



The State of the Jones Act



2013 Western Dredging Association Eastern Chapter Annual Meeting
October 15, 2013

K&L GATES

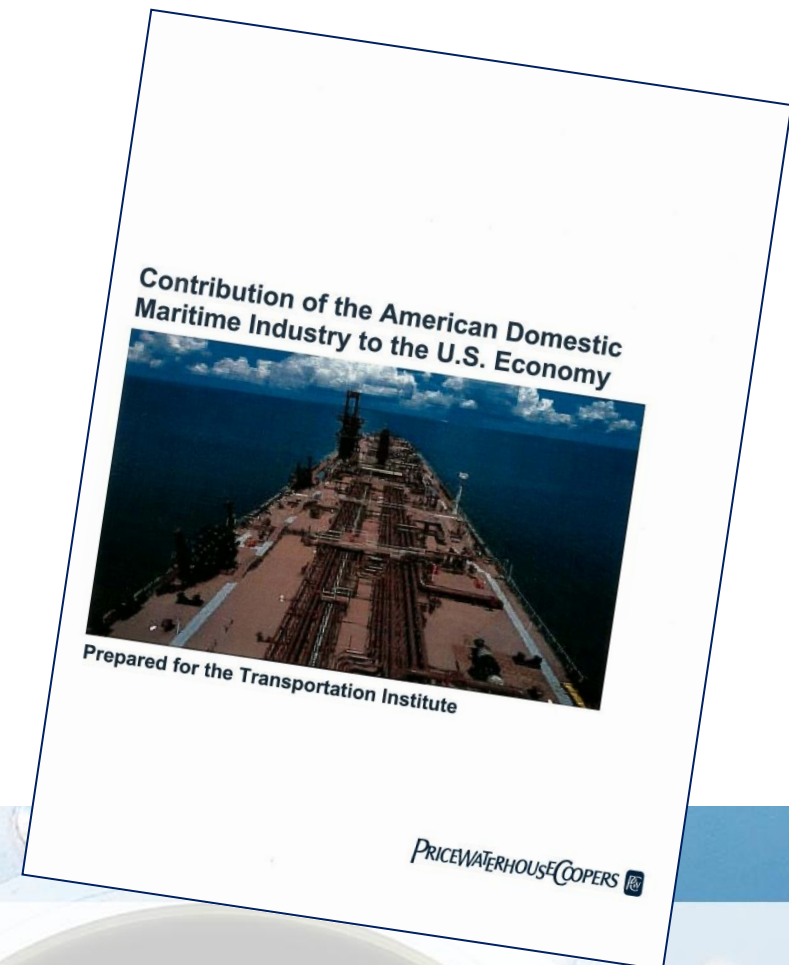
Darrell Conner
Government Affairs Counselor
K&L Gates LLP
darrell.conner@klgates.com

The background of the slide features a close-up photograph of a ship's porthole. The porthole is a semi-circular opening in a metallic hull, surrounded by a thick, silver-colored metal frame. Several bolts and a white handle are visible on the frame. The interior of the porthole is dark, suggesting the interior of the ship. A semi-transparent white rectangular box is overlaid horizontally across the center of the porthole, containing the title text.

BACKGROUND ON THE JONES ACT

Background on the Jones Act

- Generally all cargo and passengers moving between two points in the U.S. must move on American vessels
 - Dredging and towing covered
- 40,000 vessels
- 500,000 direct and related jobs
- \$100 billion annual economic impact



Top Domestic Maritime States (By Jobs)

1. Louisiana (61,956)
2. Texas (44,112)
3. California (34,517)
4. Washington (28,664)
5. New York (28,578)
6. Florida (27,249)
7. Hawaii (23,225)

Top Domestic Maritime States (Per Capita Jobs)

1. Hawaii (1:25)
2. Louisiana (1:30)
3. Alaska (1:91)
4. Washington (1:96)
5. Mississippi (1:131)
6. Indiana (1:153)
7. Tennessee (1:160)



**THE STATE OF
THE JONES ACT NATIONALLY**

“Whack a Mole”



Sink the Jones Act

Storm of Protectionism

It's time to repeal the Jones Act.



