



AMERICAN MARITIME CONGRESS

Franklin Square • 1300 I Street, NW Suite 250W • Washington, DC • 20005

I S S U E B R I E F I N G

THE JONES ACT – THE FOUNDATION OF THE MERCHANT MARINE

Section 27 of the Merchant Marine Act, 1920, as amended (46 App. U.S.C. 883), commonly referred to as the Jones Act, is one of the three legal pillars of the modern United States Merchant Marine. A cabotage law, the Jones Act requires that all merchandise transported between two ports within the jurisdiction of the United States be carried by a U.S.-flag vessel, built in the United States, owned by a U.S. citizen and crewed by American merchant mariners.

Cabotage laws are common throughout the world, and are used to protect trade between two points in a single country. Just as you cannot fly British Airways from New York to Los Angeles, you cannot use a foreign ship to trade between two ports in the United States.

While the Jones Act dates from 1920, the United States has had various cabotage laws on the books since the first Congress in 1789. Even at the founding of the Republic, the federal government has recognized the value of having a thriving domestic maritime industry. The Jones Act and other cabotage laws, which include laws regarding passenger vessels, dredging and salvage, ensure that the United States has the vessels, seafarers and shipyards necessary to protect the national and economic security of the country.

Today, the modern Jones Act fleet represents over half of all vessels over 10,000 deadweight tons flying the American flag today. Of the 195 vessels in the American fleet, 105 of them are Jones Act qualified vessels operating domestically.

The Jones Act is critical to the continued existence of the U.S. Merchant Marine. Without a thriving domestic fleet, we would lose the skilled seafarer base needed in times of war or national emergency. We would also lose the skilled shipyard labor required to build modern merchant vessels.

It has been argued that the Jones Act increases costs to consumers by removing foreign competition that could lead to lower freight rates and transportation costs. However, these savings are more than made up by the loss of tax revenue, increased risk to the environment, and cost to the federal government of maintaining the ships and jobs necessary to protect America in time of war or national emergency.

The Jones Act is the foundation upon which the modern American merchant marine and maritime industry is built.