

# Air Cargo



A MATTER OF ECONOMIC DEVELOPMENT  
AND JOB CREATION FOR PUERTO RICO



U.S. Congresswoman  
**Jennifer**  
**González-Colón**

# TIMELINE FOR AIR CARGO OPERATIONS IN PUERTO RICO

**February 6, 2017**

The Rep. Jenniffer González sent a letter to DOT Secretary Elaine Chao, advocating for air cargo rules for Puerto Rico to be released.


**August 22, 2017**

Rep. Jenniffer González met with representatives of the government and the private sector to discuss the expansion of air cargo access as an economic development mechanism for Puerto Rico.

**July 31, 2017**


Rep. Jenniffer González brokered the HR 3472 Puerto Rico Air Cargo Industry Empowerment Act, to add Puerto Rico to the Stevens Amendment, which has been transformative for the Anchorage community and the state of Alaska in general.

# TIMELINE FOR AIR CARGO OPERATIONS IN PUERTO RICO




**October 5, 2018**

The Federal Aviation Administration Reauthorization Act of 2018 (HR 302 ) became law and included a Government Accountability Office (GAO) study on the supply of, and demand for air cargo services among the United States, Central and South America, and Caribbean basin countries.



**April 26, 2018**



Rep. Jenniffer González submitted Amendment 564 to HR 4 for the Office of Government Accountability Office (GAO), to conduct the air cargo study, which would assess Puerto Rico's potential as an air transfer center and obtain recommendations on how to achieve that potential. HR 4 became Public Law 115-254, Law for the Reauthorization of the Federal Aviation Reauthorization Act of 2018

# The Federal Aviation Administration Reauthorization Act of 2018 - 115th Congress

---

**October 5, 2018**, HR 302 – the Federal Aviation Administration Reauthorization Act of 2018 became law and included a Government Accountability Office (GAO) study on the supply of, and demand for air cargo services among the United States, Central and South America, and Caribbean basin countries.

This study will identify busiest air cargo routes, global cargo capacity and frequency of air cargo services, competing cargo hubs in the region, and gaps in service that a hub in Puerto Rico could address.

Specifically to Puerto Rico, this study will analyze:

- How expanded air cargo operations will affect employment in Puerto Rico;
- US competitiveness in the air cargo market;
- Air cargo operations at US airports; and
- Domestic and foreign air cargo markets



U.S. Congresswoman  
**Jennifer  
González-Colón**



# TIMELINE FOR AIR CARGO OPERATIONS IN PUERTO RICO

**April 25, 2019**

HR 2357 - the Puerto Rico Air Cargo Industry Empowerment Act was introduced to add Puerto Rico the Steven's Amendment during the 116th Congress



**June 7, 2019**

The Government of Puerto Rico applied for a waiver from the Department of Transportation, which has the authority to grant exemptions pursuant 49 U.S.C.40109(c)

# TIMELINE FOR AIR CARGO OPERATIONS IN PUERTO RICO



**February 3, 2020**

Rep. Jennifer González gathered government and private sector representatives in her office to follow up on air cargo efforts.



**February 19, 2020**

DOT granted a show cause order to Puerto Rico to award foreign air carriers certain expanded cargo and passenger transfer flexibility at international airports in Puerto Rico



**April 29, 2020**

DOT finalized its initial findings on February 19th, and granted the request for 2 years, as an exemption to air cabotage laws.





# Abren la puerta para exención en cabotaje aéreo

La comisionada residente Jennifer González reveló anoche que el gobierno federal dio a Puerto Rico una autorización preliminar para recibir carga aérea y pasajeros internacionales

La dispensa, por un periodo de dos años, le permitiría a la isla convertirse en un puerto de transbordo que compita con aeropuertos como los de Panamá y República Dominicana

PUERTO RICO HOY PÁGINA 14

Por Jennifer González

TRAS SOLICITUD DEL OREC

## Dispensa tentativa al cabotaje aéreo

Por primera vez, el Departamento de Transportación federal permite que los aeropuertos internacionales en la isla puedan transbordar carga y pasajeros internacionales



Esta es una oportunidad que tenemos en materia económica para Puerto Rico

Este es un momento histórico para Puerto Rico. Hemos conseguido una autorización preliminar del gobierno federal para recibir carga aérea y pasajeros internacionales. Esto es una oportunidad que tenemos en materia económica para Puerto Rico.