Jones Act burdens US coastal shipping and impacts energy markets

Has the Jones Act put the president in an election-year Catch-22?

Repeal the Jones Act, Reduce the Price of Gasoline

The Jones Act vs. Affordable Energy

Oil and the Ghost of 1920

Could Repeal of the Jones Act Actually Happen?

Government Waives Destructive Jones Act for 12 Days—Why Not Longer?

Economic Development and Disaster Relief Inhibited by the Jones Act

Jones Act Tankers Earn Record Rates as U.S. Crude Production Ramps Up

Rescinding Jones Act First Step to Lowering Gas Prices

How the Jones Act Blocks Natural Disaster Relief

Conservative Attacks and Deepwater Horizon are a Vivid Reminders of Industry Challenges



Coastal Protection and
Restoration Authority

Newsroom

STATE OFFICIALS TESTIFY BEFORE PRESIDENTIAL OIL SPILL COMMISSION

... Foreign dredges operate on an entirely different scale than U.S. dredges; it may be necessary to change the Jones Act to use their capabilities. ...



Home Video Politics US Opinion En

liveshots

PRINT

SHARE

A A A

NATURAL DISASTER

Jones Act Slowing Oil Spill Cleanup?

June 10, 2010 - 5:41 PM | by: [Brian Wilson](#)

Foreign companies possessing some of the world's most advanced oil skimming ships say they are being kept out of efforts to clean up the oil spill in the Gulf because of a 1920's law known as the Jones Act — a protectionist law that requires vessels working in US waters be built in the US and be crewed by US workers.



