



*A bold voice for transportation workers*

## **PROTECTING THE JONES ACT AND SUPPORTING U.S. WORKERS**

U.S. maritime cabotage laws – collectively known as the Jones Act – have served an essential role promoting our nation’s economic and national security since 1920. The Act serves not only to create domestic maritime employment opportunities but also acts as a bulwark against an exploitative international shipping market that seeks to undermine labor rights and wishes to get a foothold into domestic marine service. Without it, domestic waterborne commerce would be controlled by foreign vessels that provide their mariners with dangerous working conditions, substandard pay and benefits. For these reasons, transportation labor stands ready to defend the Act from the same political forces that oppose all laws that meaningfully regulate the terms and conditions of work.

In the aftermath of Hurricane Maria, as the people of Puerto Rico are desperately attempting to rebuild, the Jones Act has come under increased attack and has received unfair criticism. Many with little knowledge of disaster relief and shipping laws, including some media outlets, have blamed the Act for delaying relief supplies and contributing to Puerto Rico’s longstanding economic crisis. As this false narrative spread, long-time opponents of the Jones Act – many of whom have previously sought to repeal the law – seized on the disaster to introduce legislation exempting Puerto Rico from the Act. Not only is this demonization of maritime cabotage protections wrong and inappropriate, but it is also damaging to the long-term recovery prospects of Puerto Rico. Focusing on the Jones Act, which bears no responsibility for Puerto Rico’s plight, allows politicians to conveniently ignore the very real problems the territory faces. It also absolves lawmakers of their responsibility to provide an appropriate relief package that speaks to the scale and scope of Puerto Rico’s short and long term recovery needs.

Puerto Rico needs real aid, and they need it now. Labor unions, including maritime and other transportation unions, are fully committed to helping our fellow citizens and union brothers and sisters rebuild their communities. That’s why working people from dozens of unions have contributed their time, money, and unique skills to relief efforts. By flying into Puerto Rico, union members from TTD and other unions responded immediately, helping to bring real progress to the recovery effort. Maritime union members, in addition to ensuring relief cargoes reached Puerto Rico aboard Jones Act vessels as quickly as possible, were responsible for sailing the hospital ship USNS COMFORT to San Juan. Beyond putting union members on the ground, transportation labor calls on federal officials to deploy substantial direct resources to rebuild and fortify the territory and provide meaningful debt relief. The goal should not be to rebuild Puerto Rico to its pre-Maria condition but to move the territory into a stable, long-term financial position with modernized infrastructure capable of creating a prosperous future.

Given the gravity of problems facing Puerto Rico, it is lamentable that some lawmakers have used the Jones Act as a political crutch. For starters, the Jones Act has not inhibited the delivery of relief supplies. The Act does not require goods from foreign countries be shipped on U.S.-flag vessels and does not force Puerto Rico to turn away relief support from foreign countries. The cause for any delay in relief supplies comes not from U.S. shipping laws, but from damage to inland infrastructure which is preventing goods from being distributed throughout the territory. In the event capacity on U.S.-flag ships does not exist, labor would, without hesitation, support a waiver of the Jones Act to ensure relief goods from the mainland reach Puerto Rico.

Additionally, claims that the Jones Act increases consumer costs and bears responsibility for Puerto Rico's preexisting economic crisis are false. A 2013 Government Accountability Office report debunked this claim, finding that there are other factors that impact prices, and the Jones Act provides "reliable, regular service between the United States and Puerto Rico — service that is important to the Puerto Rican economy."

Exempting Puerto Rico from the Jones Act would not benefit the territory. In fact, it would increase unemployment for Puerto Ricans who work in jobs directly and indirectly connected to the U.S. Jones Act maritime industry. Overall, it would endanger 500,000 American jobs, \$100 billion in annual economic output, and more than \$28 billion in labor compensation. Many of these jobs are good-paying, unionized work that has become increasingly scarce as income inequality, union-busting, and related forces undermine a strong middle class. In their place, foreign-flag vessels — many of which operate schemes to avoid meaningful labor, tax and environmental laws — would service the entire Puerto Rican market, denying labor rights to workers who would likely serve under unsafe conditions and minimal salaries.

This gets to the heart of why the Jones Act matters to workers: it serves as a defense against an often lawless international shipping industry that has no interest in workers or safety. Since the 1920's, ship owners have sought legal refuge from labor, tax, and environmental laws by registering ships under so-called "open registries" in countries unrelated to their true origin. This is commonly referred to as the flag of convenience (FOC) model. A major function and incentive of the FOC model allows ship owners to scour the globe for cheap, exploitable crews to man ships without traditional wage, human welfare, and safety benefits required in established seafaring nations. Common issues on FOC ships include abandoning seafarers at distant ports, refusing to pay wages, minimum trade union rights, and little enforcement of safety standards. In contrast, Jones Act ships are subject to stringent American labor, tax, safety, and environmental laws that promote safe and well-paying jobs.

Repealing the Jones Act would also have a real and lasting impact on our military. Principally, the Act is critical to national defense because the shipyard industrial base and commercial mariner jobs it supports are used by the Armed Forces in wartime, both to build navy and civilian ships and to crew government and privately-owned surge and supply ships for the military. In addition, the Jones Act ensures that only DHS vetted, well-trained U.S. citizen civilian mariners are crewing ships moving on our inland waterways, Great Lakes and in trade to Hawaii, Alaska, and Puerto Rico, and Guam. Currently, we face a substantial mariner shortage to meet U.S. defense sealift need, which will only grow if the Jones Act is repealed. As stated earlier this year General Darren McDew, Commander, United States Transportation Command, to the Senate Armed Services

Committee: “The Merchant Marine Act of 1920, also known as the Jones Act, provides an additional pool of trained merchant mariners and sealift capacity.” Without the commercial sealift capability and American mariners provided by the Jones Act, our country will be forced to turn over America’s security interests and the well-being of American troops deployed overseas to foreign flag, foreign crewed ships.”

The needs of Puerto Rico are hauntingly real and require Congress to act immediately. This means directing substantial resources to rebuild the country and providing long-term debt relief. Exploiting this crisis to sacrifice labor standards and hollow out the domestic maritime industry represents the worst impulses of politics. We call on Congress to focus on the real needs of Puerto Rico.

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