



July 12, 2010

Legislation

McCain Promotes Jones Act Repeal. Senator John McCain introduced legislation on June 25th to “fully repeal” the Jones Act. McCain argues that the Jones Act is preventing non-U.S. flag vessels from assisting in the oil spill in the Gulf of Mexico.

McCain said the law restricts shipping and raises costs to consumers in Hawaii, Alaska, Puerto Rico and Guam. He cited a 1999 U.S. International Trade Commission Study that suggested Jones Act repeal would cut shipping costs in those markets by 22 percent.

He criticized the Obama administration for failing to temporarily waive the Jones Act to allow foreign-flag vessels to help with the cleanup from the BP rig explosion in the Gulf.

“Within a week of the explosion, 13 countries, including several European nations, offered assistance from vessels and crews with experience in removing oil spill debris, and as of June 21, the State Department has acknowledged that overall, ‘it has had 21 aid offers from 17 countries.’ However, due to the Jones Act, these vessels are not permitted in U.S. waters,” McCain said.

The Merchant Marine Act of 1920 (“the Jones Act”) is a statute sponsored by U.S. Senator Wesley Jones (WA) that restricts the carriage of goods or passengers between U.S. ports to U.S. built and flagged ships. In addition, at least 75 percent of crewmembers must be U.S. citizens.

McCain further suggests, “The Jones Act also adds a real, direct cost to consumers – particularly consumers in Hawaii and Alaska. A 1988 Government Accountability Office report found that the Jones Act was costing Alaskan families between \$1,921 and \$4,821 annually for increased prices paid on goods shipped from the mainland. In 1997, a Hawaii government official asserted that ‘Hawaii residents pay an additional \$1 billion per year in higher prices because of the Jones Act. This amounts to approximately \$3,000 for every household in Hawaii.’”

In late June, the U.S. government’s National Incident Command (NIC), in charge of the oil cleanup effort in the Gulf of Mexico, circulated a fact sheet stating that U.S.-flag vessel rules for operating in coastal waters have not prevented it from accepting assistance and equipment from other countries.

“Currently 15 foreign-flagged vessels are involved in the largest response to an oil spill in U.S. history,” NIC said. “No Jones Act waivers have been granted because none of the vessels have required such a waiver to conduct their operations as part of the response in the Gulf of Mexico.”

While the agency claims to see no need to waive the Jones Act, the NIC is making preparations “to process necessary waivers as quickly as possible to allow vital spill response activities being undertaken by foreign-flagged vessels to continue without delay should that be necessary.”

Congressional Schedule. Congress returns this week from its July 4th recess and will remain in session through early August. Congress will then recess for five weeks. It will return the last half of September through the first week of October. It will then recess for the November mid-term elections. A “lame duck session” is expected after the election in order to complete unfinished business.

Lame Duck Session: When Congress (or either chamber) reconvenes in an even-numbered year following the November general elections to consider various items of business. Some lawmakers who return for this session will not be in the next Congress. Hence, they are informally called "lame duck" Members participating in a "lame duck" session. *Source: www.senate.gov*

Department of Transportation

8 Hour Driver Rule Proposed by Truck Safety Groups. Truck safety groups are calling for a dramatic reduction in the time truck drivers are allowed to be behind the wheel, saying federal regulators should limit driving time to eight hours a day and 40 hours a week.

The cutback from 11 hours a day would likely have a profound impact on the trucking industry and on shipping distribution networks now built around trucking networks that can stretch for hundreds of miles.

The Truck Safety Coalition, Public Citizen and Advocates for Highway and Auto Safety detailed their vision of new driver hours of service rules in a comment filed June 17 with the Federal Motor Carrier Safety Administration, which decided last year to re-open driver rules that have been contested and changed over the last 15 years.

The groups also said truck drivers should have a maximum 12-hour work day that includes loading and waiting.

The daily driving time available to truckers would be cut by 27 percent. That would likely shorten daily lengths of haul for many truckers by 100 to 150 miles, driving up company costs as they try to server longer supply chains and leaving more business likely to shift to railroads.

The comment is available at www.regulations.gov, a federal Web site.

The FMCSA is closing in on an August deadline for issuing a proposed hours rule for truckers. A final rule is due in 2011, under a settlement reached last October.

The settlement put a lawsuit by the Teamsters union and Public Citizen challenging Bush administration driver work rules on hold until FMCSA could craft new rules.

Since 2003, truckers have been allowed to drive 11 consecutive hours a day and work up to 14 hours, followed by a 10-hour off-duty period.

Trucking groups, including the American Trucking Associations and the Owner-Operator Independent Drivers Association, support the 11-hour limit.

Prior to 2003, truckers were allowed to drive for 10 hours a day and to work an additional five hours. That 15-hour day could be extended by breaks.

Public Citizen has long advocated shorter driving times, with former President Joan Claybrook calling for an eight-hour driving limit for truckers in 2005.

"I'd have truckers drive eight hours, not 10 or 11," Claybrook said. "I'd have them on a circadian rhythm, with a 24-hour cycle, and knock out the 34-hour restart."

That's the essence of the proposed rule outlined in the one-sheet comment, filed by Washington attorney Henry Jasny on behalf of the organizations.

A driver's total driving time per seven-day week would be limited to 40 hours, with an additional 20 hours for non-driving on-duty time.

Drivers now are limited to 60 hours of total on-duty time -- both driving and non-driving -- in a seven-day period or 70 hours in an eight-day period.

In addition to cutting the daily driving time by three hours and total work day by two hours, the groups would increase daily off-duty time to 12 hours a day.

That would ensure a minimum of seven to eight hours sleep each night, and "allow time for drivers to perform other daily non-work tasks," the groups said.

The groups also seek a minimum 48-hour layover at the end of each week, rather than allowing truckers to start a new weekly cycle after spending 34 hours off duty.

Source: Journal of Commerce