



AMERICA IS MORE SECURE
BECAUSE OF ITS STRONG DOMESTIC MARITIME INDUSTRY

China's Maritime Ambitions Make the Jones Act Even More Important

A family of laws applying to coastwise trade, commonly referred to as the Jones Act, require vessels engaged in trade between two domestic points to be U.S.-owned, U.S.-crewed, U.S.-flagged, and U.S.-built. These laws are critical for American economic, national, and homeland security, which is why the Jones Act has enjoyed the support of the Defense Department, Members of Congress of both parties, and every President in modern history. Support for the Jones Act is particularly important now because of China's well-documented global maritime ambitions.

The Domestic Maritime Industry Is Key to America's Economic Strength and Security.

America's domestic shipping industry—shipping companies, shipyards, mariners, and advanced logistics systems—is responsible for nearly 650,000 American jobs and more than \$154 billion in annual economic output, according to a study by PricewaterhouseCoopers for the Transportation Institute. The domestic fleet is comprised of over 40,000 vessels. Labor compensation associated with the domestic fleet exceeds \$41 billion annually, and those wages are spent in virtually every corner of the United States. The benefits of the domestic maritime industry do not stop at the water's edge. Other fundamental U.S. industries depend on the efficiencies and economies of domestic maritime transportation to move raw materials and other critical commodities, making the domestic maritime industry critical to the wider economy.

The U.S. Navy Says the Jones Act Is Critical to National Security.

The U.S. Navy's position is clear repeal of the Jones Act would “hamper [America's]

ability to meet strategic sealift requirements and Navy shipbuilding.” America’s domestic fleet is an important part of the national maritime infrastructure, which helps ensure there will be ample U.S. sealift capacity to defend our nation. American ships, crews to man them, ship construction and repair yards, intermodal equipment, terminals, cargo tracking systems, and other infrastructure can be made available to the U.S. military at a moment’s notice in times of war, national emergency, or even in peacetime. In addition, during a major mobilization, American domestic vessels move defense cargoes to coastal ports for overseas shipments. That is why military leaders have consistently emphasized their strong support for the Jones Act and the vessels, shipyards, mariners, and maritime infrastructure that result from a strong American domestic fleet.

The Jones Act Is Critical to Homeland Security.

An essential Jones Act benefit relates to border protection, homeland security, and the prevention of illegal immigration. The Jones Act makes America stronger and its borders more secure by ensuring that the U.S. Coast Guard and Customs and Border Protection (CBP) carefully screen the owners, crewmembers, and builders of domestic vessels before receiving their licenses. They operate under specific regulations to ensure that America remains safe and secure. CBP officials have noted the near impossibility of maintaining the security and coverage of America’s waters without the protections of the Jones Act. Imagine a world where foreign ships and crews could move freely throughout 12,000 miles of inland waterways and major American communities without supervision by the Coast Guard or the CBP.¹ Moreover, American mariners are the eyes and ears of American homeland security, and the Jones Act is an essential reason why they play that important role.

China Is Aggressively Expanding Its Maritime Capabilities Worldwide as Part of Its Global Ambitions.

China’s leaders have made clear that they view the acquisition of commercial vessels, terminals, ports, and other parts of the maritime industry around the world as an important part of their military ambitions. China has proffered billions of dollars in loans and other financing to acquire facilities and other global assets as part of its Belt and Road Initiative. It also has subsidized its own maritime industry to the tune of more than \$132 billion between 2012–2018, according to the Center for Strategic and International Studies.²

¹ U.S. GOV’T ACCOUNTABILITY OFF., GAO-11-195, FEDERAL AGENCIES HAVE TAKEN ACTIONS TO ADDRESS RISKS POSED BY SEAFARERS, BUT EFFORTS CAN BE STRENGTHENED (2005).

² Jude Blanchette et al., *Hidden Harbors – China’s State-backed Shipping Industry*, CSIS (July 8, 2020),

China would like nothing more than to gain a foothold within America’s domestic navigation system, an issue discussed in depth in “The Jones Act Blocks China’s Plan for Global Domination” by former representative and House Transportation Appropriations Subcommittee chairman Ernest Istook.³ Referencing China, former National Security Advisor Robert O’Brien called the Jones Act a “framework for sustaining our [American] shipbuilding posture and it must not be abandoned now.”⁴ Also, writer George Landrith asked a most basic question: “Who in their right mind would want to allow Chinese built, crewed and flagged ships to sail up and down the more than 20,000 miles of [U.S.] inland waterways?”⁵

As China builds up a stronger presence in maritime operations, the United States should be working to strengthen its own maritime industry, a core part of which is the domestic Jones Act fleet and associated infrastructure.

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<https://www.csis.org/analysis/hidden-harbors-chinas-state-backed-shipping-industry>.

³ Ernest Istook, *The Jones Act blocks China’s plan for Global Domination*, FRONTIERS OF FREEDOM (Apr. 5, 2020), <https://www.ff.org/the-jones-act-blocks-chinas-plan-for-global-domination/>.

⁴ Robert C. O’Brien, *A wakeup call from China: What Congress must do now*, THE HILL (Feb. 10, 2023), <https://thehill.com/opinion/national-security/3852064-a-wakeup-call-from-china-what-congress-must-do-now/>.

⁵ George Landrith, *China’s Spy Balloon Is National Security Wake-Up Call for the US*, DEF. POST (Feb. 10, 2023), <https://www.thedefensepost.com/2023/02/10/china-balloon-national-security-us/>.