

SENATE STATE GOVERNMENT, WAGERING, TOURISM &  
HISTORIC PRESERVATION COMMITTEE

STATEMENT TO

**SENATE CONCURRENT RESOLUTION No. 31**

**STATE OF NEW JERSEY**

DATED: OCTOBER 13, 2022

The Senate State Government, Wagering, Tourism and Historic Preservation Committee reports favorably Senate Concurrent Resolution No. 31.

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.

Certain provisions of 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. These shipping restrictions have 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. Hurricane Maria, compounded by the effects of the financial crisis, 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 in its immediate aftermath. 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.

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 ongoing 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.

This bill was prefiled for introduction in the 2022-2023 session pending technical review. As reported, the bill includes the changes required by technical review, which has been performed.