



# Southern States Energy Board

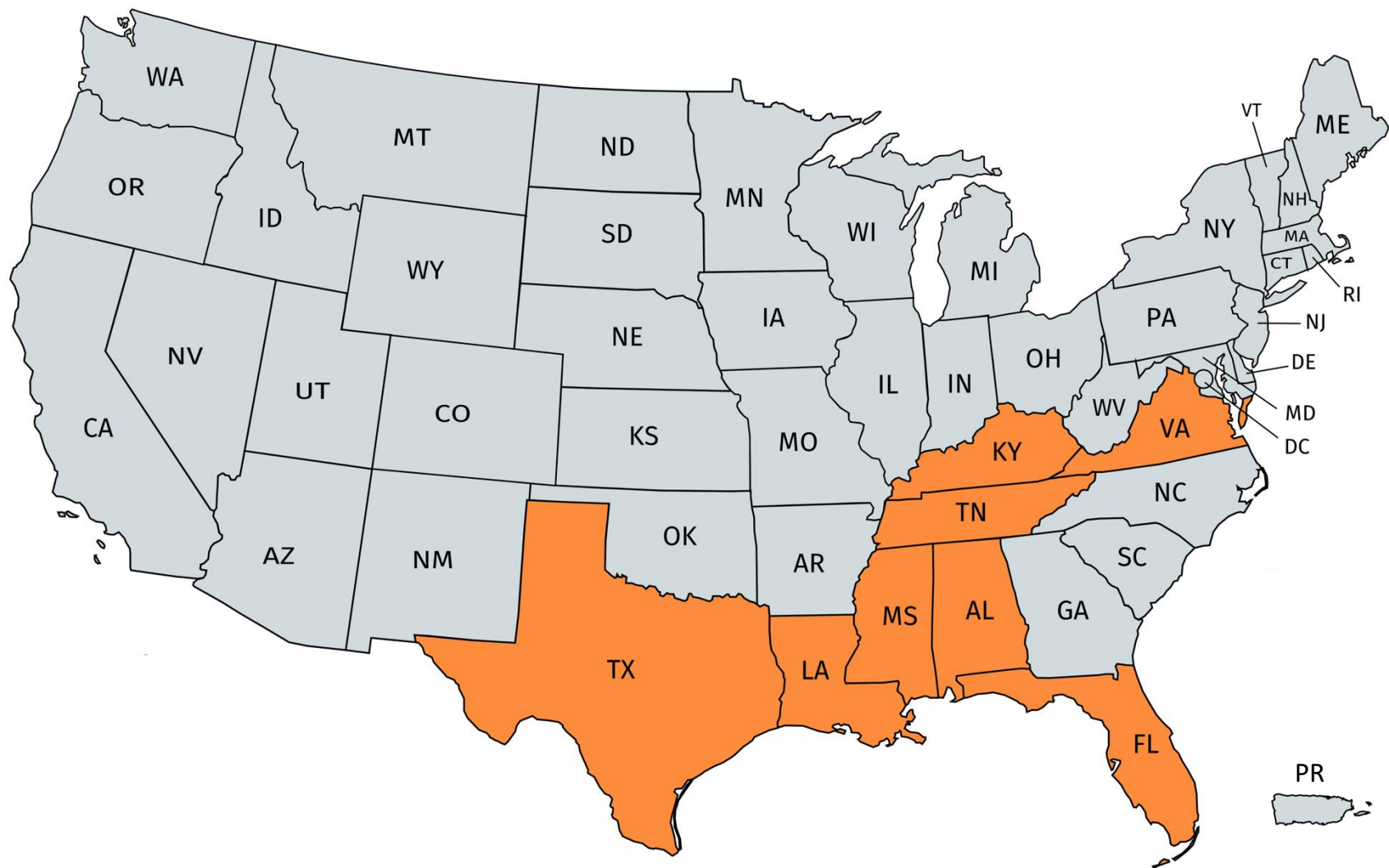
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# **Jones Act – Generally – Fundamental United States Policy – The Law of the Land**

- Reserves transportation between two points in the United States (Coastal Trade) to vessels built in the United States and owned and operated by United States citizens.
- In its very first session, in September 1789, the U.S. Congress enacted regulations limiting coastal transportation in the United States to American ships. The navigation restrictions actually predate the Bill of Rights. Similar restrictions were renewed throughout the 19th century.
- These laws have had some surprising defenders. Economist Adam Smith endorsed them in his “Inquiry into the Nature and Causes of the Wealth of Nations” as one of the limited exceptions to the principle of free trade. “The defense of [this Nation] depends very much upon the number of its sailors and shipping,” Smith wrote in 1776.
- “The act of navigation is not favorable to foreign commerce, or to the growth of that opulence which can arise from it,” he acknowledged. “As defense, however, is of much more importance than opulence, the act of navigation is, perhaps, the wisest of all the commercial regulations...”
- The law was comprehensively set forth in the Merchant Marine Act of 1920, more commonly known as the Jones Act, after its sponsor Republican Senator Wesley Jones of Washington.
- Today, the law can only be waived under 46 USC Sec. 501 by the Secretary of DHS upon a determination that a waiver “is necessary in the interest of National Defense.”

# The Jones Act is Critical for the Kentucky economy.

Ports and waterways directly contribute **\$2.5 billion** to the to the **Kentucky economy**.

Together, waterways and ports support **20,730 Kentucky jobs**.

- With borders drawn by the **Ohio and the Mississippi—two of the nation's largest rivers**—Kentucky has a **1,600 mile long network of navigable waterways**, the third most extensive in the nation.

- Marine freight transportation companies and shipyards in Kentucky **employ 3,000 people**. These are family-wage jobs with great potential for professional growth and advancement.

