



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 U.S. has 12,000 navigable miles of inland waterways and 95,000 miles of coastline where Jones Act vessels can transport cargo to every corner of America. U.S. shipyards led 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.

Congress must take the necessary steps to facilitate the construction and operation of Jones Act vessels as part of a new, expanded "maritime highway system" along America's coasts. Creating a fleet of U.S.-built, U.S.-flagged and crewed feeder vessels to carry a portion of America's trade along our coasts to be offloaded in underutilized ports for transportation by truck and rail to their ultimate inland destination will strengthen our domestic maritime industry and create jobs aboard ship and in our ports.

INTERNATIONAL BROTHERHOOD OF BOILERMAKERS DEPARTMENT OF GOVERNMENT AFFAIRS

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Further, Congress must take up the U.S. Maritime Administration (MARAD) reauthorization package this year including additional funding for Title XI - Federal Ship Financing Program. Congress should also consider proposals that will increase the share of U.S. commercial cargoes carried by U.S.-flag vessels in the foreign trades to counter unfair competition from various foreign state owned and controlled fleets, particularly China. Increasing the number of America's foreign trade carried aboard U.S.-flag ships will increase American maritime jobs and strengthen our military and economic security.

Boilermakers' Message to Senators and Representatives:

- Oppose any effort to repeal or weaken the domestic-build requirements of the Jones Act.
- Support core policies that increase the size of our U.S.-flag fleet and the amount of America's trade carried by U.S.-flag ships, enhance and strengthen U.S.-flag cargo preference laws and fully fund the maritime and tanker security programs.