

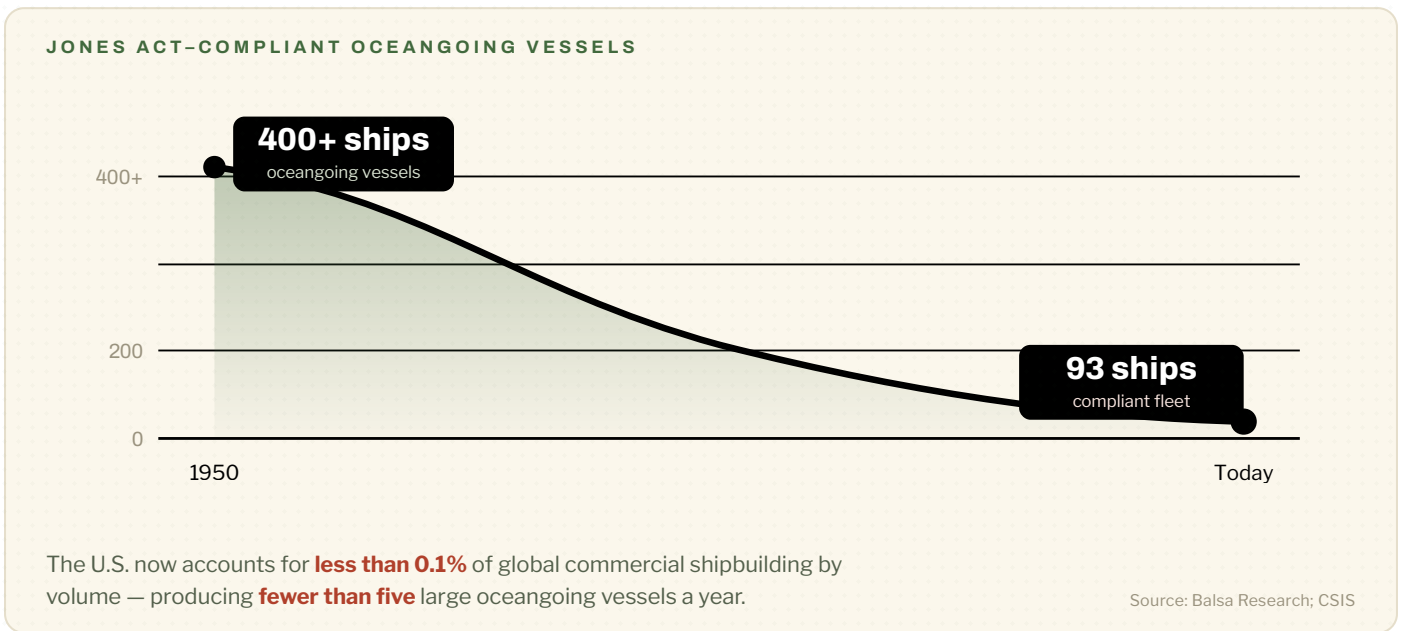
**THE JONES ACT FAILS AMERICA**

# A century-old law that ships the world — but **can't ship America.**

The Jones Act requires goods moving between two U.S. ports to travel on vessels that are American-built, -owned, -flagged, and -crewed. In practice it works like a **hidden toll booth**, forcing the world's largest economy to depend on fewer than 100 aging, costly ships — and pushing the price into energy, fertilizer, and the everyday goods American families buy.

## 01 A fleet in free fall

The U.S. oceangoing fleet has collapsed under the very rules meant to protect it — and American shipyards build almost nothing to replace it.



**64%**

Tariff-equivalent burden of Jones Act restrictions on domestic coastal shipping — as estimated by the federal government's own trade commission.

U.S. International Trade Commission

**\$1,800**

Extra cost to the average Hawaii family every year — part of a **\$1.2 billion** annual hit to the state economy.

Grassroot Institute of Hawaii

**\$769M**

Annual gain in consumer surplus economists estimate Americans would capture if the law were eliminated.

NBER Working Paper 31938

## 02 A fleet that physically can't do the job

Of roughly **7,500** oil and gas tankers worldwide, only **54** comply with the Jones Act — and fewer than 45 can carry refined products like gasoline and diesel. For entire categories of cargo, the compliant fleet simply does not exist.

