Coast Guard Commandant: Jones Act Repeal Would Bring ‘Severe Repercussions’

WASHINGTON – The commandant of the Coast Guard said that the recent congressional focus on the Jones Act in the wake of the 2017 hurricane relief efforts for Puerto Rico threatens to invite repeal of the act, one that would have unintended negative consequences for national defense, maritime commerce and shipbuilding.

“There’s this fixation that we need to get after the Jones Act,” Adm. Paul F. Zukunft said in response to a question from the audience May 8 at the Center for Strategic and International Studies, a Washington think tank. “The consequences of the Jones Act [repeal] could have severe repercussions as well.”

The Jones Act – formally titled the Merchant Marine Act of 1920 – generally prohibits foreign-built, foreign-owned or foreign-flag vessels from conducting coastwise trade within the United States and between the United States and its overseas territories. It also generally applies restrictions that effectively prohibit ships under the Jones Act from being overhauled at foreign shipyards. Ship crews must be composed of U.S. citizens or legal residents of the United States.

Zukunft listed three consequences he said would ensue if the Jones Act is repealed.

“All of our coastwise trade will probably be done by a third nation, namely China, [and] not just coastwise trade, but plying our inland river systems as well,” he said. “If we’re looking at, ‘hey, if we can lower the cost of doing business, we can have a third nation do it on our behalf.’

“The next thing that goes away is the [U.S. and state] maritime academies,” he said. “You don’t need them because we have foreign mariners. We don’t know who they are, but they’re foreign mariners plying our waters and our internal waters as well to conduct maritime commerce, which is a $4.6 trillion enterprise in the United States.

“Then the next thing that goes is our shipyards and the technology that goes with the shipyards,” he said, speaking of the smaller labor costs of foreign shipyards.