

# THE DISPATCH

## The American-Made Boot on Puerto Rico's Neck

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Dear Capitolisters,

Imagine one day you turn on the TV news, and the lead story is a major natural disaster in a landlocked U.S. state—say, Arkansas or Vermont—that, simply because of its geography, gets hit regularly. The situation on the ground is *bad*—the residents of this state are relatively poor and are without power, food, energy, medical supplies, and construction materials. So they're on TV telling their stories and asking their fellow Americans for help. It's a common scene, and one that—thanks to our nation's tremendous generosity in times of national crisis—is usually accompanied by heartwarming private efforts to help U.S. communities in need. *In this particular case*, however, aid can't flow freely to this troubled locale because federal law prohibits delivery trucks from servicing the state unless they're made in America, owned by Americans, and operated by Americans. To make matters even worse, there are only a handful of eligible trucks available, only a few eligible points of entry, and no alternate train service to the area. Adding insult to injury, many foreign-made/owned/etc. trucks regularly pass by the state. Yet, by law, they can't help—even as supplies run low. Unbelievable and outrageous, right?

Well, it's happening in Puerto Rico *right now*—in the wake of Hurricane Fiona—thanks to the Jones Act.

I covered the Jones Act and other U.S. maritime “cabotage” laws in a [previous newsletter](#), so go there for the gory details on these laws' details and national harms. In short:

The Merchant Marine Act of 1920 was presented as a plan to ensure adequate domestic shipbuilding capacity and a ready supply of merchant mariners in times of war or other national emergencies. Section 27 of the law—the “Jones Act”—revised existing U.S. cabotage laws and today restricts the domestic shipping of waterborne goods to vessels that are U.S.-built, U.S.-owned, U.S.-flagged, and U.S.-staffed. As a result of the Jones Act, the United States has one of the most (if not the most) restrictive shipping systems in the world.

As I noted at that time, the Jones Act has—for obvious reasons—particularly acute harms for parts of the United States that rely heavily on waterborne transportation because of their geography. In short, the law grants a small cadre of Jones Act carriers an effective monopoly on bulk shipping to these places, thus reducing supply and increasing prices of food, energy, and most other bulk commodities and consumer staples. While other U.S. locations have transportation alternatives, particularly trucks and trains, these places don't, and air transport is prohibitively costly for most goods. So, while the Jones Act harms us all, our fellow Americans in these places suffer a lot more.

And there's nothing they can do about it.