

Voz y Acción de la Empresa Privada



PO BOX 9024033 SAN JUAN PR 00902-4033
CALLE TETUÁN #100 VIEJO SAN JUAN PR 00901
www.camarapr.org
787-721-6060 | Fax: 787-723-1891



July 17, 2018

Resolutions Committee
c/o Counsel's Office
Republican National Committee
310 First Street, S.E.
Washington, D.C. 20003
Email: resolutions@gop.com

Dear Chairman and Committee Members:

We are writing to express our support for the adoption of the RNC Resolution Supporting Noncontiguous Jones Act Reform sponsored by the Virgin Islands national committeeman and currently presented before your committee for consideration at the upcoming summer meeting of the Republican National Committee in Austin, Texas.

The Puerto Rico Chamber of Commerce is a multisectoral, nonprofit organization representing the interests of all sorts of industries and businesses in Puerto Rico. As is the case with almost everything in Puerto Rico, our members depend strongly on ocean shipping for all of our domestic interstate transportation. This is due mainly to the application of the Marine Merchant Act of 1920 ("Jones Act") and other cabotage laws to Puerto Rico. This puts Puerto Rico and other noncontiguous parts of the United States in the difficult position of having to rely on U.S. owned, U.S. flagged and U.S. built ships, that are operated by U.S. citizens for all shipments from U.S. ports. This also precludes a boat that is coming from a third country to a port in continental U.S. to make a layover in the island.

Unfortunately, the costs of shipping affect negatively the cost of food, medicines, materials and a great deal of products that are essential to Puerto Rican people and businesses. The International Commerce Commission of the United States estimated in 1999 that cabotage laws raise shipping costs by approximately 30%. A study by the University of Puerto Rico in 2010 also found that these laws cost the island and its citizens \$537 million per year.

Another effect of the Jones Act became all too clear after hurricane Maria hit Puerto Rico almost at the same time as hurricane Harvey and Irma hit Texas and Florida making it very difficult to receive desperately needed supplies in a timely manner. Finally such statute has proven to be a hurdle in trying to bring certain types of gas from continental U.S. to Puerto Rico due to the limited amount of U.S. ships designed for such purposes.

We believe it is necessary to find a balance that allows a prudent conservative reform of the Jones Act that protects American jobs, promotes the national interest, and lowers the cost of living and doing business in the noncontiguous United States.

If you so desire, we would be more than happy to meet or speak with your regarding this important topic.

Thank you for your kind attention to this matter.

Very truly yours,



Kenneth Rivera Robles, CPA, Esq., CVA, CGMA, CM&AA
President
Puerto Rico Chamber of Commerce
Po Box 9024033
San Juan, PR 902-4033