



**1601 K Street NW  
Washington, DC 20006  
(202) 778-9086**

---

May 10, 2013

Douglas M. Bell, Chair, Trade Policy Staff Committee  
Office of the United States Trade Representative  
1724 F Street, N.W.  
Washington, D.C. 20508

RE: Transatlantic Trade and Investment Partnership

Dear Mr. Bell:

We write in response to your request for comments on a Transatlantic Trade and Investment Partnership Agreement published in the Federal Register on April 1, 2013. Request for Comments Concerning Proposed Transatlantic Trade and Investment Agreement, 78 Fed. Reg. 19566 (April 1, 2013). The United States is not currently a participant in any international agreements involving maritime services. For the reasons set forth below, we strongly urge you to continue to exclude maritime from such agreements, including a Transatlantic Trade and Investment Partnership Agreement (TTIP).

The United States Maritime Coalition represents all those who operate, crew, and build U.S.-flag ships for the domestic and international trades. It is an industry that provides significant economic, homeland, and national security benefits to the United States. Importantly, as was recently noted by the United States Government Accountability Office, an independent, nonpartisan agency that works for Congress, “the military strategy of the United States relies on the use of commercial U.S.-flag ships and crews and the availability of a shipyard industrial base to support national defense needs.”

Over the last 30-plus years, the maritime industry has often expressed its views to the Office of the United States Trade Representative (USTR) opposing possible coverage of maritime matters under the multilateral, regional, and bilateral free trade agreements (FTAs). The industry – carriers, shipyards, and seafarers – have had a simple message: it strongly opposes the inclusion of maritime matters in trade agreements because it is detrimental to the United States’ national defense and economic interests. Recognizing these negative impacts to the United States, the USTR and every Administration worked to ensure maritime matters were not included in the General Agreement on Tariffs and Trade (GATT), the General Agreement on Trade in Services (GATS), or any regional or bilateral trade agreements.

Today, the:

- GATT permanently grandfathers the U.S.-build requirement of our cabotage laws.

***...Dedicated to keeping the American flag flying on all waters***

- GATS effectively excludes maritime transportation services because no commitments of any kind have been made by the U.S. Government.
- Regional and bilateral U.S. FTAs also have effectively excluded maritime transport services (addressing only the landside aspects of port activities).

By taking these steps in prior trade agreements, the United States did not in any way restrain or limit our ability to maintain and promote a strong U.S.-flag fleet and maritime industry in domestic and foreign commerce or to ensure a shipbuilding industrial base to meet national defense needs. The United States also retained its effective unilateral ability to open up foreign markets in maritime and maritime-related services.

We do not believe that anything has changed here at home or abroad that would alter our view or change the U.S. Government's position with respect to the inclusion of maritime matters in trade agreements. Moreover, nothing has been presented that would indicate why or how the inclusion of maritime in the TTIP would benefit our American maritime industry and the United States' national and economic security.

We deeply appreciate the U.S. Government's support for American cabotage laws and the American maritime industry. There is no justification for any aspect of the domestic maritime transportation services to be the subject of discussion or covered by the TTIP negotiations – to do so could mean the end of U.S. ownership and crewing of vessels sailing our waters. Moreover, the GATT permanently grandfathered the U.S. build requirement of our cabotage laws governing cargo, passengers, dredging, towing, and fishing. That grandfather was fought and “paid for” during those negotiations. There is no reason to open domestic maritime services or the grandfather for discussion in the TTIP context, or in any other trade context for that matter.

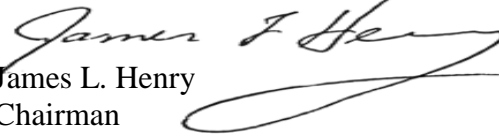
International shipping, auxiliary services, and access to and use of port facilities also must not be included in the TTIP or any other trade agreement. To do so would imperil the ability of the United States to maintain and support in international commerce a U.S.-flag fleet necessary for national defense, homeland security, and economic security purposes (e.g., the Maritime Security Program, which was recently reauthorized by Congress at the request of the Administration, and cargo preference laws). Including maritime matters in the TTIP or other trade agreements also would jeopardize the ability of the United States to open up foreign markets in these areas through a combination of bilateral negotiations backed by exceptionally effective unilateral trade remedies administered by the Federal Maritime Commission (i.e., the Foreign Shipping Practices Act and Section 19 of the Merchant Marine Act of 1920).

Our laws and regulations are clear and transparent. Our international trades are liberalized, as evidenced by the fact that roughly 97 percent of international trade with the United States occurs on foreign-flag vessels. We do not believe it is desirable, appropriate, or necessary to include maritime matters in the TTIP or any other trade agreement context.

United States Maritime Coalition  
Transatlantic Trade and Investment Partnership Comments  
May 10, 2013  
Page 3

We appreciate the opportunity to comment on this important matter.

Sincerely,

  
James L. Henry  
Chairman  
U.S. Maritime Coalition

cc: The Honorable David Matsuda  
Administrator  
Maritime Administration  
U.S. Department of Transportation