United States Government Accountability Office

Report to Congressional Committees

February 2026

PUERTO RICO

Information on Air Cargo Infrastructure and Operations

GAO-26-107762

GAO Highlights

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A report to congressional committees

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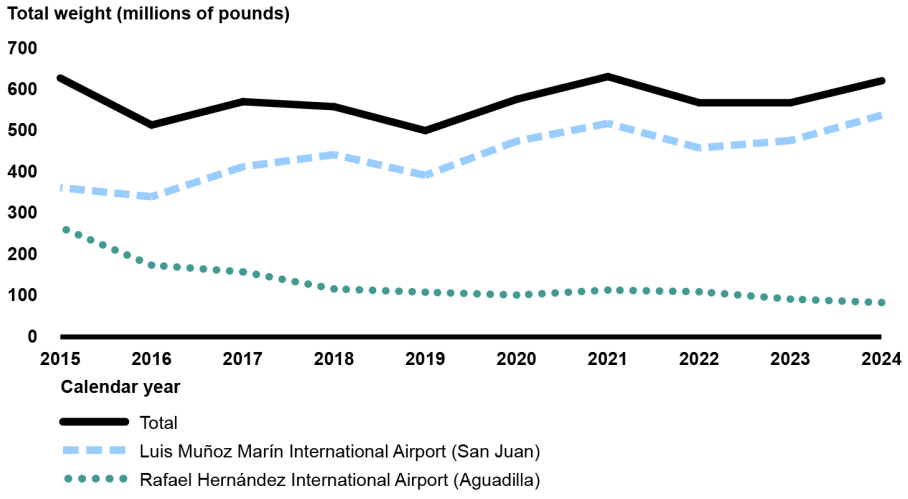
What GAO Found

Air cargo volume handled by Puerto Rico's three international airports fluctuated between 2015 and 2024, hitting a low of 501 million pounds in 2019 before increasing to 621 million pounds in 2024, according to Bureau of Transportation Statistics's air carrier data. The largest of these airports, Luis Muñoz Marín in San Juan, increased cargo volumes over this period, while volumes declined at the second largest airport, Rafael Hernández in Aguadilla. Mercedita Airport in Ponce is not regularly used as a cargo airport. Health care-related goods—including pharmaceuticals and medical devices—accounted for about half of the reported cargo volume leaving Puerto Rico, according to Census trade data.

Air Cargo Traffic for International Airports in Puerto Rico (in pounds), 2015–2024



Source: GAO analysis of Bureau of Transportation Statistics's Air Carrier Statistics T-100 database. | GAO-26-107762

Note: Data do not include traffic between Puerto Rico's airports. Mercedita International Airport, which annually handled between 0 and 50,000 pounds of cargo, is included in the total but not separately.

According to air cargo stakeholders GAO interviewed, some conditions at Puerto Rico's international airports can support existing air cargo operations, but improvements are needed for growth. Stakeholders noted recent improvements to airport infrastructure in San Juan, including expanding access roads. However, they also identified additional improvements needed, such as enhancing warehouses and cold storage space at all airports. They also identified needed operational improvements. For example, agency officials, including from U.S. Customs and Border Protection and the Department of Agriculture, noted that there were limited staff available to inspect cargo, which could affect timeliness should operations increase.

Puerto Rico has pursued several initiatives to promote growth in air cargo operations, including seeking expanded authority for some air carriers to transfer cargo. In addition, Puerto Rico has developed an air cargo strategy and worked with health care manufacturers and the logistics sector to increase collaboration and standardize pharmaceutical handling practices at its international airports.

Why GAO Did This Study

Aviation is critical for delivering time-sensitive goods like health care products. With the growth of e-commerce, it is also a means to rapidly deliver consumer goods. Puerto Rico is promoting air cargo operations as a means of increasing economic development.

The FAA Reauthorization Act of 2024 includes a provision for GAO to study air cargo operations in Puerto Rico. This report describes (1) trends in air cargo operations from 2015 through 2024 at Puerto Rico's three international airports, (2) conditions at these airports to support air cargo operations and improvements needed for growth, and (3) government and industry efforts to promote air cargo growth and potential effects of such growth.

GAO analyzed Bureau of Transportation Statistics and U.S. Census Bureau air cargo data. GAO also interviewed officials from the Departments of Agriculture, Commerce, Homeland Security, and Transportation; interviewed Puerto Rico government officials, including airport officials at Puerto Rico's three international airports; and reviewed associated documents from these entities. GAO also interviewed a nongeneralizable sample of 29 air cargo stakeholders, including air carriers and health care manufacturers with perspectives on air cargo operations and infrastructure at Puerto Rico's airports. GAO observed air cargo operations and infrastructure conditions in Puerto Rico.

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Abbreviations

Aguadilla	Rafael Hernández International Airport
BTS	Bureau of Transportation Statistics
CBP	U.S. Customs and Border Protection
CEIV	Center of Excellence for Independent Validators
Census	U.S. Census Bureau
DHS	Department of Homeland Security
DOT	Department of Transportation
FAA	Federal Aviation Administration
IATA	International Air Transport Association
INDUNIV	Industry University Research Center, Inc.
Ponce	Mercedita International Airport
San Juan	Luis Muñoz Marín International Airport
TSA	Transportation Security Administration
USDA	U.S. Department of Agriculture

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February 17, 2026

The Honorable Ted Cruz
Chairman
The Honorable Maria Cantwell
Ranking Member
Committee on Commerce, Science, and Transportation
United States Senate

The Honorable Sam Graves
Chairman
The Honorable Rick Larsen
Ranking Member
Committee on Transportation and Infrastructure
House of Representatives

Air cargo plays a significant role in the U.S. and world economy. In 2024, the Federal Aviation Administration (FAA) estimated that air cargo operations contributed $106.5 billion in domestic economic output and sustained over 1 million jobs in 2022.[1] While air cargo represents approximately 1 percent of the world's cargo volume, it comprises about 35 percent of the total value of global trade goods, according to an airport industry association.[2]

Shippers are more likely to transport high-value, perishable, or time-sensitive goods by air.[3] For instance, during the COVID-19 pandemic, the federal government relied on the U.S. air cargo network to quickly distribute temperature-sensitive vaccines. Air cargo also plays a key role in e-commerce, which has increased demand for rapid delivery of these goods. FAA and industry forecasts expect air cargo volume to continue to

[1]Federal Aviation Administration, *The Economic Impact of U.S. Civil Aviation* (September 2024). The economic impact estimate includes both primary and secondary impacts. The primary impacts are a sum of the revenue earned from the sale of goods and services or expenditures relevant to the air cargo industry. The secondary impacts capture spending down the supply chain and payroll impacts that circulate. The most recent year for which FAA has published data is 2022.

[2]Airports Council International – North America, *Air Cargo Guide*, November 2025.

[3]GAO, *Air Cargo: DOT Should Communicate Data Limitations and Identify Stakeholder Challenges,* GAO-25-107334 (Washington, D.C.: July 23, 2025).

grow over the next 20 years, with one industry analysis attributing e-commerce as a significant factor in this growth.[4]

Puerto Rico has experienced a series of natural disasters and a fiscal crisis that affected the island and its economy, and its government officials have looked to the air cargo industry to help stimulate economic growth. Officials' efforts have included pursuing exemption authority to allow foreign air carriers to engage in certain cargo transfer activities on the island. In our 2020 report examining the potential for expanding air cargo operations in Puerto Rico, we reported that increased air cargo operations on the island could have economic benefits, but infrastructure and other challenges could make it difficult to increase operations.[5] For example, we reported that Puerto Rico's lack of intermodal connectivity to the rest of the U.S. and relative proximity to other cargo airports may limit the potential growth of air cargo operations.

Many federal agencies support air cargo operations, with the Departments of Transportation (DOT) and Homeland Security (DHS) playing key roles. These two agencies collectively have responsibility for ensuring the safe, secure, and efficient movement of goods; funding certain supporting infrastructure; and providing data about air cargo infrastructure and operations.

The FAA Reauthorization Act of 2024 includes a provision for GAO to study air cargo operations in Puerto Rico.[6] This report describes

- trends in Puerto Rico's air cargo operations from 2015 through 2024;
- conditions at Puerto Rico's three international airports to support air cargo operations, and improvements that selected stakeholders said are needed for growth; and
- government and industry efforts underway to promote air cargo growth in Puerto Rico, and the potential effects of such growth.

[4]Federal Aviation Administration, *FY2025-2045 FAA Aerospace Forecast*; Boeing, *World Air Cargo Forecast 2024-2043* (2024); and Airbus, *Global Market Forecast 2024*. These forecasts represent FAA and industry expectations at the time the forecasts were published. A number of factors, such as changes in global trade patterns and policies, could affect these expectations and actual future air cargo activities.

[5]GAO, *Puerto Rico: Perspectives on the Potential to Expand Air Cargo Operations,* GAO-21-21 (Washington, D.C.: Oct. 29, 2020).

