



# FACT SHEET

## American Shipbuilding

### The Jones Act

The Jones Act is essential to American economic, national, and security interests. In addition, 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.

America's domestic shipping industry is responsible for nearly 500,000 jobs and more than \$100 billion in annual economic output, according to a recent study by PricewaterhouseCoopers for the Transportation Institute. Labor compensation associated with the domestic fleet exceeds \$29 billion annually with those wages spent in virtually every corner of the United States. The American domestic fleet, with more than 40,000 vessels, is the envy of the world. Every job in a domestic shipyard results in four additional jobs elsewhere in the U.S. economy.

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. Particularly at a time of severe economic dislocation in the U.S., it makes little if any sense to send American jobs overseas and undermine an essential American industry.

### United States Navy

In March 2019, the Administration released its Fiscal Year 2020 President’s budget request. The budget submission of \$205.6 billion is an increase of \$9.5 billion (4.6%) from the FY 2019 enacted budget. The FY 2020 Shipbuilding Portfolio includes funding for the construction and service life extension of 19 vessels. The budget provides for a deployable battle force of 301 ships in FY 2020 including 11 aircraft carriers and 10 big deck amphibious ships. Fourteen ships will begin construction of which twelve ships are part of the battle force fleet, including:

- 3 SSN 774 Virginia Class nuclear attack submarines \$10.2 billion
- 3 DDG 51 Arleigh Burke Class destroyers \$5.8 billion
- 1 Guided Missile Frigate \$1.3 billion
- 2 Fleet Replenishment Oilers \$1.1 billion
- Littoral Combat Ship Reprogramming

In addition, the FY 2020 request includes \$2.2 billion funding for Advance Procurement to support detail design activities and long lead items for the Columbia Class Fleet Ballistic Missile

INTERNATIONAL BROTHERHOOD OF BOILERMAKERS DEPARTMENT OF GOVERNMENT AFFAIRS

1750 New York Avenue, NW, Suite 335, Washington, DC 20006 ■ 202-756-2868 phone ■ 202-756-2869 fax ■ www.boilermakers.org  
Cecile Conroy ■ Director of Government Affairs ■ cconroy@boilermakers.org

Submarine (SSBN), (which is to replace the current Ohio class of Fleet Ballistic Missile Submarine).

## **United States Coast Guard**

As part of the bill to reopen the government in early 2019, the Coast Guard received:

- \$655 million for a new heavy icebreaker, to be called a "Polar Security Cutter," and \$20 million more for the start of construction on a second one. (It will be the service's first new heavy icebreaker in 40 years. The Polar Star was commissioned in 1976.)
- \$5 million for post-delivery activities for the tenth National Security Cutter
- \$2.6 million for post-delivery activities for an eleventh National Security Cutter
- \$5 million for survey and design work to support the acquisition of a Great Lakes icebreaker

The Administration's new FY 2020 budget includes \$1.2 billion to continue Coast Guard fleet modernization projects, including:

- \$35 million for the new "Polar Security Cutter" to continue program management for construction of the first PSC. This acquisition is recapitalizing the Coast Guard's heavy polar icebreaker fleet to support national interests in the Polar Regions and provide assured surface presence in those ice-impacted waters.
- \$15 million to support a multi-year Service Life Extension Project (SLEP) for Polar Star, the Nation's only operating heavy icebreaker and only organic capability to assure year-round access to the Polar Regions to support national interests.

### **Boilermakers' Message to Senators and Representatives:**

- Oppose any effort to repeal or weaken the domestic-build requirements of the Jones Act, including rejecting efforts to exempt Puerto Rico from the Jones Act in any financial relief legislation.
- Support the Administration's FY 2020 budget requests for the U.S. Navy and U.S. Coast Guard.