El gobierno federal nos ha otorgado una autorización preliminar para recibir carga aérea y pasajeros internacionales. Esto es una oportunidad que tenemos en materia económica para Puerto Rico.

TRANSPORTE AEREO

## Acogen medida de González

Comité del Congreso ratificó la propuesta para analizar la creación de un centro internacional de transbordo



'Puerto Rico cuenta con la infraestructura necesaria en los aeropuertos'

'El aeropuerto de Roosevelt Roads tiene el espacio y lo que está acordado para recibir'

### ANÁLISIS

El estudio de la OACI muestra que Puerto Rico cuenta con la infraestructura necesaria en los aeropuertos para recibir carga aérea y pasajeros internacionales. El aeropuerto de Roosevelt Roads tiene el espacio y lo que está acordado para recibir.

El estudio de la OACI muestra que Puerto Rico cuenta con la infraestructura necesaria en los aeropuertos para recibir carga aérea y pasajeros internacionales. El aeropuerto de Roosevelt Roads tiene el espacio y lo que está acordado para recibir.

DeWingo 14 de junio de 2017

## Gobierno tramita exenciones para el tráfico aéreo

Comisionada residente aboga desde la capital federal por que la isla reciba el mismo trato que Alaska y Hawái

Artículo 11, inciso

El gobierno federal debe otorgar el mismo trato que Alaska y Hawái a Puerto Rico en materia de exenciones para el tráfico aéreo.

El gobierno federal debe otorgar el mismo trato que Alaska y Hawái a Puerto Rico en materia de exenciones para el tráfico aéreo. La comisionada residente aboga desde la capital federal por que la isla reciba el mismo trato que Alaska y Hawái.

El gobierno federal debe otorgar el mismo trato que Alaska y Hawái a Puerto Rico en materia de exenciones para el tráfico aéreo. La comisionada residente aboga desde la capital federal por que la isla reciba el mismo trato que Alaska y Hawái.

R.H.



'Ojalamente tener a Luffansa en la isla nos ayude, y el tener la disponibilidad de Roosevelt Roads'

JENNIFER GONZÁLEZ

Sobre las posibilidades de que se otorgue a Puerto Rico la licencia que se requiere para operar el puerto aéreo que se encuentra en el aeropuerto de Roosevelt Roads, la comisionada residente aboga desde la capital federal por que la isla reciba el mismo trato que Alaska y Hawái.

Además que cualquier cosa de Alaska, Panamá, España, y eso que se requiere a nivel internacional.

Además que cualquier cosa de Alaska, Panamá, España, y eso que se requiere a nivel internacional.

EDITORIAL

## Estudio federal abre la puerta a la exención aérea

La legislación del Congreso que ordena ser estudiado sobre la viabilidad de otorgar a Puerto Rico de los estatutos de cabotaje aéreo, es un importante paso en el objetivo de fomentar la productividad y la competitividad en la isla mediante la liberalización de la Ley Jones.

El estudio de la OACI muestra que Puerto Rico cuenta con la infraestructura necesaria en los aeropuertos para recibir carga aérea y pasajeros internacionales. El aeropuerto de Roosevelt Roads tiene el espacio y lo que está acordado para recibir.

Por Jennifer González



La aprobación de condiciones para la carga aérea que llega a la isla podría reflejarse en almacenamiento de carga, producción, y tránsito, en el estado de Roosevelt Roads para el OACI.

La aprobación de condiciones para la carga aérea que llega a la isla podría reflejarse en almacenamiento de carga, producción, y tránsito, en el estado de Roosevelt Roads para el OACI.



# Improved Air Cargo Access Highlighted at Gov't-Private Sector Meeting

By MARIA MIRANDA SIERRA  
mirandasanjuanstar@gmail.com

Resident Commissioner Jennifer González Colón is working hand in hand with the government and the private sector to expand air cargo access as an economic development mechanism for Puerto Rico.

