



Sanborn's Nomination for MARAD Administrator Snarled in Port Controversy

In late January, David Sanborn was nominated by the White House for the position of Administrator for the Maritime Administration (MARAD). Despite having participated in his confirmation hearing on February 7 before the Senate Commerce Committee, Sanborn's nomination has been placed on hold as a result of a national concern over a transaction involving six U.S. ports. The Maritime Administrator position is arguably the most important Jones Act figure in the Federal government.

Several members of Congress have expressed strong concern about the proposed acquisition of U.S. port assets by state-owned Dubai Ports World (DPW), and have asked the Bush Administration to take a closer look at the transaction and assure Congress that a company owned by the Dubai government does not raise the risk that terrorists will use its marine terminals as gateways for launching an attack.

Sanborn worked for DPW, which is taking over leases with the various port authorities previously held by P&O Ports, a UK company. Prior to DPW, Sanborn had a long career with the U.S.-flag carrier, Sea-Land Service.

Senator Barbara Boxer (D-CA) has placed a hold on Sanborn's nomination saying the Senate Commerce Committee should not consider Sanborn for the job until Congress acts on the DPW acquisition. Boxer also questioned whether someone who works for a company owned by a nation with alleged ties to the 9/11 attackers should be involved in bilateral maritime transport negotiations.

Senator Bill Nelson (D-FL) has also indicated that he would block Sanborn's nomination until Sanborn testifies, again, to the Senate Commerce Committee about his involvement with the United Arab Emirates company that plans to operate certain U.S. ports.

In The News...

- In late January Senator Trent Lott (R-MS), a longtime friend of the Jones Act and the U.S. domestic maritime industry announced his intent to run for re-election. Lott also indicated that he would like to return to the Senate in a possible leadership role.
- The Coast Guard has proposed to amend its regulations for documenting lease-financed vessels that have a "coastwise endorsement." The vessels affected by this proposal are owned by foreign-owned or controlled U.S. companies, where there is a "demise charter" to a U.S. citizen.

The proposed rule may be viewed in its entirety at: <http://a257.g.akamaitech.net/7/257/2422/01jan20061800/edocket.access.gpo.gov/2006/pdf/06-1242.pdf>.

Comments must be submitted to the Coast Guard by May 16, 2006.

Rep. Case to Challenge Sen. Akaka

Representative Ed Case (D-2-HI), one of the foremost opponents of the Jones Act, announced January 19, 2006 his intention to run against Senator Daniel Akaka (D-HI) in Hawaii's September 23 Democratic primary. Akaka has secured the support of his delegation, Senator Daniel Inouye (D-HI) and Rep. Neil Abercrombie (D-1-HI), but Case's announcement could win support from what he calls the "moderate, mainstream spectrum of Hawaii."

Akaka has been a strong and consistent supporter of the Jones Act, recognizing the importance of a U.S.-flag fleet. In the past, Rep. Case has voiced his opposition to the Jones Act, even going as far as to introduce legislation that would eliminate the Jones Act entirely.

Maritime Cabotage Task Force

1735 New York Avenue NW Suite 500 Washington, DC 20006
Phone: 202-662-8440 Fax: 202-331-1024 www.mctf.com