

Commerce Committee HOUSE FAVORABLE REPORT

Bill No.: HR-9

RESOLUTION MEMORIALIZING CONGRESS TO AMEND THE JONES ACT TO
IMPROVE ECONOMIC AND TRADE RELATIONS BETWEEN THE STATE OF

Title: CONNECTICUT AND PUERTO RICO.

Vote Date: 3/20/2025

Vote Action: House Favorable Substitute

PH Date: 3/11/2025

File No.:

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SPONSORS OF BILL:

Rep. Christopher Rosario, 128th District.

Rep. Anne M. Hughes, 135th District.

Rep. Geraldo C. Reyes, 75th District.

Rep. James Sanchez, 6th District.

Rep. Kerry S. Wood, 29th District.

REASONS FOR BILL:

The reason for this bill is to exempt Puerto Rico from the Jones Act due to its negative economic impact on the territory. The act requires cargo transported between U.S. ports to be shipped on American-built, owned, and crewed vessels, which increases shipping costs. These higher costs raise the price of goods, contribute to Puerto Rico's high cost of living, and hinder trade with the mainland U.S. The resolution argues that, since other U.S. territories like the U.S. Virgin Islands and American Samoa are already exempt, Puerto Rico should also receive an exemption to alleviate its economic burden.

The substitute language calls specifically for an exemption for the transportation of liquefied natural gas (LNG) from the Jones Act. Also focused on a specific economic burden, the shortage of compliant LNG tankers and cost impact.

RESPONSE FROM ADMINISTRATION/AGENCY:

None expressed.

NATURE AND SOURCES OF SUPPORT:

[Juan Candelaria, Connecticut General Assembly, Deputy Speaker Pro Tempore, State Representative](#):

The Jones Act, which requires goods transported between U.S. ports to be carried on American-built, owned, and crewed vessels, significantly increases shipping costs for Puerto Rico. Unlike other U.S. territories that are partially or fully exempt, Puerto Rico is fully subject to the law, despite relying almost entirely on maritime trade. The limited number of U.S. ports serving Puerto Rico further adds to costs and delays. Studies have long criticized the Jones Act for raising consumer prices and restricting competition, while failing to achieve its original goals of strengthening the U.S. merchant fleet and shipbuilding industry. By urging Congress to amend the Jones Act, H.R. No. 9 seeks to lower shipping costs, enhance trade, create jobs, and position Puerto Rico as a more competitive shipping hub, benefiting both its economy and its trade ties with Connecticut and the broader U.S.

[Lisette Colón](#): While the act was intended to protect U.S. shipbuilding and merchant mariners, it has unintentionally increased shipping costs, raised consumer prices, and limited competition, placing a heavy economic burden on Puerto Rico. Amending HR 9 would lower import costs, create jobs, and modernize shipping infrastructure while maintaining U.S. maritime security. Additionally, Puerto Rico's economic recovery from crises and supply chain disruptions has been hindered by the act's restrictions. She emphasizes that this amendment is not about undermining the Jones Act but updating it to reflect today's economic realities, ensuring both industry sustainability and economic relief for Puerto Rico. She urges the committee to support the amendment and consider future reforms.

[Daneil O'Keefe, Commissioner, Department of Economic and Community Development](#):

House Resolution 9 urges Congress to exempt Puerto Rico from the Jones Act, which requires cargo ships between U.S. ports to be U.S.-built, owned, crewed, and flagged. Since shipments to Puerto Rico are classified as international rather than interstate, they face higher costs due to customs, fuel, security, and regulations. These added expenses raise import and export prices, making it harder for Puerto Rican businesses to compete globally. The Department of Economic and Community Development (DECD) fully supports the resolution.

[Christopher Rosario, Deputy Speaker Pro Tempore State Representative](#): He advocates for amending the Jones Act, which is driving up energy costs in Connecticut and Puerto Rico. The law inflates the cost of liquefied natural gas (LNG) by up to 30%, contributing to high electricity rates in Connecticut and overpayment for energy in Puerto Rico. Amending the Jones Act to allow exemptions for LNG shipments would lower energy prices, create jobs, and stimulate economic growth in both regions. The speaker calls for bipartisan support and collaboration with labor, business leaders, and community advocates to push for this change and provide relief for residents.

NATURE AND SOURCES OF OPPOSITION:

[Kyle Burleson, Director, The American Waterways Operators \(AWO\)](#): AWO opposes House Resolution 9, arguing it would weaken U.S. national security and harm Puerto Rico by undermining the Jones Act. This law mandates that cargo between U.S. points be moved on U.S.-built, -owned, and -crewed vessels. The AWO highlights that the Jones Act supports 650,000 jobs, generates billions in economic output, and strengthens U.S. maritime borders. It also plays a critical role in national defense. The AWO refutes claims that the Jones Act harms Puerto Rico, emphasizing that American vessels provide reliable, cost-effective service to the island, including after disasters. They note that the Act lowers shipping costs to Puerto Rico compared to non-Jones Act islands and supports local jobs. In response to critics, AWO urges a "no" vote on H.R. 9 and advocates for the continued strength and growth of the U.S. maritime industry, including its vital role in Puerto Rico's economy.

Reported by: Austin Adil

Date: 4/3/2025