

# Transshipment Overview & FAQs

Puerto Rico was granted an exemption by the U.S. Department of Transportation that authorizes licensed foreign air carriers to conduct certain passenger and cargo transfer operations at the Island's three international airports. The exemption is valid through April 29, 2022 and can be renewed. This provides opportunities for these airports to serve as transshipment hubs for passengers and cargo but does not authorize foreign air carriers to conduct cabotage. There are five transfer activities that licensed foreign air carriers may engage in under the new exemption:

1. Transfer cargo and passengers from any of their aircraft to any of their other aircraft, provided that both aircraft are operating to or from a point in the carrier's home country.
2. Make changes, at Puerto Rican international airports, in the type or number of aircraft used to transport cargo and passengers, provided that (1) in the outbound, the transportation beyond Puerto Rico is a continuation of the transportation from the carrier's homeland to Puerto Rico, and (2) in the inbound, the transportation to the carrier's homeland is a continuation of the transportation behind Puerto Rico.
3. Commingle cargo and passenger traffic moving in foreign aircraft with cargo and passengers not moving in foreign aircraft. Does NOT include authorization to conduct cabotage. Foreign carriers that hold effective DOT authority can also coterminate Puerto Rico with other U.S. points for which they hold DOT authority.
4. Discharge cargo and passenger traffic in Puerto Rico for transfer to a U.S. carrier for onward carriage to a final destination in the United States or a third country, and to 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 U.S. or in a third country.
5. Discharge passengers and cargo in Puerto Rico for transfer to another foreign carrier for onward carriage to a final destination in a third country, and to uplift from Puerto Rico passengers and cargo transferred from another foreign carrier which was transported by that carrier to Puerto Rico from a point of origin in a third country.



This exemption applies to all foreign air carriers that currently hold, or that may subsequently receive, effective DOT authority to engage in foreign air transportation.\*

\*The exemption does not apply to Venezuelan carriers.

# Frequently Asked Questions

1. What airports are eligible for international transshipment activities?
  - Luis Munoz Marin International Airport (SJU)
  - Rafael Hernandez International Airport (BQN)
  - Mercedita International Airport (PSE)
2. May a foreign flag carrier transfer cargo and passengers to a U.S. flag carrier at SJU, BQN, or PSE?
  - On flights to the U.S.?
    - Yes, provided that the foreign flag carrier has received authority from the U.S. DOT to serve Puerto Rico. This is a conventional interline connection.
  - On flight from the US?
    - No, this constitutes cabotage.
3. May a foreign flag carrier transfer passengers and cargo to another foreign flag carrier at SJU, BQN, or PSE?
  - If the journey is between a point outside the U.S. and a point within the U.S., two different foreign carriers may not transfer passengers or cargo between each other. Foreign air carriers may transfer passengers or cargo in Puerto Rico for journeys solely between two foreign points with a stop in Puerto Rico.
4. May a foreign flag carrier transfer passengers and cargo to its own aircraft at SJU, BQN, or PSE?
  - Yes. There is no limit on change of gauge or starburst transfers to a foreign flag carrier's own aircraft at one of Puerto Rico's three international airports.
  - Transportation provided between PR and another US point must be the continuation of transportation originating outside the US.
  - Transportation between Puerto Rico and the carrier's homeland must be the continuation of transportation originating behind Puerto Rico (i.e., within the US or a third country). This would always be the case with transferred cargo.
5. What is the process for utilizing current bilateral and transfer rights?
  - Where passenger and cargo transfer rights are explicitly set forth in a bilateral agreement with the U.S., a foreign flag carrier designated to provide air transportation under the agreement must apply to the USDOT either for an amendment of its foreign air carrier permit or for "exemption authority" allowing it to exercise the rights spelled out in the agreement.
6. Is "exemption authority" for service outside their current permit necessary for bilateral rights?
  - Yes—either "exemption authority" or an actual amendment of their current permit (although obtaining "exemption authority" is usually a much quicker process).
7. What additional rights, if any, do carriers need to pick up local cargo for westbound/ eastbound return?
  - None. A foreign flag carrier that is authorized by the USDOT to serve Puerto Rico needs no additional rights in order to pick up cargo in Puerto Rico on its return to a foreign point in any direction.

*Sources: Department of Transportation; Department of Economic Development & Commerce*

