

BLOG



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A September 24, 2025 U.S. District Court for the District of Columbia opinion in the case of <u>Radtke v. U.S. Bureau of Customs & Border Protection</u> casts further light on the U.S. Customs and Border Protection ruling process relating to the Jones Act. This recent opinion adds to the guidance contained in a February 7, 2025 U.S. Court of Appeals for the Fifth Circuit opinion in the case of <u>Great Lakes Dredge & Dock Company, L.L.C. v. Magnus</u>.

The United States reserves its domestic maritime trade to qualified U.S.-flag vessels in a set of laws commonly referred to as the "Jones Act." In particular, the cargo statute reserves to qualified U.S.-flag vessels "the transportation of merchandise by water, or by land and water, between points in the United States." Potential penalties for violating the Jones Act are substantial.

CBP overseas the application of the Jones Act to particular voyages and provides rulings to persons who have prospective transactions and wish to confirm that their transaction will not violate the Jones Act. Completed customs transactions cannot be the subject of a ruling request. To seek a ruling, a person must have "a direct and demonstrable interest in the question or question presented in the ruling request." Rulings are publicly available at the "Customs Rulings Online Search System" or "CROSS" (https://rulings.cbp.gov).

In the recent DC case, plaintiffs, the Offshore Marine Service Association, the Shipbuilders Council of America and Captain Paul Radtke, sued CBP claiming that a number of CBP rulings going back decades were arbitrary and capricious and so violated the Administrative Procedure Act. The rulings related to "vessel equipment," decommissioning, lifting, cable/pipe laying, and seabed research nodes. CBP had ruled that the Jones Act did not apply to certain of these activities.

The case was decided in response to a Motion for Judgment on the Pleadings filed by the government and intervenor the American Petroleum Institute. Judge Tanya S. Chutkan determined that OMSA "is competitively injured" as a basis for having standing to bring the base.

Judge Chutkin, however, granted the motion and dismissed the case because the CBP rulings are not "legally binding on nonparties without a separate evidentiary hearing." The court relied in part on the CBP regulation which provides that "each ruling letter setting forth the applicability of the navigation laws to a vessel will be applied only with respect to transactions involving operations identical to those set forth in the ruling letter." CBP regulations also provide that

"no other person should rely on the ruling letter or assume that the principles of that ruling will be applied in connection with any transaction other than the one described in the letter."

A panel of the Fifth Circuit determined in February that the plaintiff had failed to show injury-in-fact sufficient to support standing in part because the portion of an offshore wind project plaintiff sought to compete for was already complete and plaintiff's ability to compete for future projects was necessarily limited by the Jones Act. The Fifth Circuit also cited to the CBP regulation regarding rulings being limited to "operations identical to those set forth in the ruling letter."

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Author

Charlie Papavizas

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Charlie Papavizas

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