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Divided US united in bipartisan support for Jones Act

The controversial law that protects the US coastal trades is expected to remain unchanged under the Biden administration

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Democrats and Republicans in Congress strongly favour the Jones Act, which protects merchant marine jobs and ensures that the US retains access to maritime capabilities in the event of military operations or a national emergency, according to speakers at a European Maritime Law Organisation webinar



THE JONES ACT IS A LAW THAT PROTECTS THE US COASTAL TRADES AND THERE IS NO PROSPECT OF IT BEING REVOKED ON THE HORIZON.

Source: *Lightspring / Shutterstock.com*

SUPPORT for the Jones Act from across the US political divide should ensure the controversial law that shields domestic shipping trades from foreign competition remains on the statute book.

That is the view of several US experts who note that former President Donald Trump and his successor, Joe Biden, have given their backing to the Jones Act, albeit for different reasons.

“I do not think there are any changes in the offing,” Federal Maritime Commissioner Carl Bentzel said during a webinar hosted by the European Maritime Law Organisation.

Likewise, former FMC commissioner William Doyle, who is now executive director of the Maryland Port Administration in Baltimore, said he did not expect to see any change under the new administration.

President Biden issued an executive order soon after taking office in January stating that the Jones Act would be upheld.

Speaking at the same event to review US maritime policy under the new administration, former Maritime Administration deputy administrator Rear Admiral Michael Rodriguez predicted that, if anything, the Jones Act was likely to be even more strongly enforced than in the past.

Outside the US, the Jones Act is regarded as a highly protectionist piece of legislation. The federal law, which forms part of the Merchant Marine Act of 1920, requires goods shipped between US ports to be transported on ships that are built, owned and operated by its citizens.

Numerous efforts over the years to have the law abolished or amended have failed, with the US even refusing in the past to allow the Jones Act to be brought up at the World Trade Organisation.

It has bipartisan backing in Congress, Rear Adm Rodriguez noted, with support from both the military and organised labour bringing together Republicans and Democrats in a rare show of unity.

Mr Bentzel also noted that the Biden administration had reviewed policies regarding offshore energy installations and clarified that they would be covered by Jones Act rules, thus “expanding” their application.

The commissioner said he did not regard the Jones Act as an issue as far as international trade was concerned.

Companies operating in the US domestic trades “have to comply with US laws on labour, health, and safety,” he continued.

Any steps taken that would make it easier for people to work domestically in the US were unlikely to be regarded favourably, said Mr Bentzel. “So I don’t think there would be much appetite for any changes.”

Mr Doyle concurred, noting that the Buy American policy of the White House included the Jones Act.

He also challenged the perception that US flag operators with ships covered by the Jones Act did not invest in new tonnage. “They are investing and our shipyards are doing very well, building ships,” Mr Doyle said.

In particular, the dredging industry is in the midst of a \$2bn newbuilding programme in the US.

Mr Doyle also said he did not regard international trade and the Jones Act as being at odds with each other.

US ports wanted to handle as much international commerce as possible, he said, but the Jones Act “needs to remain when comes to domestic trade, domestic dredging, domestic marine construction, domestic transportation of petroleum products, and domestic transportation of containers”.

Original article by Janet Porter of Lloyd's List, bringing curated maritime news and market analysis to help professionals connected to maritime trade around the globe stay well-informed. Read more here (c) 2021 Informa PLC