

Fool on the Hill

Tony Munoz

March 15, 2019

Senator Mike Lee (R-UT) this month introduced the “Open America’s Water Act of 2019” to repeal the Jones Act, the latest in a series of broadsides over the years aimed at destroying America’s maritime independence. The bill would allow all qualified (foreign) vessels to engage in U.S. domestic trade. It also aims to ensure that Alaskans, Hawaiians and Puerto Ricans pay less for the goods they buy and be allowed to get rapid emergency help in the wake of natural disasters.

Senator Lee seems to have inherited the anti-Jones Act mantle from the late Senator John McCain, who – despite his many virtues and military and civic achievements – was an inveterate opponent of the legislation first passed in 1920 to protect and foster America’s maritime industry. Lee’s bill uses arguments from the Cato Institute, which was co-founded by Charles Koch in 1977 and has received more than \$30 million since then from the Koch family.

In 2018, Koch Industries posted \$110 billion in revenues, which come mostly from its petroleum and transportation businesses, which means it could potentially benefit from a Jones Act repeal.

Why would the senator from Utah want to dismantle the U.S. maritime infrastructure of ship and repair yards, put licensed and highly trained American seafarers out of work and make the most environmentally compliant and technologically advanced fleet in the world compete with vessels built in China and other third world countries and manned by cheap labor with no health or other benefits?

U.S. maritime companies have invested billions to build ships and train licensed seafarers with zero dollars in subsidies or assistance from the federal government. Yet the government has total access to U.S. maritime assets and infrastructure in times of war or national emergencies – as well it should – due mainly to the Jones Act.

Clueless Thinking

The Utah senator has absolutely no idea what effect the repeal of the Jones Act would have on more than half a million jobs and billions of dollars in economic activity annually. Hawaii, Alaska and Puerto Rico are heavily dependent on the Jones Act for essential supplies like food, clothing, gasoline and cars, and they essentially pay the same prices as many states in the lower 48.

Meanwhile, international shipping companies already transport foreign commodities and bulk products to U.S. ports including Hawaii, Alaska and Puerto Rico. Yet consumer prices are already very competitive throughout the country. The only thing that foreign operators cannot now do is transport petroleum and wood products from U.S.-based Koch companies to other U.S. ports.

The Jones Act is a vital part of the U.S. economy. U.S.-flag companies operate more than 40,000 vessels on the vast system of U.S. coastal and inland waterways. Waterborne transportation provides all kinds of economic and environmental benefits – not to mention relieving congestion on roadways and highways and thereby reducing both air and noise pollution.

The national security consequences of repealing the Jones Act would be even more serious, opening America's inland waterways to thousands of foreign-flag vessels. Is that what we want? Can foreign airlines fly between U.S. cities? Of course not. Then why should foreign-flag vessels be allowed to transport cargo between U.S. ports?

Are Americans really ready to open 360 ports on 25,000 navigable inland waterways and 88,633 miles of U.S. coastline to foreign-flag ships that are built in government-subsidized shipyards and manned by poorly paid mariners at the expense of U.S.-flagged ships and mariners, while at the same time undermining our economic well-being and national security?

With all the political instability worldwide and given the current Administration's emphasis on "Jobs, Jobs, Jobs," this is not the time to unemploy thousands of hardworking Americans and dismantle legislation that has served the nation well for nearly a century. You'd think the Republican senator from Utah would know better. – MarEx