[6]FAA Reauthorization Act of 2024, Pub. L. No. 118-63, § 761, 138 Stat. 1025, 1289.

To address all the objectives, we interviewed DOT, DHS, Department of Commerce, and U.S. Department of Agriculture (USDA) officials to better understand the roles and responsibilities of these agencies related to air cargo. We also interviewed government officials from the Puerto Rico Ports Authority, Puerto Rico Department of Economic Development and Commerce, and the Puerto Rico Private Partnerships Authority.[7] In addition, we selected a nongeneralizable sample of 29 air cargo stakeholders and conducted semistructured interviews on air cargo trends, the condition and needed improvements of air cargo infrastructure, and potential effects of increased air cargo operations in Puerto Rico.

Specifically, we interviewed officials at all three Puerto Rico international airports—Luis Muñoz Marín International Airport in San Juan, Rafael Hernández International Airport in Aguadilla, and Mercedita International Airport in Ponce—and observed air cargo infrastructure and operations at these airports. We also interviewed representatives from two other U.S. airports, selected based on our prior report and Puerto Rico's exemption application.[8] In addition, we selected 12 air carriers, three ground handling companies, and three freight forwarders based on those that provide, or have provided, services at one or more of Puerto Rico's international airports, and other factors. Additionally, we selected and interviewed representatives from two health care industry organizations, representatives from two trade associations, and one academic knowledgeable about air cargo transshipments (i.e., the transfer of cargo from one aircraft to another), selected based on industry information, such as published air cargo studies, and other factors. See appendix I for a full list of our selected stakeholders and selection methods.[9]

To identify trends in air cargo operations from 2015 through 2024, we analyzed DOT and U.S. Census Bureau (Census) data. Specifically, to identify the volume (weight in pounds) of cargo transported by airport, carrier, and route, we analyzed segment data from DOT's Bureau of Transportation Statistics's (BTS) Air Carrier Statistics T-100 database

[7]We use the term "government officials" to refer to officials from federal agencies and the government of Puerto Rico. Officials we interviewed at the Puerto Rico Ports Authority include both the agency head and airport managers.

[8]These two airports were Miami International Airport in Florida and Ted Stevens Anchorage International Airport in Alaska.

[9]For reporting purposes, we developed the following indefinite quantifiers to describe collective responses from our interviewees: "some" is 3-5, "several" is 6-10, and "many" is 11 or more.

from 2015 through 2024. To describe trends in the volume and values of commodities traded by air, we analyzed Census's International Trade and U.S. Trade with Puerto Rico and Possessions data from 2015 through 2024. We assessed the reliability of these datasets by reviewing documentation and conducting electronic testing, among other steps. We found all three datasets reliable for the purposes of describing Puerto Rico air cargo trends from 2015 through 2024, with some limitations. See appendix I for a comprehensive discussion of the limitations we identified. We also reviewed information from selected stakeholders and industry guidance about air cargo trends and drivers.

To describe the conditions at Puerto Rico's three international airports and needed improvements that selected stakeholders identified, we analyzed information from interviews with government officials and the selected 29 air cargo stakeholders. We also analyzed our observations of air cargo infrastructure and operations, including seven cargo warehouses at the three selected airports.[10] We selected warehouses for our visits based on stakeholder recommendations. Information from our interviews with stakeholders and our observations is not generalizable.

To describe government and industry efforts to promote air cargo growth and the potential effects of that growth, we reviewed DOT documentation on Puerto Rico's transshipment exemption authority. We also conducted a legal analysis of certain open skies agreements, selected based on the volume of cargo operations in Puerto Rico and other information, to determine the similarities between cargo transshipment flexibilities provided in certain existing open skies agreements and the exemption.[11]

We conducted this performance audit from August 2024 to February 2026 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

[10]In addition to all three international airports in Puerto Rico, we observed operations at Miami International Airport and interviewed officials at Ted Stevens Anchorage International Airport.

[11]Open skies agreements are bilateral agreements that the U.S. government negotiates with other countries to provide rights for airlines to offer international passenger and cargo services.

Background

Air Cargo Operations in Puerto Rico

Air cargo operations are an important part of ensuring that goods can move to and from Puerto Rico. Air cargo operations rely on a variety of stakeholders to process cargo and maintain the infrastructure required to do so. These stakeholders include the following:

- **Airports.** Airports provide airside infrastructure (e.g., runways) and, at a minimum, land for ground-based cargo infrastructure. Puerto Rico houses three international airports: the largest, Luis Muñoz Marín International Airport (San Juan); Rafael Hernández International Airport (Aguadilla); and Mercedita International Airport (Ponce) (see fig. 1). Similar to most major U.S. airports, a local government agency, the Puerto Rico Ports Authority, owns and operates the airports in Aguadilla and Ponce. The Puerto Rico Ports Authority also owns the airport in San Juan, but it is the only major airport in the U.S. operated by a private company, Aerostar.[12]

[12]FAA's Airport Investment Partnership Program, which was previously called the Airport Privatization Pilot Program, permits public airport sponsors to sell or lease a general aviation airport or lease any other type of airport for a long term to private companies. See 49 U.S.C. § 47134. As we reported in 2014, government officials pursued privatization through the Airport Privatization Pilot Program as a means of reducing debt and improving operations and infrastructure. Puerto Rico Ports Authority awarded Aerostar the operator contract, and Aerostar took control of the airport on a 40-year lease agreement in 2013. See GAO, *Airport Privatization: Limited Interest despite FAA's Pilot Program,* GAO-15-42 (Washington, D.C.: Nov. 19, 2024).

Figure 1: Map of Puerto Rico's Three International Airports

Sources: GAO analysis of stakeholder interviews and agency documents; and Map Resource (Map). | GAO-26-107762

- **Carriers.** Different types of air carriers own, lease, or operate aircraft used to transport cargo on a regular or chartered basis in Puerto Rico. These carriers may have different business models that affect how they transport cargo (see table 1).[13]

[13]Federal law generally limits the routes by which foreign carriers are legally permitted to operate. Other than Alaska, these laws generally apply to all points in the U.S., including Puerto Rico, which is significantly closer to several foreign countries than it is to the mainland.

Table 1: Types of Air Cargo Carriers

Air cargo carrier type	Description	Examples operating in Puerto Rico
Express carriers	Carriers that operate air and ground transportation and typically use a central hub to process, sort, and distribute packages. Express carriers often fly freighter aircraft that can accommodate specialized containers and handling requirements. Routes often bring cargo to a hub airport, regardless of the proximity between origin and destination.	FedEx, UPS
All-cargo carriers	Carriers that exclusively transport cargo on freighter aircraft. These aircraft have the highest capacity and can accommodate specialized containers and handling requirements. Routes are determined based on cargo demand.	Amerijet International, Atlas Air
Passenger carriers	Carriers that transport cargo in the bellies of passenger aircraft. Since space is shared with passengers and luggage, cargo capacity is limited. Therefore, passenger carriers cannot accommodate high volumes and specialized containers, particularly on narrowbody aircraft. Routes are determined based principally on passenger demand.	American Airlines, United Airlines
Combination carriers	Carriers that carry cargo on passenger flights, as well as freighters. As with all-cargo carriers, combination carriers use freighter aircraft that can accommodate larger and more specialized cargo than passenger service. Carriers may deploy freighters as part of regular service.	Air Canada, Avianca

Source: GAO summary of air cargo literature and carrier websites. | GAO-26-107762

- **Ground handlers.** Ground handlers work with carriers at the airport to load and unload cargo and move it to a warehouse for sorting and screening before distributing it to ground transportation or loading on another aircraft. These companies, depending on the terms of a lease, sometimes share responsibility for maintaining warehouse facilities. Ground handlers are responsible for ensuring that cargo with special handling requirements, like perishables, are properly stored while in transit. In Puerto Rico, companies that provide ground handling services for the island's cargo include: GMD, a ground handler at San Juan; Western Aviation Services Corp, a ground handler at Aguadilla; and Aero Service, a ground handler at Ponce.
- **Freight forwarders.** These entities work with carriers and ground handlers as the shippers' "travel agents" for their cargo, including facilitating customs clearance.[14] Freight forwarders may specialize in

