



Breakbulk Academy: U.S.-Flag Regulations

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Cargo Preference

- Any time the U.S. Government finances the shipment of cargo, some portion may have to be transported by law in a U.S.-flag vessel.

	Cargo Preference Act of 1904	Cargo Preference Act of 1954	Public Resolution 17
Applies To	Cargoes shipped by DoD and related agencies	Cargoes procured, furnished, or financed by U.S. Government	Ex-Im Bank generated cargoes subject to exceptions
Percentage	100%	50%	100%
Vessel Qualification	All U.S. Flag	Foreign built U.S.-Flag Vessels after 3 years under U.S.-flag	All U.S. Flag

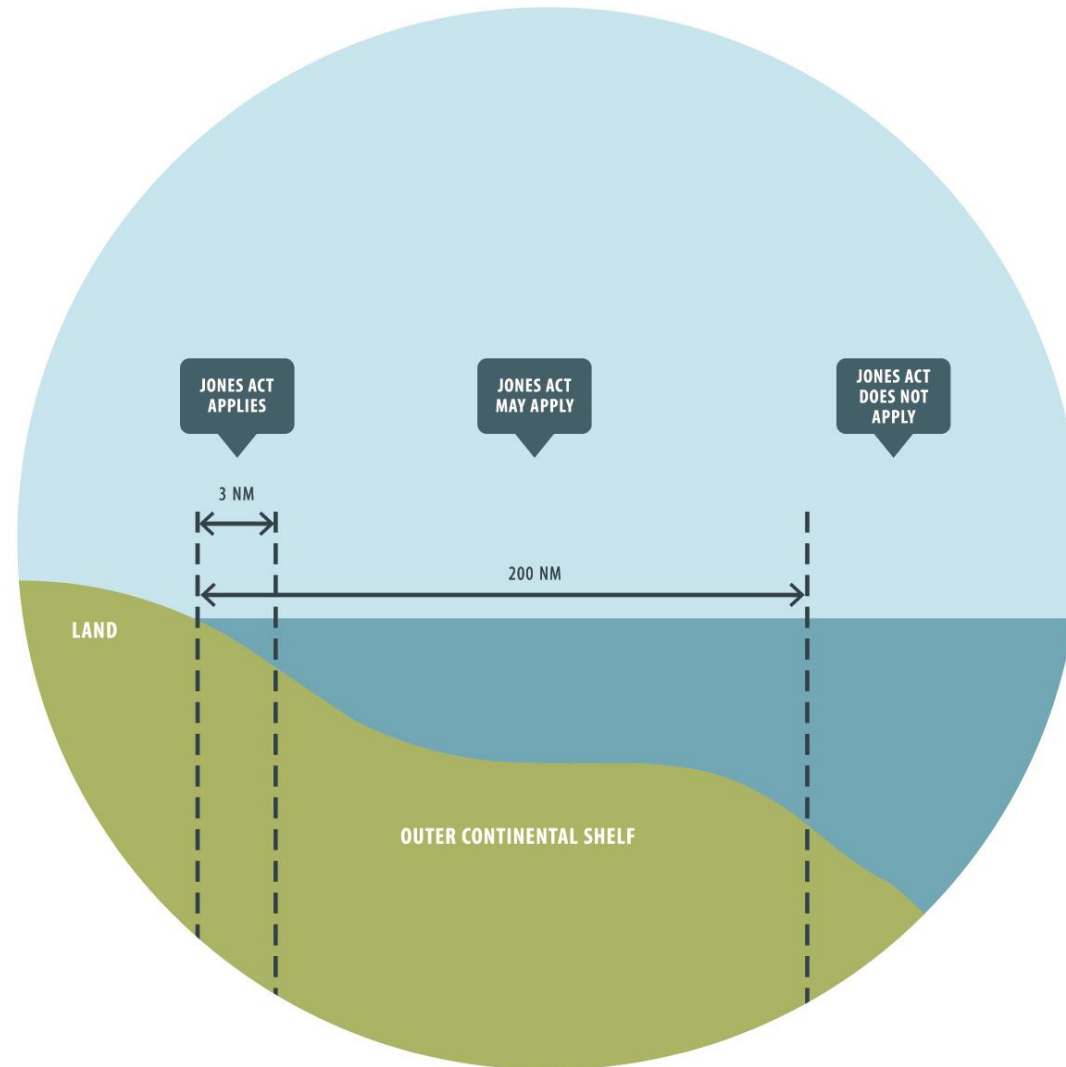
Jones Act

- A set of laws known as the “Jones Act” reserves U.S. domestic maritime trade to qualified U.S.-flag vessels.
 - “Merchandise” – section 27, Merchant Marine Act, 1920
 - “Passengers” – Passenger Vessel Services Act of 1886
 - “Dredging” – Dredging Act of 1906
 - “Towing” – Towing Act of 1940
- Qualified U.S.-flag Vessel
 - Built in the United States
 - U.S. registered/flagged
 - U.S. citizen owned and operated



Jones Act -- Offshore Wind

- Every place within 3 nm of the U.S. coast is a U.S. "point."
- U.S. Outer Continental Shelf Lands Act (OCSLA) extends Jones Act beyond 3 nm "to all artificial islands, and all installations and other devices, permanently or temporarily attached to the seabed" on the U.S. OCS.
- *Provided* for the purpose of "resource"-related exploration, development and production.



Jones Act and Offshore Wind

- Customs and Border Protection has issued rulings on how the Jones Act applies to offshore renewable energy.

Activity	Foreign Vessel	US Vessel
Transport components offshore from a US port	No, except to pristine seabed	Yes
Transport components from Europe to US port	Yes	Yes
Install components offshore	Yes	Yes
Lay subsea power cable	Yes	Yes
Transport cable between US ports	No	Yes

Questions

