

OPPOSE THE MCCAIN AMENDMENT TO THE KEYSTONE PIPELINE BILL

The Jones Act requires waterborne cargo between two points in the United States to be transported on American vessels. Sen. John McCain (R-AZ) has filed an amendment (amendment #2) to the Senate Keystone pipeline legislation (S.1) that would eliminate the U.S. construction requirements of the Jones Act and severely undermine the domestic maritime industry. A “no” vote is recommended because the amendment would outsource American jobs while undermining American national, economic and homeland security:

The Amendment Would Undermine National and Homeland Security.

A primary purpose of the Jones Act is to promote national and homeland security. That is why the U.S. Navy and Defense Department so strongly support the law. The Navy’s position is clear: repeal of the Jones Act would “hamper [America’s] ability to meet strategic sealift requirements and Navy shipbuilding.” Similarly Congress recently enacted legislation reaffirming the Jones Act and calling a strong commercial shipbuilding industry “particularly important as Federal budget cuts may reduce the number of new constructed military vessels.” The Government Accountability Office, the independent investigative arm of Congress, said America’s military power is dependent on a strong “shipyard industrial base to support national defense needs.”

This amendment would undermine, devalue and destabilize tens of billions of dollars of investments in existing U.S. constructed vessels throughout the American domestic maritime industry. The Jones Act is the foundation of the American domestic maritime infrastructure—vessels, mariners, and shipyards—that is critical to military sealift, national security and homeland security.

The Amendment Would Outsource American Jobs and Undermine A “Tremendous Renaissance” in American Commercial Ship Construction.

The American domestic maritime industry is investing record amounts in new ship construction in virtually every trade—a “tremendous renaissance,” according to Paul “Chip” Jaenichen, administrator of the U.S. Maritime Administration. American shipyards are building record numbers of modern, state-of-the-art vessels in all sectors, with more on order. The amendment is particularly troubling because shipyards are among the largest employers in many states, providing stable manufacturing jobs that pay far above the national average. A recent study by the U.S. Maritime Administration cited the “economic importance” of the American shipbuilding and repair industry, with annual employment of more than 400,000, annual labor income of about \$24 billion, and annual gross domestic product of \$36 billion. The amendment would effectively chill the record investment, outsourcing American jobs.

The Amendment Has Received No Meaningful Congressional Review.

The amendment proposes to change longstanding U.S. law and undermine a critical American industry literally “out of the blue,” with no critical review by the Commerce Committee, the

Senate committee with jurisdiction over maritime matters. The last statement of any kind about the Jones Act by Congress was made emphatically just one month ago in the National Defense Authorization Act of FY '15, which strongly endorsed the Jones Act and called the industry “essential to national security.” The Jones Act has no nexus to the Keystone pipeline, the subject of this legislation, and a change of the magnitude proposed by Sen. McCain should not even be considered without meaningful and substantive Congressional review.

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For more information about the American domestic maritime industry, contact the American Maritime Partnership at info@americanmaritimepartnership.com or visit its website at www.americanmaritimepartnership.com.