

# The Gulf Spill and the Jones Act

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## Introduction To The Jones Act

American domestic transportation only on American ships

- U.S. owned
- U.S. crewed
- U.S. built

## The Jones Act Industry\*

- 40,334 vessels
- 499,676 related jobs
- \$100.3 billion economic output
- \$45.9 billion in value-added
- \$29.1 billion in labor compensation
- \$11.4 billion in taxes

*\*Study by PricewaterhouseCoopers for the Transportation Institute*

## Top States for Jones Act Activity\*

1. Louisiana
2. Texas
3. California
4. Washington
5. New York
6. Florida

*\*Ranking by Jones Act related employment by  
PricewaterhouseCoopers for the Transportation Institute*

## Deepwater Horizon Disaster

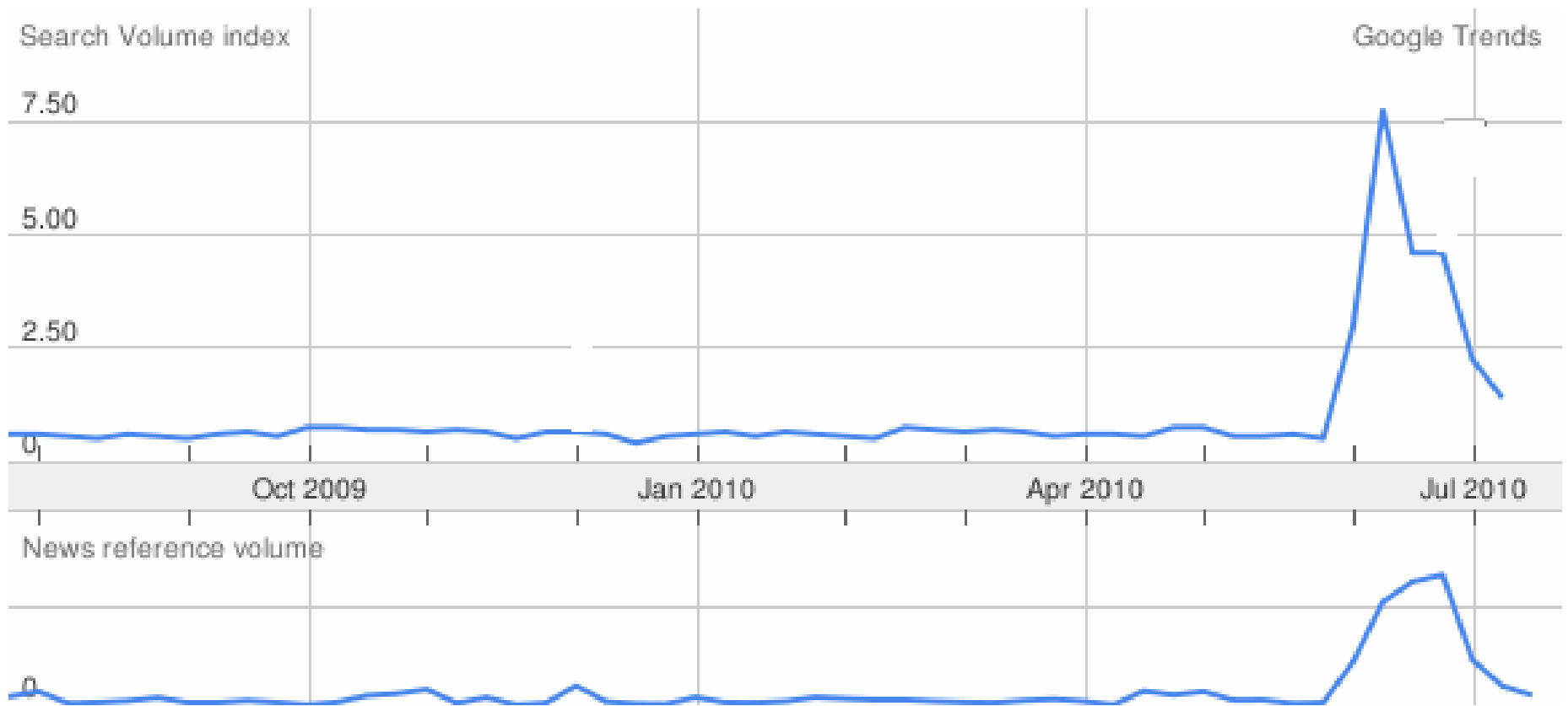
*April 20, 2010*



## Jones Act “Google Trends” (’04 – present)

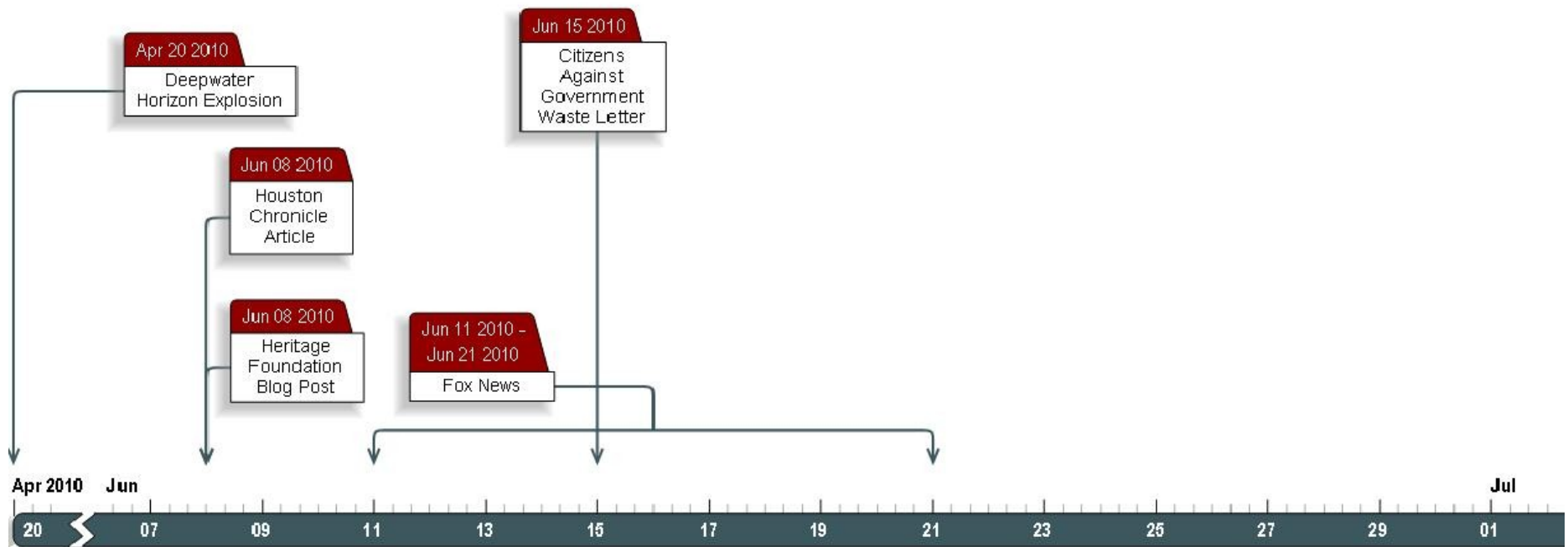


## Jones Act “Google Trends” (last 12 months)





## June, 2010: Jones Act and the Gulf Spill



## 1) **The Jones Act does not apply**

- The Jones Act does not apply outside of 3 miles.
- The Deepwater Horizon rig is 50 miles from shore.

**2) Special provisions in cases like this for oil spill response vessels in an emergency (46 U.S.C. 55113)**

- Can use a foreign skimmer anywhere
- If there are not an adequate number of U.S. vessels (so declared on June 16), and
- If the flag state nation has reciprocal laws.

