

**The Honorable John Garamendi
National Maritime Symposium
Department of Transportation
January 14, 2014**

Thank you, [Acting Maritime Administrator] Chip [Jaenichen].

America is a Maritime nation. It was and always will be, if we work together.

We just heard a commitment from the Secretary. We are going to hold him to it. And congratulations Chip, the Senate Committee approved you yesterday and I suspect we are going to have the final confirmation very, very quickly. That is good. We need that.

Yes, we are talking commerce here. We are talking about the future of this nation, and I know that this symposium is going to be a major factor in setting out a national maritime policy that we can work with, that we can build upon, and that will assure that America will be the leading maritime nation for the foreseeable future. That is our goal, that is our task, and that is what you're going to be working on today.

We have got work to do. We have got a long way to go. We need to develop that policy. Right now it seems to me that there is no coherent policy for this nation's maritime industry. There are bits and pieces, but we need to pull it together and you have that task today.

I convened two different roundtables in California over the last several months. Each one came to the same conclusion: we need to pull together a coherent policy on the administrative side, on the appropriations side, and on the legal side. We have work to do. Across this nation, the maritime industry is aching. It wants that direction and you must work with all of us to provide it.

In 1951 we had 1,200 ships in the merchant marine. Today, we have 90 ships. This is not a good trajectory. That is something that has to be reversed, and nobody in my district, nobody in California, and nobody that I have met with in the maritime industry is satisfied with where we are. Will Rogers once said, "When you find yourself in a hole, the only way to get out of it is to stop digging." So what are we going to do?

We have got to focus our attention, like a laser, on a new policy direction. And we are going to have to start speaking with one voice. Secretary Foxx said something very, very important today. You heard him. That speech is written down. I believe he's going to do it. But he needs the support of each and every one of us in this room to get it done and that requires a unified voice.

Administrator Jaenichen, you have your work laid out for you. We will get you past the Senate. They are on a track to do confirmations, and when you have that "acting" removed and have that permanent position, I suspect you are going to really carry the ball for all of us.

It has been far too long since there has been a comprehensive look and assessment of our national maritime policies. We need to see what's working, what can work better, and what policies ought to be discarded or replaced. We need caution and we need good judgment.

For example, a policy that's been discussed back and forth here is taking action to open Section 2 citizenship requirements for the management of our Ready Reserve Fleet. Really? Is that something we really want to do? I have some questions about that. I don't think it's a good thing to do. Undoubtedly, it may be in for some discussion around here. But as you look at this kind of policy question, you have to think about the long-term and the future, not just about the immediate next quarter or the next annual report, but about the long-term future of this industry.

There's a lack of trust, which is understandable. There's been a lot of conflict amongst us. We need to put that aside as we develop a comprehensive policy. There are things we must do and I'm going to lay out four of them.

First, we must continue to support the Jones Act. There must be unified support for the Jones Act. It is foundational. Let the Jones Act become fractured, let it be whittled away, and we'll see even less than 90 ships in the future. The Jones Act is foundational for a vibrant merchant marine, and it is the foundation on which we can and must rebuild our industry. Look at our competitors: Japan, South Korea, China – all of them – they have a national policy in place to build their maritime industry.

Where is our national policy? It is in your hands. That is what this symposium is all about: Pulling together and developing that policy. We cannot squander this moment.

Secondly, we need to recognize that the merchant marine is a public-private enterprise. Talk to anybody on the Hill, and they all talk about public-private partnerships.

Well, this concept of private-partnership is one that's been in place from the very first days of this nation. George Washington asked Alexander Hamilton to develop a policy for economic development called Manufactures. Hamilton came back with a report, less than 30 pages, it included a maritime policy and an infrastructure policy to build the ports, build the roads, and build the canals.

Here we are today, all these decades later, and that same policy has to hold, a public-private policy.

We need to fit it together. The merchant marine never has, and never will be a solely government enterprise. It's a public-private enterprise. How do we build this? How do we find the various ways in which we can work together? We must succeed. The policy that is being discussed, or the effort to put together a policy has to include this concept of public-private partnership, and we must look at ways in which we can do it.

Thirdly, we must find new trades and new cargo to revitalize the U.S. Fleet. There is a lot of discussion going on right now about exporting oil and natural gas. I have a question about that, because those are strategic national assets that give our nation a foundation for economic growth

that no other nation in this world currently possesses. We should not squander it. We should not give it away just so some can have a higher profit and a better bottom line for the energy companies.

But there is some portion of that natural gas and oil that could be exported. However, if it is to be exported, it must be exported on American bottoms. It must be exported on American ships.

Many of those ships do not exist today. So where are they going to be built? They are going to be made in America. The “Made in America” strategy is fundamental to this nation’s future. If we are going to export one of our strategic national assets, natural gas and oil, then we must export it on American-made ships with American crews wherever it may go around this world. That must be part of the strategy for the economic development of this nation as well as for the maritime industry.

Finally, you do not win a game on defense. We have been playing defense in the maritime industry far, far too long. It’s time for us to play offense.

In this room today are the leaders of the maritime industry, whether they’re in the administration like Betty Sutton, Chip Jaenichen, and Secretary Foxx, or whether they are in the public policy development area, the Congress, or more importantly, whether they’re the men and women that are the maritime industry – this includes members of the Coast Guard, the Navy, the shippers, and the crews and the men and women that make these ships run.

You, as leaders of the maritime industry, must stop fighting each other. You must recognize that the real enemy here is the lack of a consistent, coherent policy, and we must pull together on that policy. Your task at this symposium is to begin the development of a coherent national maritime policy. If we can put together a comprehensive policy, and then if we all work together to promote this policy, we will no longer be playing defense, but offense. We should be proposing, pushing developing and creating policy that will rebuild this nation’s maritime industry.

Can it be done? You possess the power to do that. We possess the power to do that. No longer will we be on defense. We will no longer be fighting for the one million-dollar appropriation so that the Ready Reserve Fleet can continue to exist. We will no longer be fighting to protect the Jones Act, trying to make sure that each waiver doesn’t happen. Rather, we will have a coherent policy such that no one even thinks about a waiver. We also need to eliminate waivers by Federal Agencies – we need to make it so that the Departments of Transportation, Energy, and Commerce understand that there will be no Jones Act waivers. We need to do this so that there is certainty surrounding the Jones Act because we want shipbuilders to know that there is an opportunity, because for example if we’re going to export a strategic national asset, it will be exported on American-made ships with American crews.

What I’ve outlined is an offensive strategy. You don’t win on defense unless you’re really, really lucky and the other team makes a mistake. You win on offense, and this is why you’re going to develop the game plan.

You're going to put that playbook together. That's what this symposium is all about. Go to it, get it done. Chip – make it happen.

Thank you so very, very much.

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