



Duncan Hunter should stop supporting the Jones Act and sink this rusted-out hulk of a law

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Americans who wonder how bad laws and boondoggle government programs manage to persist year after year need look no further than Rep. Duncan Hunter's example. Hunter is one of Congress's leading advocates for special interests in the country's maritime industry. And few issues are dearer to this industry's heart than a nearly 100-year-old law called the Jones Act.

Formally known as the Merchant Marine Act of 1920, the Jones Act mandates that the domestic transportation of waterborne cargo be performed by vessels that are U.S.-flagged, U.S.-crewed, U.S.-owned, and U.S.-built. Vessels produced in U.S. shipyards, however, cost as much as eight times more than equivalent ships constructed overseas. Paired with reduced competition from these restrictions, the Jones Act results in artificially-inflated transportation costs for the goods American consumers purchase.

Americans would rebel if domestic airlines were forced to purchase U.S.-built planes or trucking firms were denied access to imported vehicles, knowing full well the result would be higher prices. Yet the Jones Act persists, decade after decade, in large part because of the unflinching support offered by legislators such as Rep. Hunter to the special interests that benefit from reduced competition and increased costs to consumers.

Although he has long been a reliable acolyte for rent-seeking beneficiaries of the Jones Act, Congressman Hunter recently went beyond the call of duty.

In mid-July a pro-Jones Act special interest group released a report which made the unbelievable claim that the law has no adverse impact on consumers in Puerto Rico, despite the fact that much of what the island consumes is transported aboard expensive Jones Act vessels. This conclusion was in large part based on a price comparison between a handful of items sold at Walmart locations in Jacksonville, Florida and Puerto Rico.

No explanation of the report's methodology or product selection criteria were furnished, and a quick perusal of Walmart's website shows numerous items to be significantly more expensive in Puerto Rico than Jacksonville. Ice cream that retails for \$2.98 in Florida, for example, costs over \$8 in San Juan.

Yet in response to the study, Hunter quickly arranged a gathering of the House Subcommittee on Coast Guard and Maritime Transportation, of which he is the chairman. What transpired was a veritable lovefest. The congressmen in attendance, including Hunter, lobbed a series of softball questions to a panel carefully assembled to ensure only sentiment in favor of the law was voiced.

Instead of holding the established interests to account or questioning the status quo, Hunter and other members of Congress dutifully carried their water.

Furthermore, when Puerto Rico's Central Recovery and Reconstruction Office recently released a draft report highlighting the law's negative impact on the territory's economy, Hunter quickly took issue with the claim. Citing the findings of the maritime industry's own report on Puerto Rico, Hunter dashed off a letter to the CRRO the same day the industry-backed report was released.

This is why unjust laws such as the Jones Act persist. This is how the legislative sausage gets made.

To be clear, the nexus between Jones Act supporters and politicians goes beyond Hunter and his lone House subcommittee. Perhaps surprisingly, some of the law's biggest champions are found among communities that are most dependent on sea transport and thus most subjected to its burdens. In Hawaii, each member of the congressional delegation favors the Jones Act, as does Puerto Rico's lone federal representative.

Among the Alaskan congressional delegation, Sen. Lisa Murkowski and Rep. Don Young are firmly in the pro-Jones Act camp while Sen. Dan Sullivan has been quiet. Alaska presents a particularly galling example, as in 1984 the state's voters overwhelmingly passed a ballot initiative demanding that the state's governor use his best efforts to persuade Congress to repeal the Jones Act — a requirement currently written into state law.

All is surely explained when one realizes that the areas of the United States most burdened by the Jones Act are also disproportionately home to maritime special interests who profit from the law and the protection from competition it affords.

The insidious relationship that the Jones Act promotes between special interests and legislators must be counted as another of its many negative effects. The time has come to sink this rusted-out hulk of a law.

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