

United States Senate

WASHINGTON, DC 20510

April 4, 2017

The Honorable John F. Kelly
Secretary
U.S. Department of Homeland Security
Washington, D.C. 20528

Dear Secretary Kelly:

We are writing in support of U.S. Customs and Border Protection's (CBP) modification and revocation of certain letter rulings CBP deemed inconsistent with the application of the Jones Act for offshore operations. This action was initiated after many years of study and review and is intended to reassert the original intent of the Jones Act. As CBP continues with this process, we respectfully request that CBP engage with all parties to ensure that a final outcome is both reflective of the original intent of Jones Act and provides legal clarity for all stakeholders.

As you know, the Jones Act requires U.S. built and owned ships, crewed by U.S. citizens, to be used for domestic point-to-point transportation. As such, it has always been a quintessentially "Buy American, Hire American" statute. Additionally, it is vital to our national security by ensuring domestic shipbuilding and seafaring capacity from a strong commercial U.S. maritime industry.

In 2009, CBP proposed to modify and revoke certain interpretations of the Jones Act that it had made for decades concerning subsea operations on the U.S. outer-continental shelf (OCS). These letter rulings allowed foreign companies to use foreign vessels, crewed by cheaper foreign mariners to work on the OCS. As a result, the domestic maritime and shipyard industries experienced significant lost employment. While CBP withdrew its notice in 2009, CBP made clear that another notice on this matter would "be published in the Customs Bulletin in the near future."

Despite CBP's suspension of the revocation process, the Jones Act industry stated that they answered the call for investment in Jones Act-qualified subsea construction vessels and believed that CBP would address the letter rulings "in the near future." According to the domestic maritime industry leaders, since 2009, more than \$2 billion has been invested for new construction or retrofitting in U.S. Shipyards. As a result, approximately 30 vessels stand ready to provide the full spectrum of subsea services identified by CBP.

More than seven years later, on January 18, 2017, CBP again took action to revoke previous letter rulings and enforce the Jones Act. As demonstrated, this notice was issued after long consideration by CBP. Further, both the Maritime Administration (MARAD) and the U.S. Coast Guard have separately confirmed the existence of subsea construction, inspection, maintenance and repair" vessels that could most readily fill the void created by CBP's revocation.

Accordingly, we ask that CBP continue the implementation of the revocation and modification of the letter rulings as described in its 2017 notice. CBP's action will restore the original intent of the Jones Act, will allow for appropriate enforcement in the offshore maritime industry, and will create American jobs to benefit our national and economic security.

Sincerely,



John Kennedy
United States Senator



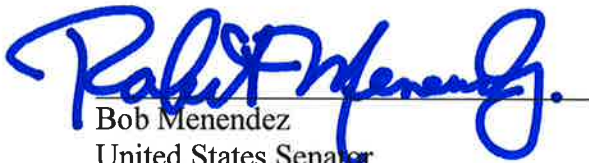
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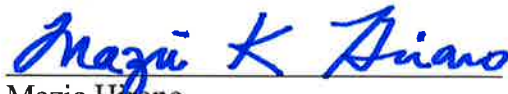
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