

**GOVERNMENT OF PUERTO RICO
LA FORTALEZA
SAN JUAN, PUERTO RICO**

Administrative Bulletin Number: OE-2020-051

EXECUTIVE ORDER OF THE GOVERNOR OF PUERTO RICO, HON. WANDA VÁZQUEZ-GARCED, TO CREATE THE PUERTO RICO INTERNATIONAL CARGO AND PASSENGER TRANSFER MARKETING, PROMOTION, STRATEGY, AND LOGISTICS COMMITTEE.

WHEREAS: The Government of Puerto Rico remains committed to promoting the Island's economic development and maximizing all its economic sectors, components, and opportunities in order to create new jobs, retain existing jobs, and promote general wellbeing. In this regard, this Administration has emphasized the need to develop, seek, and secure all the programs, assistance, and benefits available to Puerto Rico, both within and outside our territorial limits, in order to strengthen Puerto Rico's position as a competitive player in international trade. The ultimate goal of the Government of Puerto Rico is to ensure a stable, sustained, and constantly growing and innovating economic development to, thereby, promote an active and healthy economy that will benefit all Puerto Ricans.

WHEREAS: On June 7, 2019, the Government of Puerto Rico, through the Department of Economic Development and Commerce ("DDEC," for its Spanish acronym), filed an application to the United States Department of Transportation ("USDOT") to expand international cargo and passenger transfer activities at several airports in Puerto Rico through administrative procedures, pursuant to the provisions of 49 U.S.C. §40109(c).

WHEREAS: On February 19, 2020, the USDOT issued Order No. 2020-2-12, requesting interested parties to show cause why the USDOT should not grant foreign air carriers an exemption for a two (2)-year term to expand their cargo and/or passenger transfer activities at several international Puerto Rican airports.

WHEREAS: On April 29, 2020, the USDOT issued Order No. 2020-4-10 and a final determination granting an exemption to foreign carriers for a two (2)-year term to expand international cargo and/or passenger transfer services at the following international airports in Puerto Rico: (1) Mercedita Airport in the Municipality of Ponce; (2) Rafael Hernández Airport in the Municipality of Aguadilla; and (3) Luis Muñoz Marín Airport in the Municipality of Carolina.

WHEREAS: The exemption obtained from the USDOT is an extremely important event that should not be underestimated since, as compared to the



State of Alaska and the Mariana Islands and Guam territories, which have only been granted air cargo exemption, Puerto Rico is the only U.S. territory with an exemption applicable to international air cargo and passenger transfer.

WHEREAS:

Order No. 2020-4-10 allows cargo and/or passenger airlines to:

(1) transfer cargo and passengers from any of their aircraft to any of their other aircraft in Puerto Rico, provided that both aircraft are operating to/from a point in the carrier's homeland.

(2) make changes, at Puerto Rico international airports, in the type or number of aircraft used to transport cargo and passengers, provided that: (a) in the outbound direction, the transportation beyond Puerto Rico is a continuation of the transportation from the carrier's homeland to Puerto Rico, and (b) in the inbound direction, the transportation to the carrier's homeland is a continuation of the transportation from behind Puerto Rico;

(3) commingle cargo and passenger traffic moving in foreign air transportation with domestic cargo and passenger traffic.

(4) discharge cargo and/or passenger traffic at Puerto Rico international airports for transfer to a U.S. carrier for onward carriage to a final destination in the United States or in a third country.

(5) uplift from Puerto Rico cargo and passenger traffic transferred from a U.S. carrier that was transported by that carrier to Puerto Rico from a point of origin elsewhere in the United States or in a third country.

(6) discharge passengers and cargo at Puerto Rico international airports for transfer to another foreign carrier for onward carriage to a final destination in a third country; and

(7) uplift from Puerto Rico international airports passengers and cargo transferred from another foreign carrier that was transported by that carrier to Puerto Rico from a point of origin in a third country.

WHEREAS:

The activities described above may: (1) increase air traffic volume by at least seventeen percent (17%) and, as a corollary, may increase trade in general; (2) generate at least six thousand (6,000) new direct and indirect jobs during the two (2)-year exemption term, (3) attract approximately two hundred eighty-nine thousand six hundred three (289,603) new passengers; and (4) have a \$219.3 million economic impact.

WHEREAS:

The aforementioned exemption will help the Government of Puerto



Rico to: (a) promote the development and rehabilitation of warehouses on the Island, (b) encourage the arrival of new cargo and passenger air carriers; (c) promoting the logistics, customer service, packaging, and re-packaging industry; (d) increase the demand for ground transportation services; (e) give a boost to the aircraft maintenance, repair, and overhaul (MRO) sector; (f) increase aviation fuel sales; (g) promote the public policy to attract specialized manufacturing and pharmaceutical companies so that they can enjoy the benefits outlined above; and (h) increase export opportunities, among many other possibilities.

