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The Honorable Orrin Hatch  
Chairman  
Task Force on Economic Growth in Puerto Rico  
United States Senate  
Washington, DC 20510

BY EMAIL: [prtaskforce@mail.house.gov](mailto:prtaskforce@mail.house.gov)

Dear Mr. Chairman:

On behalf of Campbell Soup Company, I welcome this opportunity to respond to the Task Force's invitation to share impediments to economic growth in Puerto Rico and provide constructive recommendations.

Campbell, established and headquartered in Camden, New Jersey since 1869, is a global manufacturer of soups, simple meals, baked snacks, fresh vegetables, sauces and beverages under such brand names as *Campbell's*, *Pepperidge Farm*, *Bolthouse Farms*, *Plum Organics*, *Prego*, *Pace*, *SpaghettiOs* and *Swanson* broth. With annual revenues exceeding \$8 billion per year, we employ approximately 17,000 people globally, including nearly 10,000 in the United States. We operate manufacturing sites in 15 U.S. states, including Utah, Florida, Wisconsin and New Jersey. We also have manufacturing operations in the province of Ontario, and in Asia and Europe.

Puerto Rico relies heavily on food manufactured on the continental United States and transported to the island by barge and ship. Puerto Rico is also the only U.S. territory that must fully comply with the Jones Act, which limits service to ships that are manufactured in the U.S., manned by U.S. crews, and operating under the U.S. flag. As a result, only two carriers can now serve the Commonwealth. It now costs over \$3,000, on average, to ship a container of food and commercial goods from the U.S. mainland to Puerto Rico, while it costs nearly 50% less for the same shipment to go to neighboring islands that are exempt from the Jones Act. Meanwhile, non-US manufactured products may be shipped from other countries at much lower costs, putting U.S. companies such as Campbell at a competitive disadvantage.

This lack of competition and the regulatory stranglehold raises the cost of food on an island where the poverty rate exceeds 46 percent and the population is experiencing a serious decline.

We understand the value of the Jones Act in preserving America's merchant fleet. However, given the dire economic situation in Puerto Rico, we submit that Congress should seriously consider one or more of three narrow options, in the following order:

1) Partial repeal of the U.S.-built requirement, to apply only to goods bound for Puerto Rican ports. Carriers would still have to operate U.S.-owned and U.S.-crewed vessels; and

2) A temporary waiver to allow foreign-built ships to enter the Puerto Rico market, and thus provide competition and increased service. This was proposed by the Federal Reserve Bank of New York in 2013; and

3), Returning Jones Act regulation to the Federal Maritime Commission, where it existed prior to 1996. Currently, the Surface Transportation Board is responsible for administering the Jones Act, and unfortunately, oversight and regulation have been almost non-existent.

I would be very pleased to follow up and meet with the Task Force or any of its members to delve deeper into this issue and answer questions. Again, we deeply appreciate congressional leadership on this issue and share your goal to restore economic growth and opportunity the island of Puerto Rico.

Sincerely,

A handwritten signature in dark ink, reading "Kelly Johnston". The signature is fluid and cursive, with the first name "Kelly" and last name "Johnston" clearly legible.

Kelly D. Johnston  
Vice President – Government Affairs