

**MARITIME
CABOTAGE**



News Release

August 17, 2009

MCTF Endorses Customs and Border Protection Effort to Strengthen Enforcement of Jones Act

Washington, D.C –Non-Jones Act qualified vessels will no longer be able to engage in activities properly reserved for U.S.-flag vessels once Customs and Border Protection (“CBP”) implements its proposal to correct or eliminate several rulings that failed to take due account of all the factors set forth in a key 1976 decision.

“MCTF strongly supports CBP’s proposal, which will help ensure that our coastwise laws are properly applied with respect to the transportation of certain merchandise between U.S. points,” the coalition stated in comments submitted on August 14. The proposal focuses largely on correcting the incremental misapplication of a 1976 decision in which CBP evaluated a range of activities undertaken by a pipeline repair vessel on the outer continental shelf. Over the years, factors underlying the decision have been cited out of context, eroding the fundamental analysis, with the result that non-coastwise qualified vessels engaged in activities properly reserved for Jones Act-qualified vessels.

The Jones Act requires that merchandise moving between points in the United States by water be carried in a vessel that is built in the U.S., owned by U.S. citizens, documented under U.S. registry, and crewed by U.S. seafarers. The Jones Act was enacted in 1920, but the United States has reserved the domestic trades to U.S. vessels since 1817 and had other laws to promote a U.S.-flag fleet since 1789.

“A close reading of the 1976 decision makes clear that CBP never intended the definition of vessel equipment to depend solely on the mission of the vessel or to change dramatically from one vessel to the next,” stated the MCTF. “Permitting non-coastwise qualified vessels to carry equipment, supplies, or other articles that are not needed to

(over)

navigate, operate, or maintain the vessel undermines the coastwise laws because it permits transportation that should be reserved for U.S. coastwise qualified vessels.”

Maritime Cabotage Task Force was founded in 1995 to promote the U.S.-flag fleet engaged in domestic waterborne commerce. With more than 400 members, MCTF is the largest coalition ever assembled to represent the domestic segment of the U.S. Merchant Marine. Nationwide, there are more than 39,000 vessels engaged in Jones Act commerce and they annually move more than 1 billion tons of cargo and 100 million passengers. The Act has been broadly supported by every Congress and Administration since its passage in 1920 and is considered a key element in the nation’s national defense capabilities.

-30-

For more information, contact:

Glen Nekvasil, Director of Media Relations: info@mctf.com / 1-888-400-9429