Brian Wilson
Washington, DC

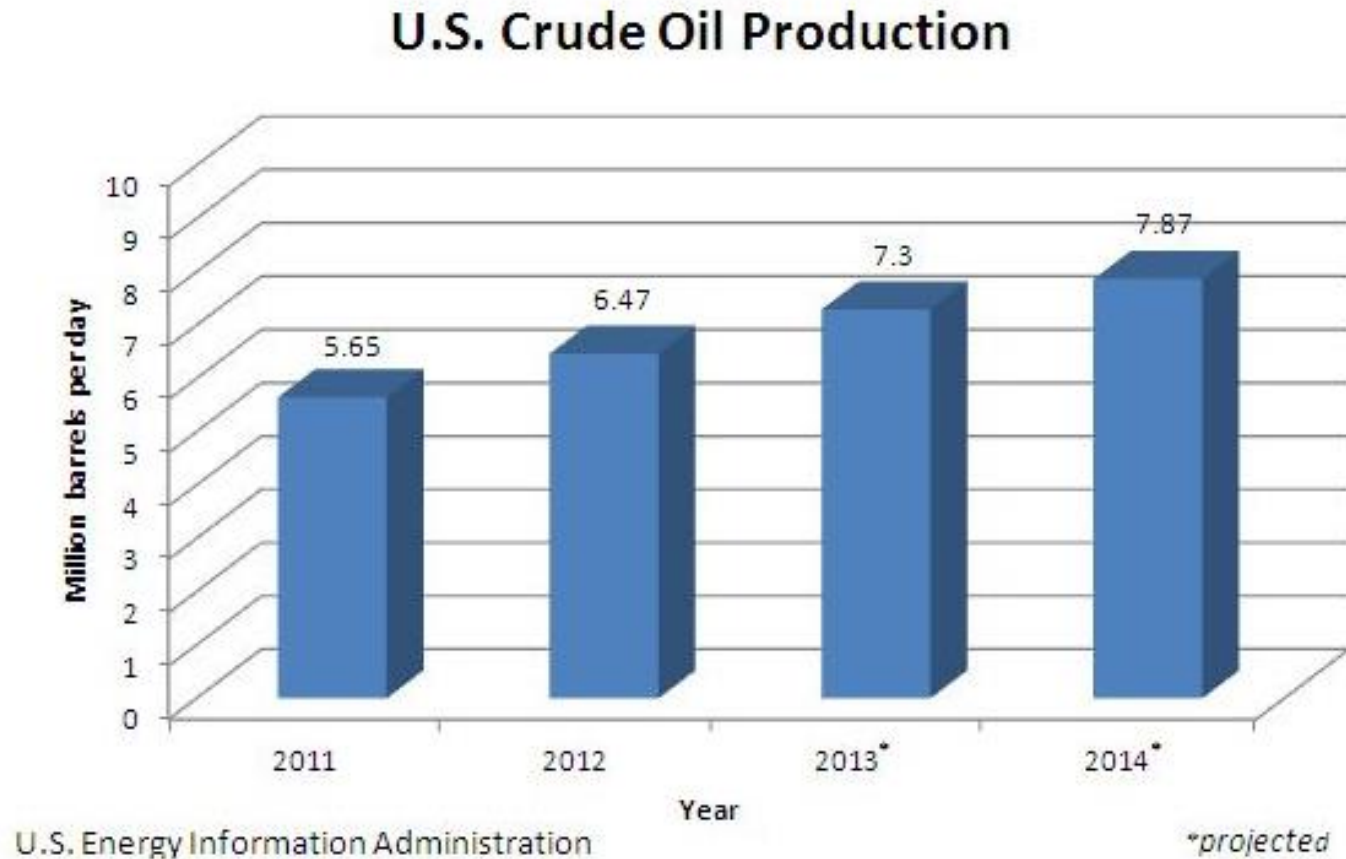
0

comments



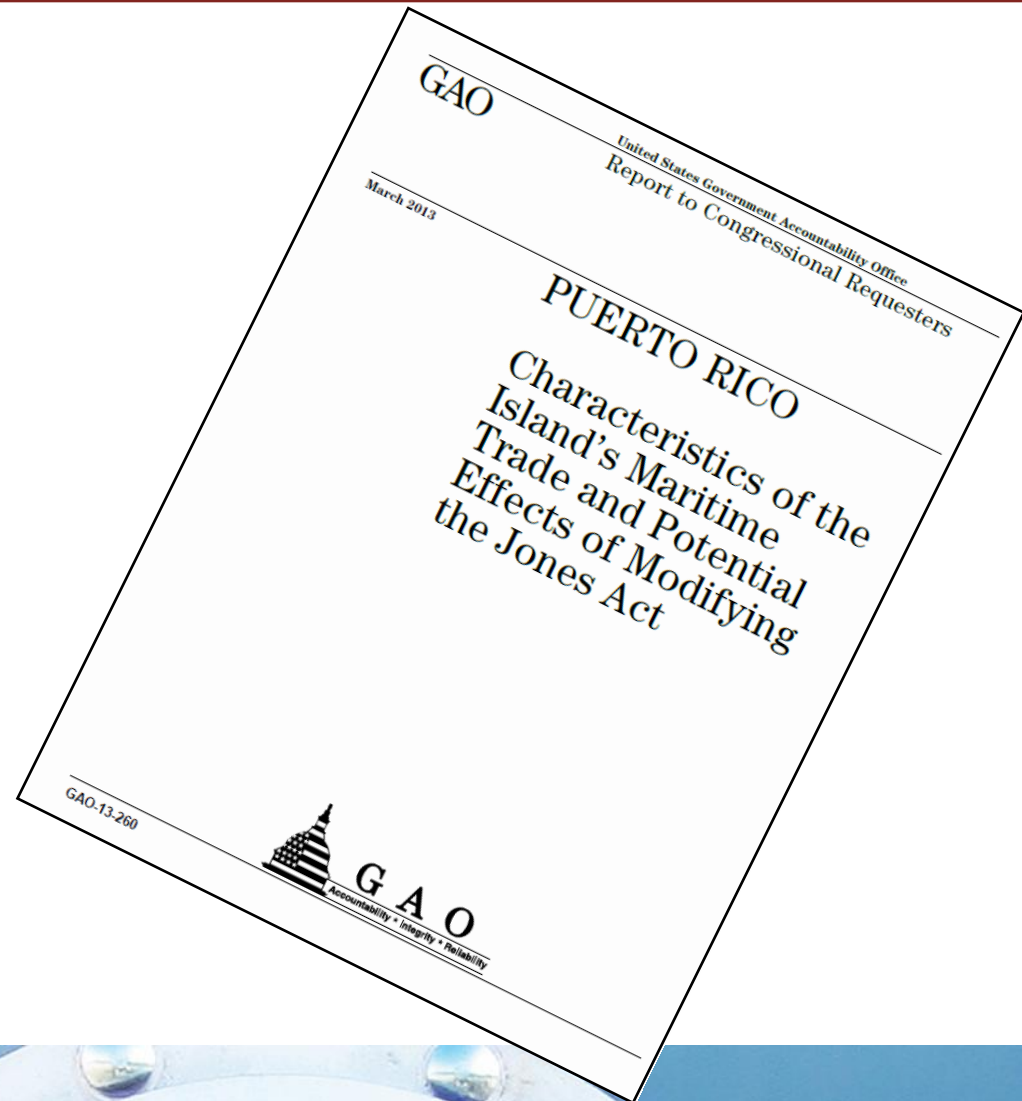
AMERICANS
for TAX REFORM
ATR

Domestic Crude Oil Supply Skyrockets



Puerto Rico GAO Study Comes Back Positive

- Requested by Del. Pierluisi
- Highlights national security as key benefit
- Cites to reliability of service as important benefit
- Deflated arguments on changes for Puerto Rico



K&L GATES

SHIPBUILDERS COUNCIL OF AMERICA

CRITICAL FACTS ABOUT THE UNITED STATES SHIPYARD INDUSTRY

The U.S. shipyard industrial base is vital to America's national and economic security. Private U.S. shipyards build, repair, maintain and modernize the largest and most sophisticated Navy and Coast Guard in the world as well as America's fleet of approximately 40,000 commercial vessels.

The U.S. shipbuilding and repair industry affects the economies of

ALL 435 CONGRESSIONAL DISTRICTS

BY THE NUMBERS

107,240 DIRECT JOBS	IN TOTAL: PRIVATE U.S. SHIPYARDS SUPPORT 402,000 JOBS
\$7.9 BILLION IN DIRECT LABOR INCOME	\$23.9 BILLION OF LABOR INCOME
\$9.8 BILLION IN DIRECT GDP TO THE NATIONAL ECONOMY	\$36.0 BILLION IN GDP

Source: U.S. Shipbuilding and Repair Industry's Economic Impact Study, 2010. The numbers represent the value of the industrial sector's contribution to the economy. The numbers do not include the value of the shipbuilding and repair industry's contribution to the economy.

Organized to Deal With It



Maritime

K&L GATES



THE FUTURE OF THE JONES ACT

Reasons for Confidence in Future of Jones Act

- No concerted Congressional opposition despite significant media, other attention
- AMP strong!
- Strong substantive basis for the Jones Act (e.g., jobs, national security)
- The “third rail effect”
- Surge in new ship construction

“Overturning the Jones Act is less likely than the full extinction of mankind.”

*Andrea Zana, director, Marine Finance Group at CIT Group, Inc.,
at the Marine Money Conference, New York City (June 18, 2013)*



The State of the Jones Act



2013 Western Dredging Association Eastern Chapter Annual Meeting
October 15, 2013

K&L GATES

Darrell Conner
Government Affairs Counselor
K&L Gates LLP
darrell.conner@klgates.com