of state-of-the-art tank vessels over the past decade, along with a fleet of highly innovative, world class offshore development vessels. The article mentions Jones Act waivers by Presidents Bush and Obama without mentioning the seemingly relevant fact that both waivers were extremely narrow in scope and that both Presidents strongly support the Act.

Worst, though, is your statement that waiving the Jones Act after Hurricane Sandy led directly to lower gas prices and shorter filling station lines. As result of the waiver, a fraction of the overall gasoline supply was transported into the Northeast on foreign vessels. Other factors like closed ports, the lack of electricity at gas stations, damaged terminals, and the devastated surface transportation network from the terminals to the gas stations led to long lines at the gas stations. Your statement that the Jones Act waiver led to lower prices and short lines is untrue.

In your list of Jones Act supporters, you failed to include every President, every Congress and every Defense Department in modern times. The law has enjoyed bipartisan support because of the important national, economic and homeland security benefits it provides to our nation. It deserves better than your unbalanced and error-filled editorial.

Sincerely,

James Henry, Chairman  
American Maritime Partnership





## Coast Guard Extends Suspension of CDC Barge Reporting to IRVMC Until September 15

On January 2, the U.S. Coast Guard published a notice in the *Federal Register* announcing that the Eighth District is extending the previously published suspension of reporting requirements under the Regulated Navigation Area (RNA) for barges loaded with certain dangerous cargoes (CDC). As previously reported in the January 21, 2011 *AWO Letter*, the Eighth and Ninth Coast Guard Districts instituted a two-year suspension of the CDC barge reporting requirements on January 15, 2011, just before the contract for the CDC barge reporting system at the Inland River Vessel Movement Center (IRVMC) was due to expire. At the time, the Coast Guard planned to analyze CDC barge reporting needs and ultimately reinstate, modify or repeal the requirements. In its *Federal Register* notice, the Coast Guard reports that it is “still considering whether to enter into a new contract and lift the suspension, modify the reporting requirements in the RNA, or repeal the RNA completely. An extension of the stay is necessary while the Coast Guard continues to consider these options.” The suspension will now expire September 15.

As the Coast Guard’s announcement notes, “this extension of the suspension of the CDC reporting requirements in no way relieves towing vessel operators and fleeting area managers responsible for CDC barges in the RNA from their

dangerous cargo or vessel arrival and movement reporting obligations currently in effect under other regulations or placed into effect under appropriate Coast Guard authority.” Since the suspension went into effect, AWO has worked with the

Mid-America Regional Quality Steering Committee and the AWO Security Working Group of the Coast Guard-AWO Safety Partnership to urge the Coast Guard to ensure that, in the absence of IRVMC, CDC

barge reporting requirements and movement restrictions are coordinated with the barge industry and are consistent across Coast Guard sectors within the Eighth district.

To read the *Federal Register* notice, click [here](#). For more information, please contact Mark Wright at (985) 674-3600 or [mwright@vesselalliance.com](mailto:mwright@vesselalliance.com), or Caitlyn Stewart at (703) 841-9300, extension 262, or [cstewart@vesselalliance.com](mailto:cstewart@vesselalliance.com).



## TSAC to Hold Teleconference on January 16

### *Manning and Automatic Identification Systems Among Issues to Be Discussed*

On January 16, the Towing Safety Advisory Committee (TSAC) will meet via teleconference to review and discuss the progress of five current Task Statements: Task 12-01, “Recommendations for the Prevention of Towing Vessel Crewmember Falls Overboard”; Task 12-02, “Review and Recommendations for the Revision of NVIC 1-95, Voluntary Training Standards for Entry-Level Personnel on Towing Industry Vessels”; Task 12-03, “Recommendations for the Enhancement of Towing Vessel Stability”; Task 12-04, “Recommendations for Safety Standards of Portable Facility Vapor Control Systems”; and Task 12-05, “Review of Fire Casualties Onboard Towing Vessels.” In addition, TSAC will consider new taskings on the development of manning policy for towing vessels operating on international and domestic waters; information transfer between vessels using the Automatic Identification System (AIS); and plans to improve Coast Guard Form 2692, “Report of Marine Accident, Injury, or Death.”

TSAC meetings are open to the public and interested members are encouraged to participate. To read the *Federal Register* notice announcing the teleconference, click [here](#). For additional questions, please contact Mr. Patrick Mannion of the Coast Guard at (202) 372-1439, or via email at [Patrick.J.Mannion@uscg.mil](mailto:Patrick.J.Mannion@uscg.mil).

## Welcome, New Affiliate Member!

**Harbor Lines, LLC**  
805 Cornelius Harnett Dr.  
Wilmington, NC 28401

Rep: Alex Donald Bordeaux  
President

## AWO Promotes Tank Barge Best Management Practices at CTAC Meeting

In an effort to secure an endorsement of AWO's Tank Barge Best Management Practices (BMP) from the Chemical Transportation Advisory Committee (CTAC), on December 11, AWO's Vice President - Southern Region Mark Wright presented the work done since the last CTAC meeting.

