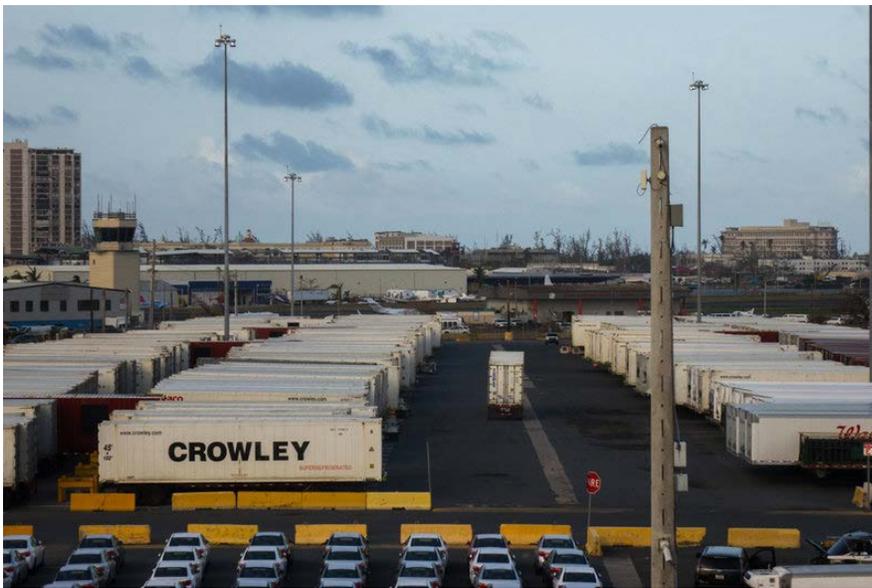


## Uninformed Opinions Aired about Jones Act

Well-intended but ill-informed Jones Act opinions were bandied about this week as the national media's focus shifted to the plight of Puerto Rico in the wake of Hurricane Maria. The hurricane knifed through the heart of the U.S. territory at 155 miles an hour wiping out 80% of the country's crops, robbing Puerto Rico of its power and leaving a major dam on the brink of collapse. Large swaths of the island are inaccessible, much of the country is deprived of drinking water and an inordinate amount of homes and livelihoods have succumbed to Maria's appalling trail of destruction.

As relief and supplies pour into Puerto Rico, there has been no lack of U.S.-flag vessels delivering supplies including food and water, equipment to restore the power grid, building materials as well as FEMA and Red Cross relief cargoes. For that matter, there have been no lack of foreign-flag vessels calling on Puerto Rico traveling from overseas ports. However there have been difficulties in distributing the received aid throughout the country



*Thousands of containers full of goods and aid have been sitting at Puerto Rican ports for days. Infrastructure damage is preventing distribution of essential items around the country. Photo Credit: Angel Valentin - NPR*

because of inaccessibility and ruined or inadequate infrastructure. Rep. John Garamendi (D-CA), pointed out that “the problem is not that the containers [with relief supplies] are not arriving in Puerto Rico, it's that they're not getting off the dock.” In fact, Puerto Rico confirmed that over 10,000 containers

have been stacked up at the port in San Juan for days with no immediate answers for their dispersal throughout the country to needed recipients.

But several high-profile talk shows and newspapers, fueled by foreign shipping interests, have forwarded the fiction that the Jones Act may be hampering relief efforts. Many Americans, having heard about the Jones Act for the first time this week, now believe the Jones Act has exacerbated relief efforts while ballooning consumer goods for the average Puerto Rican to exorbitant heights.

This week, eight Congressional Democrats requested that the Department of Homeland Security grant a comprehensive Jones Act waiver for a full year. Unsurprisingly, perennial Jones Act opponent Sen. John McCain (R-AZ) also dispatched a letter to DHS with some choice words about the Jones Act while asking that Puerto Rico be spared from the statute's reach.

As members know, the Jones Act requires that vessels used to transport cargo and passengers between U.S. ports be owned by U.S. citizens, built in U.S. shipyards, and manned by U.S. citizen crews. DHS can grant a waiver when it is in the interest of national defense. The industry has no objections to a limited waiver of the Jones Act in an exceptional situation if U.S.-flag bottoms are not available. However, DHS spokesperson Gregory Moore pointed out this week that there is sufficient U.S.-flagship capacity and that any limitations to Puerto Ricans receiving shipped supplies involves "port capacity to offload and transit - not vessel availability."

Nevertheless, on Thursday the Jones Act was officially waived for Puerto Rico for a period of ten days. In addition, Senators McCain and Mike Lee (R-UT) announced the introduction of a bill to permanently repeal the Jones Act for Puerto Rico. Rep. Nydia Velázquez (D-N.Y.), who was born in Puerto Rico, introduced a bill that expands the scope of granting waivers to include humanitarian disasters.

Puerto Rico has not been a fan of the Act and a flawed 2012 study by two of its economists argued that the Jones Act unnecessarily inflated prices. But a near year-long examination into the issue by the Government Accountability Office (GAO) debunked many of the claims in the Puerto Rico report and stated that a repeal would devastate the U.S.-flag fleet and

undermine national security. Interestingly, the Virgin Islands, another U.S. territory, is exempt from the Jones Act yet faces much higher consumer prices than Puerto Rico. In addition, an analysis showed that it is “40% more expensive to ship goods from the U.S. mainland on foreign vessels to the U.S. Virgin Islands than on Jones Act vessels to Puerto Rico.”

It is indeed a desperate situation in Puerto Rico and other Caribbean islands hit hard hit by the recent spate of storms. In many cases, the kneejerk assumptions by Jones Act neophytes are tied into their desire that people in-need receive immediate aid. But the reality on the ground – and at the Puerto Rican ports – absolves the Jones Act from any blame during this trying time.