

105TH CONGRESS
1ST SESSION

H. CON. RES. 65

Expressing the sense of the Congress that section 27 of the Merchant Marine Act, 1920, popularly known as the Jones Act, and related statutes are critically important components of our Nation's economic and military security and should be fully and strongly supported.

IN THE HOUSE OF REPRESENTATIVES

APRIL 23, 1997

Mr. MOAKLEY (for himself, Mr. SOLOMON, Mr. ABERCROMBIE, Mr. OBEY, Mr. MURTHA, Mr. MCGOVERN, Ms. HARMAN, Mr. RAHALL, Mr. OBERSTAR, Mr. CUNNINGHAM, Mr. DELLUMS, Mr. YOUNG of Alaska, Mr. CLEMENT, Mr. LIVINGSTON, Mr. BORSKI, and Mr. HUNTER) submitted the following concurrent resolution; which was referred to the Committee on National Security

CONCURRENT RESOLUTION

Expressing the sense of the Congress that section 27 of the Merchant Marine Act, 1920, popularly known as the Jones Act, and related statutes are critically important components of our Nation's economic and military security and should be fully and strongly supported.

Whereas a privately owned United States-flag merchant fleet and maritime industry are vital to the economic, military, and international political security of the United States;

Whereas it is essential for the Congress to reaffirm its support for those programs and policies that have successfully developed and maintained a strong, competitive, and

economically viable United States-flag merchant marine, including section 27 of the Merchant Marine Act, 1920 (46 App. U.S.C. 883), popularly known as the Jones Act, which reserves the carriage of America's waterborne domestic commerce to privately owned United States-flag commercial vessels that are built and repaired in United States shipyards and owned and crewed by United States citizens, and similar statutes pertaining to the domestic dredging, fishing, salvage, and towing industries;

Whereas these statutes have fostered the growth of a highly productive and diverse fleet of large, technologically advanced, and fuel-efficient vessels, that is capable of transporting in a timely, economical, and responsive manner all types of United States domestic commerce and that carries approximately 21 percent of the freight moved in the domestic transportation market while accounting for less than 2 percent of domestic expenditures for freight transportation;

Whereas the United States-flag domestic merchant fleet has more than twice the number of large vessels than in 1965 and productivity of the fleet over the past 30 years has more than tripled the fleet's ability to serve American shippers and consumers;

Whereas this increased growth and gains in productivity are due largely to the increased capital investments by private industry in the fleet and to the cooperative relationship that exists between American vessel operators and their American citizen crews;

Whereas more than 40 of America's trading partners have comparable laws and restrictions to limit access to their domestic commerce to their national flag vessels in order

to better enhance and support their own economic and military security;

Whereas the Jones Act and related statutes are necessary to prevent America's domestic economy from being dominated and controlled by foreign shipping interests which today operate in international commerce outside the scope of United States Government laws and regulations, including tax obligations, that apply to all types of United States-flag vessels and their crews, to the entire domestic transportation infrastructure, and to all other industries located in the United States.

Whereas the Jones Act and related statutes, along with the comparable requirements applicable to America's aviation, rail, and trucking industries, play a vital role in ensuring that America's shippers and consumers continue to have a reliable, efficient, and competitively balanced domestic transportation system that uses equipment built to American standards and operated by trained American citizen workers;

Whereas allowing foreign flag vessels and foreign crews to operate in America's domestic trades will threaten the economic viability of America's transportation system, which operates in compliance with all United States Government laws and regulations, including tax obligations;

Whereas the Jones Act and related statutes and the construction and operation of the privately owned United States-flag domestic fleet contribute significantly to the national economy, generating approximately \$300,000,000 annually in corporate tax revenues for the Federal Treasury, and another \$55,000,000 annually in State tax revenues, all of which would be lost if foreign vessels were allowed to enter America's domestic trades;

Whereas Americans working aboard United States-flag domestic vessels and in related domestic industries pay \$1,100,000,000 annually in Federal income taxes and another \$272,000,000 in State income taxes, revenue which will be lost if foreign vessels and foreign crews are allowed to enter America's domestic trades;

Whereas the domestic maritime industry provides a significant source of employment to maintain a cadre of well trained, loyal American citizen merchant mariners ready and able to respond, as always, to our Nation's call in time of war or other emergency; and

Whereas the Jones Act and related statutes are necessary because the construction and repair of the United States-flag domestic merchant fleet provides the primary source of commercial shipbuilding opportunities for American shipyards and their workforce, helping to maintain the shipyard mobilization base necessary to America's national security: Now, therefore, be it

1 *Resolved by the House of Representatives (the Senate*
 2 *concurring)*, That it is the sense of the Congress that sec-
 3 tion 27 of the Merchant Marine Act, 1920 (46 App.
 4 U.S.C. 883), popularly known as the Jones Act, and relat-
 5 ed statutes are critically important components of our Na-
 6 tion's economic and military security and should be fully
 7 and strongly supported.

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