

## Maritime Partner Charlie Papavizas Discusses Jones Act Public Company Citizenship

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Maritime & Admiralty Practice Chair Charlie Papavizas was quoted extensively in the *TradeWinds* article “‘Unease’ for Listed Outfits over U.S. Citizenship Rules.” Mr. Papavizas discusses improvements the U.S. Coast Guard (USCG) can make to better enforce regulations regarding shareholder identity of cabotage-trade shipowners.

Listed Jones Act companies are prohibited from having more than 25% of their shares in non-U.S. citizens’ hands. As *TradeWinds* notes, the nature of stock markets makes it challenging to ensure compliance because most U.S.-listed shares have little direct contact with shareholders. With this in mind, Mr. Papavizas provides three steps the agency can take to facilitate compliance with the law.

Mr. Papavizas argues that the USCG should overcome its objection to a so-called shareholder address rule – one in which a shareholder’s U.S. citizenship is inferred if it has a U.S. address. This rule is accepted by the U.S. Maritime Administration (MARAD), but has been rejected by the USCG on the grounds that it does not guarantee citizenship.

“The two agencies should work together to examine the available methods of assessing shareholder addresses and provide guidance to the industry as to an approved method,” he said.

Mr. Papavizas also suggests improving the shareholder information system of the Depository Trust Company, the world’s largest securities depository. Thirdly, he says the USCG could give formal approval to companies’ individual compliance programs. He notes that revisiting the shareholder address rule might be the easiest option to push forward.

Mr. Papavizas outlined these measures in a recent edition of the *Tulane Maritime Law Journal*. He is frequently consulted on the application of U.S. coastwise laws (Jones Act) to cargo, passenger, and vessel movements and investments in U.S. companies.

[View the full \*TradeWinds\* article.](#)

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