In response to the actions taken by the resident commissioner in this regard, Gov. Ricardo Rosselló Nevares' representative at the federal Financial Oversight and Management Board, Christian Sobrino, and Foundation for Puerto Rico Executive Director Jon Borschow held a meeting with González on Tuesday night. Aerostar Airport Holdings President Agustín Arellano, Revitalization Coordinator Noel Zamot, Ports Authority Executive Director Omar Marrero and Economic Development and



Jennifer González Colón

Commerce Secretary Manuel Laboy also met with the resident commissioner to discuss ways in which the private and public sectors can help spur the island's economic development.

The meeting, held at the Foundation for Puerto Rico headquarters in San Juan, served as a space for the resident commissioner to talk about her efforts and strategies, as well as the coordination plans she has made thus far to help jump-start the island's stagnant economy.

Marrero and Laboy spoke about the administrative efforts taken by the governor so far as part of the initiative.

González also discussed House Resolution 3472, or "The Puerto Rico Air Cargo Industry Empowerment Act," which would amend existing federal laws to extend certain pro-

visions with respect to foreign aircraft transporting goods through the jurisdiction of Puerto Rico. By adding "Puerto Rico" after "Alaska" to the Stevens amendment passed 2003 would let the island enjoy flexibility in air travel regulations, a resident commissioner said.

González said that loosening cargo rules is part of a broader economic development plan focused on the industry that would include conversion of the Luis Muñoz Marín International Airport into an in-transit lounge.

The governor's team dealt the efforts being made to advance "exemption through the administrative route" of the federal Department of Transportation.

"We are committed to any initiative that promotes economic development in Puerto Rico," Marrero said

## Cleared for Takeoff?

### Resident Commissioner Talks Latest Efforts to Turn Puerto Rico Into Major Air Hub

BY NICOLE VALERIO GONZALEZ  
nicole@prbiz.com

It is clear when initiatives to increase economic output in Puerto Rico are desperately needed, the commonwealth seeks clearance from the federal government to take off as a major regional air hub for both cargo and passengers. It will take a three-way effort to do so, including exemption from air cargo regulations, several permits and certifications from the U.S. Department of Transportation (DOT), and bringing back the in-transit lounge for international passengers, Puerto Rico's resident commissioner, Jennifer González, told Caribbean Business during a recent interview.

"This is a unique opportunity for economic development that Puerto Rico hasn't had before," she said. What's more, Noel Zamot, the island's revitalization coordinator, is already on board with the plan, according to González. He recently participated in a meeting attended by the resident commissioner, Rosalinda administration officials, the destination marketing organization chairman, Jon Borschow, and Agustín Arellano, CEO of Aerostar, which manages the Luis Muñoz Marín International Airport.

"Zamot" supported the three initiatives the air transportation strategy, the in-transit lounge—he presented some ideas that could be used strategically—and [the federal] HR 3472 [the Stevens amendment]. Obviously, I expect it won't stay there and will lead to legislation, which is what the people of Puerto Rico want," González stressed.

The resident commissioner went on to say that the island's financial constraints limit what she can do, but she is engaged in lobbying efforts so economic development initiatives, such as those related to air transportation, can be approved and enacted.

While the efforts await action from the federal government on all fronts, Jennifer Lectorra, an expert on the matter, feels confident it is possible. A member of the PR District Export Council, a local trade organization, he stressed that this is of the essence to step forward.

"The three [initiatives] are achievable," Lectorra told Caribbean Business. "The economic impact for Puerto Rico would be billions, not to mention tourism. If you improve air connectivity, it results in economic development."

He noted there is a need for such a hub among international and U.S. airlines, which market studies show in-lane business opportunities will only increase in the coming years.

"This opportunity won't be here forever. Within the next six to 12 months, the window will be tight. There are people in other places already doing things and traveling. They want to see [Puerto Rico] as an alternative if you don't present ourselves in time," Lectorra added.

