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The Jones Act Drives America's Finest Into Exile

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America's Finest, a brand-new 264-foot fishing trawler, ought to be the pride of the fleet. As a newspaper in its birthplace of Anacortes, Wash., explained, the ship features an "on-board mechanized factory, fuel-efficient hull, and worker safety improvements"—priceless features for fishermen operating in the treacherous seas off Alaska. The ship is also said to have a smaller carbon footprint than any other fishing vessel in its region. According to Fishermen's Finest, the company that ordered the ship, it would be the first new trawler purpose-built for the Pacific Northwest since 1989.

Sadly, it seems increasingly doubtful that the ship will ever ply its trade in U.S. waters. That's because it contravenes the Jones Act, the 1920 law mandating, among other things, that ships carrying cargo between U.S. ports be domestically built. While America's Finest was constructed in an American shipyard, parts of its hull were bent and cut in the Netherlands. By weight, that means the vessel counts as about 10% foreign-made, according to federal rules related to the Jones Act. The maximum for foreign-worked steel is 1.5%. The shipyard says it simply wasn't aware of the rule. Fisherman's Finest, for its part, doesn't think its ship should be grounded for a mistake it didn't make.

Desperate to remedy the situation, the parties tried to leverage support from Washington's Rep. Rick Larsen and Sen. Maria Cantwell to get a congressional waiver inserted into the recent omnibus spending bill. After some political haggling—during which competing fishing companies demanded that any waiver include limits on how many fish Fisherman's Finest could catch and process—the effort failed.

Fishermen's Finest appears resigned that it will never be able to use the vessel, with the company's president stating his intention to list it for international sale. That leaves the company with a fishing fleet composed of two vessels built in 1979. The Seattle Times reported last year that the Jones Act violation "threatens to sink" both Fishermen's Finest and Dakota Creek Industries, which built the ship. Since February of last year the shipyard has seen its payroll shrink from 330 to 195, with a further half-dozen layoffs recently reported.

In short, because of the Jones Act, an American fishing company's future is in doubt, and its staff will be forced to work on more dangerous, less fuel-efficient ships that are nearly 40 years old. But the law's effects are far from limited to one company. By driving up the price of new vessels, the Jones Act encourages the use of older ships, which, as a 2013 Government Accountability Office report noted, "burn fuel faster and less efficiently compared to newer vessels."

This episode also debunks the claim that the Jones Act contributes to national security. The law's proponents argue that it guarantees work for American shipyards, preserving a maritime industrial ecosystem that could be vital in a time of war or national emergency. The Anacortes shipyard builds tugboats, ferries and fishing trawlers. It is doubtful that such a shipyard could be quickly retooled in a time of war to churn out far-larger military vessels.

Perhaps more important, the importation of parts can bolster a shipyard's ability to deliver an affordable product that meets customers' specifications. Rather than a threat, foreign-worked steel is an asset. How much more could American shipbuilders accomplish without restrictions such as the 1.5% limit hanging over their heads?

Some in Washington, including Sen. John McCain, have taken notice of the toll imposed by the Jones Act and sought its repeal. Those calls for reform were renewed last year after the law's requirements made it difficult to ship emergency aid to Puerto Rico. Although the Trump administration granted a 10-day waiver of the Jones Act after Hurricane Maria, the law's burdens demand permanent reform.

The sad saga of America's Finest captures the story of the Jones Act altogether. Companies in the U.S. are rendered less competitive and less financially viable. Sailors and fishermen are forced to operate on older and more-dangerous vessels. The environment takes a heavier toll as more fuel is burned. All in exchange for alleged national-security benefits that are vastly overstated if not outright fictitious. The Jones Act needs to go sleep with the fishes.

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