



A bold voice for transportation workers

November 1, 2017

Support the Jones Act

Dear Senator:

On behalf of the Transportation Trades Department, AFL-CIO (TTD), I write in support of the Jones Act and to respond to substantial confusion regarding how the law applies to Puerto Rico. Repealing or modifying the Act, as provided for in legislation introduced in the Senate, will not provide meaningful relief to the people of Puerto Rico. Instead, it would endanger thousands of good-paying jobs, undermine our military's sealift needs, and cede a well-regulated domestic maritime industry to an exploitive international shipping regime with little regard for U.S. interests or basic workers' rights.

The increased scrutiny the Jones Act has come under relates to the devastation visited upon Puerto Rico from Hurricane Maria. In the days following the hurricane, many media outlets with little knowledge of the details of shipping or disaster relief spread divisive misinformation about the Act. Unfortunately, this false narrative has bred confusion about how the Jones Act operates with respect to the territory and those who wish to scrap the law for reasons of ideology and political interest are attempting to capitalize on this natural disaster. We believe it is important to correct the record and highlight the many benefits this important law provides to workers and our economy.

Regarding Puerto Rico, two main accusations have been leveled against the Act: that it is responsible for delaying relief supplies and that the supposed economic costs it imposes are responsible for Puerto Rico's preexisting economic crisis. Both claims are false. First, the Act does not force Puerto Rico to turn away relief supplies from foreign countries, and it does not require foreign goods be shipped to the territory on U.S. vessels. In fact, two-thirds of supplies to the territory arrive on foreign ships. The Jones Act simply requires cargo originating in the United States and servicing the territory be carried on American built, American crewed, and American owned vessels. To date, there have been sufficient U.S. flag vessels to service Puerto Rico; the causes for any delay in relief supplies is damage to inland infrastructure, which is preventing goods from being distributed throughout the island.

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Larry I. Willis, President / Greg Regan, Secretary-Treasurer



Labor will support any waiver of the Jones Act when merited to ensure that relief goods reach Puerto Rico and capacity on U.S. vessels does not exist. Labor unions have donated supplies and sent workers to help rebuild the territory, and we stand with the territory in helping in whatever way possible to improve the short and long-term recovery effort. This includes real solutions like debt relief, economic stimulus, and the redevelopment of outdated and destroyed infrastructure.

Critics of the Act also claim that it increases freight-shipping rates and consumer costs, which in turn is a driving force in Puerto Rico's 11-year economic crisis. This is simply false. The nonpartisan Government Accountability Office (GAO) studied freight-shipping costs in 2013, determining that "because so many other factors besides the Jones Act affect rates, it is difficult to isolate the exact extent to which freight rates between the United States and Puerto Rico are affected by the Jones Act." More recently, pricing information submitted to Congress shows Jones Act rates to Puerto Rico are comparable, and sometimes lower, than foreign shipping rates to nearby Caribbean islands. Furthermore, the Jones Act ensures delivery of perishable goods by providing reliable, dedicated service between the mainland and Puerto Rico while foreign ships navigate multi-stop trade routes. According to the GAO, this crucial service is not likely to be replicated by foreign ships if the Jones Act were repealed.

Repealing the Jones Act would endanger the 500,000 U.S. jobs supported by the Act, including thousands of good-paying, union jobs manning vessels and building ships. In place of these jobs, foreign-flag vessels – many of which operate "flag of convenience" schemes to avoid meaningful labor, tax and environmental laws – would service the entire Puerto Rican market, denying meaningful labor rights to workers who would likely serve under unsafe conditions and minimal salaries.

Additionally, repealing the Jones Act would imperil the military's sealift needs, which depend on the shipyard industrial base and civilian mariners supported by the Act. According to the Maritime Administration, repealing the Jones Act would exacerbate our current mariner shortage, imperil defense-related shipbuilding, and ultimately endanger national defense.

It is time that our politicians put the needs of Puerto Rico ahead of ideology. This means passing real and substantial support to the people in Puerto Rico who are facing down an incredible humanitarian crisis; it does not mean exploiting a crisis to fulfill a pre-set agenda. Congress must reject any effort to undermine the Jones Act and move forward with passing a bipartisan aid package that speaks to the scope and depth of this emergency. Please find a Q&A document that explains in detail our thoughts and concerns related to the Jones Act.

If you have questions or concerns, please contact me or Jeff Pavlak in my office at 202.628.9262 or jeffp@ttd.org.

Sincerely,



Larry I. Willis
President