



WENDY L. THIBODEAUX, CLDA
CHIEF DEPUTY

OFFICE OF
MICHAEL H. MARTIN, CLA
ASSESSOR
LAFOURCHE PARISH
403 ST. LOUIS STREET
THIBODAUX, LOUISIANA 70301

29



August 4, 2009

U.S. Customs and Border Protection
Office of International Trade, Regulations and Rulings
ATTN: Trade and Commercial Regulations Branch
799 9th Street, N.W., Mint Annex
Washington D.C. 20229

RE: PROPOSED MODIFICATION AND REVOCATION OF RULING LETTERS
RELATING TO THE CUSTOMS POSITION ON THE APPLICATION OF THE
JONES ACT TO THE TRANSPORTATION OF CERTAIN MERCHANDISE AND
EQUIPMENT BETWEEN COASTWISE POINTS

To whom it may concern:

In a national climate that witnesses the exporting of so many businesses and industries out of the United States, I support the decision of Customs and Border Protection to uphold the original intent of the Merchant Marine Act of 1920, better known as the Jones Act. Many local oil and gas related vessel owners have operated successfully in the U.S. coastwise trade for many years. They have adopted the stringent yet necessary regulations that set our nation's merchant marine industry apart from other countries.

U.S. mariners and vessel operators have proven for decades the ability to fulfill the ever-changing needs of the country's maritime industry. The Jones Act ensures the United States will always have a safe, reliable, and economically efficient domestic transportation system. This cornerstone statute provides America the vital waterborne commerce it needs and deserves. It also protects the jobs of a highly trained workforce that supports all facets of the industry.

For too many years, our legal system has allowed individuals to interpret and bend the laws in favor of one's own benefit. Identifying what is considered "coastwise trade" and then requiring foreign entities to follow those laws has established a precedent. This action will protect the livelihood of thousands of American workers. It will ensure our

MEMBER OF LOUISIANA ASSESSORS' ASSOCIATION
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nation's deeply rooted history in the global maritime trade continues to lead the way for other countries. On behalf of the many oil and gas related watercraft business owners in both my Parish and surrounding areas, who employ thousands of dedicated workers, I applaud this effort wholeheartedly.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael H. Martin". The signature is stylized and somewhat cursive, with a long horizontal stroke extending to the right.

Michael H. Martin
Lafourche Parish Assessor



RESOLUTION NO. 14

WHEREAS, U.S. Customs and Border Protection has been interpreting the Jones Act, which aims to protect the domestic maritime industry, in a manner that allows foreign vessels to transport oilfield cargo and equipment in the Gulf of Mexico and in other spots where offshore work is done; and

WHEREAS, this association and the marine offshore association requests a stricter interpretation of the Jones Act that would restrict the role of foreign vessels to installing equipment offshore, not transporting it; and

WHEREAS, foreign vessels are not paying taxes and complying with laws that US Flag Vessels must adhere to; and

WHEREAS, foreign vessels are moving deeper into the US markets and not being required to follow the US laws and regulations; and

WHEREAS, local and state governments are losing revenues due to non-compliance with this Act; and

WHEREAS, a economic study by Loren Scott, released in January of 2010 revealed that over 103,000 people are employed in the US Marine Industry in Coastal Louisiana; and

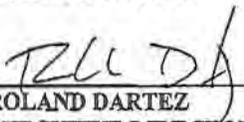
WHEREAS, 18 billion in sales per year are not being realized due to the Jones Act not being strictly enforced; and

WHEREAS, the Police Jury Association of Louisiana supports the strict enforcement of the Jones Act.

THEREFORE, BE IT RESOLVED, that the Police Jury Association of Louisiana hereby urges the National Association of Counties to support the strict enforcement of the Jones Act.

DONE this 27th day of February, 2010 at the General Business Session of the 86th Annual Convention of the Police Jury Association of Louisiana in Calcasieu Parish, Louisiana.

ATTESTED TO BY:


ROLAND DARTEZ
EXECUTIVE DIRECTOR
POLICE JURY ASSOCIATION OF LOUISIANA



OFFERED BY: Mr. J. Cehan.
SECONDED BY: Mr. B. Hebert.

