

## H.R. 6728 & S. 3705 MARITIME CREWING BILL MANNING EXEMPTION PROCESS

The proposed manning constraints in H.R. 6728 & S. 3705 would result in unnecessary and severe administrative burdens without providing any benefits and would greatly harm domestic production of offshore energy resources

## Current Exemption Procedure (more than 50% foreign owned/controlled): 43 U.S.C. § 1356(c)(2) - One to Two months

- Must demonstrate the owner/operator is more than 50% foreign owned/controlled. Must provide project scope, vessel details, charter and management agreements, public trading and registration documents for the parent company and all companies in the chain of ownership, the identity and nationality of the parent company's principal shareholders, and the identity and nationality of the parent company's CEO, Chairman and members of the Board of Directors, and officers of companies in the chain of ownership or control, and certified statement addressing any national manning requirements of the vessel's flag State. Ownership, control, national manning requirement provided in affidavit form.
- This process typically takes one to two months to gather and submit information, address any supplemental questions by the USCG, and await USCG processing and approval.

## <u>Proposed Procedure: Above Procedure and Unavailability Procedure: 43 U.S.C. § 1356(c)(1)(b) - Unknown or</u> <u>Several Months</u>

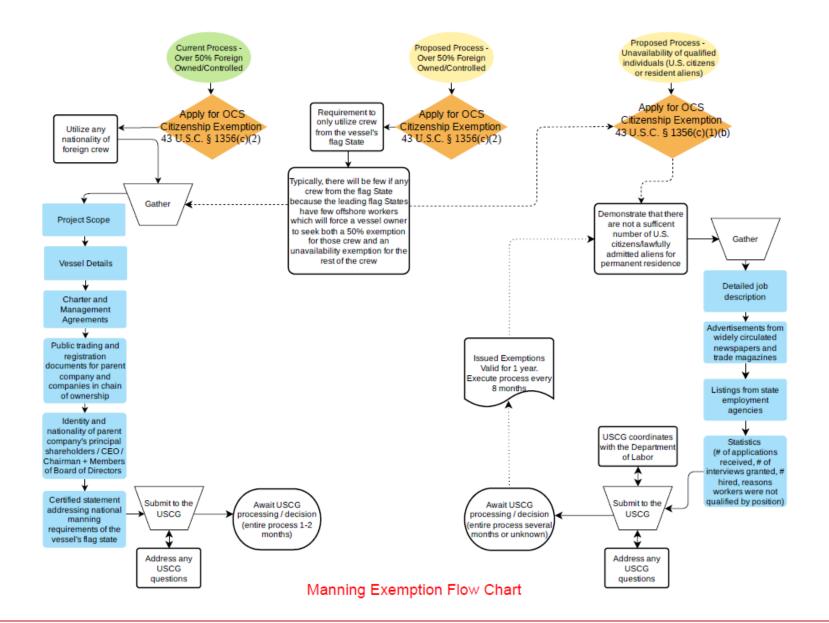
- The proposed legislation would limit the current exemption process to citizens of the flag State of the vessel for which there typically would be few, if any, because it is uncommon to find any experienced mariners from even leading flag States such as Panama, Liberia, and the Marshall Islands.
- As a result, an applicant would be forced to simultaneously apply for both an exemption under the current procedure for crewman from the flag State and a separate procedure under current law to demonstrate there are not a sufficient number of U.S. citizens or aliens lawfully admitted to the U.S. for permanent residence, qualified and available for such work (which there are not) in order to continue to use its foreign citizen crew from countries other than the flag State of the vessel. The process to demonstrate unavailability of American workers-- by providing:
  - (i) a detailed job description with list of qualifications,
  - o (ii) advertisements in several widely circulated newspapers and trade magazines,
    - these advertisements must be in hard copy form, as digital ads do not suffice
  - $\circ$   $\;$  (iii) listings with state employment agencies.
    - Which do not accept advertisements from outside their states, much less from overseas.
- The request must also include detailed statistics of applications received, numbers of interviews granted, numbers hired, and reasons workers not qualified by position.
- The total time to prepare these documents typically takes between 2-3 months.
- Once submitted the USCG will review in coordination with the Department of Labor.
- The total time for this agency review could be several months or more, involve two federal agencies, and at least two state agencies, depending on the resources available to process numerous applications
  - The exemptions are valid for only 1 year, meaning that companies would have perform this process continuously, even though there are not enough U.S. citizens available.
  - Vessel operators would have to execute this process almost continuously for each vessel given the preparation time needed.

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## <u>Analysis</u>

The reality is that because there are virtually no U.S. or foreign citizens from vessel flag States that are capable or available to fill these needed positions, the proposed legislation would displace the current system which has worked smoothly for decades and has enhanced offshore production and U.S. energy security. In its place, the proposed legislation would establish needless administrative burdens (two separate exemption requests) in order to obtain the same result to continue to use the same trained and experienced crew to ensure safe offshore operations. This would simply drive development away from the U.S. energy market in order to avoid this burdensome process. Given what is happening globally now in Ukraine, now is not the time to disrupt a successful program that has worked well for decades when the U.S. needs to produce more domestic oil and gas and renewable energy – not less.

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