

Congress of the United States
Washington, DC 20515

March 30, 2017

The Honorable John F. Kelly
Secretary
U.S. Department of Homeland Security
Washington, DC 20528

Dear Secretary Kelly:

We are writing in strong support of U.S. Customs & Border Protection (CBP) modification and revocation of flawed letter rulings concerning the application of the Jones Act to offshore operations. This action was initiated after many years of study and review, and affirms the Congressional intent of the Jones Act.

As you know, the Jones Act requires U.S. built and owned ships, crewed by U.S. citizens, to be used for domestic point-to-point transportation of merchandise. As such, it has always been a quintessential “Buy American, Hire American” statute grounded in the national defense policy of ensuring domestic shipbuilding and seafaring capacity through a strong commercial U.S. maritime industry.

For decades, CBP issued flawed interpretations of the Jones Act concerning subsea operations on the U.S. outer-continental shelf (OCS). These flawed letter rulings allowed the use of foreign vessels, crewed by cheaper foreign mariners to work on the U.S. OCS. As a result, the domestic maritime and shipyard industries experienced significant lost employment.

In 2009, CBP proposed to modify and revoke those flawed interpretations of the Jones Act, and the Jones Act industry answered the call for investment in Jones Act-qualified subsea construction vessels made necessary by CBP’s legal acknowledgement that rulings allowing foreign operators to dominate the subsea trade were flawed and would be addressed through a new CBP notice. CBP withdrew the proposal that same year, but since its consideration, over \$2 billion has been invested by Jones Act-qualified U.S. companies for new vessel construction or retrofitting in U.S. shipyards. As a result, approximately 30 vessels stand ready to provide the full spectrum of subsea services identified by CBP.

On January 18, 2017, CBP issued its new notice, again taking action to properly interpret and enforce the Jones Act. That CBP notice correctly applies the Jones Act for offshore transportation activities to the statutorily-intended benefit of American workers, U.S. citizen-owned vessel companies, and U.S. shipbuilders. As demonstrated, the 2017 notice was issued

after thoughtful consideration by CBP, and additional delays and reconsiderations by this agency are not required.

Accordingly, we urge your support for CBP to quickly bring to a close the implementation of the revocation and modification of the flawed letter rulings as described in its 2017 notice. The CBP action restores the integrity and intent of the Jones Act in the offshore maritime industry, and will create American jobs and opportunities to the benefit of our national and economic security.

Sincerely,

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