

## Comisión de Derechos Civiles Participación Ciudadana y Economía Social

September 2, 2016

The Honorable Orrin Hatch Chairman Congressional Task Force on Economic Growth in Puerto Rico 104 Hart Office Building Washington, DC 20510

E-mail: prtaskforce@mail.house.gov

Dear Chairman Hatch:

On behalf of the people of the Commonwealth of Puerto Rico, receive my gratitude and thankful for your attention and opportunity to submit my recommendations to this honorable Congressional Task Force on Economic Growth in Puerto Rico.

As Chairwoman of the Committee on Civil Rights, Citizen Participation, and Social Economy of the Senate of Puerto Rico, I have been working on a broad research directed under the Senate Resolution No. 237 to carry out an exhaustive study of the Report issued by the Government Accountability Office (hereinafter "GAO") on March 14, 2013, with regard to the economic impact of ocean freight shipping costs between Puerto Rico and the United States, as a result of the application of Federal Cabotage Laws.

The report is included with this letter for your immediate reference. In summary, the results of this research demonstrated that our maritime transportation market of goods is controlled by a minimum group of transportation carriers. Some of these carriers have unqualified coast wide vessels along with the most expensive rates. Also, these rates make our imported goods to be over 25% more expensive than any other State, or territories.

This situation serves to once again clearly illustrate how the restrictions and limitations on maritime transportation imposed by the *Merchant Marine Act of 1920* (Jones Act) result in substantial obstacles to the security, economic development interests of the Commonwealth of Puerto Rico, and the civil rights violation; that because of its geographic location is completely dependent on maritime transportation to survive and thrive.

S E N A D O

EL CAPITOLIO PO BOX 9023431 SAN JUAN, PR 00902-3431 T. (787) 721-6088, (787) 721-1059 F. (787) 977-4927 E. mquinonez@senado.pr.gov

HON. ROSSANA LÓPEZ LEÓN PRESIDENTA SENADORA POR ACUMULACIÓN PORTAVOZ ALTERNA DE LA MAYORÍA Page 2
The Honorable Orrin Hatch
Chairman
Congressional Task Force
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On November 2012, after the landfall of Hurricane Sandy, the Secretary of Homeland Security issued a temporary blanket waiver of the Jones Act in order to allow non coastwise-qualified oil tankers to transport oil from U.S. ports in the Gulf of Mexico to Northeastern ports to provide additional fuel resources to the region. Such waiver provided, in part, that the lost production, refining, and transportation capacity had resulted in the imminent unavailability of petroleum products, including gasoline, and threatened the "nation's economic and national security".

In the case of the Commonwealth of Puerto Rico, our actual economic situation can be attended with this type of tools to improve our geographical strategic position in order to develop our economy and industries growth. Therefore, we believe that granting this waiver request is fully justified bringing us a real economic development and to remove this historical violation of our civil rights.

Recognizing that waivers of this nature require an integrated effort, we appreciate your swift review of this request and join us. The reason for this letter is also to invite you and work together to fight against this economic milestone which affects the people of Puerto Rico and every US territory. If we seek this goal together, we will be part of a new generation of progress by giving the American citizens of Puerto Rico and all the people from other territories restricted by Jones Act a new economic growth tool.

If you have any questions or need additional information, please do not hesitate to contact me at 1-787-977-4920 at 1-787-721-6088. Thank you for your assistance in this important and urgent matter.

Sincerely

Hon. Rossana López León

Senator

enate of the Commonwealth of Puerto Rico

Re: mquinonez@senado.pr.gov