

REPEAL THE JONES ACT

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TOPLINE: The Jones Act has resulted in a tiny and dilapidated U.S. shipping fleet that drives up shipping and energy costs and limits domestic waterway transportation.

BACKGROUND: The 1920 [Jones Act](#) requires that goods shipped between U.S. ports be carried on vessels that are U.S.-built, U.S.-flagged, and at least [75%](#) U.S.-crewed and U.S.-owned. Instead of producing a thriving domestic shipping industry, these arbitrary parameters that apply only to shipments between U.S. ports (and not to shipments to or from foreign ports) limit the supply of ships and drive up costs. [Jones Act restrictions](#) can make it more economical to import goods from other countries instead of shipping them from other parts of the country. This problem is especially acute in [Hawaii](#), for example, which heavily relies on ocean shipping.

In 1950, the Jones Act fleet totaled 434 vessels. Today, there are [only 93 mostly antiquated vessels](#), and building a new ship in the U.S. costs upwards of \$200 million, which is six to eight times as much as a similar ship built elsewhere. Since crude oil, gasoline, and petroleum products are among the primary cargoes transported between U.S. ports, the Jones Act directly drives up energy prices. [A 2023 study](#) estimated that eliminating the Jones Act would have reduced fuel prices by \$0.63 to \$0.82 per barrel in 2018-2019 and would raise U.S. consumer surplus by \$769 million per year.

Action Items (Congress and Administration):

- Congress should **repeal the Jones Act**.
- The administration should continue to **waive the Jones Act**, as it has amid the closure of the Strait of Hormuz.

How It Would Make Life More Affordable:

- It would reduce shipping costs between U.S. ports, most notably reducing energy prices.
- It would make American businesses more efficient and competitive by lowering domestic transportation costs and allowing them to buy and sell more goods from within the United States rather than abroad.

Related Legislation: Open America's Waters Act ([S. 2043](#), [H.R. 3940](#)).

BOTTOMLINE: The Jones Act is a relic that inflates energy prices and has crippled the U.S. shipping fleet. Eliminating it would reduce shipping and energy costs, modernize the U.S. shipbuilding industry, and finally align maritime policy with national security.