# SENATE CONCURRENT RESOLUTION No. 101

# STATE OF NEW JERSEY

## 219th LEGISLATURE

INTRODUCED MARCH 5, 2020

**Sponsored by:**
**Senator NELLIE POU**
**District 35 (Bergen and Passaic)**
**Senator NILSA I. CRUZ-PEREZ**
**District 5 (Camden and Gloucester)**
**Senator M. TERESA RUIZ**
**District 29 (Essex)**

**SYNOPSIS**

Urges Congress and President to permanently exempt Puerto Rico from Jones Act.

**CURRENT VERSION OF TEXT**

As introduced.

**A CONCURRENT RESOLUTION** urging the Congress and President of the United States to permanently exempt Puerto Rico from certain provisions of the Merchant Marine Act of 1920, also known as the Jones Act.

**WHEREAS,** The Merchant Marine Act of 1920 is a federal statute that was enacted after World War I to maintain a vibrant merchant marine for the defense and economy of the United States (U.S.); and

**WHEREAS,** Certain provisions of the Merchant Marine Act of 1920, codified at 46 U.S.C. s.55102 and commonly referred to as the Jones Act, require that all goods shipped by water between U.S. ports be carried in U.S. flagships that are constructed primarily in the U.S., owned by U.S. citizens, and crewed by U.S. citizens and permanent residents; and

**WHEREAS,** The shipping restrictions of the Jones Act have had a disparate impact on U.S. island states and territories because these island economies import goods primarily by sea; and

**WHEREAS,** Due to the provisions of the Jones Act, goods shipped from the U.S. mainland to its island states and territories must be shipped by U.S. companies, which are often more expensive than foreign shipping companies, and which results in higher prices for island residents; and

**WHEREAS,** Puerto Rico is an unincorporated territory of the U.S. and is subject to the provisions of the Jones Act; and

**WHEREAS,** On September 20, 2017, Hurricane Maria, a category four hurricane, made landfall in Puerto Rico and is the strongest storm to hit the island in nearly a century; and

**WHEREAS,** Prior to Hurricane Maria, Puerto Rico had been suffering from an acute financial crisis and had accumulated $74 billion in debt, the payments on which prevented the maintenance of the island's public utility and transportation infrastructure; and

**WHEREAS,** Hurricane Maria, compounded by the effects of the financial crisis, has destroyed most buildings and infrastructure on the island, leaving nearly all 3.4 million residents without power and in need of food, clothing, medicine, and shelter; and

**WHEREAS,** The government of Puerto Rico is estimating that it may take up to six months to repair the electrical grid and to restore power on the island; and

**WHEREAS,** Almost half of the electricity on the island is provided by petroleum-burning power plants and approximately a third of the island's electricity is provided by natural gas-fired power plants, the fuel for which must be imported to the island by ship; and

**WHEREAS,** It is imperative for the recovery of Puerto Rico that humanitarian aid, disaster relief supplies, and fuel for its electric power plants are imported to the island by ship in the most inexpensive and expeditious manner possible; and

**WHEREAS,** On September 28, 2017, the Acting Secretary of the Department of Homeland Security waived the provisions of the Jones Act, codified at 46 U.S.C. s.55102, for 10 days, which will allow for all ships, no matter their provenance, to dock at Puerto Rican ports without restriction, allowing residents to quickly access humanitarian aid, disaster recovery supplies, and fuel, and will likely reduce the cost of goods needed for the disaster recovery; and

**WHEREAS,** Although the waiver of the Jones Act may be extended beyond the initial 10 days, it is likely the disaster recovery effort in Puerto Rico will take months or years; and

**WHEREAS,** After the disaster recovery effort is complete, the economy of Puerto Rico will still be affected by the ongoing financial crisis that existed prior to Hurricane Maria and would greatly benefit from the cheaper shipping options afforded to the island in the absence of the Jones Act; and

**WHEREAS,** Permanently exempting Puerto Rico from the Jones Act, codified at 46 U.S.C. s.55102, will provide residents with the certainty that goods needed for the recovery of the island will be accessible without restriction and will help to expedite the recovery process from this unprecedented disaster and from the economy's ongoing financial crisis; now, therefore,

