

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.



1 **A CONCURRENT RESOLUTION** urging the Congress and President of
2 the United States to permanently exempt Puerto Rico from
3 certain provisions of the Merchant Marine Act of 1920, also
4 known as the Jones Act.
5
6 **WHEREAS**, The Merchant Marine Act of 1920 is a federal statute that
7 was enacted after World War I to maintain a vibrant merchant
8 marine for the defense and economy of the United States (U.S.);
9 and
10 **WHEREAS**, Certain provisions of the Merchant Marine Act of 1920,
11 codified at 46 U.S.C. s.55102 and commonly referred to as the
12 Jones Act, require that all goods shipped by water between U.S.
13 ports be carried in U.S. flagships that are constructed primarily in
14 the U.S., owned by U.S. citizens, and crewed by U.S. citizens and
15 permanent residents; and
16 **WHEREAS**, The shipping restrictions of the Jones Act have had a
17 disparate impact on U.S. island states and territories because these
18 island economies import goods primarily by sea; and
19 **WHEREAS**, Due to the provisions of the Jones Act, goods shipped
20 from the U.S. mainland to its island states and territories must be
21 shipped by U.S. companies, which are often more expensive than
22 foreign shipping companies, and which results in higher prices for
23 island residents; and
24 **WHEREAS**, Puerto Rico is an unincorporated territory of the U.S. and
25 is subject to the provisions of the Jones Act; and
26 **WHEREAS**, On September 20, 2017, Hurricane Maria, a category four
27 hurricane, made landfall in Puerto Rico and is the strongest storm to
28 hit the island in nearly a century; and
29 **WHEREAS**, Prior to Hurricane Maria, Puerto Rico had been suffering
30 from an acute financial crisis and had accumulated \$74 billion in
31 debt, the payments on which prevented the maintenance of the
32 island's public utility and transportation infrastructure; and
33 **WHEREAS**, Hurricane Maria, compounded by the effects of the
34 financial crisis, has destroyed most buildings and infrastructure on
35 the island, leaving nearly all 3.4 million residents without power
36 and in need of food, clothing, medicine, and shelter; and
37 **WHEREAS**, The government of Puerto Rico is estimating that it may
38 take up to six months to repair the electrical grid and to restore
39 power on the island; and
40 **WHEREAS**, Almost half of the electricity on the island is provided by
41 petroleum-burning power plants and approximately a third of the
42 island's electricity is provided by natural gas-fired power plants, the
43 fuel for which must be imported to the island by ship; and
44 **WHEREAS**, It is imperative for the recovery of Puerto Rico that
45 humanitarian aid, disaster relief supplies, and fuel for its electric
46 power plants are imported to the island by ship in the most
47 inexpensive and expeditious manner possible; and

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

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

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

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

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

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

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

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STATEMENT

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

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

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

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

23 Puerto Rico is an unincorporated territory of the U.S. and is
24 subject to the provisions of the Jones Act. On September 20, 2017,
25 Puerto Rico was hit by Hurricane Maria, a category four hurricane
26 and the strongest storm to hit the island in nearly a century. Prior to
27 Hurricane Maria, Puerto Rico had been suffering from an acute
28 financial crisis and had accumulated \$74 billion in debt, the
29 payments on which prevented the maintenance of the island's
30 public utility and transportation infrastructure. Hurricane Maria,
31 compounded by the effects of the financial crisis, has destroyed
32 most buildings and infrastructure on the island, leaving nearly all
33 3.4 million residents without power and in need of food, clothing,
34 medicine, and shelter. Additionally, almost half of the electricity on
35 the island is provided by petroleum and approximately a third of
36 electricity is provided by natural gas, both of which must be
37 imported to the island by ship. It is imperative to the recovery of
38 Puerto Rico that humanitarian aid, disaster relief supplies, and fuel
39 for its electric power plants are imported to the island by ship in the
40 most inexpensive and expeditious manner possible.

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

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

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