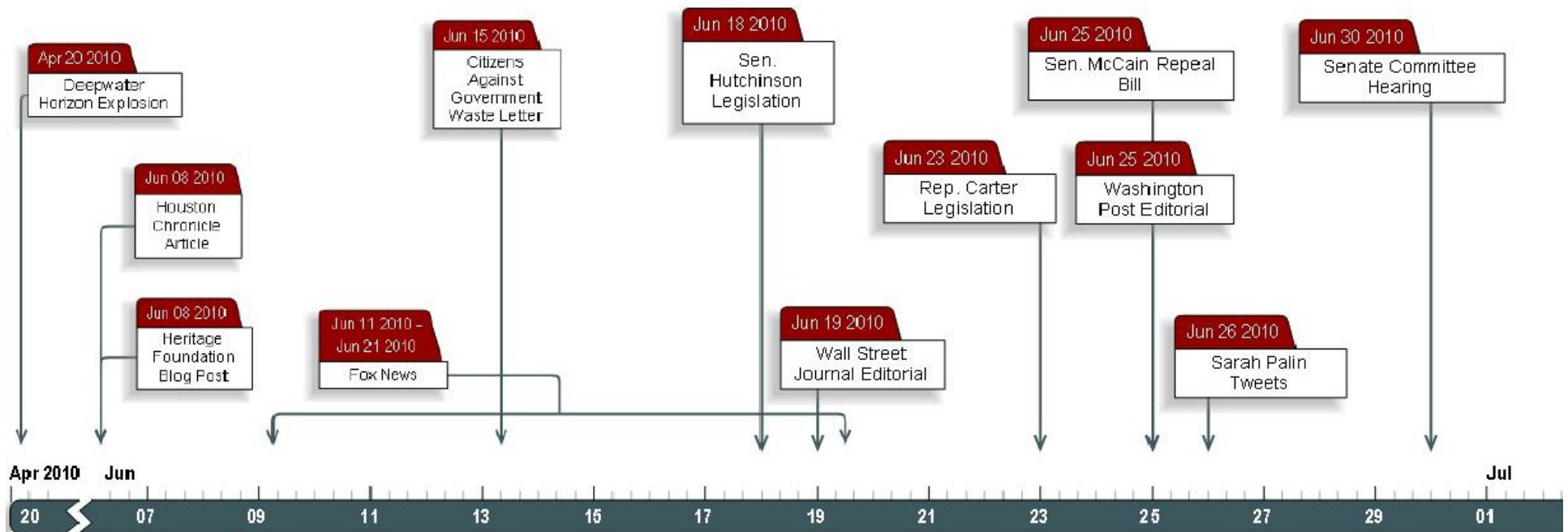
### **3) Expedited Jones Act waivers**

- Jones Act can always be waived if no U.S. vessel is available
- National Incident Command announces “accelerated processing for any waiver requests” (June 15, 2010)