**BE IT RESOLVED** *by the Senate of the State of New Jersey (the General Assembly concurring):*

1. The Legislature of this State urges the Congress and President of the United States to grant Puerto Rico a permanent exemption from certain provisions of the Merchant Marine Act of 1920, codified at 46 U.S.C. s.55102, to expedite the delivery of humanitarian aid, disaster recovery supplies, and fuel for electric power plants by ship to Puerto Rico and to assist the recovery of Puerto Rico's economy from the ongoing financial crisis by allowing for cheaper shipping options to the island for consumer goods, with the exception of goods necessary for national defense.

2. Copies of this resolution, as filed with the Secretary of State, shall be transmitted by the Clerk of the General Assembly or the Secretary of the Senate to the President and Vice President of the United States, the Majority and Minority Leaders of the United States Senate, the Speaker and Minority Leader of the United States House of Representatives, and each member of the United States Congress elected from New Jersey.

STATEMENT

This concurrent resolution urges the Congress and President of the United States to permanently exempt Puerto Rico from certain

provisions of the Merchant Marine Act of 1920, also known as the Jones Act, to expedite the delivery of humanitarian aid, disaster recovery supplies, and fuel for its electric power plants by ship to Puerto Rico and to assist the recovery of Puerto Rico's economy from the ongoing financial crisis by allowing for cheaper shipping options to the island for consumer goods, with the exception of goods necessary for national defense.

The Merchant Marine Act of 1920 is a federal statute that was enacted after World War I to maintain a vibrant merchant marine for the defense and economy of the United States (U.S.). Certain provisions of the Merchant Marine Act of 1920, codified at 46 U.S.C. s.55102 and commonly referred to as the Jones Act, require that all goods shipped by water between U.S. ports be carried in U.S. flagships that are constructed primarily in the U.S., owned by U.S. citizens, and crewed by U.S. citizens and permanent residents.

The shipping restrictions of the Jones Act have had a disparate impact on U.S. island states and territories because these island economies import goods primarily by sea. U.S. shipping companies are often more expensive than foreign shipping companies, which drives up the cost of goods shipped by these companies to U.S. island states and territories, and results in higher prices for residents.

Puerto Rico is an unincorporated territory of the U.S. and is subject to the provisions of the Jones Act. On September 20, 2017, Puerto Rico was hit by Hurricane Maria, a category four hurricane and the strongest storm to hit the island in nearly a century. Prior to Hurricane Maria, Puerto Rico had been suffering from an acute financial crisis and had accumulated $74 billion in debt, the payments on which prevented the maintenance of the island's public utility and transportation infrastructure. Hurricane Maria, compounded by the effects of the financial crisis, has destroyed most buildings and infrastructure on the island, leaving nearly all 3.4 million residents without power and in need of food, clothing, medicine, and shelter. Additionally, almost half of the electricity on the island is provided by petroleum and approximately a third of electricity is provided by natural gas, both of which must be imported to the island by ship. It is imperative to the recovery of Puerto Rico that humanitarian aid, disaster relief supplies, and fuel for its electric power plants are imported to the island by ship in the most inexpensive and expeditious manner possible.

On September 28, 2017, the Acting Secretary of the Department of Homeland Security waived certain provisions of the Jones Act, codified at 46 U.S.C. s.55102, for 10 days, which will permit all ships, no matter their provenance, to dock at Puerto Rican ports without restriction, allowing residents to quickly access aid and fuel, and will likely reduce the cost of goods needed for the disaster recovery. Although the waiver of the Jones Act provisions may be

extended beyond the initial 10 days, it is likely the disaster recovery effort in Puerto Rico will take months or years.

A permanent exemption from the Jones Act, codified at 46 U.S.C. s.55102, will provide residents of Puerto Rico with the certainty that goods needed for the recovery of the island will be accessible without restriction from Puerto Rican ports and will help to expedite the recovery process from this unprecedented disaster and from the ongoing financial crisis.