CTAC's Barge Emissions Working Group had reviewed the BMP prior to its last meeting in 2009. It was the first CTAC meeting since 2009 due to a Department of Homeland Security federal advisory committee review. The Coast Guard plans to ask to make the committee a mandatory committee

so there will be no significant hiatus in the future.

Given the three year hiatus, CTAC Chairman James Prazak, Tricon Energy Ltd., set an agenda that was designed to reintroduce previous work to the committee members and plan for work in 2013. The presentation about AWO's BMP included a review of their content and a recent industry study with environmental stakeholders around the Houston Ship Channel. Committee members were encouraged by the progress and the study results.

AWO members on CTAC include Ron

Corigliano, Campbell Transportation Company, Inc.; Ed Shearer, The Shearer Group, Inc.; Bill Foster, American Commercial Lines, Inc.; Amy Husted, Kirby Corporation; and, Parminder Sandhu, Marathon Petroleum Company, LP.

For more information, please contact Mark Wright at (985) 674-3600, or via email at [mwright@vesselalliance.com](mailto:mwright@vesselalliance.com)

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The full *AWO Letter* schedule is listed at right. Please click [here](#) for a sponsorship form or contact Ann McCulloch at (703) 841-9300, extension 252, or [amcculloch@vesselalliance.com](mailto:amcculloch@vesselalliance.com).

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### 2013 AWO Letter Schedule

January 21	July 22
February 4	August 5
February 19	August 19
March 4	September 3
March 18	September 16
April 1	September 30
April 15	October 15
April 29	October 28
May 13	November 12
May 28	November 25
June 10	December 9
June 24	December 23
July 8	

## Make Plans to Attend the Upcoming Winter Meetings!

January 22-23

### Joint Safety Committees Meeting

Westin New Orleans Canal Place  
New Orleans, LA

AWO group rate: \$159

Deadline: January 3

January 23-24

### Combined Annual Meeting of the Midwest, Ohio Valley, and Southern Regions

Westin New Orleans Canal Place  
New Orleans, LA

AWO group rate: \$159

Deadline: January 3

February 6-7

### Atlantic Region Annual Meeting

Hotel Monaco  
Philadelphia, PA

February 20-21

### Pacific Region Annual Meeting

Fairmont Olympic Hotel  
Seattle, WA

## AWO Announces New Atlantic Region Manager

On January 2, John Harms joined the AWO staff as Manager - Atlantic Region. He joins AWO from Marlowe and Company, LLC, a Washington D.C. based government affairs firm, where he served as a senior public affairs advisor, and has considerable experience with public works and transportation issues.

Prior to his work with Marlowe, Mr. Harms worked for Sens. Arlen Specter (D-PA) and Kirsten Gillibrand (D-NY). He is a graduate of Lafayette College in Pennsylvania and holds bachelor's degrees in History as well as Government and Law.

"We could not be more pleased to welcome John to the AWO team," said Lynn Muench, AWO's Senior Vice President - Regional Advocacy. "His strong background in transportation, as well as his advocacy experience in working with Congress, the U.S. Army Corps of Engineers, and the Department of Transportation, will help AWO better meet the needs of our Atlantic Region members and the organization as a whole."

Mr. Harms may be reached at [jharms@vesselalliance.com](mailto:jharms@vesselalliance.com) or (703) 841-9300, extension 292.



## AWO Member Hosts Tug Tour for Staff of Reps. Hahn and Sanchez

Harley Marine Services hosted staff members from the offices of southern California Representatives Janice Hahn

(D-CA) and Loretta Sanchez (D-CA) on December 13. Doug Houghton, Kelly Moore, and Andre Nault of

Harley Marine Services and AWO Vice President - Pacific Region Charlie Costanzo hosted an introductory meeting at Harley's offices in Wilmington and then provided a harbor tour aboard the tractor tug *John Quigg*. The meeting was an opportunity to discuss Jones Act protection, job creation and the difficulties of operating in the California regulatory environment. The Harley and AWO representatives described the maritime industry as an engine of economic growth in the region and explained how maritime freight transportation employs local workers, relieves congestion on highways and leaves the smallest carbon footprint of any freight transport mode. The *John Quigg* is one of the few towing vessels in the country with Tier 3 engines which far exceed the California Air Resource Board's stringent air emission requirements. AWO members also thanked the staff members for their bosses' work in passing TWIC reform in the recent Coast Guard Authorization bill.



*Andre Nault and Raul Hernandez, Harley Marine Services; Reymundo Saucedo, Field Representative for Rep. Loretta Sanchez; Kelly Moore, Harley Marine; Michael Aguilera, Field Representative for Rep. Sanchez; and Carlos Urquiza, Field Representative for Rep. Janice Hahn; aboard the Harley tug John Quigg in the Port of Los Angeles.*