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That's American?

Companies based here shouldn't be foreign for taxes and domestic for benefits.

GLOBAL competition and loopholes in the U.S. tax code have cast doubt on what it means to be an American company. Some companies that are based in the United States and are staffed and led primarily by Americans pretend that they are based in Bermuda, the Cayman Islands or some other tax haven.

A prime example is Nabors Industries, which has corporate offices in Houston, but which has a mailing address in Bermuda that allows it to avoid paying what other American companies pay in U.S. taxes. Nabors and other tax refugees claim that they cannot compete successfully if they have to contribute their full share to the national defense and other U.S. government operations. At the same time, Nabors wishes its fleet of supply ships to be considered American so the vessels can operate between U.S. ports and offshore drilling rigs.

Fortunately, Congress is acting to clarify Nabors' ambiguous corporate nationality and discourage its indefensible overreaching for unfair advantage. The Senate Finance Committee voted unanimously to treat as American entities Nabors and other companies that moved their tax headquarters offshore after March 20, 2002. In the House, the Transportation and Infrastructure Committee declined to grant

Nabors the permanent right to operate its fleet between U.S. ports and drilling platforms in U.S. waters.

Proper enforcement of the Jones Act — which limits domestic commerce to vessels that are U.S.-built, -owned and -crewed — has an importance that goes well beyond the fortunes of a single company. Much of the nation's oil and natural gas supply comes from the Gulf of Mexico, where elaborate and costly infrastructure is highly vulnerable to disruption. Given the finite ranks of the Coast Guard and Customs, the best safeguards of this infrastructure against terrorist attack are the American crews on the hundreds of U.S. vessels that supply and maintain the offshore industry.

Given this fact, the security policy Congress has applied to these crews seems out of whack. U.S. mariners and the owners of their vessels are required to get high-tech ID cards and file reams of documents. Meanwhile, foreign vessels that service oil rigs in U.S. waters but never call on a U.S. port have no security or filing requirements. These vessels, frequently crewed with seamen from nations plagued by terrorist movements, at least ought to have to declare their presence and crew list to U.S. authorities.

Treating the U.S. merchant marine as if it were the prime threat just doesn't make sense.