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December 2, 2019

The Honorable Mark H. Buzby  
Administrator, Maritime Administration  
U.S. Department of Transportation  
1200 New Jersey Avenue, SE  
Washington, DC 20590

RE: Renewal of Voluntary Tanker Agreement  
Program; Agreement Development Proposal  
(Docket No. MARAD-2019-0183)

Dear Administrator Buzby:

The American Waterways Operators is the national trade association for the tugboat, towboat and barge industry. AWO's more than 300 member companies own and operate barges and towing vessels on the U.S. inland and intracoastal waterways; the Atlantic, Pacific and Gulf coasts; and the Great Lakes. Each year, our industry's 5,500 towing vessels and 31,000 barges safely, securely and efficiently move more than 760 million tons of cargo critical to the U.S. economy, including petroleum products, chemicals, coal, grain, steel, aggregates, and containers. Tugboats also provide essential services in our nation's ports and harbors, including shipdocking, tanker escort and bunkering.

On behalf of AWO's member companies, thank you for the opportunity to review and comment on the Maritime Administration's proposed renewal of the Voluntary Tanker Agreement (VTA) Program. AWO supports renewal of the VTA Program and welcomes the inclusion of articulated tug-barges (ATBs). Our members that operate ATBs, particularly those of 20,000 deadweight tons or more, can play an important role in supporting and fulfilling sealift requirements for fuel transportation.

The VTA Program is an essential component of MARAD's work to coordinate commercial maritime industry assets for national security needs. The Voluntary Intermodal Sealift Agreement (VISA) Program, in which AWO members participate, demonstrates the successful role that domestic maritime operators play in maintaining sealift readiness. That success should be amplified by renewing the VTA Program. The gap between U.S. Transportation Command's sealift requirements for fuel transportation and the available capacity of U.S.-flag tank vessels has been well documented. Renewing the VTA Program and establishing proper incentives for participation is a positive step in narrowing that gap.

Much like the VISA Program, tank vessels enrolled in the VTA Program should receive priority consideration for peacetime government cargo contracts. Operators voluntarily enrolling vessels in the VISA and VTA Programs face operational challenges when ensuring the availability of vessels, and priority cargo preference consideration provides the needed commercial incentives to balance those operational challenges of participation.

To maximize the availability of U.S.-flag domestic tank vessels and merchant mariners for sealift operations, MARAD should extend additional cargo preference priority to Jones Act-compliant vessels enrolled in the VTA Program. The Jones Act is the foundation of U.S. capacity to build, crew, and operate vessels, including tank vessels. Establishing heightened priority for Jones Act-compliant vessels, above that of U.S.-flag vessels, would provide further incentives to strengthen and expand that industrial base.

Additionally, MARAD is correct to extend antitrust protections to operators for their involvement in the VTA Program. Vessel operators should not face the threat of antitrust challenges when operating within the scope of the VTA Program to plan, coordinate, and carry out sealift operations.

Thank you for the opportunity to respond to MARAD's proposed renewal of the Voluntary Tanker Agreement Program. We would be pleased to answer any questions or provide further information as you see fit.

Sincerely,

A handwritten signature in blue ink that reads "Thomas A. Allegretti". The signature is written in a cursive, flowing style.

Thomas A. Allegretti  
President & CEO