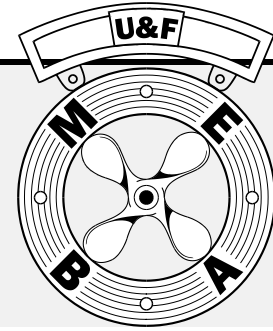


LEGISLATIVE UPDATE

AUGUST 2019



Senate Committee Defeats Amendment to Weaken the Jones Act

During a legislative markup of the Coast Guard Reauthorization Act of 2019, Senator Mike Lee (R-Utah) introduced two amendments in an attempt to severely undermine the Jones Act. Specifically, his amendments would: 1) waive the Jones Act for foreign vessels to carry a product if no U.S. commercial vessel is “available”, and 2) allow the building of U.S. Coast Guard vessels in foreign shipyards. The objectionable amendments by Senator Lee were met with fierce opposition by leading committee members from both parties. Chairman Roger Wicker (R-Mississippi) expressed his strong opposition noting that an administrative waiver process already exists while the proposal would only empower a cabinet official to circumvent the authority of Congress. Ranking Member Senator Cantwell (D-Washington) reaffirmed her support for the Jones Act while highlighting the critical importance of maintaining a strong U.S. merchant marine to deliver goods for the purpose of wartime or national security. Lee’s amendments were both overwhelmingly defeated by 4-22 votes. The three other Senators voting in favor of the anti-Jones Act amendments were Sen. Ted Cruz (R-Texas), Sen. Marsha Blackburn (R-Tennessee), and Sen. Cory Gardner (R-Colorado).

Congressman Garamendi & Sen. Wicker Reintroduce Bill to Expand U.S.-Flag Fleet

Congressman John Garamendi (D-CA) and Senator Roger Wicker (R-MI) reintroduced the Energizing American Shipbuilding Act (H.R. 5893/S.2916), which would require an increasing percentage of exported American crude oil and Liquefied Natural Gas (LNG) to travel on U.S.-built and U.S.-flag ships. The bill would require that vessels built in the U.S. transport no less than 15 percent of total seaborne LNG exports by 2041 and 10 percent of total seaborne crude oil exports by 2033. If enacted, the legislation would spur the construction of dozens of domestic built ships while supporting thousands of jobs in the American shipbuilding and maritime industries.

House Committee Advances Provision that Audits Compliance of U.S. Cargo Preference Laws

The House Transportation and Infrastructure Committee advanced the Coast Guard Reauthorization Act of 2019, which includes a provision that would require an audit by the non-partisan Government Accountability Office (GAO) to study federal agency compliance of our nation’s existing U.S. cargo preference requirements. Under current law, no less than 50 percent of civilian taxpayer-funded cargoes and 100 percent of all military-funded cargoes must be shipped on privately owned U.S.-flag commercial vessels. Specifically, the audit would detail the agencies obligated to comply with cargo preference requirements, provide an analysis of their compliance (or non-compliance), the percentage of cargo shipped by each agency on U.S. flag commercial vessels, and an overview of enforcement activities undertaken by the Maritime Administration since 2008. While the companion Senate bill does not include such a provision, both legislative chambers are expected to reconcile their legislative differences in a conference committee later this year.