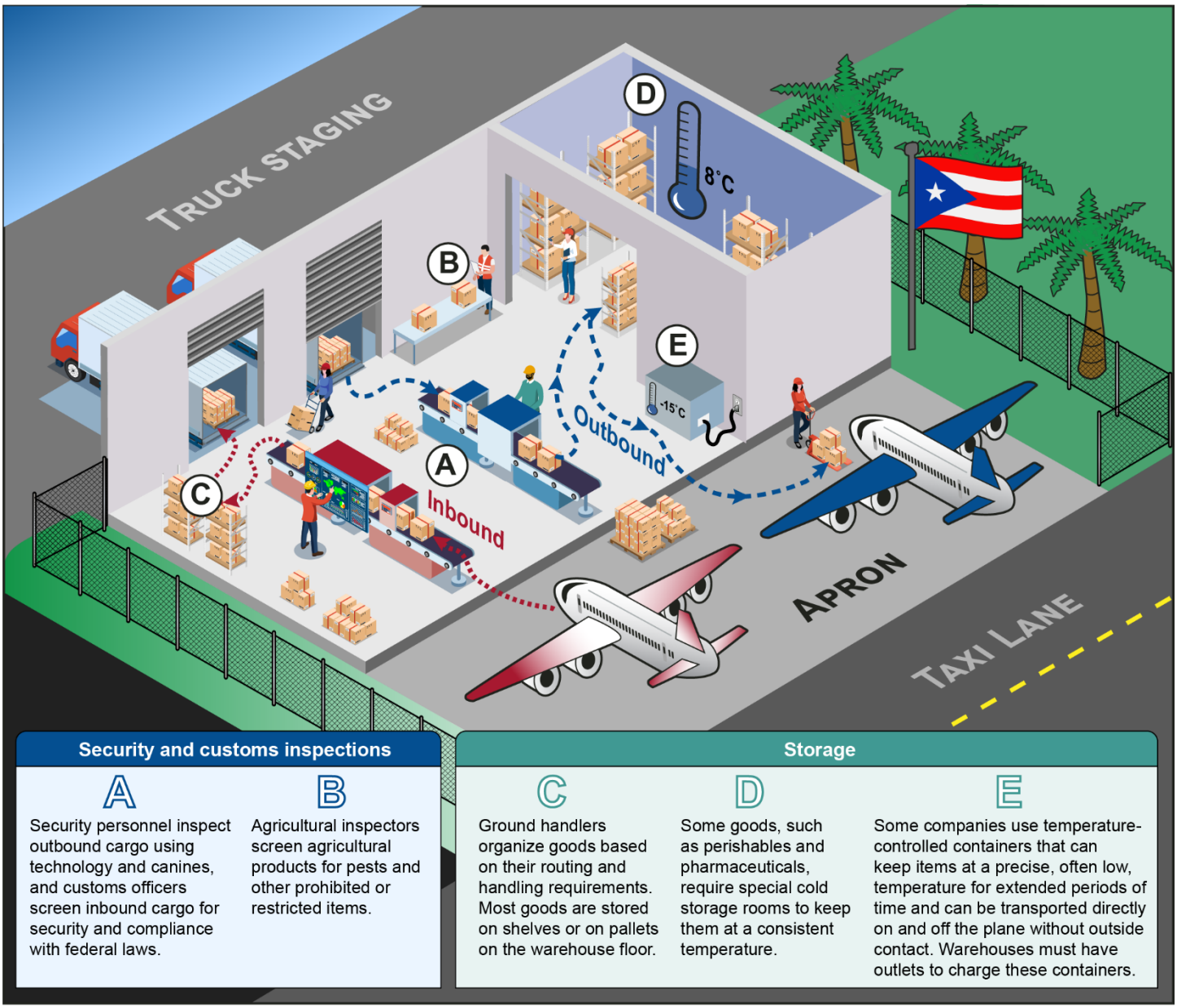
[14]Some freight forwarders may be "indirect air carriers"—persons or entities within the U.S., not in possession of an FAA air carrier operating certificate, that undertake to engage indirectly in air transportation of property and use for all or any part of such transportation the services of an air carrier. See 49 C.F.R. § 1540.5.

a particular type of cargo, like temperature-controlled goods, which require additional care when transported between modes.

Other air cargo stakeholders include companies that manufacture goods on the island and ship goods via air, and trucking companies that transport goods to and from points on the island and between Puerto Rico's airports and seaports.

In addition, air cargo operations depend on infrastructure to move cargo safely and efficiently. This infrastructure includes airside elements, such as taxiways, runways, and cargo aprons; warehouses that connect airside and landside elements; and landside elements, such as additional warehouses, truck areas, and roadways used to move cargo efficiently. Off-airport facilities, such as intermodal transportation connections via rail, truck, and sea, also affect how cargo is moved on and off an airport. While the size and prevalence of these elements vary depending on the volume of cargo handled by the airport, operations follow a similar general process (see fig. 2).

Figure 2: Air Cargo Process and Infrastructure



Source: GAO illustration based on analysis of air cargo literature and stakeholder interviews and Sarawut/stock.adobe.com. | GAO-26-107762

Federal Roles and Responsibilities for Air Cargo

DOT and its operating administrations have primary responsibility for ensuring the safety and efficiency of air cargo, including overseeing the safety and performance of the aviation system, funding infrastructure projects, and improving multimodal connectivity.[15]

In addition, three federal entities are responsible for screening and inspecting cargo to ensure it complies with applicable security, customs, trade, and animal health requirements. These include two DHS entities: the Transportation Security Administration (TSA), which is responsible for ensuring the security of all goods transported on aircraft, and U.S. Customs and Border Protection (CBP), which inspects goods traveling to and from international destinations for compliance with federal laws. The USDA Animal and Plant Health Inspection Service generally requires an additional predeparture agricultural inspection screening for Puerto Rico cargo leaving for the mainland to check for pests and other prohibited or restricted items.

Two federal entities report information about air traffic and trade. BTS collects and analyzes aviation data, including data from carriers about the volume (i.e., weight in pounds) of air cargo on each flight segment to or from U.S. airports, and publishes the data in its Database of Air Carrier Statistics (T-100). In addition, Census reports data from shippers about the size and value of international trade using the Electronic Export Information system and publishes the data in the U.S. International Trade in Goods and Services (FT900) dataset. Unlike goods transported between two U.S. mainland airports, shippers must also report goods transported between Puerto Rico and the mainland U.S. in the Electronic Export Information system to populate Census's U.S. Trade with Puerto Rico and U.S. Possessions (FT895) dataset.

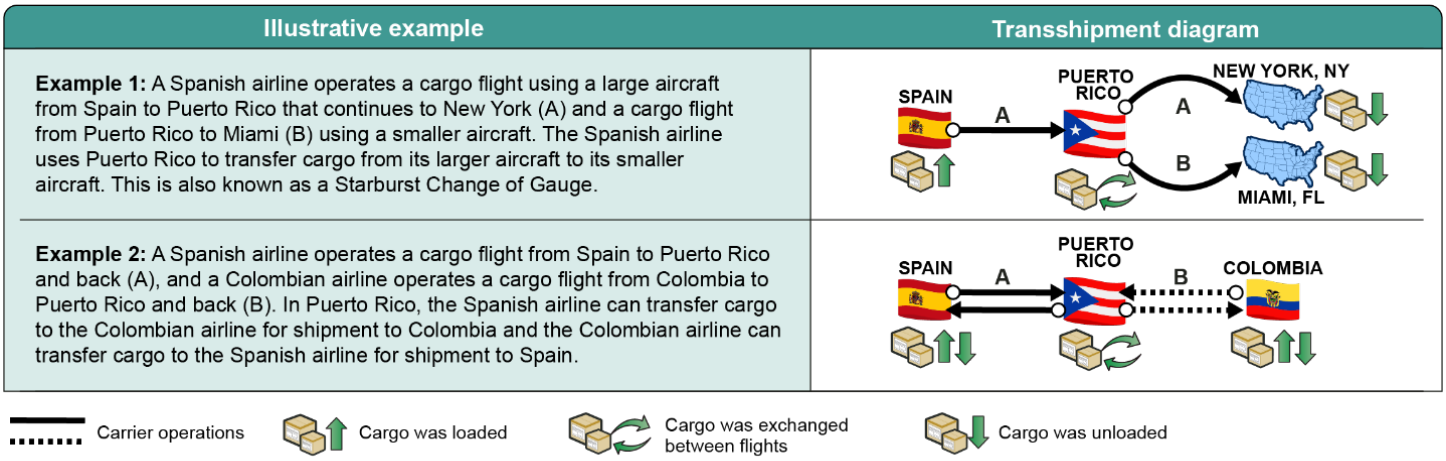
Puerto Rico's Transshipment Exemption

To help stimulate economic growth, the Puerto Rico government applied to DOT on behalf of its three international airports for exemption authority that would allow foreign air carriers to engage in certain cargo transshipment activities (see fig. 3). Transshipment facilitates the transfer of cargo from one vessel to another while in transit to a final destination. In their 2019 application, Puerto Rico officials asserted that this authority would enable more routes between Puerto Rico, Latin America, and Europe by granting foreign air carriers more flexibility in how they

[15]We previously reported on the role DOT and DHS play in the U.S. national air cargo system. See GAO-25-107334.

configure cargo operations.[16] The application stated that increased connectivity could reduce transportation costs, introduce more price competition, and add carrier options for Puerto Rico exports and, in turn, make the island more attractive for new and existing manufacturers. In 2020, DOT granted the exemption authority and renewed it in 2022 and 2025.[17] See appendix II for a full description of the flexibilities granted to foreign air carriers under the transshipment exemption.