### Stevens amendment

By just adding the word "Puerto Rico" to an amendment introduced by the late Sen. Ted Stevens (R-Alaska) back in 2003, the commonwealth would enjoy the same air cargo exemptions available to the 49th state of the Union. The so-called Stevens amendment helped Alaska become one of the top-10 air cargo hubs in the world.

On July 27, González filed a one-page bill to this end, HR 3472. The goal is to have the amendment approved as part of the federal Aviation Administration reauthorization bill that Congress would consider in September.

"If we can include that amendment as part of that bill, the more we could be successful," the resident commissioner said. "It will be beneficial for our economy and the U.S., as it could have in Puerto Rico an enclave in the Caribbean to bring new cargo."

Lectorra explained that with the in-transit lounge exemption under the Stevens amendment, international air carriers can stop in Alaska and continue to other U.S. airports, which is not allowed for any other domestic airport. "It is like if you never stopped there," he said, adding that when Congress proposed Alaska from these regulations, the state suffered similar problems to those Puerto Rico is currently facing.



Resident Commissioner Jennifer González

For instance, he mentioned that international air carriers are "overlooking" Puerto Rico, which also does not produce enough cargo to be attractive to those companies, via 2-Air, other airports such as Miami International.

### Exemptions from DOT

Acting the exemption granted by the Stevens amendment was not enough to turn Alaska into the major hub it is today. "You need to combine it with international cargo transfers, which require permits from the DOT," Lectorra stressed, in reference to what he knows is expanded air-cargo transfer options.

Earlier this year, González asked the federal agency to convert Puerto Rico from some of these air cargo legislation, to which the DOT agreed to work on the regulations that must be met to receive the exemption. To date, jurisdictions like Alaska, the Mariana Islands and Guam enjoy those benefits.

Acting those permits would allow such operations as loading for international carriers, as well as the combination of cargo, both domestic and international, among other options.

"It is up to [Rosario] administration officials to work on these applications to the DOT," the resident commissioner said. Lectorra added that the commonwealth government must explain why it needs these exemptions, particularly over the need for economic development.

If these exemptions from the DOT are combined with the Stevens

amendment, "you have yourself a hub," the expert noted.

### In-transit lounge

For years, Puerto Rico had an in-transit lounge, whereby international passengers did not need a visa to stop at the island and lay in another flight to other destinations. But after the 9/11 attacks, these were eliminated throughout the U.S., including the commonwealth, for security reasons. "There is a chain in Puerto Rico where again people bring a hub, mostly from Latin America to Europe... We lost that investment from passengers, who would stay sometimes

for a night or would spend money at the airport," González said, adding it could result in an additional million passengers a year. She said discussions are underway with different federal agencies to replicate the in-transit lounge, although she recognized "it is more complicated due to security elements."

Lectorra downplayed some of these concerns, noting, for instance, that Puerto Rico is not located on the U.S. mainland and international passengers can always be accounted for as they must stay within a designated area of the airport.

The expert believes it is possible to reinstate the in-transit lounge if the commonwealth demonstrates to Homeland Security that there would be a significant economic impact in favor of the island and that the risk of having it is equal or less to that of "proliferance" efforts laws established by the Transportation Security Administration in certain international airports outside the U.S.

Lectorra further explained that to truly become a regional air hub, the in-transit lounge is far from modern aircraft are now being made to transport both passengers and cargo.

"It benefits U.S. and international airlines as well as Puerto Rico. It becomes a central hub for cargo. You don't need treatment. The only option for Puerto Rico and the only thing the federal government would do to provide a legal framework to facilitate this investment. It is not a bailout," he concluded.

“The three [initiatives] are achievable... The economic impact for Puerto Rico would be billions... This opportunity won't be there forever.”

