



There's a Very Trumpian Law Inhibiting Puerto Rico's Recovery. Trump Says He Doesn't Want to Waive It.

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On Wednesday, President Trump said he was not planning to waive or repeal Puerto Rico's inclusion in the Jones Act, the century-old law that restricts domestic shipping to U.S.-made, U.S.-owned, U.S.-staffed boats.

Trump was responding to a growing chorus of politicians and activists calling for greater aid to the hurricane-stricken island, who have convincingly argued that the Jones Act drives up prices on the island by a factor of *two* compared to nearby Kingston, Jamaica. (For what it's worth, the Government Accountability Office study on the matter is a little more ambivalent.) Jones Act restrictions also inhibit the evolution of Puerto Rico's power system away from oil power, since most American tankers can't handle liquefied natural gas.

Trump said he had hesitated to let foreign carriers carry mainland goods to Puerto Rico because "a lot of people that work in the shipping industry... don't want the Jones Act lifted."

On the one hand, the Jones Act is a pitch-perfect match for Trump's campaign rhetoric on buying and hiring American. As *Los Angeles Times* reporter Matt Pearce pointed out, in 1920 the newspaper called the Jones Act an "America First" shipping bill—using a line that would, 96 years later, become one of Trump's campaign slogans. The Jones Act has ensured the preservation of thousands of jobs at U.S. shipyards and on U.S. ships. The trade-off is higher-priced consumer goods.

That's why a lot of Republicans don't like it. On Wednesday, Sen. John McCain, who has tried in the past to repeal the Jones Act wholesale, shared a *Wall Street Journal* op-ed called "Second-Class Puerto Rico," arguing that Trump risked looking like he cared more about hurricane damage in Texas and Florida than in Puerto Rico. The Cato Institute and the *National Review* have also called for suspending or scrapping the law.

Trump's vacillation looks particularly bad in light of temporary suspensions passed after Katrina and Sandy, by presidents Bush and Obama. Trump's DHS even waived the Jones Act for refined

petroleum shipments on the eastern seaboard, including Puerto Rico, after Hurricane Harvey just a few weeks ago. No foreign tankers wound up making use of that waiver, which expired on September 22.

You can see why Trump would be reluctant to kill the act, shuttering shipyards and turning over domestic freight routes to foreign carriers in exchange for slightly cheaper toothbrushes and tomatoes. But that's not what's on the table here.

Trump has little to lose by instituting a temporary Jones Act waiver, which will make it look like the administration is doing all it can—and which could, on the margins, make the recovery in Puerto Rico a little bit easier. The Department of Homeland Security told the *Washington Times* on Wednesday that it is still considering it.

The more difficult, consequential decision would be deciding whether to exempt Puerto Rico from the requirements in the long term. It's when the island starts importing construction materials and other goods to repair damage from Hurricane Maria that the development of newer, cheaper, regular shipping routes could have a serious impact on the island's economy. That would delight both Puerto Ricans and free-market conservatives, but chip away at one of the country's true "Buy American, Hire American" policies that Trump promised to support.