WHEREAS:

Puerto Rico offers endless attributes and advantages that will allow us to achieve a rapid growth in the transport and cargo industry sector, specifically: (1) a perfect geographic location; (2) airport infrastructure with expansion potential; (3) geographic location within existing routes with high growth potential; and (4) a favorable position to take advantage of new global air transport trends, among other advantages.

THEREFORE:

I, WANDA VÁZQUEZ-GARCED, Governor of Puerto Rico, by virtue of the powers inherent to my office and the authority vested in me by the Constitution and the Laws of the Government of Puerto Rico, hereby DECLARE and ORDER the following:

Section 1:

The Puerto Rico International Cargo and Passenger Transfer Marketing, Promotion, Strategy, and Logistics Committee is hereby created (hereinafter, the "Committee").

Section 2:

The Committee shall be led by the Secretary of Economic Development and Commerce and by the Governor's Chief of Staff, who will carry out their duties *ad honorem*, and shall include the following members:

- (1) The Secretary of State.
- (2) The Secretary of Economic Development and Commerce, who will act as Committee Chair and who shall coordinate with the Secretary of State all procedures related to this Order.
- (3) The Governor's Chief of Staff, who will act as the Committee's Co-Chair.
- (4) The Secretary of Transportation and Public Works, who will act as Committee Vice-Chair.
- (5) The Ports Authority's Executive Director, who will act as the

Committee Secretary.

- (6) Invest Puerto Rico's Executive Director.
- (7) Discover Puerto Rico's Executive Director.
- (8) A member of the Puerto Rico Chamber of Commerce who is knowledgeable on the subject.
- (9) A member of the Puerto Rico Manufacturers Association; and
- (10) Two private-sector experts on international logistics and transportation with expertise on the subject, appointed by the Governor of Puerto Rico.

Section 3: The Committee shall coordinate, together with the Governor of Puerto Rico, the public policy strategy aimed at providing education on the benefits and opportunities presented by the two (2)-year exemption granted by the USDOT to Puerto Rico, in order to maximize its economic impact and take full advantage of this unprecedented opportunity.

Section 4: The Committee shall meet at least once a month. Meetings may be held in person, by conference call, by videoconference, or using any other virtual means. Regardless of the method used to conduct the meeting, the Committee Secretary, or the person delegated by the Secretary, shall be in charge of recording the minutes at each meeting.

 **Section 5:** As of the date of approval of this Executive Order, but no later than September 30, 2020, the Committee shall submit an initial report to the Governor regarding the potential public policy strategies aimed at maximizing the benefits and the returns of the exemption granted to Puerto Rico by the USDOT. Once the recommended strategies have been approved, the Committee shall submit quarterly reports to the Governor on the progress and development of said strategies, as well as any challenges faced or additional areas of opportunity that needs to be evaluated in order to meet the objectives of this Executive Order.

Section 6: The Committee Chair and Co-Chair shall have the discretion to allow the admission of new members to the Committee if deemed necessary, including members of the federal government.

Section 7: The Committee may create working subcommittees to address specific subjects, matters, or objectives. The spokesperson and the

secretary of each subcommittee shall be appointed by majority vote.

Section 8: **DEROGATION.** This Executive Order supersedes any other executive order that may be inconsistent with the provisions herein, to the extent of such inconsistency.

Section 9: **VALIDITY.** This Executive Order shall enter into force immediately.

Section 10: **SEVERABILITY.** The provisions of this Executive Order are separate and independent of each other, and if any part, section, provision, or sentence of this Executive Order is declared unconstitutional, void, or invalid by a court of jurisdiction and venue, such decision shall not affect the validity of the remaining provisions, which shall remain in full force.

Section 11: **NON-CREATION OF ENFORCEABLE RIGHTS.** This Executive Order is not intended to create any rights, substantive or procedural, enforceable at law or equity, by any person or entity, in any matter, civil, criminal, or administrative, against the Government of Puerto Rico or its agencies, officials, employees, or any other person.

Section 12: **PUBLICATION.** This Executive Order must be filed immediately with the Department of State and the widest possible publication is hereby ordered.



IN TESTIMONY WHEREOF, I hereby issue this Executive Order under my signature and cause the Great Seal of the Government of Puerto Rico to be affixed in San Juan, Puerto Rico, on this 3rd day of July of 2020.

**WANDA VÁZQUEZ-GARCED
GOVERNOR**

Enacted in accordance with the law on this 3rd day of July of 2020.

**ELMER L. ROMÁN-GONZÁLEZ
SECRETARY OF STATE**

CERTIFIED TRANSLATION



I, Juan E. Segarra, USCCI #06-067/translator, certify that the foregoing is a true and accurate translation, to the best of my abilities, of the document in Spanish which I have seen.