Figure 3: Illustrative Examples of the Cargo Flexibilities Granted to Foreign Air Carriers Under Puerto Rico's Transshipment Exemption Authority



Source: GAO analysis of Department of Transportation documents and Porcupen/stock.adobe.com (flags). | GAO-26-107762

Notes: The examples above represent the second and fifth flexibilities granted in Puerto Rico's transshipment exemption authority. In Order No. 2020-4-10, the Department of Transportation (DOT) provided an exemption from 49 U.S.C. § 41301. Transshipment facilitates the transfer of cargo from one vessel to another while in transit to a destination. The authority granted in DOT's order does not apply to foreign air carriers of Venezuela. Order No. 2020-4-10, *Expanded Cargo and Passenger Flexibility at Puerto Rican International Airports*, Docket No. DOT-OST-2019-0085 (Apr. 29, 2020). All airlines discussed in this table are hypothetical and are not emblematic of any specific airline.

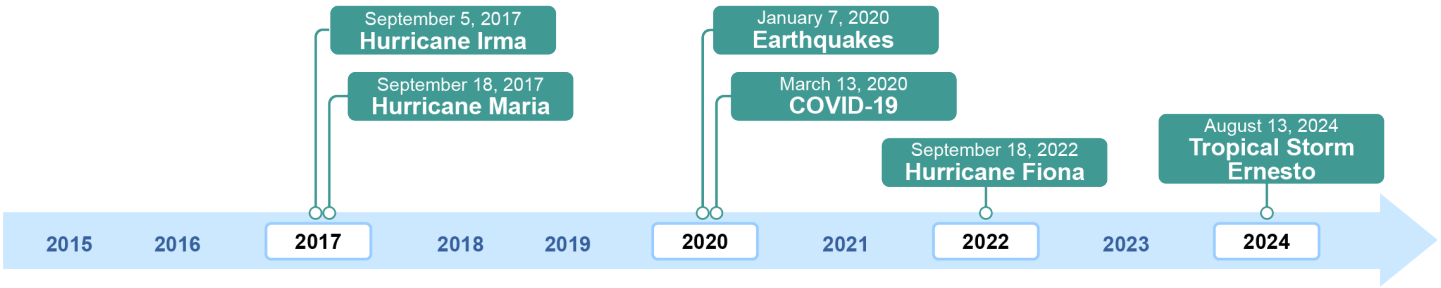
[16]Puerto Rico's application discusses parallels with a transshipment exemption that DOT granted to Alaska. However, Alaska is also able to benefit from a statutory air cargo flexibility only Congress can provide that is not available in Puerto Rico. The provision of transportation by foreign aircraft between two points in the United States for compensation—a practice commonly referred to as cabotage—is generally prohibited by statute. However, in 2003, an amendment by Congress to the statutory provision authorized foreign air carriers to transport specifically defined eligible international cargo between Alaska and another U.S. point. See 49 U.S.C. § 41703(c), (e). Puerto Rico's exemption does not permit cabotage.

[17]DOT's order provided an exemption from 49 U.S.C. § 41301. Transshipment facilitates the transfer of cargo from one vessel to another while in transit to a final destination. The authority granted in DOT's order does not apply to foreign air carriers of Venezuela.

Economic Conditions in Puerto Rico

Starting in 2020, Puerto Rico's economy entered a period of growth, following several years of economic decline and fiscal instability.[18] We have previously reported on the effects of successive natural disasters, energy issues, and demographic shifts on Puerto Rico's economy. Specifically, Puerto Rico faced multiple natural disasters that threatened the island's economy and infrastructure over the past decade (see fig. 4).[19] In 2025, we reported that these disasters caused substantial damage to the island's power infrastructure, which contributed to several major outages and energy rates about 80 percent higher than those on the mainland.[20] We also examined population changes and reported that population decline and an aging population remain concerns for Puerto Rico's economy. For example, between 2010 and 2020, Puerto Rico's population declined 12 percent, and officials reported that future population loss could hinder Puerto Rico's further economic growth.

Figure 4: Timeline of Emergency and Major Disaster Declarations in Puerto Rico



Source: GAO analysis of Federal Emergency Management Agency documents. | GAO-26-107762

Note: We display the date when the pertinent emergency or major disaster was declared in Puerto Rico. The President can declare an emergency for any occasion or instance when the President determines federal assistance is needed to supplement state and local efforts and capabilities to save lives and to protect property and public health and safety, or to lessen or avert the threat of a catastrophe in any part of the U.S. The President can declare a major disaster for any natural catastrophe, or, regardless of cause, any fire, flood, or explosion that the President determines has caused damage of such severity or magnitude as to warrant major disaster assistance to supplement

[18]Puerto Rico's government defaulted on over $1.5 billion in debt payments in 2015, prompting Congress to establish a restructuring process in 2016 through the Puerto Rico Oversight, Management, and Economic Stability Act. GAO, *U.S. Territories: Public Debt Outlook – 2025 Update,* GAO-25-107560 (Washington, D.C.: June 30, 2025); and *Puerto Rico: Factors Contributing to the Debt Crisis and Potential Federal Actions to Address Them*, GAO-18-387 (Washington, D.C.: May 9, 2018).

[19]As we reported in 2024, Puerto Rico has expended $1.8 billion in recovery efforts, with an additional $11.3 billion awaiting authorization by the Federal Emergency Management Agency. See GAO, *Puerto Rico Disasters: Progress Made, but the Recovery Continues to Face Challenges,* GAO-24-105557 (Washington, D.C.: Feb. 13, 2024).

[20]GAO-25-107560.

the efforts and available resources of states, local governments, and disaster relief organizations in alleviating the damage, loss, hardship, or suffering caused by the event.

Puerto Rico relies on manufacturing to maintain economic growth, even as some companies have reduced activity in recent years. A 2024 report by the Bureau of Economic Analysis found that exports of intellectual property-intensive products—including pharmaceuticals and medical devices—have been key drivers of Puerto Rico's economy.[21] In 2018, we reported that the prevalence of these industries is due partly to a federal tax credit intended to attract companies to operate in Puerto Rico, which provided the island with the capital from new private investment to facilitate economic development.[22] After this tax credit was repealed in 1996 and phased out in 2005, some manufacturers reduced activity on the island.[23]

Annual Air Cargo Volume in Puerto Rico Fluctuated, with a Shift Toward More Inbound Air Cargo and a Concentration in San Juan

Total Air Cargo Volume Fluctuated from 2015 Through 2024

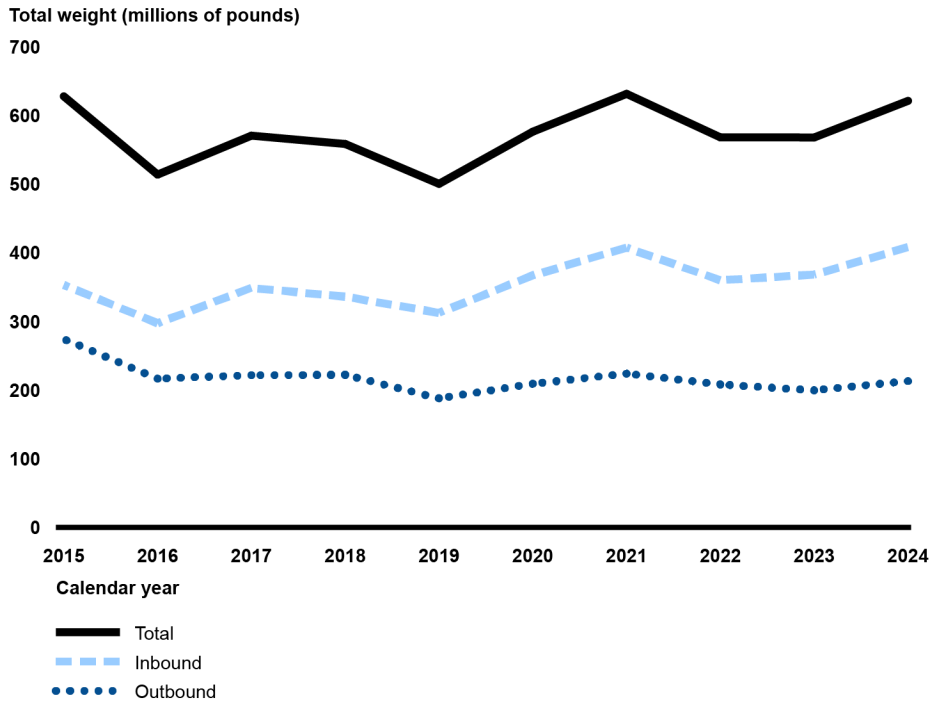
According to our analysis of BTS's database of Air Carrier Statistics (T-100), total annual air cargo volume handled by Puerto Rico's three international airports—which includes both domestic and international traffic—fluctuated from 2015 through 2024. Volumes hit a low point of about 501 million pounds in 2019 before increasing to 621 million pounds by 2024 (see fig. 5).