—Jennifer Lectorra, member of PR District Export Council

## 36 / OPINIÓN

CCIA  
Cámara de Comercio e Industria de Puerto Rico

Asesoría Legal  
Asesoría Contable  
Asesoría de Negocios  
Asesoría de Marketing  
Asesoría de Recursos Humanos  
Asesoría de Tecnología  
Asesoría de Finanzas  
Asesoría de Operaciones  
Asesoría de Logística  
Asesoría de Calidad  
Asesoría de Medio Ambiente  
Asesoría de Seguridad  
Asesoría de Salud  
Asesoría de Energía  
Asesoría de Agua  
Asesoría de Saneamiento  
Asesoría de Residuos  
Asesoría de Ruido  
Asesoría de Vibración  
Asesoría de Iluminación  
Asesoría de Acústica  
Asesoría de Climatización  
Asesoría de Calefacción  
Asesoría de Refrigeración  
Asesoría de Ventilación  
Asesoría de Tratamiento de Agua  
Asesoría de Tratamiento de Aire  
Asesoría de Tratamiento de Sólidos  
Asesoría de Tratamiento de Residuos  
Asesoría de Tratamiento de Efluentes  
Asesoría de Tratamiento de Lodos  
Asesoría de Tratamiento de Gases  
Asesoría de Tratamiento de Olores  
Asesoría de Tratamiento de Ruido  
Asesoría de Tratamiento de Vibración  
Asesoría de Tratamiento de Iluminación  
Asesoría de Tratamiento de Acústica  
Asesoría de Tratamiento de Climatización  
Asesoría de Tratamiento de Calefacción  
Asesoría de Tratamiento de Refrigeración  
Asesoría de Tratamiento de Ventilación  
Asesoría de Tratamiento de Agua  
Asesoría de Tratamiento de Aire  
Asesoría de Tratamiento de Sólidos  
Asesoría de Tratamiento de Residuos  
Asesoría de Tratamiento de Efluentes  
Asesoría de Tratamiento de Lodos  
Asesoría de Tratamiento de Gases  
Asesoría de Tratamiento de Olores  
Asesoría de Tratamiento de Ruido  
Asesoría de Tratamiento de Vibración  
Asesoría de Tratamiento de Iluminación  
Asesoría de Tratamiento de Acústica  
Asesoría de Tratamiento de Climatización  
Asesoría de Tratamiento de Calefacción  
Asesoría de Tratamiento de Refrigeración  
Asesoría de Tratamiento de Ventilación

### EDITORIAL

## La apertura del cabotaje es crecimiento para todos

La disputa en la aplicación a Puerto Rico de disposiciones federales sobre el cabotaje aéreo merece el respaldo sólido y unánime de todos los sectores gubernamentales y privados en la isla y Estados Unidos, incluido el componente empresarial y laboral de la industria de aviación.

La industria aérea de Puerto Rico depende del Departamento de Transportación (DOT) estadounidense de regulaciones y estándares. Este organismo establece el número de vuelos, el tipo de aeronaves, el número de pasajeros, el tipo de combustible, el tipo de rutas, el tipo de horarios, el tipo de tarifas, el tipo de seguros, el tipo de responsabilidades, el tipo de procedimientos, el tipo de estándares de seguridad, el tipo de estándares de calidad, el tipo de estándares de medio ambiente, el tipo de estándares de salud, el tipo de estándares de energía, el tipo de estándares de agua, el tipo de estándares de saneamiento, el tipo de estándares de residuos, el tipo de estándares de efluentes, el tipo de estándares de lodos, el tipo de estándares de gases, el tipo de estándares de olores, el tipo de estándares de ruido, el tipo de estándares de vibración, el tipo de estándares de iluminación, el tipo de estándares de acústica, el tipo de estándares de climatización, el tipo de estándares de calefacción, el tipo de estándares de refrigeración, el tipo de estándares de ventilación.

La industria aérea de Puerto Rico depende del Departamento de Transportación (DOT) estadounidense de regulaciones y estándares. Este organismo establece el número de vuelos, el tipo de aeronaves, el número de pasajeros, el tipo de combustible, el tipo de rutas, el tipo de horarios, el tipo de tarifas, el tipo de seguros, el tipo de responsabilidades, el tipo de procedimientos, el tipo de estándares de seguridad, el tipo de estándares de calidad, el tipo de estándares de medio ambiente, el tipo de estándares de salud, el tipo de estándares de energía, el tipo de estándares de agua, el tipo de estándares de saneamiento, el tipo de estándares de residuos, el tipo de estándares de efluentes, el tipo de estándares de lodos, el tipo de estándares de gases, el tipo de estándares de olores, el tipo de estándares de ruido, el tipo de estándares de vibración, el tipo de estándares de iluminación, el tipo de estándares de acústica, el tipo de estándares de climatización, el tipo de estándares de calefacción, el tipo de estándares de refrigeración, el tipo de estándares de ventilación.

