

No Long-Term Jones Act Waivers Needed, Mr. President

May 3, 2019

Another fight over waivers from the Jones Act is underway. This time the fight is for President Trump's attention and support. A Bloomberg story claiming to be based on three inside sources said the issue of Jones Act waivers for both Puerto Rico and the Northeast was debated in the White House on April 23.

As usual, the free-marketers are out in front with their short-sighted, dishonest and simply false arguments. The Cato Institute even recently spent money for a billboard along I-95 near the Newark, N.J., airport, that read "Stuck in Traffic? Blame the Jones Act." How could the Jones Act possibly be responsible for traffic congestion in the New York City region? According to Cato, "most heavily trafficked routes, such as I-95, parallel oceans where container transport would be the more efficient passage."

Cato and the other think tanks are carrying water for multinational oil and gas interests, which are always looking for cheaper shipping options. According to news reports, long-term Jones Act waivers for both Puerto Rico (10 years) and New England states are being sought by oil interests close to Trump. A study has already taken apart the bogus argument that the Jones Act is responsible for high costs in Puerto Rico.

An Argus Media story reports that "in recent winters New England has sometimes imported Russian LNG, as the region cannot get enough gas from the nearby Marcellus field to meet peak demand because of regional pipeline constraints." Even in the National Review, a scholar at the American Enterprise Institute argues that New England states need the waiver because the northeast "isn't served by enough pipelines."

But wait a minute. Why is that? It's not because of the Jones Act. It's because anti-carbon activists in New York, New Jersey and Pennsylvania (the states through which proposed New England gas pipelines must go) are doing everything they can to stop or slow pipeline construction. The governors and attorneys general of those states go along to appease them.

According to a February 22 article by another think tank, the Competitive Enterprise Institute, "Gordon Van Welie, president and CEO of ISO New England (which operates the region's wholesale electricity markets), has for several years made Paul Revere-like warnings of this impending threat to New England, but unlike Revere his warnings have been ignored by the citizenry. He now laments that increased natural gas pipeline capacity into New England, though clearly the most feasible solution to the region's electricity shortages, is not going to happen.

Political opposition is the reason, both in the New England states themselves but also in New York, through which most potential pipelines would have to pass. As it is, New York is starving itself of needed gas, and is even less likely to agree to serve as a conduit through which gas moves on to New England states.”

Since when should it be Trump’s policy to reward and underwrite anti-carbon intransigence and obstructionism with a short-term fix that hurts the American maritime industry?

If those states really need more natural gas, let them stop fighting pipelines. That’s the real way to promote American energy independence, which Trump claims he wants to do. Handing control of American intracoastal shipping routes to foreign-flag vessels puts America last, not first, Mr. Trump.