

# The Jones Act— Keystone to America's Domestic Ocean Transportation Network

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Propeller Club  
May 23, 2023





NATIONAL GLORY

**NATIONAL**  
SHIPPING OF AMERICA



YEARS OF SERVICE

2013-2023

# Timeline of Puerto Rico

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- **1493 - Columbus anchors off the island of Puerto Rico and named it San Juan Bautiste**
- **1898 - Spanish cedes Puerto Rico, Cuba, Guam, and the Philippines to the USA under the Treaty of Paris**
- **1917 - The Jones – Shaforth Act grants USA citizenry to Puerto Ricans**
- **1920 - The other Jones Act is born under the Merchant Marine Act**
- **1948-1968 ‘Operation Bootstrap’ transitions Puerto Rico from an agrarian economy (sugar cane) to industrial mainly in the southern part of the island, the agricultural area. Tax incentives were established that led to a surge of mainly, Pharma to set up operations.**
- **1970-1990 Tourism flourishes and San Juan is the cruise capital of the Caribbean.**
- **1990-2023 Tax incentives are rolled back in 1995, the US Navy leaves in 2003 and the migration from the island to stateside accelerates. Two major hurricanes (Maria in 2017 and Fiona in 2022) highlight the six years of devastation and recovery.**

# Demographics of the Puerto Rico

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- Today there are 5.5 M Puerto Ricans that reside in mainland US while 3.1M remain on the island.
- The death rate exceeds birth rates for the first time.
- Of the 3.1M Puerto Ricans on the island, 43% live in poverty.
- The trend of the youth migrating stateside and the older, retired Puerto Ricans returning to the island present challenges to the economy.
- The economy is very much dependent on federal aid, especially the USDA SNAP/NAP programs.

