



FACT SHEET

American Shipbuilding

The Jones Act

The Jones Act is essential to American economic, national, and security interests. The U.S. Navy has made it clear: Repeal of the Jones Act would harm our nation's ability to meet strategic sealift requirements and military shipbuilding needs.

The 40,000 Jones Act vessels operating in the domestic trades support nearly 500,000 American jobs and almost \$46 billion in annual economic impact. An impressive five indirect jobs are created for every one direct maritime job, which results in more than \$29 billion in labor compensation. The industry moves an average of 1 billion tons of cargo every year (with a market value of \$400 billion), which plays an important role in relieving congestion on the nation's crowded roads and railways. The Jones Act produces \$11 billion in taxes annually.

The nation's domestic shipbuilders, which are a key part of America's maritime industry, delivered more than 1,200 vessels in 2012, which represented more than \$20 billion in domestic investments. In 2013, U.S. shipyards entered into contracts for hundreds of new vessels, including the construction of state of the art oil tankers and first in the world LNG powered containerships. U.S. shipyards are also leading the way in innovation with the construction of offshore oil and gas support and dynamic positioning vessels. The Jones Act helps maintain a pool of skilled civilian mariners capable of meeting the nation's strategic sealift needs.

The Jones Act ensures that the vessels navigating our coastal and inland waterways abide by U.S. laws and operate under the oversight of the U.S. government. A small number of individuals and organizations support repeal of the Jones Act, which would allow foreign-built, foreign-operated, foreign-manned, and foreign-owned vessels to operate on American waters. The result would be to take a core American industry like shipbuilding and transfer it overseas to nations like China and South Korea, which heavily subsidize their shipyards and play by their own set of rules. Additional losses would occur from the outsourcing of American shipping jobs to foreign nations. It makes little if any sense to send American jobs overseas and undermine an essential American industry.

Boilermakers' Message to Senators and Representatives:

- Oppose any effort to repeal or weaken the domestic-build requirements of the Jones Act.