### WORLD TANKER FLEET VS. JONES ACT-COMPLIANT TANKERS

54 compliant

~7,500 tankers worldwide

The compliant sliver is **0.7%** of the global tanker fleet — barely visible at scale.

0

#### Dry bulk carriers

The ships that move fertilizer and grain. None in the compliant fleet.

0

#### LPG tankers

Zero compliant vessels to move liquefied petroleum gas between U.S. ports.

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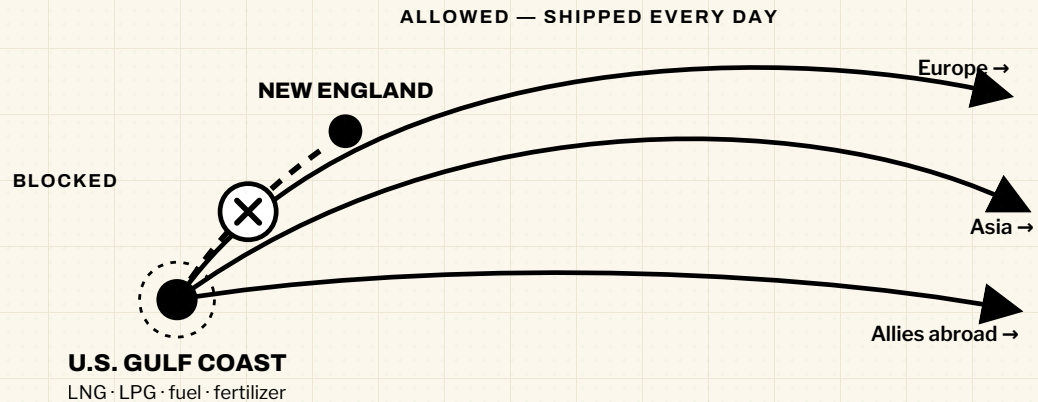
#### LNG carrier

A single ship — and only via a Puerto Rico loophole.

Source: MARAD U.S. Flag Fleet data, Cato Institute

## 03 Ships the world. Can't ship itself.

America can send LNG across oceans, LPG to allies abroad, and fertilizer inputs to markets around the globe. But under the Jones Act, it cannot ship LNG from Texas to New England.



The demand was always there. The Jones Act is the wall — **turning a domestic resource boom into a logistics dead end.**

## 04 Not just a maritime failure — an affordability failure

Jones Act vessels cost a fortune to build and operate, and those costs flow straight into the price of fuel and food.

### EXTRA COST TO BUILD IN THE U.S. VS. ABROAD

#### Medium-range tanker

**+\$190M**

#### Crude oil tanker

**+\$400M**

Annual operating costs run roughly **4x** higher than a foreign-flagged ship.

Sources: Congressional Research Service R43653; Cato Institute

### WHERE THE COST LANDS

Shipping crude from the Gulf to the East Coast on a Jones Act tanker can cost **more than twice** as much as shipping it from Texas to Canada.

**\$550M** in extra cost per year just to move fuel from Texas to Florida.

With **zero** oceangoing dry bulk carriers, the same bottleneck inflates the cost of moving **fertilizer**

## 05 The waiver proves the case for repeal

When Washington waived the law during the conflict with Iran, it accidentally ran the experiment. Here is what just **50 days** of freer domestic shipping delivered.

### FIRST 50 DAYS OF THE WAIVER

**45**

voyages

- ◆ The West Coast, Hawaii, and Alaska received more Gulf Coast fuel by sea than in **all of 2025**.
- ◆ Fertilizer moved freely, freeing up resources farmers depend on.

**30+**

ports served

- ◆ Puerto Rico sourced more propane from the mainland than in the **previous six years combined**.
- ◆ The law has been waived **50+ times since 1920** — in wars, storms, and energy shocks.

**12+**

cargo types moved

If suspending the law relieves pressure during a crisis, then the law itself is **adding pressure in ordinary times**.

## The waiver was a glimpse. Repeal is the answer.

Congress should stop treating affordable domestic shipping as an emergency exception. The logical next step is not another temporary carveout — it is to repeal the Jones Act and let American energy and goods move freely between American ports.