[21]U.S. Bureau of Economic Analysis, *Exports of Intellectual Property-Intensive Products Are Key Drivers of Puerto Rico GDP* (Washington, D.C.: July 31, 2024).

[22]The Tax Reform Act of 1976 established the possessions tax credit under section 936 of the Internal Revenue Code with the purpose of assisting U.S. possessions in obtaining employment-producing investments by U.S. corporations. See GAO-18-387.

[23]Small Business Jobs Protection Act of 1996, Pub. L. No. 104-188, § 1601, 110 Stat. 1755, 1827–33.

Figure 5: Total Puerto Rico Air Cargo Traffic (in pounds) by Direction, 2015–2024



Source: GAO analysis of Bureau of Transportation Statistics's Air Carrier Statistics T-100 database. | GAO-26-107762

Note: These figures exclude cargo volume traveling between airports within Puerto Rico.

Inbound Air Cargo Increased, and Outbound Air Cargo Decreased

Inbound traffic represented the largest portion of Puerto Rico's total air cargo volume and grew 16 percent from 2015 through 2024 (see fig. 5). The most growth occurred between 2019 and 2021 before and during the COVID-19 pandemic. CBP officials and representatives from an all-cargo carrier shared that Puerto Rico has seen an increase in e-commerce shipments, particularly from companies like Amazon and Temu. We previously reported that, nationally, e-commerce shipments increased during the pandemic, which contributed to higher volumes of low-value shipments.[24]

During the same period, the volume of air cargo leaving Puerto Rico declined 22 percent, mostly from 2015 through 2016. Outbound air cargo reached a low of 188 million pounds in 2019 before generally trending upwards to 213 million pounds in 2024. Representatives across

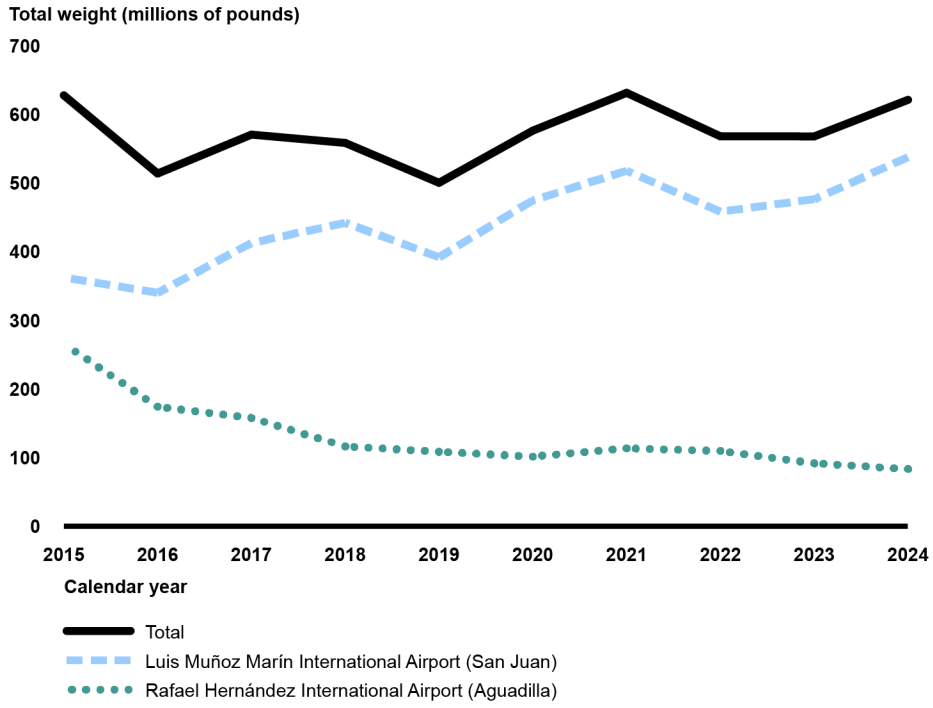
[24]GAO, *COVID-19: CBP Acted to Mitigate Challenges Affecting its Trade Operations*, GAO-22-105034 (Washington, D.C.: Sept. 19, 2022).

stakeholder groups noted that the phaseout of federal tax credits in 2005 contributed to lasting economic effects, including a decline in exports. Other factors, such as new manufacturing processes and a declining workforce, may have also contributed to the decline. Puerto Rico's outbound air cargo volumes grew from 2020 through 2021, as air exports also grew nationally during this period.[25] One representative from a health care manufacturer noted that they shifted to producing pandemic-related goods in response to COVID-19.

San Juan Airport's Share of Air Cargo Volume Increased, While Aguadilla's Decreased

Puerto Rico's international airports saw diverging trends in air cargo volumes from 2015 through 2024, as air cargo volumes grew increasingly concentrated at San Juan (see fig. 6).

Figure 6: Total Air Cargo Traffic (in pounds) for International Airports in Puerto Rico, 2015–2024



Source: GAO analysis of Bureau of Transportation Statistics's Air Carrier Statistics T-100 database. | GAO-26-107762

Note: These figures do not include cargo volume traveling between airports within Puerto Rico. Mercedita International Airport (Ponce) is not separately represented, as it processed less than 50,000 pounds of cargo in 2015, 2017, and 2024. In all other years, the airport did not process cargo.

[25]GAO-25-107334.

- **San Juan.** Despite some fluctuation, air cargo volume at the Luis Muñoz Marín International Airport increased 49 percent from 2015 through 2024. Airport officials attributed this increase to the entrance of more domestic all-cargo carriers at the airport, with domestic carriers, such as Atlas Air, Amerijet International, and Northern Air Cargo, in particular, increasing volumes to and from the mainland. Airport officials noted that the entry of these domestic carriers has supported the airport's efforts to accommodate increased cargo volumes and enhanced connectivity to the U.S. mainland. They attribute this increase to the pharmaceutical and e-commerce sectors. While some foreign carriers have left San Juan, others continue to connect San Juan to places in South America and Europe.
- **Aguadilla**. In contrast, air cargo volumes have declined (69 percent) from 2015 through 2024 at Rafael Hernández International Airport. Some representatives from various stakeholder groups identified factors that may have contributed to this decline, including longer fuel ranges for freighter aircraft, which eliminated the need for some aircraft to refuel in Aguadilla. In addition, some stakeholders said that infrastructure damage at the airport caused by Hurricane Maria and opportunities to carry more potential air cargo to and from other nearby airports may have contributed to reductions in air cargo volumes at the airport.[26] Aguadilla's international cargo routes were primarily to South and Central America and the Caribbean in 2024.
- **Ponce.** Air cargo volume handled at Mercedita International Airport comprised less than 1 percent of total volume throughout our 10-year period. Airport officials told us that Ponce seldom processes air cargo, aside from belly cargo from JetBlue, a service the company has since ceased, and military cargo shipments for nearby installations at Fort Allen and Camp Santiago.

See appendix III for more information about domestic and international air cargo routes to and from Puerto Rico.

Pharmaceuticals and Manufacturing Inputs Represent a Significant Portion of Reported Air Cargo Commodities

Among the goods reported to Census, health care goods—including pharmaceuticals and medical devices—and their associated inputs represent a significant portion of trade to and from Puerto Rico. Census collects data on international and domestic air cargo volume transported to and from Puerto Rico in official trade statistics, which contain information on the type of commodity and origin and destination points of shipments. However, Census officials told us that not all the air cargo

[26]Miami International is the leading airport for processing perishable cargo in the U.S. See GAO-25-107334.

transported to and from Puerto Rico is reported, including many e-commerce shipments that fall below the reporting value.[27] In 2025, we reported that e-commerce shipments have grown in importance to air cargo operations.[28]

Outbound Commodities

International exports accounted for at least 61 percent of Puerto Rico's reported outbound air cargo volume in 2024, according to Census trade data. The remaining 39 percent traveled domestically before either remaining in the U.S. or continuing to a foreign country.[29]

In 2024, pharmaceuticals and medical devices accounted for 35 percent and 14 percent, respectively, of the reported outbound air cargo volume and together accounted for nearly 90 percent ($41.8 billion) of the total value of Puerto Rico's outbound air cargo (see table 2).[30] These health care goods included penicillin, antibiotic and immunological products, artificial joints, and pacemakers. From 2015 through 2024, the volume and value of outbound shipments of pharmaceuticals and medical devices shipped by air declined. See appendix IV for a detailed list of outbound commodities.

[27]According to Census documentation, Census's International Trade (FT900) and U.S. Trade with Puerto Rico and U.S. Possessions (FT895) datasets likely underestimate the volume and value of low-value shipments because, according to the documentation, the U.S. does not require shippers to file documents for shipments below a specified value. While Census estimates the value of these shipments for each country, the estimates have limitations, and Census excludes them from the air trade data. In addition, Puerto Rico-specific international trade data do not account for goods that clear customs at other U.S. ports en route to their destination.