RESOLUTION NO. 10-107

RESOLUTION SUPPORTING THE STRICT ENFORCEMENT OF THE JONES ACT BY URGING THE DEPARTMENT OF HOMELAND SECURITY THROUGH ITS CUSTOMS AND BORDER PROTECTION AGENCY TO RESTORE THE ORIGINAL INTENT OF THE JONES ACT AND ENFORCE THE LAW TO THE MAXIMUM EXTENT POSSIBLE.

WHEREAS, U.S. Customs and Border Protection is reviewing its interpretations of the Jones Act which aims to protect the domestic maritime industry and has indicated that some past interpretations may have improperly allowed foreign vessels to transport oilfield cargo and equipment in the Gulf of Mexico and in other spots where offshore work is done; and

WHEREAS, this association and the marine offshore association requests a stricter interpretation of the Jones Act that would restrict the role of foreign vessels to installing equipment offshore, not transporting it; and

WHEREAS, foreign vessels are not paying state and local taxes and are not universally complying with laws that US Flag Vessels must adhere to; and,

WHEREAS, the number of foreign vessels involved in offshore energy projects appears to be increasing and may further increase with the development of wind and other alternate energy facilities offshore; and,

WHEREAS, local and state governments are losing revenues due to non-compliance with this Act; and,

WHEREAS, an economic study by Dr. Loren Scott, released in February of 2010 revealed that U.S. vessel activity related to offshore energy results in the employment of more than 103,000 Americans; and,

WHEREAS, these U.S. vessels are responsible for \$18 billion in business sales activity and more than \$2 billion in federal, state and local taxes per year, revenue that would not be produced by foreign vessels; and,

WHEREAS, the Louisiana Police Jury Association and the Terrebonne Parish Council supports the strict enforcement of the Jones Act by urging the Department of Homeland Security through its Customs and Border Protection agency to restore the original intent of the Jones Act and enforce the law to the maximum extent possible; and,

WHEREAS, the Terrebonne Parish Council requests that NACO adopt this resolution; and,

WHEREAS, it is recommended by the Administration of the Terrebonne Parish Consolidated Government that the Council approves said resolution supporting the strict enforcement of the Jones Act and authorizes the Parish President to sign, execute, and administer any and all relevant documents.

NOW, THEREFORE, BE IT RESOLVED, that the Terrebonne Parish Council (Natural Resources and Coastal Restoration Committee), on behalf of the Terrebonne Parish Consolidated Government, does hereby approve said resolution supporting the strict enforcement of the Jones Act that would restrict the role of foreign vessels to installing equipment offshore, not transporting it; and authorizes the Parish President to sign, execute, and administer any and all relevant documents.

BE IT FURTHER RESOLVED, that the Department of Homeland Security through its Customs and Border Protection agency is urged to restore the original intent of the Jones Act and enforce the law to the maximum extent possible.

BE IT FURTHER RESOLVED, that a certified copy of this resolution shall be forwarded to the Louisiana delegation for their support; all parish governments for their adoption; to Mr. Ken Wells, President of Marine Offshore Service Association, 990 N. Corporate Drive, Suite 210, Harahan, LA 70123; and the Terrebonne Parish Government Office of the Parish Administrator.

THERE WAS RECORDED:

YEAS: J. Cenon, B. Hebert, P. Lambert, J. Pizzolatto, A. Tillman and K. Voisin.

NAYS: None.

ABSTAINING: None.

NOT VOTING: None.

ABSENT: T. Cavalier, C. Voisin and A. Williams.

The Chairman declared the resolution adopted on this, the 8th day of March, 2010.

I, PAUL A. LABAT, Clerk of the Terrebonne Parish Council, do hereby certify that the foregoing is a true and correct copy of a resolution adopted by the Natural Resources and Coastal Restoration Committee on March 8, 2010 and subsequently ratified by the Assembled Council in Regular Session on March 10, 2010 at which meeting a quorum was present.

