



THE JONES ACT

Providing American Jobs and Securing the Supply Chain

For over a century, the Jones Act has formed the foundation of America's maritime economy. The Jones Act, formally known as the Merchant Marine Act of 1920, is simple: vessels carrying cargo between ports within the U.S. mainland, and from the mainland to Alaska, Hawaii, and Puerto Rico, must be owned by U.S. companies, crewed by U.S. citizen mariners, and built in U.S. shipyards.

THE BENEFITS ARE CLEAR:

36,500

Vessels

650,000

Jobs Nationwide

\$41 Billion

Annual Labor Income

\$154 Billion

Annual Economic Impact

BUILDING MARITIME CAREERS

The Jones Act supports 650,000 American jobs, including family-wage careers in communities across the country. Mariners in the U.S. domestic fleet come from a diverse range of backgrounds. No matter how they start – coming directly from high school, the military, or maritime academies – mariners can quickly gain the experience to advance into well-paying leadership roles aboard vessels moving our nation's vital cargo.

SECURING THE SUPPLY CHAIN ON LAND, RIVER, AND SEA

Reliable freight transportation is a necessity America cannot outsource. Domestic maritime companies, mariners, and vessels deliver vital commodities across the nation that power the U.S. economy, and deliver fuel, agricultural products and manufactured goods from the heartland to coastal ports for transport to remote Alaskan communities and export overseas. Domestic vessels also transport military cargoes and help U.S. Navy ships maneuver safely into and out of American ports in war and peace. And American vessel construction supports a supply chain spanning from U.S. miners and manufacturers to steelmakers and shipyards.

DRIVING CLEAN ENERGY AND TRANSPORTATION

America's maritime industry is the lynchpin of a clean energy future. On our coasts, the domestic fleet is expanding to construct and maintain offshore wind installations; and hybrid-electric, LNG, low-emission Tier IV, and biofuel-powered propulsion systems are already in use in the U.S. domestic fleet. With significant research and development underway to make zero-emission fuels commercially available, expect domestic maritime operators to continue pursuing cleaner fuels in an effort to optimize what is already the most sustainable and efficient mode of freight transportation.





Calling a Halt on Towing Vessel Inspection User Fees

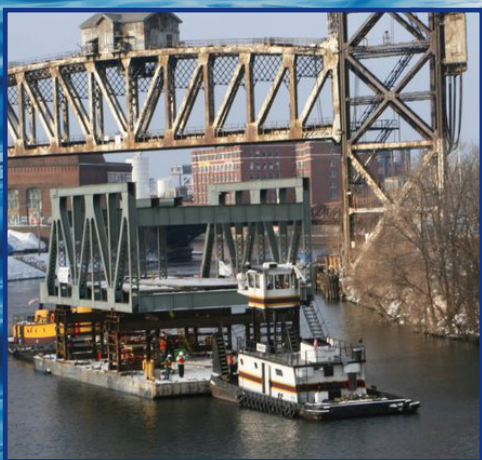
Background: The towing vessel inspection regulations at 46 CFR Subchapter M, which took effect in 2018, provide vessel owners with two compliance options: a Coast Guard option, in which vessel inspections are conducted annually by USCG personnel; and a Towing Safety Management System (TSMS) option, in which a company undergoes regular management and vessel audits and surveys conducted by a Coast Guard-approved third-party organization. Under the TSMS option, the USCG conducts vessel inspections every five years.



The Problem: Vessel operators who choose the TSMS option – and therefore spend thousands of dollars each year for audits and surveys conducted by USCG-approved third party organizations – are **still being charged** \$1,030 per vessel annually by the USCG, the same fee as vessels using the Coast Guard option.

And that fee is not based on any evaluation of the government's costs to inspect those vessels – even though the annual time spent inspecting a Coast Guard-option vessel far exceeds the time to inspect a TSMS option vessel once every five years.

Ask: Coast Guard fees must be changed to avoid double-charging TSMS vessel owners and disincentivizing the TSMS option, which the Coast Guard prefers because Safety Management Systems promote stronger safety cultures.



Congress has already recognized the problem and directed the Coast Guard—twice—to submit a review and comparison that would set up a rulemaking to revise user fees. The Coast Guard Authorization Act of 2018 directed the Coast Guard to compare the costs to the government of both the TSMS and Coast Guard option, and revise fees accordingly.

The House passed an inspection user fee moratorium in 2019 (Sec. 423 of the Coast Guard Authorization Act of 2019). The same provision was reported favorably out of the Senate Commerce, Science & Transportation Committee, but was removed due to conflicting scoring rules when the Coast Guard bill was added to the FY 2021 National Defense Authorization Act.

Until the USCG delivers its assessment and publishes a rulemaking to distinguish between user fees charged to vessel owners using the Coast Guard and TSMS options, **Congress should direct the agency to place an immediate moratorium on inspection fees for TSMS-option vessels.**



The American Waterways Operators

The Tugboat, Towboat & Barge Industry Association

THE AMERICAN TUGBOAT, TOWBOAT AND BARGE INDUSTRY

ECONOMY



Makes vital contributions to the nation's economy as the largest segment of the domestic maritime industry

- Supporting over 270,000 jobs
- Providing ladders of economic opportunity and career mobility
- Contributing over \$30 billion to GDP annually
- Moving 665 million tons of cargo each year

Embraces environmental sustainability

- Most efficient mode of freight transport:
1 dry cargo barge = 16 railcars, 70 trucks
- Lowest carbon emissions of all freight transport modes: barges produce 30% less greenhouse gas emissions than rail and more than 1000% less than trucks
- Commitment to technological innovation

ENVIRONMENT



Serves as the safest mode of freight transportation for the public

- Navigating COVID: staying healthy, maintaining operational continuity, and contributing to pandemic relief to keep the economy going
- Part of the essential, critical infrastructure workforce – key component of resilient supply chain
- Committed to achieving zero harm to people, property and the environment

SAFETY



Supports national and homeland security

- Serving as the Coast Guard's "eyes and ears" on the waterways and providing on-scene assistance to vessels in distress
- Supporting military readiness – transporting military cargo domestically and providing ship-assist services for Navy ships entering and leaving U.S. ports

SECURITY



THE TUGBOAT, TOWBOAT AND BARGE INDUSTRY

Committed to Environmental Sustainability

The tugboat, towboat and barge industry is the greenest mode of freight transport. The efficiency of barges compared to other transport modes is clear: 1 dry cargo barge can carry the same amount of cargo as 16 rail cars or 70 trucks.