[28]See GAO-25-107334.

[29]Census officials told us that trade statistics provide limited information about the final destinations of specific commodities leaving Puerto Rico. Goods that clear customs in Puerto Rico are tallied as international shipments; however, goods that originated in Puerto Rico, but clear customs at another domestic airport, may not be included as international shipments leaving Puerto Rico. As a result, international totals from specific Puerto Rico airports may undercount international air cargo trade.

[30]These data include both domestic shipments and international exports transported by air, thereby excluding ocean shipments. Stakeholders indicated that interest in ocean shipments of health care products has increased in recent years. See app. I for details about how we differentiate these products in the official trade statistics.

Table 2: Air Cargo Volume and Value of Outbound Health Care and Other Commodities for Puerto Rico's Three International Airports, 2024 (in 2024 dollars)

	Volume			Value		
Commodities	**Volume (millions of pounds)**	**Percent of total**	**Change since 2015**	**Value (millions of dollars)**	**Percent of total**	**Change since 2015**
Pharmaceuticals[a]	14.9	35%	-21%	$35,813	76%	-32%
Medical devices[b]	6.0	14%	-41%	$5,995	13%	-33%
All other commodities	21.4	51%	-12%	$5,350	11%	-68%
Total	**42.3**	**100%**	**-21%**	**$47,158**	**100%**	**-40%**

Source: GAO analysis of U.S. Census Bureau (Census) data. | GAO-26-107762

Note: Puerto Rico's three international airports are Luis Muñoz Marín International Airport, Rafael Hernández International Airport, and Mercedita International Airport. These data include both domestic shipments and international exports transported by air, excluding ocean shipments. According to Census documentation, Census's International Trade (FT900) and U.S. Trade with Puerto Rico and U.S Possessions (FT895) datasets likely underestimate the volume and value of low-value shipments because the U.S. does not require shippers to file documents for shipments below a specified value. While Census estimates the value of these shipments for each country, the estimates have limitations, and Census excludes them from the air trade data. In addition, Puerto Rico-specific international trade data do not account for goods that clear customs at other U.S. ports en route to their destination.

[a]"Pharmaceuticals" include all goods in Chapter 30 of the Harmonized System-based schedule B codebook.

[b]"Medical devices" include all goods with a four-digit Harmonized System-based schedule B code from 9018 through 9022.

Some manufacturing and freight forwarding representatives shared several factors that may have contributed to the decline in outbound air cargo shipments of health care products. These factors include a shift from higher-cost air to lower-cost ocean shipping, changes in pharmaceutical manufacturing processes, and the closure of some facilities. One freight forwarder representative we interviewed added that Hurricane Maria in 2017 corresponded with an increase in air cargo prices, which have yet to decrease.[31] In addition, representatives of health care manufacturers also noted that some new, personalized pharmaceuticals rely on small-batch, customized production processes that require technologies not currently available in Puerto Rico.

Top international destinations for Puerto Rico's health care goods included Japan, the Netherlands, Belgium, and China. As one representative from a medical devices manufacturer told us, these health care goods may include Puerto Rico as one of several stops in an

[31]Stakeholders told us that rates for express carrier services in Puerto Rico are typically higher per pound than those of air freight and ocean carriers.

assembly process. Additionally, Census and DOT data show that while Asian countries are among the top destinations for Puerto Rico's health care goods, no carrier, as of 2024, offered direct flights between Puerto Rico and Asia. See appendix V for a detailed list of destinations by volume of Puerto Rico's exports.

Inbound Commodities

Reported domestic and international inbound air cargo to Puerto Rico is more diverse than its outbound air cargo, with no one commodity accounting for more than 17 percent of the reported total volume of inbound goods clearing customs in 2024. Machinery and electrical equipment accounted for the largest share, followed by plastics and rubber, pharmaceuticals, vegetable products, and textiles, according to Census trade data.[32] Health care manufacturing representatives told us that many health care products require inputs that are not produced on the island, like glass and plastics. See appendix IV for a detailed description of inbound commodities.

In 2024, most (72 percent) inbound air cargo volume was routed from a domestic airport, according to Census trade data. The remaining 28 percent of inbound air cargo volume traveled internationally and cleared customs in Puerto Rico, an increase from 19 percent in 2015.[33] The largest share of these goods was transported from South America, Central America, and the Caribbean.

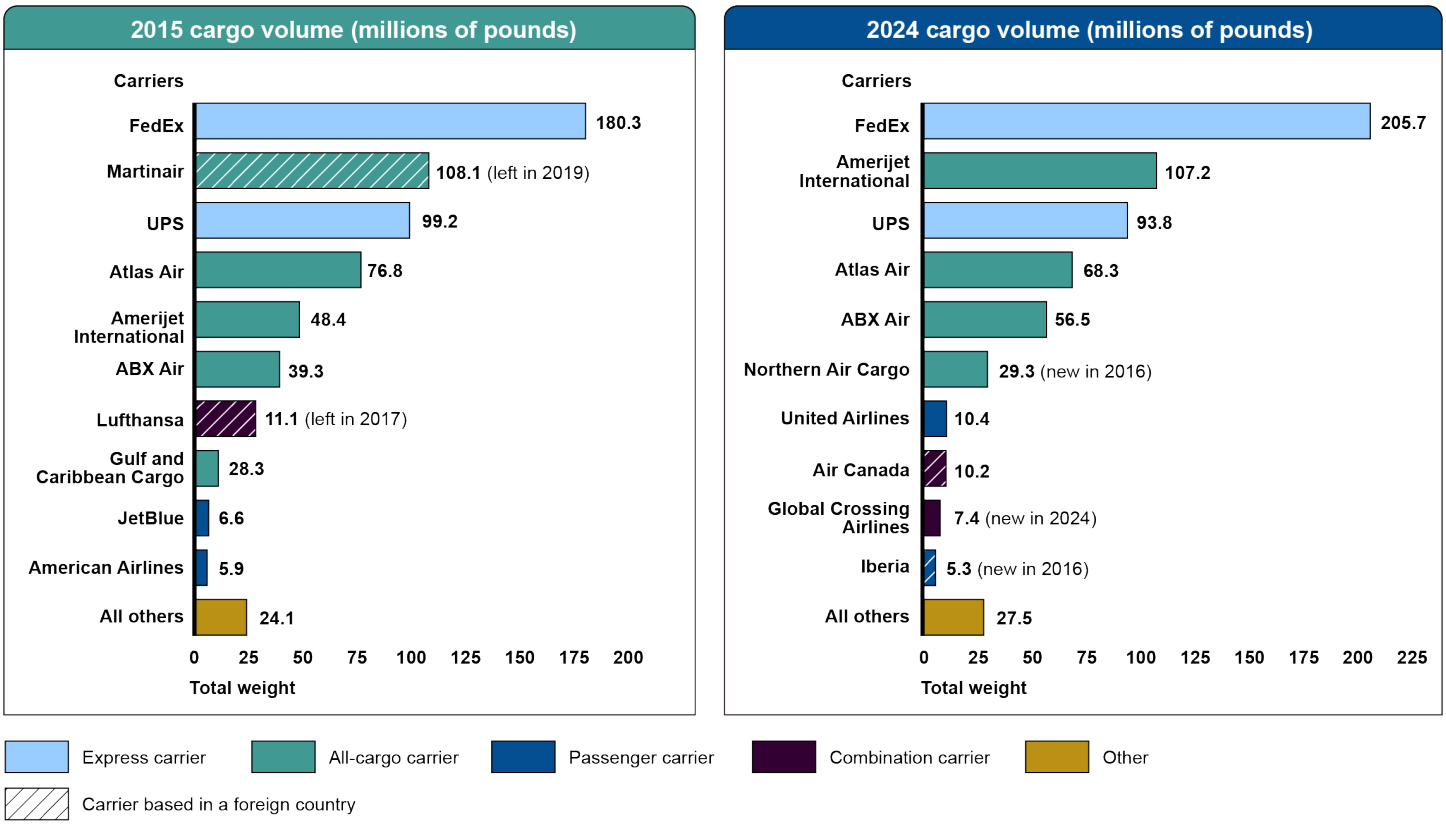
Domestic Carriers Transported Nearly All Air Cargo, as Foreign Carriers Reduced Operations

According to our analysis of BTS's air carrier data, domestic carriers transported 97 percent of all air cargo handled in Puerto Rico in 2024, up from 78 percent in 2015. During this same time frame, several foreign carriers ceased air cargo operations on the island, reducing traffic on direct international routes (see fig. 7).

[32]"Machinery and electrical equipment" includes items like smartphone and consumer electronics, as well as machinery and parts used for commercial purposes like motors, generators, and wiring.