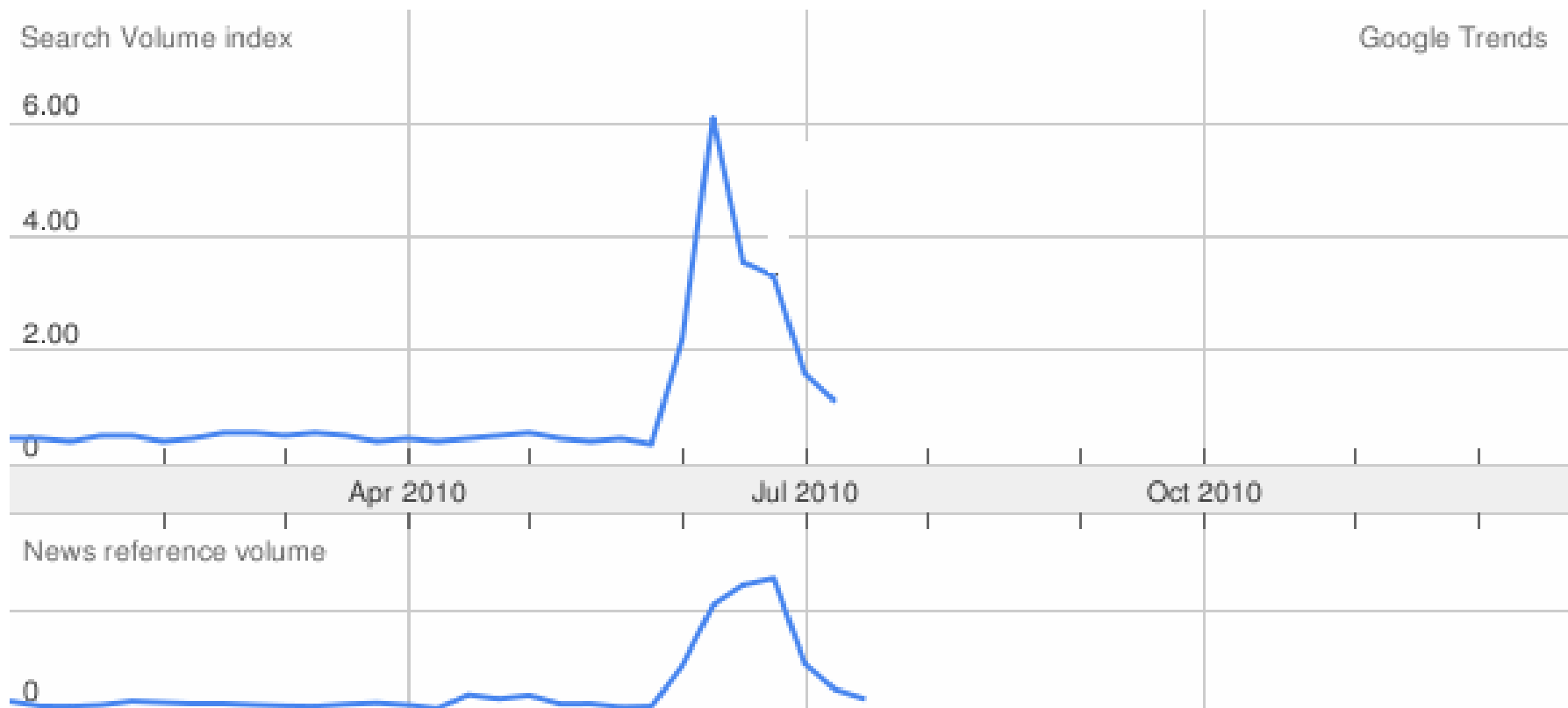
#### 4) **Foreign skimmers are participating**

- 22 offers of assistance from 12 foreign countries, as of June 29, 2010.
- Assets used from Belgium, Canada, China, France, Germany, Ireland, Japan, Kenya, Mexico, Netherlands, Norway, Qatar, Russia, Spain, Tunisia, United Arab Emirates, United Kingdom, the United Nations' International Maritime Organization, the European Union's Monitoring and Information Centre, and the European Maritime Safety Agency.  
*July 12, 2010, NIC timeline document.*

## June, 2010: Jones Act and the Gulf Spill



## Jones Act “Google Trends” (2010)



## **Adm. Thad Allen**

“We at no time in the course of this response have been inhibited by anything we have to do with what we call the Jones Act ... All of the [foreign] vessels that are operating outside of three miles do not require Jones Act waivers.”

*June 30, 2010 at the NIC daily briefing*



## The National Incident Command

“In no case has the Federal On Scene Coordinator or the Unified Command declined to request assistance or accept offers of assistance of foreign vessels that meet an operational need because the Jones Act was implicated.”

*NIC Fact Sheet, July 17, 2010*

## U.S. Department of Transportation

“But to be absolutely clear, to date, the Jones Act has not prevented or delayed the mobilization of useful assets ... [I]t is essential to underscore that, despite allegations to the contrary, the Jones Act has not hindered the cleanup effort.”

*U.S. Department of Transportation current statement*

## Interior Secretary Ken Salazar

“The fact is the Jones Act has not kept a single vessel from coming into the country ... [T]he Jones Act has not been an issue.”