The lowest carbon footprint of all freight transport modes.

Barge transportation produces 30% less greenhouse gas emissions than rail and more than 1000% less than trucks.

And, we're not stopping there...

We take sustainability and stewardship seriously. Committed to building on the natural advantages of marine transportation, companies from across our industry are investing in technological innovation to further reduce our environmental footprint.

We're taking active steps to go beyond regulatory requirements to preserve and protect the environment, including through the development of industry best practices to inform, support and guide companies in the areas of water quality, energy efficiency, air quality, waste management, and corporate responsibility.

Our industry is always focused on continuous improvement, and that includes our efforts to safeguard the natural environment we all depend on. **Sustainability is our commitment.**



MORE EFFICIENT

Dry Cargo Transportation: 1,750 tons



1 INLAND BARGE

VS.



16 BULK RAIL CARS

OR

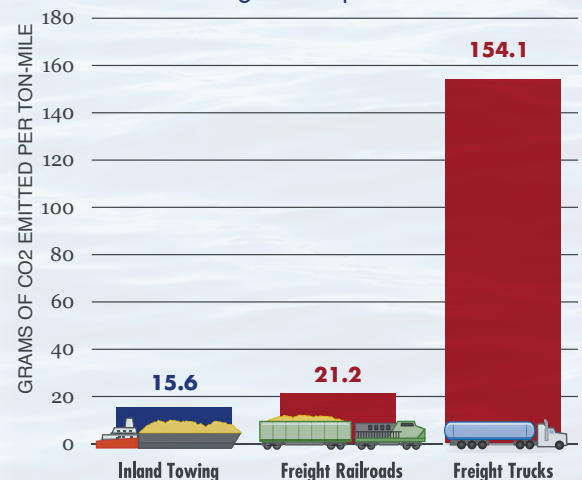


70 TRACTOR TRAILERS

Key  = 5 bulk rail cars  = 5 tractor trailers

CLEANER FOR THE ENVIRONMENT

Greenhouse Gas Emissions from Freight Transportation



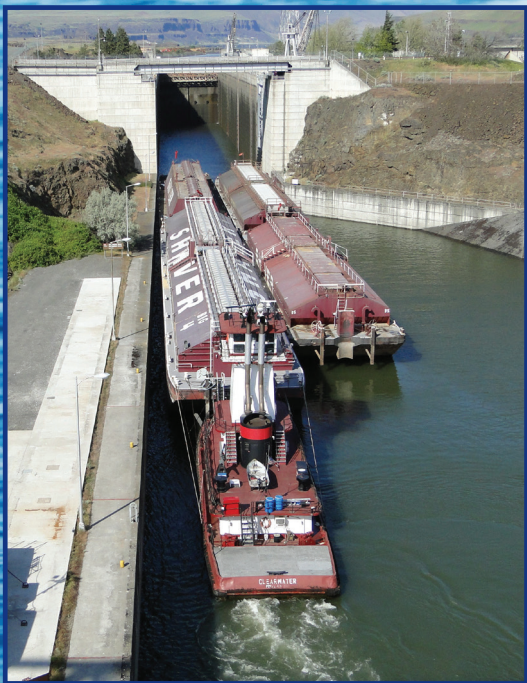
¹ All Figures adapted from Texas A&M Transportation Institute, "A Modal Comparison of Domestic Freight Transportation Effects of the General Public: 2001-2014," January 2017.



The American Waterways Operators

The Tugboat, Towboat & Barge Industry Association

www.americanwaterways.com



Waterways Infrastructure Investments Support Clean, Efficient Transportation

Waterways infrastructure is on the verge of a generational investment. It's an unmissable opportunity for Congress to take action to maximize the value of America's inland and coastal waterways resources.

Maritime transportation is only as good as the infrastructure that supports it. In many parts of the country, that infrastructure needs modernization.

The demonstrated value is there. No other mode of transportation is as safe, efficient, or environmentally friendly as maritime, and it's time for Congress to fund waterways infrastructure in a way that reflects its value to American people.

AWO requests that Congress support high-priority requests as part of any infrastructure package:

- Fund the modernization of America's aging lock and dam system and protect our waterways from aquatic nuisance species with flexible, scientifically-sound mitigation measures that are compatible with safe navigation.
- Fully fund and expedite the Waterways Commerce Cutter fleet recapitalization to replace the Coast Guard's aged buoy tenders, which are currently unable to meet the needs of safe and efficient navigation.
- Appropriate \$3.5 billion for the Maritime Transportation System Emergency Relief Grant Program authorized in the 2021 National Defense Authorization Act to support the essential maritime industry in the wake of the COVID-19 recession.
- Provide \$750 million for the Port Infrastructure Development Program to meet demand for the coming boom of offshore wind energy projects, allowing American workers, vessels, and companies to take full advantage of the surge in offshore renewable energy development.

America wins big from the investment. A fully optimized domestic maritime industry means reductions in carbon emissions, enhanced safety in the movement of freight, and good paying jobs for Americans.

