

Congress of the United States
House of Representatives
Washington, DC 20515-5401

June 17, 2011

The Honorable Cecilia Muñoz
Co-Chair, The President's Task Force
on Puerto Rico's Status
Eisenhower Executive Office Building
Washington, DC 20530

The Honorable Thomas J. Perrelli
Co-Chair, The President Task Force
on Puerto Rico's Status
Robert F. Kennedy Building
Room 5706
Washington, DC 20530

Dear Director Muñoz and Associate Attorney General Perrelli:

I want to thank you both for helping to arrange the President's historic visit to Puerto Rico on Tuesday. The President's presence on the Island captivated our imaginations and lifted our spirits. I was particularly heartened to hear the President reiterate his Administration's commitment to take concrete action at the federal level to help strengthen Puerto Rico's economy and improve the quality of life for its residents. The March 2011 Task Force Report charts a course for addressing many of these issues. I look forward to continuing to work with you and others in the Administration to implement the Task Force's recommendations.

I write today to respectfully request support from the White House on two particular issues that Governor Fortuño and I raised with the President during his visit.

Application of the Jones Act in Puerto Rico

First, as you are aware, last month I wrote to the Comptroller General of the United States to request that the U.S. Government Accountability Office study the application of federal laws limiting maritime transportation between ports in the U.S. mainland and Puerto Rico to U.S.-built, U.S.-owned, and U.S.-crewed vessels. These requirements, commonly referred to as the "Jones Act," trace their origins to Section 27 of the Merchant Marine Act of 1920. In 1984, Congress amended the law to authorize transportation of passengers between Puerto Rico and other U.S. ports on foreign-flag vessels. This exemption was rooted in the recognition that Puerto Rico, as a non-contiguous U.S. jurisdiction highly dependent on maritime transportation, is uniquely impacted by the Jones Act.

Many of my constituents, including a wide array of economists, have expressed the view that Puerto Rico families and companies are hurt—and that the Island's economic growth and competitiveness are hampered—by higher shipping costs potentially associated with the Jones Act. For example, concerns have been raised that these restrictions place Puerto Rico at a disadvantage vis-à-vis other ports in the Caribbean that are competing with the Island for

maritime commerce, including the opportunity to serve as a transshipment hub for shipborne goods moving between Latin America and the United States. Global investors have contributed to the development of port terminals and transshipment capabilities in the Dominican Republic, Jamaica and the Bahamas. There is unease among my constituents that these investments—while serving to accelerate development in the greater Caribbean basin—may represent a lost opportunity for American jobs and American growth in Puerto Rico.

In light of these concerns, I asked GAO to prepare a report examining the impact of the Jones Act's application to Puerto Rico, in terms of its effect on both the Puerto Rico economy and the broader U.S. economy. My goal is straightforward: to obtain an objective, thorough and timely analysis of the economic implications of the Jones Act's application in Puerto Rico—one that is based on empirical data and informed by the views of all stakeholders. Without such a study, sound policymaking in this area will be exceedingly difficult.

The GAO is in the process of considering my request. In determining when to commence work on a requested study, GAO considers a range of factors, including whether the request is endorsed by a chairman or ranking member of a congressional committee or subcommittee of jurisdiction. Given the importance of this issue, I seek the Administration's support for this GAO request. In particular, it would be helpful if the Administration would encourage the leadership of the respective committees of jurisdiction—the House Transportation and Infrastructure Committee, the House Natural Resources Committee, the Senate Commerce, Science, and Transportation Committee, and the Senate Energy and Natural Resources Committee—to endorse my request. With their endorsement, GAO would be in position to commence the requested study without delay.

I strongly share the President's vision for job creation and economic recovery in the United States, including in the U.S. territory of Puerto Rico. The GAO study on the Jones Act that I have requested will provide federal policymakers with the information we need to make sensible decisions aimed at maximizing economic opportunity on the Island.

Drug-Related Violence in Puerto Rico

A second issue that Governor Fortuño and I raised directly with the President, and for which I have consistently sought support from the Administration, concerns drug-related violence in Puerto Rico. Because of its geographic location, Puerto Rico serves as a key U.S. entry and transshipment point for drugs produced in Latin America. As a result, while the U.S. homicide rate has declined substantially in recent decades, the number of murders committed on the Island has remained unacceptably high. I know you share my view that violent crime exacts a terrible price. Its costs are measured not only in the number of lives lost, but in the number of citizens who live in fear that they, or someone they love, might become the next victim.

As I discussed with President Obama—and, before that, with Attorney General Holder and senior officials at the Department of Homeland Security—there is a mismatch between the level of drug-related violence in Puerto Rico and the size and scope of the federal response. Approximately 1,200 federal law enforcement officers are assigned to Puerto Rico. This translates to 31 federal law enforcement officers per 100,000 residents, well below the national

average of 36. The number of authorized positions at key federal law enforcement agencies on the Island is too low and the number of vacancies at those agencies is too high. For example, the Drug Enforcement Administration's (DEA) San Juan Field Division has only one-third the number of special agent positions as the Miami Field Division, and 17% of those positions are not filled. Likewise, the Bureau of Alcohol, Tobacco, Firearms and Explosives has a vacancy rate of over 50%, and the Immigration and Customs Enforcement (ICE) has a vacancy rate of over 20%.

Based on the many discussions I have had with federal officials in Puerto Rico and Washington, it is clear that federal law enforcement agencies are facing significant challenges with recruiting and retaining agents to work in Puerto Rico. This is not a new problem. In 2000, the then-Special Agent in Charge of the DEA's San Juan Field Division testified before Congress that few DEA law enforcement personnel are "willing to accept a transfer to Puerto Rico, and those who do so often want to leave soon after arrival."¹ To address this issue, I recently introduced bipartisan legislation that would require the Department of Justice and the Department of Homeland Security each to establish a program to recruit, assign, and retain individuals to serve in federal law enforcement positions in jurisdictions, like Puerto Rico, that are experiencing high rates of homicide and other violent crimes.

Congress has already taken constructive steps on this issue. Earlier this month, at my urging, the House Appropriations Committee expressly acknowledged that drug trafficking through Puerto Rico and the Caribbean region is a significant concern and is connected with Puerto Rico's unacceptably high murder rate. The Committee directed the three primary component agencies of the Department of Homeland Security—ICE, the Coast Guard, and Customs and Border Protection—to report to the Committee by December 1, 2011, on how these agencies are deploying the resources necessary to effectively counter this illicit trafficking. I am seeking similar recognition and direction from the Appropriations Committee to ensure that the Department of Justice is allocating the resources necessary to combat drug-related violence in Puerto Rico.

I urge the Administration, in the strongest possible terms, to take immediate and concrete steps to provide Puerto Rico with the personnel, assets and funding it needs—and deserves—to reduce drug-related violence on the Island.

Thank you for your attention to these two issues, and for helping to arrange such an historic visit from our President.

Sincerely,



Pedro R. Pierluisi
Member of Congress

¹ *Drug Trafficking in the Caribbean: Do Traffickers Use Cuba and Puerto Rico as Major Transit Locations for United States-bound Narcotics?: Hearing Before the Comm. on Gov't Reform, 106th Cong. 19-85 (2000)* (statement of Michael S. Vigil, Special Agent in Charge, San Juan Field Division).