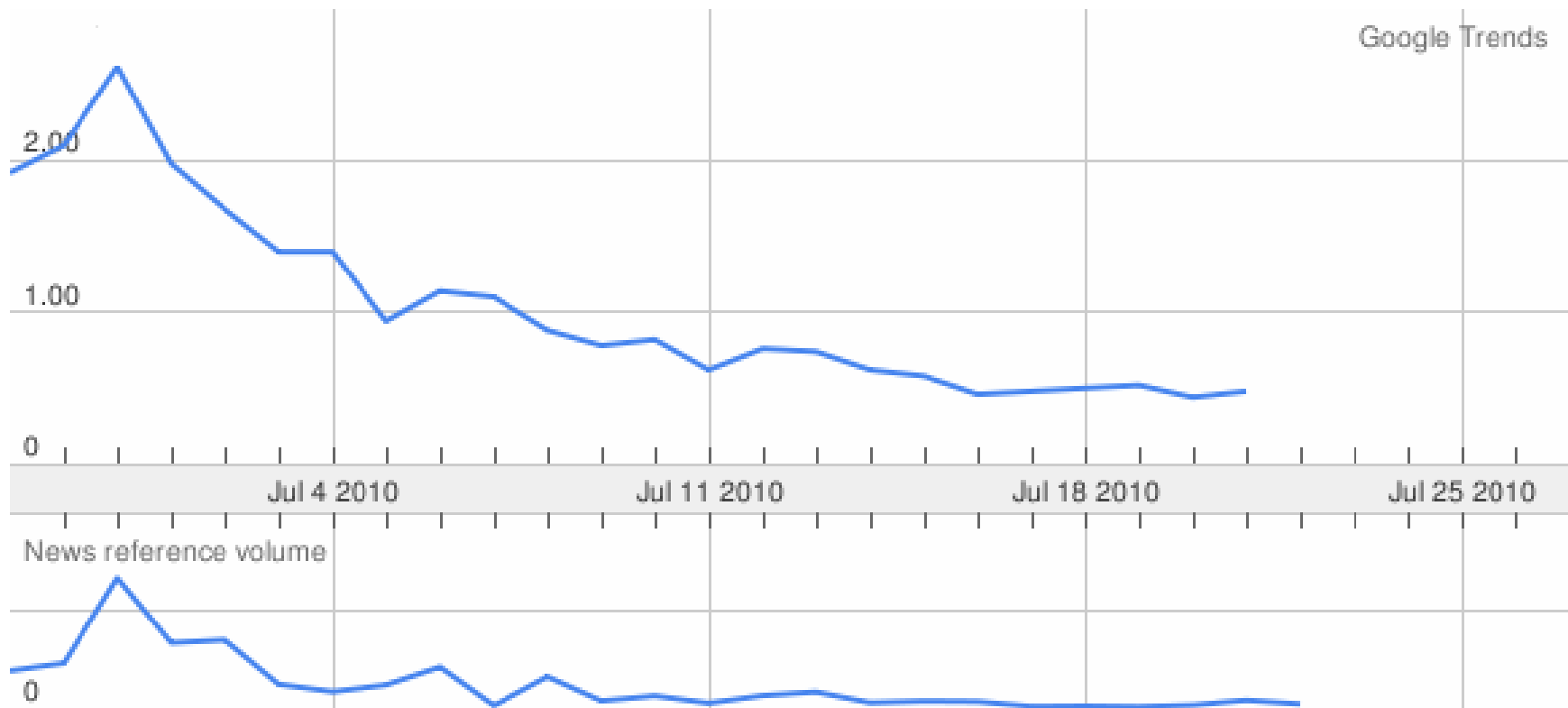
*At the House Oversight and Government Reform Committee hearing, July 22, 2010*

## **Richmond Times Dispatch**

"Suggestions that the Jones Act disrupts the cleanup qualify as urban myth, or partisan disinformation."

*July 21, 2010*

## Jones Act “Google Trends” (July, 2010)



## Anti-Jones Act Legislation

- H.R. 5585 – Rep. Carter (R-TX) – 17 cosponsors. Referred to Transportation Committee.
- S. 3512 – Sen. Hutchison (R-TX) – 7 cosponsors. Referred to Commerce Committee.
- S. 3525 – Sen. McCain bill (R-AZ) – 1 cosponsor. Referred to Commerce Committee.

## **Jones Act “red herring” obscured the true story – an extraordinary response by the American maritime industry**

- More than 3,600 response vessels
- 917 vessels of opportunity
- 780 skimmer vessels
- 34.6 million gallons of oily water recovered