[33]Census officials told us that trade statistics provide limited information about the origins of specific commodities arriving in Puerto Rico. Goods that clear customs in Puerto Rico are tallied as international shipments; however, goods that clear customs elsewhere will be included as domestic shipments arriving in Puerto Rico, even if they originated from a foreign country. As a result, international totals may undercount international air cargo trade, as domestic totals overcount what goods originated from the U.S.

Figure 7: Top 10 Carriers, by Puerto Rico Air Cargo Volume, 2015–2024



Source: GAO analysis of the Bureau of Transportation Statistics's Air Carrier statistics T-100 database. | GAO-26-107762

Note: These figures do not include cargo transported between Puerto Rico's airports.

Domestic Carriers

Of the domestic carriers operating in Puerto Rico in 2024, express carriers and all-cargo and combination carriers transported the most air cargo (48 percent and 45 percent of total cargo volume, respectively), followed by passenger carriers (4 percent), according to BTS air carrier data.

- **Express carriers.** From 2015 through 2024, FedEx and UPS were the principal express carriers transporting air cargo to and from Puerto Rico, the majority out of San Juan. During this time, FedEx increased its operations island-wide as the largest carrier in Puerto Rico and became the only carrier with sizable volumes at Aguadilla. FedEx and UPS transported about 80 percent of air cargo between Puerto Rico and their global hubs in Memphis, Tennessee, and Louisville,

Kentucky, respectively.[34] These carriers also serviced direct routes to and from other parts of the Caribbean or other U.S. airports. Puerto Rico government officials told us that the prevalence of express carriers on the island means that few goods leaving the island head directly to their destination, increasing transport times for time-sensitive goods.

- **All-cargo and combination carriers.** Domestic all-cargo and combination carriers increased their share of cargo volume by 52 percent between 2015 and 2024. Four carriers accounted for most of this volume, with Amerijet International being the largest.[35] Domestic all-cargo and combination carriers transported 93 percent of their volume domestically in 2024, much of which traveled between Puerto Rico and Miami International Airport (50 percent) or Cincinnati-Northern Kentucky Airport (29 percent).[36] Representatives from a freight forwarder shared that some of its clients' cargo going between Puerto Rico and Miami is transferred to and from Asian flights. Of the volume on direct international routes, most traveled to and from South and Central America and the Caribbean in 2024.
- **Passenger carriers.** Domestic passenger carriers handled less than 7 percent of Puerto Rico's air cargo volume from 2015 through 2024. In 2024, five domestic passenger carriers—United, American, Delta, Southwest, and JetBlue—transported over 99 percent of this volume to and from mainland airports, including Miami, Dallas-Fort Worth, and Newark International airports.[37] Pharmaceutical industry representatives told us that narrowbody passenger aircraft often do not provide enough capacity for temperature-sensitive goods. As a result, any future increase in narrowbody passenger operations may not be useful for pharmaceutical exporters.

[34]DOT data do not provide information on the origin or destination of specific cargo volumes. As a result, it is unclear what proportion of these volumes originated in or terminated at foreign airports.

[35]Six other domestic all-cargo and three combination carriers individually transported less than 3 percent of all air cargo in 2024.

[36]Cincinnati-Northern Kentucky Airport is a hub airport for DHL and Amazon. These companies contract with carriers to service their express operations. We do not have data on what proportion of these all-cargo carriers' services were done on behalf of DHL and Amazon. As a result, we include this traffic as part of all-cargo traffic and not express traffic.

[37]Some representatives from passenger carrier companies told us that demand for passenger service is what motivates decisions about routes and aircraft size. These decisions affect what routes and capacity are available for cargo.

Foreign Carriers

The share of air cargo transported to and from Puerto Rico by foreign carriers dropped from 22 percent in 2015 to 3 percent in 2024. This drop occurred when German combination carrier Lufthansa Cargo and Dutch all-cargo carrier MartinAir ended their cargo operations in Puerto Rico. These companies operated routes between South America and Europe, with stops at San Juan and Aguadilla, where they transported half of Aguadilla's cargo in 2015. Lufthansa Cargo representatives told us that they ended air cargo operations in Puerto Rico because cargo volumes were not high enough to justify adding an additional stop, and new, more fuel-efficient aircraft negated the need for a refueling stop. However, combination carrier Air Canada and Spanish passenger carrier Iberia have increased volumes to and from Canada, Spain, and Brazil since 2015.

Representatives from two foreign carriers we interviewed said they configure their operations based on the demand for the type of air cargo service (e.g., temperature controlled for perishables) and the destination. Some representatives from foreign carriers noted that the air cargo volumes in Puerto Rico are often not high enough to warrant direct routes to each export market, requiring them to stop elsewhere to aggregate more volume. For example, representatives from one foreign carrier noted that they use freighter aircraft to transport mostly pharmaceutical cargo to North America before shipping the goods to Europe, Japan, and Australia.

Selected Stakeholders Acknowledged Recent Improvements That Support Air Cargo Operations but Said More Improvements Are Needed for Growth

While Airport Improvements Have Focused on San Juan, Stakeholders Identified Air Cargo Infrastructure and Staffing Needs at All International Airports

Infrastructure

Several stakeholders and government officials said that the condition of San Juan's airport was sufficient for current air cargo operations, citing recent improvements to the airport's airside infrastructure and supporting cargo infrastructure. However, stakeholders and government officials also identified needed improvements to the current condition of on- and off-airport infrastructure that support air cargo operations, as well as improvements to support growth in operations at all three international airports.[38] For example, air cargo stakeholders identified challenges with the condition or availability of cargo warehouses and cold storage space at the airports. Notably, CBP and USDA inspection officials said that they did not have dedicated warehouse space for conducting cargo inspections and screenings.[39] In addition, stakeholders identified apron and runway conditions, and congestion on roadways around the airports, as issues to address to support increased cargo operations.

Airport improvements can be funded through both public and private sources. All three airports regularly receive federal funding for improvements, particularly to airside facilities, such as runways and taxiways.[40] For example, from fiscal years 2019 through 2024, DOT awarded San Juan more than $28 million in grants to reconstruct its

[38]We asked different groups of stakeholders slightly different questions on the condition of airport infrastructure, depending on how they used the airports. For instance, ground handlers and freight forwarders were asked about challenges related to the condition of infrastructure and how it affected cargo movements. For carriers, we asked whether the condition was sufficient for current operations or to support future growth. We also asked all stakeholders what airports could do to promote future growth in air cargo operations.

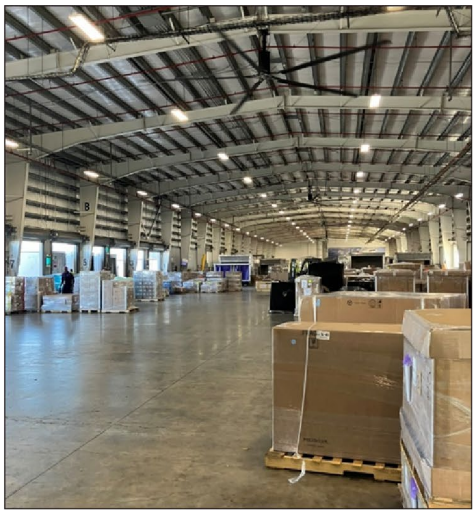
[39]CBP officials said this was the case for all three international airports, while USDA officials said they did not have dedicated space at the airports in Aguadilla or Ponce.

[40]Several stakeholders and government officials noted that it was challenging to receive adequate attention and funding from the Puerto Rico Ports Authority to address issues. Ports Authority officials acknowledged funding and staffing challenges within the agency and said that the need to allocate more resources to address damages from the 2017 hurricane has prevented it from providing needed airport assistance. At all three international airports in Puerto Rico, stakeholders mentioned that improvements to cargo infrastructure rely on private sector investment, which has been challenging to attract.

runways. In 2025, Puerto Rico government officials stated that they were undertaking a market study and strategic planning process that will identify priority areas for air cargo investment in Puerto Rico, including needed infrastructure improvements, which could include investing in Aguadilla and Ponce as cargo airports.

San Juan. Many stakeholders, including representatives from freight forwarders and carriers, identified strengths and challenges with the Luis Muñoz Marín International Airport's current condition and improvements needed to support increased air cargo operations. Several stakeholders and government officials acknowledged the many recent improvements to the airport's airside infrastructure and supporting cargo infrastructure, including to warehouses, access roads, and energy infrastructure (see fig. 8). For instance, two carrier representatives said that expanding the cargo access road has reduced backlogs.[41] In addition, the San Juan airport recently completed a runway reconstruction project, which included resurfacing and changes to taxiway configurations. Several stakeholders and government officials added that Aerostar's expertise and resources have contributed to positive changes at the airport.

