## **ECSGA**

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Please support <u>HR628</u> The Shellfish Aquaculture Improvement Act to exempt aquaculture workers from unintended consequences of the Merchant Marine Act that inflate insurance costs and expose our employers to unlimited liability.

The Merchant Marine Act of 1920 (Jones Act) was enacted to ensure that the nation had a sufficient merchant marine and shipbuilding base to protect U.S. defense and commercial interests. A little-known section of the Merchant Marine Act protects injured seamen on U.S. owned/operated vessels who are not eligible for coverage by either the Longshore and Harbor Workers Compensation Act or state workers compensation insurance.

Aquaculture as we know it today was not around when the Act was drafted, but if it were being drafted today there would be no reason to include aquaculture workers in the definition of "seamen" as they currently are. Congress recognized this flaw and specifically excluded aquaculture workers from the Longshoreman's and Harbor Workers' Compensation Act in 1986. We are asking for the same exclusion from the Merchant Marine Act so that aquaculture farmers can cover employees under state workers' compensation insurance instead.

- Aquaculture employees are not "seamen" in the traditional sense of the term. Seamen working
  on the high seas cannot be covered under state workers compensation insurance, so it makes
  sense that they need special insurance. Aquaculture workers on near-shore farms in state
  waters should be insured by state workers' compensation insurance.
- Shellfish aquaculture is a near-shore, water-dependent farming operation, normally conducted solely within state waters. These activities have no relevance to the Merchant Marine Act's original national security and coastal commerce intent.
- In many states Merchant Marine Act insurance costs much more than state workers compensation insurance, (often several times more) so aquaculture farms could save thousands on their insurance bills annually if this measure passes.
- Aquaculture firms in many states are forced to purchase both a Jones Act insurance endorsement and pay into state workers compensation programs, paying twice to cover each employee.
- Under the Merchant Marine Act employees who suffer serious injury can sue their employer for maintenance and cure, and those lawsuits can quickly exceed the Jones Act insurance cap, crippling or bankrupting the farm.

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