

P.R. Chamber of Commerce seeks repeal of the Jones Act

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The Puerto Rico Chamber of Commerce continues its strong support of the Open America's Water Act, a bill introduced by U.S. Sen. John McCain (R-Ariz.) that would repeal the Jones Act, a 1920s-era law the Chamber of Commerce maintains hinders free trade and favors labor unions at the expense of the nation's consumers.

The Jones Act mandates that all goods shipped between U.S. ports be carried exclusively by vessels built in the U.S. and owned and operated by U.S. companies as well. "This restriction only serves to raise shipping costs, thereby making U.S. farmers and manufacturers less competitive and increasing costs for consumers in the U.S., especially in Alaska, Hawaii and Puerto Rico," newly installed Puerto Rico Chamber of Commerce President Raúl Gayá Nigaglioni told CARIBBEAN BUSINESS.

In addition to righting what Gayá contends is

90 years of injustice, approval of McCain's bill would have a more immediate effect: allowing for more effective handling of the environmental disaster in the Gulf of Mexico, and future emergencies as well. "There have been 13 countries, including several European nations, trying to help the U.S. and BP in the gulf by providing ships and crews with the expertise to deal with this type of disaster, but the Jones Act doesn't allow these ships to sail in U.S. waters or between U.S. ports," Gayá observes.

The Jones Act originally was enacted to protect America's Merchant Marine, ensuring it the profits necessary for the U.S. to always have the best, and best-equipped, fleet of merchant ships in the world, with the added role of serving as an aid to the U.S. Navy in case of war or national emergency. It was thought the way to ensure those profits was to have virtually all commerce between U.S. ports carried only by U.S.-flag ships.

"It has been demonstrated in recent military conflicts that the U.S. Navy now has the ships, and planes, that make maintaining this protection

of the American Merchant Marine unnecessary," Gayá continued. "As though this wasn't reason enough to repeal the Jones Act, Congress needs to consider that the economies and consumers of Alaska and Hawaii would save an estimated \$1 trillion a year on the purchase of goods and services that these states bring in by ship...and this doesn't even count the savings the four million U.S. citizens in Puerto Rico would realize."

Numerous studies have shown the Jones Act has the effect of increasing the cost of marine transportation between Puerto Rico and the mainland U.S. because the American Merchant Marine is one of the most expensive in the world. "If Puerto Rico's situation is anything like Alaska's and Hawaii's," observed Gayá, "the repeal of the Jones Act could have a significant and favorable impact on our economy, as well as the development of the Port of the Americas in Ponce. All these reasons move us to strongly endorse this long-overdue measure, and urge Congress to pass Sen. McCain's bill and President Obama to sign it," Gayá concluded. ■

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