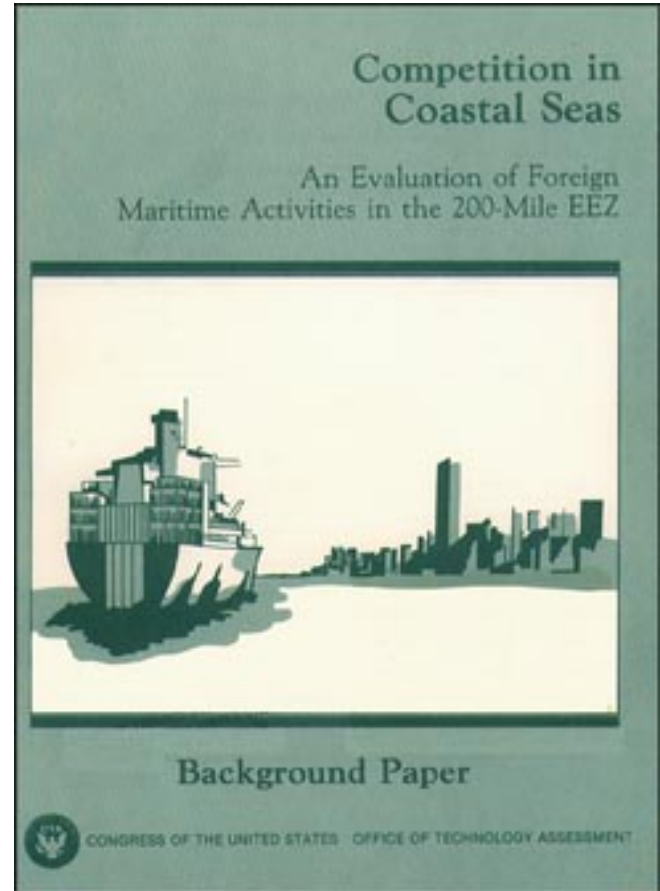


*Competition in Coastal Seas: An Evaluation
of Foreign Maritime Activities in the
200-Mile EEZ*

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Foreword

In recent years, the U.S. maritime industry has had increasing difficulty with foreign competition for shipping and other services performed in coastal and offshore waters. Some segments of the industry have been protected from such competition by “cabotage” laws that require ships engaged in coastal trade to be domestically built and operated, but others have not. The current variety and complexity of maritime activities in U.S. offshore waters has led to a greater participation by foreign firms and a consequent weakening of certain U.S. maritime firms.

The House Committee on Merchant Marine and Fisheries requested the Office of Technology Assessment to evaluate the costs and benefits of extending cabotage laws to a range of other maritime activities in the newly established 200-mile Exclusive Economic Zone (EEZ). The objective was to determine whether such legislation could help the domestic industry without causing other economic distortions.

This background paper reviews the status of the major sectors of the maritime industry engaged in EEZ activities and notes the significant trends. Basic data on the major sectors were first prepared for OTA by the Maritime Administration. OTA then conducted a survey of industry and other interested parties and prepared the analyses in the paper. The analysis indicates that extensions of cabotage laws would more likely result in shifts among industrial sectors than to significant growth in U.S. maritime business overall. OTA appreciates the valuable assistance in the preparation of this paper from numerous organizations and individuals listed in Appendix A. However, OTA is solely responsible for the results of this study.



JOHN H. GIBBONS
Director

OTA Project Staff: Competition in Coastal Seas

John Andelin, Assistant Director, OTA
Science, Information, and Natural Resources Division

Robert W. Niblock, Oceans and Environment Program Manager

Peter A. Johnson, Project Director

Administrative Staff

Kathleen A. Beil
Sally Van Aller