Read this English version of this editorial at [prbiz.com](http://prbiz.com)



# Current Statistics:

---

Currently, Puerto Rico receives about 80,000 pounds of air cargo daily at Luis Muñoz Marín International Airport (SJU), both through dedicated carriers and through the passenger airlines.



U.S. Congresswoman  
**Jennifer**  
González-Colón

# Current Statistics:

---

**1,730** companies operating on the Island, that contribute about **57%** of Puerto Rico's Adjusted Gross Domestic Product rely on Air Cargo; most of which is manufacturing, pharmaceuticals, and medical equipment



U.S. Congresswoman  
**Jennifer**  
González-Colón



# Economic Impact of Expanded Air Cargo Operations:

---

A report by the Census Information Center at the University of Puerto Rico, Cayey Campus, concluded that exempting the Island from Air Cabotage, there would be the following economic impact:

A direct economic impact of \$219.3 million in new accumulated activity over a 12-year term just in the northwest region of the Island.

Additionally, there would be an indirect economic impact estimated in \$184.2 million for the Island as well.



U.S. Congresswoman  
**Jennifer**  
González-Colón

# Meeting Secretary Elaine Chao

---

Met with the Secretary of Transportation, Elaine Chao to discuss the Air Cargo Waiver for Puerto Rico



U.S. Congresswoman  
**Jennifer**  
González-Colón



# Department of Transportation

## Two year waiver

---

This waiver will allow the following to happen at Puerto Rico International Airports:

- To transfer cargo and passengers from any of their aircraft to any other aircraft provided both aircraft are operating to and from a point in the carrier's homeland.
- Foreign or domestic flights that stop in Puerto Rico may now transfer cargo or passengers to another flight.
- Passengers or cargo from Puerto Rico may be added to foreign flights continuing to the United States or to a foreign homeland.
- Cargo or passengers may change flights to a final destination provided they are on a US based airline.



U.S. Congresswoman  
**Jennifer**  
**González-Colón**

# Department of Transportation

## Two year waiver

---

This waiver does not allow:

- A foreign carrier cannot transfer cargo or passengers if its not currently authorized by the Departments of Transportation and Homeland Security to stop in any of the international airports.
- A foreign air carrier cannot stop or transfer cargo or passengers from a 3rd country in Puerto Rico. Only cargo originating in the carrier's homeland.
- Foreign carriers to transfer passengers and cargo to other airports, where flights may travel outside of the original flight plan without a Statement of Authorization.
- Cabotage operations- a foreign airline cannot transport goods or passengers between two points in the same country.



U.S. Congresswoman  
**Jennifer**  
**González-Colón**



# CARES Act Funding for the Airline and Cargo Industry:

---



The Coronavirus Aid, Relief, and Economic Security (CARES) Act provides \$32 billion in grants and \$29 billion in credit assistance to the airline industry, as well as relief from excise taxation related to commercial air travel.

The Act provides up to \$25 billion in grants to passenger airlines, \$4 billion for cargo airlines, and \$3 billion for aviation contractors.

The Act also requires that funds are to be used for the exclusive purpose of maintaining employee payrolls and are disbursed in amounts equal to the payrolls of recipients over the period from April 1 through September 30 of 2019.



U.S. Congresswoman  
**Jennifer**  
**González-Colón**

# Upcoming Federal Surface Transportation bill

---

As a member of the House Transportation and Infrastructure Committee, we will work on a bill to reauthorization Surface transportation this year as the current bill, the Fixing America's Surface Transportation Act (FAST Act) is set to expire.

I ask that you contact my office with your requests, as they relate to surface transportation, for consideration and inclusion.



U.S. Congresswoman  
**Jennifer**  
González-Colón