



ORGANIZATION FOR INTERNATIONAL INVESTMENT
INTERNATIONAL BUSINESS INVESTING IN AMERICA

NANCY L. MCLERNON, PRESIDENT & CHIEF EXECUTIVE OFFICER

February 11, 2010

The Honorable Ray LaHood
Secretary of Transportation
1200 New Jersey Ave. SE
Washington, DC 20590

Dear Secretary LaHood:

On behalf of the Organization of International Investment (OFII) and the more than 5 million American workers employed here by U.S. subsidiaries of foreign-based multinationals, I write to express concern about participation restrictions placed on these companies by Department of Transportation/Maritime Administration regulations governing ship manager contracts for Ready Reserve Force (RRF) vessels. This discriminatory treatment of certain U.S. companies is not mandated by applicable law and violates longstanding principles of international trade ensuring national treatment for U.S.-based subsidiaries of multinationals. Restricting the ability of these companies and their American workers to fully participate in the management of RRF vessels undermines the effectiveness of the program, increases the cost to the United States by reducing competition for such contracts, and calls into question the commitment of the United States to provide a nondiscriminatory environment for foreign investment.

As evidenced by the attached membership list, numerous OFII members are household name companies with historic and substantial U.S. operations, including, in the maritime industry. Many are significant partners of your Department and are adversely affected by these inequitable restrictions.

Of immediate concern is the Maritime Administration's proposed exclusion of a U.S. subsidiary, Maersk Line, Limited (MLL), from the upcoming solicitation for management of the eight Fast Sealift Ships (FSS) in the RRF when the current U.S. Navy contract expires in September of this year. Notwithstanding that MLL has successfully managed those vessels under that contract for over 4 years and the recommendation by the U/S. Navy's Military Sealift Command that MLL be allowed to compete under the new solicitation, the company is being excluded from the bidding process. The issue of MLL's eligibility to contend for subsequent awards of that contract has been before the Maritime Administration for some time, and the agency's failure to act is of great concern to all OFII members whose investment plays a vital role in the U.S. economy and in the U.S. transportation industries.

U.S. subsidiaries already participate in the Maritime Security Program, a much larger national security sealift program established by the Maritime Security Act of 2003 and administered jointly by your Department and the Department of Defense, and in which by law U.S. subsidiaries of foreign-based multinationals meeting requisite security requirements are allowed to participate.

We strongly urge you to remove these unwarranted restrictions from the RRF ship manager solicitation, and to ensure that no similar restrictions are attached to future RRF solicitations.

A handwritten signature in black ink, appearing to read "Nancy McLernon". The signature is fluid and cursive, with a large initial "N" and a long, sweeping underline.

Sincerely,

Nancy McLernon

CC: David Matsuda, Acting Maritime Administrator



ORGANIZATION FOR INTERNATIONAL INVESTMENT
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OFII is the only business association in Washington D.C. that exclusively represents U.S. subsidiaries of foreign companies and advocates for their non-discriminatory treatment under state and federal law.

Members

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Air Liquide America L.P.	Food Lion, LLC	SABIC Innovation Plastics
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Alcatel-Lucent	Garmin International, Inc.	sanofi-aventis
Alcon Laboratories, Inc.	GDF SUEZ Energy North America, Inc.	SAP America
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Allianz of North America	Givaudan	Schott North America
ALSTOM	GKN America Corp.	SGL Carbon LLC
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Bunge Ltd.	Michelin North America, Inc.	UBS
Case New Holland	Miller Brewing Company	Unilever
CEMEX USA	Mitsubishi Electric & Electronics	Vivendi
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