

AMERICAN MARITIME INDUSTRY IS ASSISTING POST-HURRICANE PUERTO RICO

The problem in Puerto Rico is not getting goods to the island;
it is getting those goods distributed inland from the ports.

Nothing is more important right now than the safety and well-being of fellow Americans in Puerto Rico, which is why the domestic American maritime industry is working around the clock to assist with the recovery from the impacts of Hurricane Maria. A fleet of American Jones Act vessels was waiting to enter Puerto Rico's ports when they reopened, and now, Jones Act vessels are underway to Puerto Rico and continue to load cargoes from the U.S. mainland destined for the island. Advance supplies positioned on the island by Jones Act companies are already providing critical support, as noted by Puerto Rico Manufacturers Association President Rodrigo Masses, who pointed out that residents received "2,500 shipping containers with food and other items between Sunday and Monday [after the storm], and thus Puerto Rico should not lack supplies." A steady stream of additional supplies keeps arriving in Puerto Rico on American vessels and on international ships from around the world. The problem now is distributing supplies from Puerto Rico's ports inland by surface transportation.

The Jones Act Industry is Highly Efficient in Puerto Rico and Has Adequate U.S.-Flag Capacity to Serve Puerto Rico's Immediate Shipping Needs

The Jones Act industry provides an efficient logistical system to Puerto Rico. Jones Act vessels also have adequate capacity to serve Puerto Rico in this time of need, and are already assisting in the recovery. For example, Jones Act vessels are carrying:

- Food and water;
- Equipment and supplies needed to quickly restore the power grid;
- Building materials; and
- FEMA and American Red Cross relief cargoes (e.g., first aid supplies, tarps).

These goods were delivered upon the reopening of the Puerto Rico's ports and are continuing to be delivered. The Jones Act vessels have the capacity to carry more than 4,000 containers per week to Puerto Rico. In anticipation of the island's needs, the domestic American maritime industry also stowed approximately 3,000 containers filled with goods in the terminals that are moving. Additionally, there is nearly 4.2 million gallons of ethanol on a Jones Act vessel en route to Puerto Rico for fuel blending, which will supplement the fuel imported to the island. To increase efficiencies, Jones Act carriers in the Puerto Rico trade also use 53-foot containers, which offer 40 percent more volume than standard 40-foot containers. And, one of these vessels has the carrying capacity of 1,900 cargo planes.

Moreover, cargo from anywhere in the world can be imported into Puerto Rico, and those vessels will also assist in the recovery effort. Currently, nearly two-thirds of the vessels calling on Puerto Rico are foreign, and virtually all of the fuel transported to Puerto Rico is delivered by foreign-flag vessels.

The Issue in Puerto Rico is Not Getting Goods to the Island, but Rather Distributing Goods Around the Island Once They Arrive Due to Serious Infrastructure Issues

In the immediate aftermath of the hurricane, one hundred percent of the island was without power, and roads were blocked by downed trees and debris. The largest bottleneck is not getting goods to the island. In fact, the Jones Act industry has the infrastructure and knowledge to quickly get cargo to the island. The problem is distributing cargo once it arrives.

- Jones Act companies have the equipment at their terminals to handle the throughput at the terminals without overwhelming the shoreside and inland infrastructure.
- Jones Act roll-on/roll-off barges can immediately discharge cargoes while work is performed to restore power for cranes and other equipment at the terminals.
- Jones Act containerships can deliver cargoes from the U.S. mainland to Puerto Rico in three days.

A Jones Act waiver could overwhelm the system, creating unnecessary backlogs and causing confusion on the distribution of critical supplies throughout the island. Already there are logistical bottlenecks for Jones Act cargoes as a result of the inability to distribute goods within Puerto Rico. There are also growing concerns about a shortage of equipment – trucks, chassis, and containers – to distribute cargo on-dock currently in Puerto Rico that has been delivered by Jones Act vessels.

Notably, foreign-flag ships delivering containers to the island would not have the ability to transport them to the final destination because Puerto Rico does not have an adequate supply of chassis capable of delivering those international containers. As such, ports in Puerto Rico could become clogged with containers if a Jones Act waiver is granted.

The Jones Act Industry Has the Capability and Capacity to Help With Restoration

The domestic American maritime industry provides reliable, regular service to Puerto Rico. Domestic American vessels carried more than 3.2 million tons of cargo to Puerto Rico in 2015 alone.

With approximately 15 U.S.-flag ships and U.S.-flag oceangoing tug/barge combinations regularly serving the island on a routine basis, the industry provides a pipeline for goods moving into Puerto Rico. As a result, the domestic maritime industry has the capacity to immediately respond to the situation in Puerto Rico, bringing basic goods and heavy equipment needed to assist in the recovery effort.

Today all-American crews and U.S.-flag Jones Act ships are committed to serving Puerto Rico. Ultimately, domestic operators in the Puerto Rico trade not only can continue to provide regular service but also have surge capacity capable of taking up any slack in the delivery of cargoes to the island. If there is cargo that is not moving to Puerto Rico, there is a case-by-case administrative waiver process that can be used if necessary (46 U.S.C. § 501(b)). Because of the infrastructure challenges, however, such a waiver could hinder, not help, relief efforts.

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