

## Window on Washington: Hacking the Jones Act

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The Colonial Pipeline carries about 45% of the oil for the U.S. East Coast, running 5,500 miles from Houston up to New Jersey. It was also protected by only a single password when hacked by a group of Russian-based cybercriminals known as Darkside. Darkside locked Colonial out of parts of the pipeline's computer network and threatened to release its sensitive network to the public, prompting a temporary shutdown of the pipeline, panic buying, and fuel shortages over the coming days. Working with the Federal Bureau of Investigation, Colonial paid a \$4.4 million ransom to the hackers, but not before significant supply disruptions had taken root throughout the South and up the East Coast. Among the hardest hit areas: Washington, D.C., where over 80% of filling stations ran out of gas and the phone and Zoom lines lit up with calls from concerned constituents demanding immediate relief.

President Biden called for a "whole of Government" response to the ransomware cyber-attack. The White House offered sweeping assistance and promised regulatory relief, but also frankly acknowledged that under the U.S. model, key infrastructure such as the Pipeline is owned and operated by private interests and those private interests have been relied upon to adequately protect their infrastructure without far-reaching oversight by Federal authorities. The day after the hack and ransom payment were revealed, White House Press Secretary Jen Psaki responded to questions about whether the Jones Act, which requires carriage in U.S.-flag vessels between U.S. ports, would be waived. In response, she stated: "[W]e have an interagency process that was stood up this weekend and is meeting regularly, many times a day, about a range of options. I'm not going to get ahead of those options. At this point in time, I would just reiterate we don't see a supply issue."

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