Air Cargo

A MATTER OF ECONOMIC DEVELOPMENT AND JOB CREATION FOR PUERTO RICO
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.

**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.

**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.
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.
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
HR 2357 - the Puerto Rico Air Cargo Industry Empowerment Act was introduced to add Puerto Rico the Steven’s Amendment during the 116th Congress.
Rep. Jennifer González gathered government and private sector representatives in her office to follow up on air cargo efforts.

**February 3, 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.

**February 19, 2020**

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

**April 29, 2020**
Abren la puerta para exención en cabotaje aéreo

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

Dispensa tentativa al cabotaje aéreo

El Departamento de Transporte Federal permitirá que los aeropuertos en la isla puedan recibir carga y pasajeros internacionales.

Acogieron medida de González

El Congreso decidió la propuesta para analizar la creación de un centro internacional de trasbordo en el aeropuerto de San Juan.

Estudio federal abre la puerta a la exención aérea

La legislación del Congreso ordena un estudio sobre la viabilidad de exigir a Puerto Rico de los estatus de cabotaje aéreo, en un importante paso para el objetivo de incrementar la productividad y la competitividad del transporte aéreo.

EDITORIAL

La solución a la problemática de los servicios de transporte aéreo es fundamental para el desarrollo del país. Es necesario que el gobierno federal reconozca la importancia de estos servicios para el crecimiento económico de Puerto Rico.

Gobiernos tratan los trámites para enviar a Alaska y Hawái

En un esfuerzo por mejorar la movilidad en el transporte marítimo, se están realizando trámites paraEnviar a Alaska y Hawái.

Estudio federal abre la puerta a la exención aérea

La ley establece que el Congreso debe revisar si la isla puede recibir la exención aérea.

Editorial

El interés de Puerto Rico en obtener la exención aérea se debe a la necesidad de incrementar la productividad del transporte aéreo.

La exención aérea permitiría que Puerto Rico sea considerado como un centro de transporte internacional, lo que atraería más empresas y generaría empleo.
La apertura del cabotaje es crecimiento para todos

La apertura de la navegación aérea entre las islas en el futuro próximo es una oportunidad para los puertos de Puerto Rico.
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.
Manufacturing accounts for 47.3% of the Islands Gross Domestic Product, of which the Pharmaceutical and Medical Device industries accounts for 41.7%.

12 of the Top 20 Pharmaceutical companies have facilities on the Island.

Pharmaceutical products represents 73% of all air cargo that passed through Puerto Rican airports.

Prior to COVID-19, air cargo was projected to grow by 2% for 2020 for the 11th consecutive year by the International Air Transportation Association.
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.

There would be an indirect economic impact estimated in $184.2 million for the Island as well.

Additionally, this is projected to create over 6,000 new jobs.
Meeting Secretary Elaine Chao

Met with the Secretary of Transportation, Elaine Chao to discuss the Air Cargo Waiver for Puerto Rico
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.
Department of Transportation
Two year waiver

This waiver does not allow:

• A foreign carrier cannot transfer cargo or passengers if it is 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.
Next Steps

In order for Puerto Rico to be able to grow its air cargo and passenger market share:

- Laws and regulations in Puerto Rico must be updated and adapted to ensure maximum flexibility to take full advantage of the cargo and passenger waiver.

- Analysis and investment on soft and physical infrastructure such as updated information technology and processing, additional warehouses for storage space, cold storage necessary for commodities and pharmaceuticals, and runways and taxiways should be done to ensure Puerto Rico can attracted new and increased air cargo capacity.

- Necessary personnel to handle increased capacity need to be trained and ready.
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.
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.