GIVEN UNDER MY OFFICIAL SIGNATURE AND SEAL OF OFFICE THIS 11TH DAY OF MARCH, 2010.



PAUL A. LABAT, COUNCIL CLERK
TERREBONNE PARISH COUNCIL

RESOLUTION

RESOLUTION SUPPORTING THE STRICT ENFORCEMENT OF THE JONES ACT BY URGING THE DEPARTMENT OF HOMELAND SECURITY THROUGH ITS CUSTOMS AND BORDER PROTECTION AGENCY TO RESTORE THE ORIGINAL INTENT OF THE JONES ACT AND ENFORCE THE LAW TO THE MAXIMUM EXTENT POSSIBLE.

WHEREAS, U.S. Customs and Border Protection is reviewing its interpretations of the Jones Act which aims to protect the domestic maritime industry and has indicated that some past interpretations may have improperly allowed foreign vessels to transport oilfield cargo and equipment in the Gulf of Mexico and in other spots where offshore work is done; and

WHEREAS, this association and the marine offshore association requests a stricter interpretation of the Jones Act that would restrict the role of foreign vessels to installing equipment offshore, not transporting it; and

WHEREAS, foreign vessels are not paying state and local taxes and are not universally complying with laws that US Flag Vessels must adhere to; and,

WHEREAS, the number of foreign vessels involved in offshore energy projects appears to be increasing and may further increase with the development of wind and other alternate energy facilities offshore; and,

WHEREAS, local and state governments are losing revenues due to non-compliance with this Act; and,

WHEREAS, a economic study by Dr. Loren Scott, released in February of 2010 revealed that U.S. vessel activity related to offshore energy results in the employment of more than 103,000 Americans; and,

WHEREAS, these U.S. vessels are responsible for \$18 billion in business sales activity and more than \$2 billion in federal, state and local taxes per year, revenue that would not be produced by foreign vessels;

WHEREAS, the Louisiana Police Jury Association and the St. Mary Parish Council supports the strict enforcement of the Jones Act by urging the Department of Homeland Security through its Customs and Border Protection agency to restore the original intent of the Jones Act and enforce the law to the maximum extent possible.

WHEREAS, the St. Mary Parish Council requests that NACO adopt this resolution; and,

WHEREAS, it is recommended by the Administration of the Parish of St. Mary that the Council approves said resolution supporting the strict enforcement of the Jones Act and authorizes the Parish President to sign, execute, and administer any and all relevant documents.

Authorities moving to collect taxes from foreign ships

By *Kathrine Schmidt*
Staff Writer

Published: Sunday, December 13, 2009 at 6:01 a.m.

HOUMA — At the urging of the workboat industry, federal and local authorities are moving to collect more taxes from foreign boats working in U.S. waters where oil and gas are produced.

In October, the Internal Revenue Service issued a notice that foreign boat companies working on the Outer Continental Shelf must also file U.S. tax returns.

Proponents say greater enforcement is necessary to keep things fair for domestic boat companies, who face steep taxes and increasing labor costs while their foreign counterparts operate more cheaply under less regulation and without paying taxes.

"This effectively levels the playing field for Louisiana boat companies or repair yards," said Ken Wells, executive director of the Offshore Marine Service Association, which represents the offshore transportation industry, a crucial business for the Houma-Thibodaux area. "It means (foreign companies) can't get away with charging less for services and not paying taxes."

After hurricanes Katrina and Rita, the Gulf of Mexico saw a large influx of foreign oil-and-gas industry vessels to assist with repairing the massive storm damage. But lower day rates, the amount of money ships charge companies, and mariners who didn't have to pay U.S. taxes put U.S. companies at a disadvantage.

Four years later, Wells estimates that about 70 foreign vessels are still working in the Gulf and occasionally dock at places like Fourchon.

Those include repair or seismic vessels and vessel operators that run between ports and drilling or production locations, the IRS analysis says.

"It's more of a fairness issue," he said.

Staff Writer Kathrine Schmidt can be reached at 857-2204 or kathrine.schmidt@houmatoday.com.

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