# Federal Programs Underway

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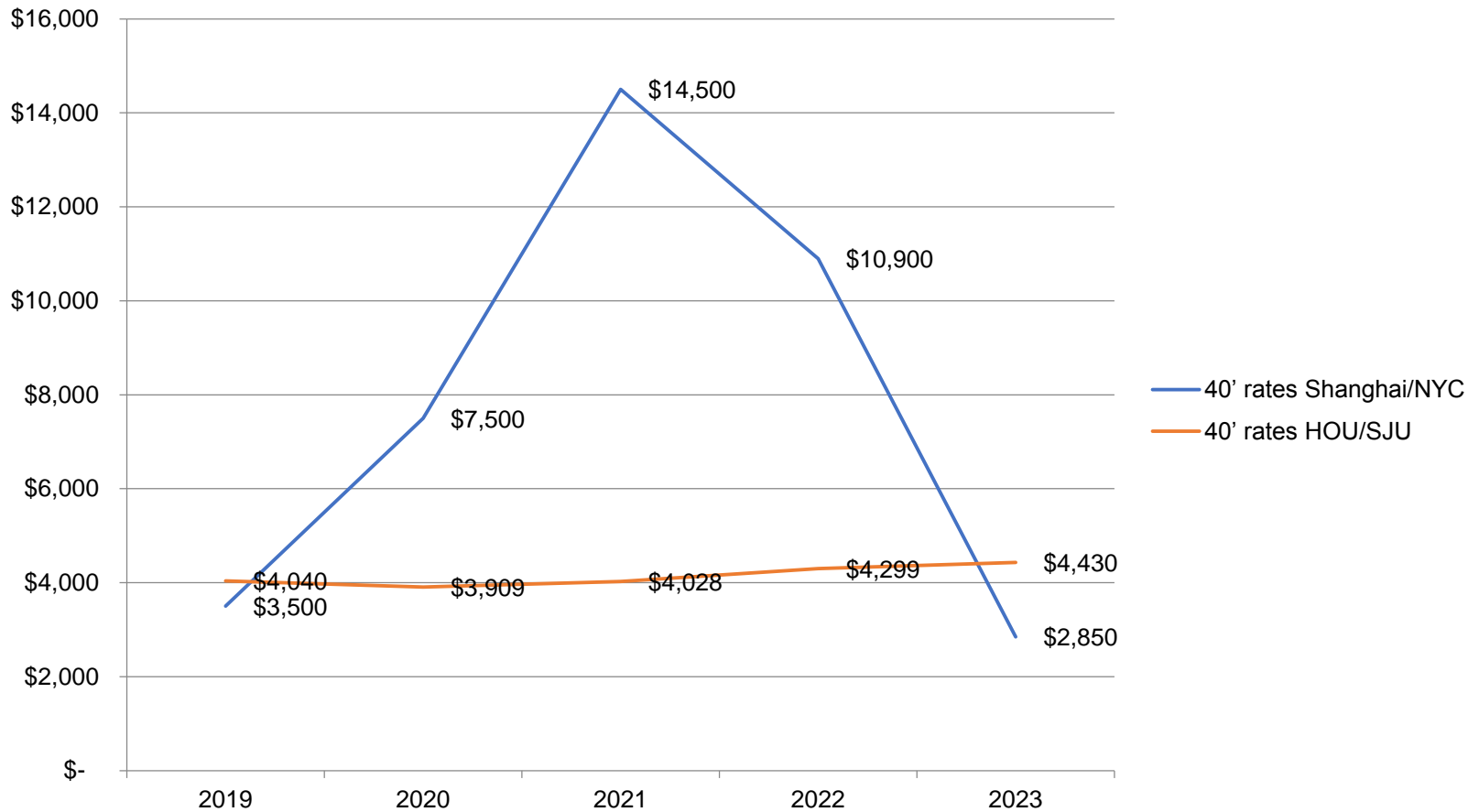
- PR100 is a local initiative to achieve that mandates the island to be self-sufficient using renewable energy by 2050
- Aggressive milestones in the year 2025 of 25% self sufficiency
- The Department of Energy, FEMA and the local Puerto Rico government have started releasing \$13B for the migration to renewables while upgrading the current power transmission and distribution.
- Currently 70% of the power generation is in the south while 70% of the power consumption is in the north. Hurricanes Maria and Fiona cut through the central part of the island severing the main grid
- The migration from a central grid to decentralized microgrids will reduce the chance of island wide blackouts. Solar and wind are the two sources of renewable energy with solar taking the lead

# Jones Act Role – More a Utility than Just Transportation

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- Dependability in peacetime and in crisis
- Almost daily direct sailing from stateside to San Juan ensuring best quality outturn of product.
- Investment in ship, containers, chassis, and terminals providing key lifeline to stateside.
- Crisis is more of a rule than an exception, hurricanes, and earthquakes.
- Or man-made crisis with the recent supply chain collapse brought on by the pandemic.  
(Slide of rates)

# Puerto Rico Rate Stability







San Juan

Puerto Rico

Ponce





# M-2 PROJECT PONCE

- ✓ Direct call at the Port of Ponce
- ✓ Initially monthly service to migrate to fortnightly based on demand
- ✓ Full container availability  
20' / 40' / 45' dry containers  
+ 40' reefers and 40' flat racks
- ✓ Heavy lift capability of up to 200 tons
- ✓ Economic, environmental, and social benefits of eliminating truck miles with **marine highway miles**



# Challenges of the Trade

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- **Weather**

- Hurricane season June – November in the Caribbean, South Atlantic and US Gulf
- Maria in 2017 and Fiona in 2022
- El Faro in 2015
- Houston Channel Fog Season from November thru April

# Humanitarian

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**Three rescues  
within 4 months  
saving 43 lives  
off the coast of  
Cuba**

# America's Marine Highway Corridors

Legend:  MH Corridor  MH Connector  MH Crossing  US Interstate

We actively participate in the  
American Marine Highway  
Cooperative



Disclaimer: This map is not a navigation tool. This is a representation to the approximate locations.

Thank you.

