Jones Act

John Collins, USCGAux SBOS ADSO-PE

You may have heard of the difficulty of getting relief supplies to Puerto Rico after the hurricane last Fall. A major cause of this problem is the so-called Jones Act. The Jones Act is the shorthand name for the <u>Merchant Marine Act of 1920</u>, whose primary author was <u>Sen. Wesley Jones</u> of Washington. It requires that all commerce between US ports, called cabotage, must take place with US built, owned, flagged, and manned vehicles. This is also the reason why domestic liquified natural gas (LNG) cannot be brought to Boston as there are no Jones Act LNG tankers. Petroleum products and propane deliveries have the same problem.

There are about 40,000 Jones Act vessels. Most are work boats, barges ferries, etc. Currently there are fewer than 100 Jones Act compliant ocean going ships. Most of these are participants in the Maritime Security Program and receive several million dollars a year to help pay for increased maintenance costs, payroll, and regulatory burdens that are not required of foreign ships. They are required to be immediately available to the government.