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DELIVERING THE GOODS

A Newsletter by the Maritime Labor Alliance



Tried & True: The Jones Act is Red, White & Blue

As we approach the centennial of the Merchant Marine Act of 1920, commonly known as the Jones Act, we must remind ourselves why this fundamental U.S. maritime industry law has been pivotal for the security of American maritime jobs and U.S. national security. The Jones Act requires that cargo shipped between two American ports is reserved to vessels built, owned, and flagged in the United States, and operated by American mariners. Unfortunately, this critical maritime law is often attacked by various interests through the spread of unsubstantiated claims and falsehoods.

Requirements that the Jones Act enforces, favoring our own citizens with cargo movement between two domestic ports (commonly referred to as “cabotage”) are not peculiar to the United States. In fact, 91 other countries in the world have some form of cabotage. Our cabotage laws exist to

guarantee the security of the U.S. domestic maritime industry including the thousands of workers we are proud to represent. The Jones Act is an economic driver that generates \$150 billion in annual economic impact along with nearly 650,000 American jobs ranging from the people who build the vessels in our domestic shipyards, the mariners who operate these ships, the longshoremen who load and unload the cargo at the ports, to the truck drivers and rail workers who deliver the goods throughout the country.

If we surrender the Jones Act, our domestic ports and waterways would be dependent on the delivery of cargo by our nation’s adversaries such as China or other countries that fly flags of convenience. These countries heavily subsidize shipyards and exploit lenient environmental, safety, and labor standards throughout their existing merchant fleets.



Repealing the Jones Act would not only forfeit good-paying American maritime jobs with benefits, but also rob our country of a strong base of qualified merchant mariners to meet

U.S. national defense needs including our military sealift capacity. Furthermore, foreign crews employed aboard non-U.S. ships would supplant the jobs of American workers throughout harbors and rivers in the heartland of our country, including our numerous state operated ferry systems and inland tug and barge operations.

Critics of the Jones Act continue to broadcast misinformation by claiming the law increases freight-shipping rates and the cost of consumer goods. However, the non-partisan Government Accountability Office (GAO) studied freight-shipping costs to Puerto Rico and determined these claims to be inconclusive [1]. Consequently, claims that the Act prevented delivery of aid during the recent hurricane relief effort to the island were fabricated. Arguments that the Jones Act stifles competition in Puerto Rico are entirely misleading when, in fact, two-thirds of the goods imported to the U.S. territory are currently provided by foreign-flag ships.

Earlier this year, the White House was asked to exempt foreign built vessels carrying liquefied natural gas (LNG) to Puerto Rico from the Jones Act for up to ten years.

Such a waiver, if issued, would establish a dangerous precedent and serve the interests of foreign-flag shipping companies. We want to thank the Administration for making the right decision by not moving forward with a waiver. We also encourage Congress to advance legislation incentivizing shipbuilding efforts to expand the U.S. flag fleet to ship such commodities at home. Similarly, we are opposed to efforts that would amend or modify the Dredging Act of 1906 that would subject the maintenance of our domestic harbors to foreign-owned dredging vessels.

As we continue to face dishonest and self-serving attacks on the Jones Act, it is essential to remember why this law is fundamentally important to our economic, military and homeland security. The Jones Act defends our nation's domestic shipbuilding capability, our U.S. flag ships crewed with skilled American mariners, our American longshoremen, our truck and rail workers, and everyone who works to ensure we deliver the goods and aid where needed. The Maritime Labor Alliance is united in solidarity to protect any and all efforts to undermine, weaken, or repeal the Jones Act.

[1] U.S. Government Accountability Office, Puerto Rico - Characteristics of the Island's Maritime Trade and Potential Effects of Modifying the Jones Act, GAO-13-260 (Washington, D.C., Mar 14, 2013)



The Maritime Labor Alliance (MLA) is the leading labor organization representing seagoing and longshore workers in the U.S. maritime industry, dedicated to protecting industry standards, enhancing workplace safety and fortifying our industry to guarantee our critical contributions to our economy and national security in both peace and war.