- Lock 52, **the nation's busiest lock**, is located west of Paducah on the Ohio River. In 2011, **91 million tons of freight moved** through this critical facility.

- Kentucky is the home of over **200 manufacturing facilities, terminals and docks** that ship and receive goods via the state's vast waterway network.

Domestic towing companies domiciled in the state operate hundreds of towboats and thousands of liquid and dry cargo barges.



# For Example: Kentucky

- Center of the inland waterways – Paducah
- #5 state per capita for domestic maritime jobs – 20,730
- \$5.1 billion annual economic impact.



# For Example: Mississippi

- Major shipyard state: #2 per capita for jobs nationally
- #7 for all domestic maritime jobs
- Gulf states (LA, FL, TX, AL, MS) are the center of the Jones Act industry



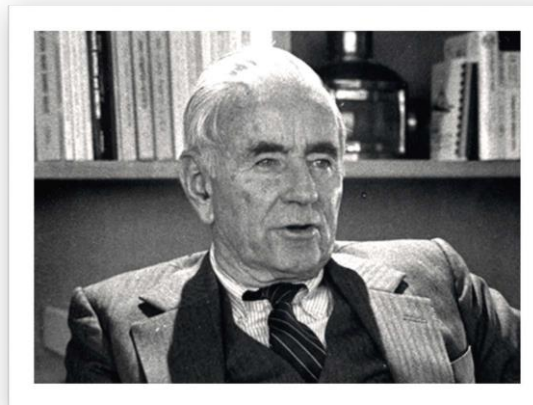
## Corporate Overview

Founded 1892, when Thomas Crowley - grandfather of current chairman Thomas B. Crowley Jr. - purchased an 18-foot Whitehall boat to carry people and supplies to ships anchored in San Francisco Bay.

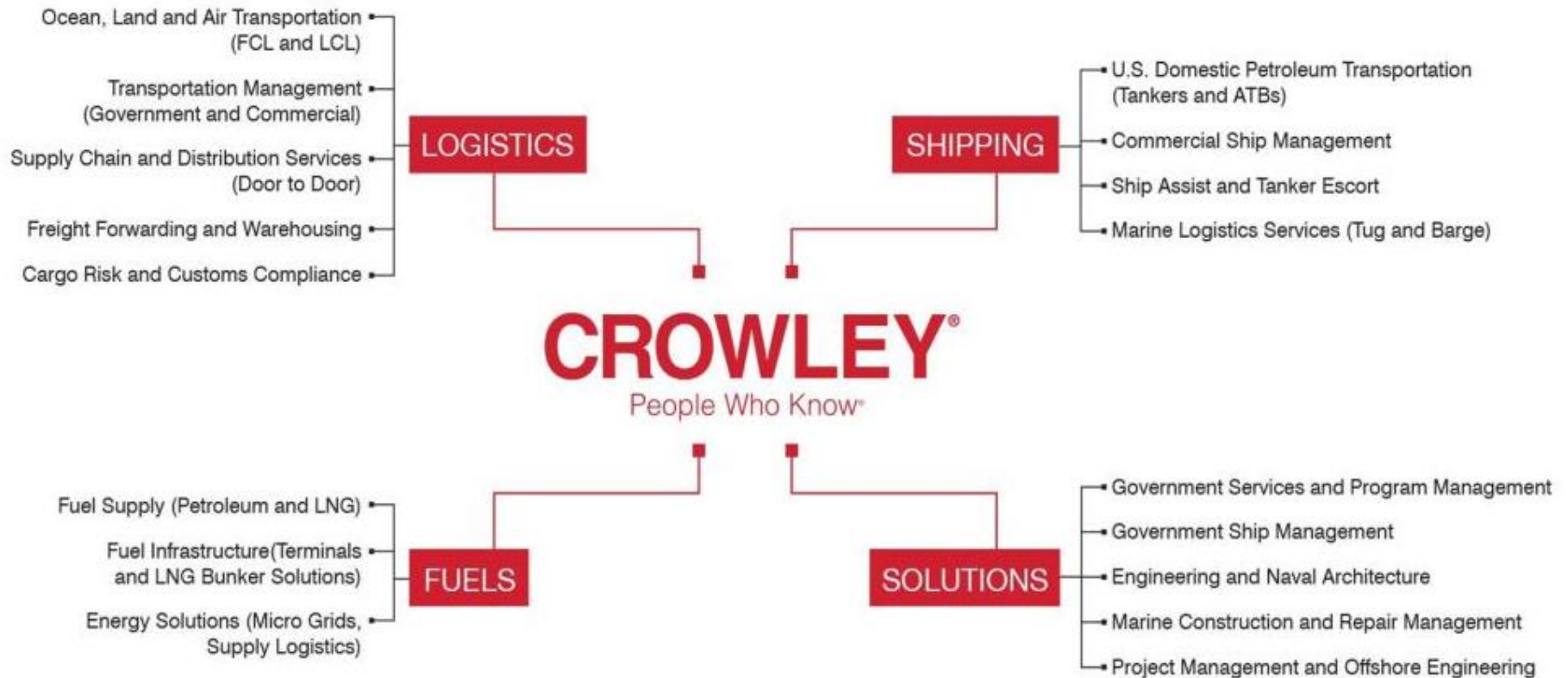
Crowley has since grown into a strong, diversified, and service-oriented company with primary interests in marine solutions, transportation and logistics.

Today the company generates \$2 billion in annual revenues, employs 6,000 people, and owns/operates more than 300 vessels.

Headquartered in Jacksonville, Florida, the company remains family-owned, and promotes a culture of safety, integrity and high performance.



# Crowley Maritime Corporation Organization







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