Written by **<u>Bob Adelmann</u>** on May 14, 2021



## DHS Waives Antiquated Law Slowing Recovery From Colonial Pipeline Shutdown

A hundred-year-old law designed to strengthen the United States is serving to weaken it.

The waiver of the Jones Act — passed in 1920 — by the Department of Homeland Security (DHS) on Wednesday proves the point. DHS Secretary Alejandro Mayorkas stated:

> In the interest of national defense, I have approved a temporary and targeted [read: limited] waiver request to an [unnamed] individual company.

> This waiver [of the Jones Act] will help provide for the transport of oil products between the Gulf Coast and East Coast ports to ease oil supply restraints [caused by the shutdown] of the Colonial Pipeline.



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The antiquated law, passed at the end of the First World War, was sold to the American public as a way to strengthen the shipbuilding industry, particularly maritime shipping, following the end of the war. It has been waived frequently in the past: President George W. Bush granted a waiver after Hurricanes Katrina and Rita; President Obama did so after Hurricane Sandy; and President Trump did as well after Hurricanes Harvey and Irma.

Nevertheless, Mayorkas thinks the law is vital:

The Jones Act is vital to maintaining the strength of American shipbuilding and maritime industries by requiring all maritime cargo transport between U.S. ports to occur on U.S.-flagged vessels.

Read that again: any vessel transporting any goods, including crude oil, between U.S. ports must be American-built, American-owned, and American-operated. Other vessels capable of carrying muchneeded goods, such as crude oil, are thereby prohibited from helping relieve the supply crunch.

In the Colonial Pipeline case it will take longer, and cost more, to bring oil and gasoline supplies back to normal.

In New England, it's cheaper to import liquified natural gas (LNG) from Trinidad and Tobago than from ports on the Gulf Coast.

It's cheaper for California to purchase gasoline from Singapore than from the Gulf Coast. Refined gas



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from the Gulf Coast, as a result, is shipped to Latin America instead of up to refineries on the East Coast.

Hawaii must purchase propane from Africa due to a complete lack of Jones Act-compliant ships capable of transporting it from the United States. Puerto Rico is forced to buy its LNG from foreign sources, thanks to the Jones Act.

Scott Shackford, writing for Reason.com, asked:

How can anybody justify the Jones Act's existence by saying it helps [as noted by Mayorkas] maintain "the strength of the American shipbuilding and maritime industries" despite the fact that any major energy crisis requires it to be waived?

When Senator Mike Lee (R-Utah) offered a bill to repeal the act back in 2019, he made the point that "restricting trade between U.S. ports is a huge loss for American consumers and producers," adding that repeal was necessary "so that Alaskans, Hawaiians, and Puerto Ricans aren't forced to pay higher prices for imported goods — and so they rapidly receive the help they need in the wake of natural disasters."

Naturally, shipping interests and shipbuilding unions quashed his attempt to repeal the hundred-yearold law.

American drivers are now counted among those being forced not only to pay more, but to wait longer, to fill their tanks, thanks to the outdated, cronyist, protectionist law known as the Jones Act. If it was ever justified, it has long since outlived its usefulness and is hampering the recovery from the Colonial Pipeline shutdown.



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