Figure 8: Improvements to Air Cargo Infrastructure at Luis Muñoz Marín International Airport in San Juan



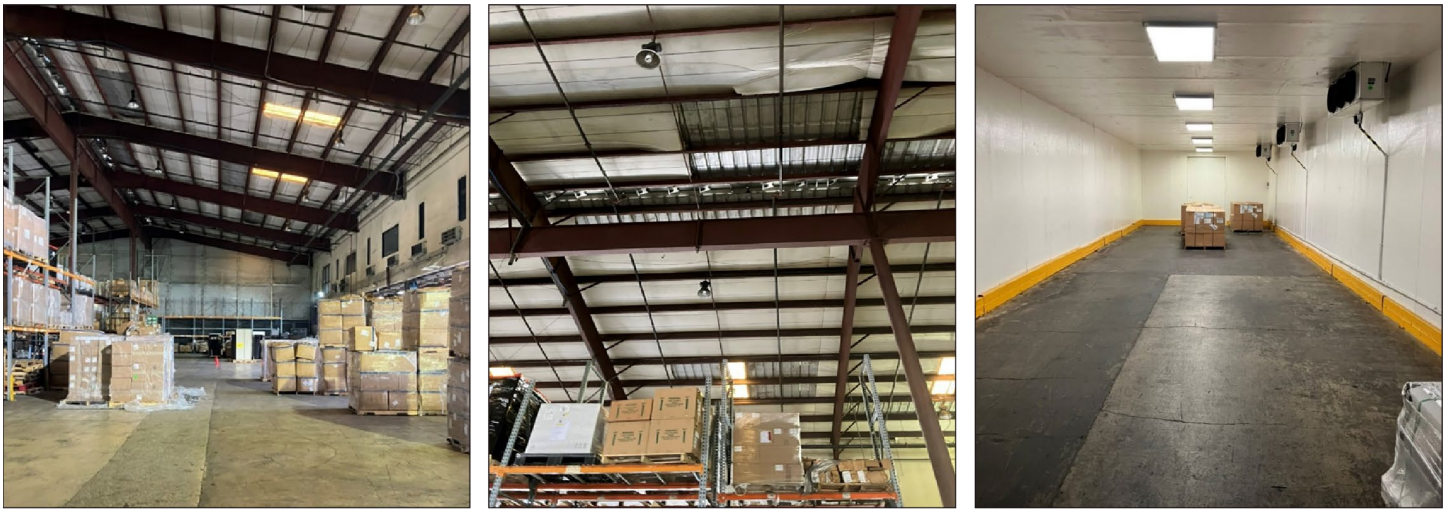
Source: GAO analysis of stakeholder interviews, documents, and site visit observations and photos, and Aerostar Airport Holdings, LLC. | GAO-26-107762

[41]Aerostar representatives also shared information on other cargo-related improvements, such as improvements to cargo terminal buildings and the implementation of new unit load device systems.

Note: (Left) Aerostar representatives told us that a $4.9 million project in 2024 to rehabilitate the cargo access road has significantly reduced congestion on the airport grounds. (Middle) Renovations to an express carrier's facilities in 2017 added 76,000 square feet of warehouse space. (Right) Investments in cold storage at Prime Air Corp facilities. All infrastructure elements pictured are on airport property.

Stakeholders also identified further improvements that would support air cargo operations at the San Juan airport, particularly to warehouses and cold storage space (see fig. 9). Additionally, despite recent improvements to the cargo access road, several stakeholders and officials identified challenges with the configuration of the on-airport access road and congestion on highways leading to the airport, affecting San Juan airport's connectivity to intermodal transportation networks. Airport representatives noted that the connection of the access road to the main highway lacks proper lanes and design to enable a smooth flow of traffic, limiting the efficiency of cargo movements. Carrier representatives said that traffic congestion could cost manufacturers valuable time and affect the companies' competitiveness. Several stakeholders also identified challenges with available apron space at the airport in San Juan, affecting aircraft parking and maneuverability. For example, representatives from one carrier said that the structure of one of the airport's aprons is not suitable for heavier payloads to be located close to warehouse facilities, which could increase the vulnerability of temperature-sensitive cargo.

Figure 9: Condition and Needed Improvements to Certain Infrastructure Elements to Support Air Cargo Operations at Luis Muñoz Marín International Airport in San Juan



Source: GAO analysis of stakeholder interviews and site visit observations and photos. | GAO-26-107762

Note: (Left) Several stakeholders said that warehouse space on airport grounds needed to be expanded, refurbished, and modernized. (Middle) One of the cargo warehouses had roof damage,

which could expose cargo to rain. (Right) Several stakeholders and government officials said that cold storage infrastructure for temperature-sensitive goods needed to be expanded and upgraded. A Puerto Rico official said this has affected the growth of San Juan's pharmaceutical operations. All infrastructure elements pictured are on airport property.

San Juan airport officials shared information on planned and ongoing projects that would address some of the challenges and improvements identified by stakeholders. Officials added that there are also opportunities to expand cargo capacity at the airport in San Juan by developing new areas and adding infrastructure. For example, airport officials said they are reallocating tenants within airport facilities to improve the layout and availability of warehouse space, while carrying out roof repairs and upgrades to ensure better protection of cargo. Officials stated that internal improvements to warehouses are undertaken by tenants. Additionally, Aerostar representatives shared information on a planned project to expand one of the apron areas, which would allow for larger aircraft parking. However, representatives said that high construction costs on the island may prevent them from completing the project, and they have been unable to identify federal programs that could help with funding.

Aguadilla. Several stakeholders and government officials noted that the Rafael Hernández International Airport holds potential for future air cargo growth, due to its long runway and land available for development. However, they also identified challenges that affect current and future use of the airport for cargo operations, particularly related to warehouses and cold storage space (see fig. 10). For example, several stakeholders and government officials noted that Aguadilla airport's facilities need improvements, particularly to repair hurricane damage and expand usable warehouse space. Additionally, ground handling representatives and government officials noted challenges with insufficient apron parking, the runway condition, and congestion on highways getting into the airport. To address the runway condition, DOT has awarded approximately $94 million in grants toward a more than $200 million runway reconstruction project, according to DOT officials. Puerto Rico government officials told us this project started in 2025. Regarding Aguadilla's airport footprint, TSA officials noted that a lack of repairs has left the airfield insecure, which creates security risks for the airport.

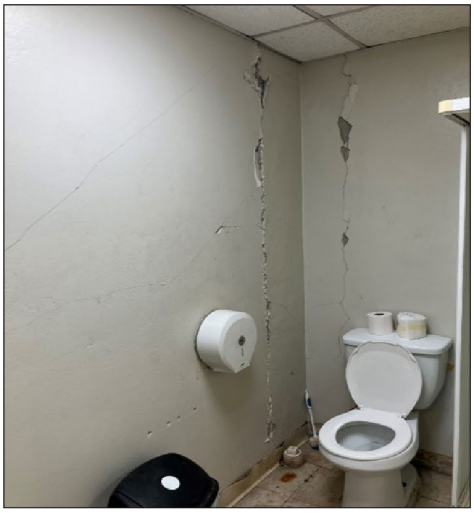
Figure 10: Condition and Needed Improvements to Certain Infrastructure Elements to Support Air Cargo Operations at Rafael Hernández International Airport in Aguadilla

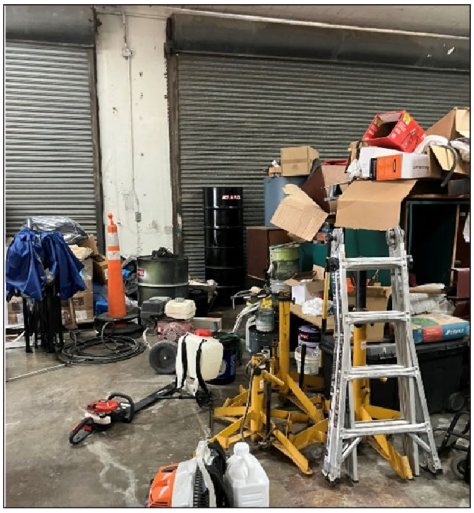
Source: GAO analysis of stakeholder interviews and site visit observations and photos. | GAO-26-107762

Note: (Left) Some stakeholders and government officials noted that the airport needed to upgrade and expand its cold storage space to support temperature-sensitive shipments. (Middle) One cold storage facility destroyed by Hurricane Maria in 2017. (Right) Damage at a cargo warehouse. All infrastructure elements pictured are on airport property.

Ponce. As described above, current levels of air cargo operations at the Mercedita International Airport were minimal. According to some stakeholders and government officials, infrastructure at this airport is not currently designed to support an increase in air cargo operations. For instance, airport officials told us that the airport lacks sufficient drainage to prevent periodic airfield flooding, due to its location near a wetland, which could cause the airfield to close for a period of time. Ports Authority officials told us that a project is currently underway to address the issue of flooding at the Ponce airport. Additionally, according to a stakeholder and our observations, the short runway and apron present challenges for large cargo aircraft, and the airport's main cargo facility is not usable, due to earthquake damage (see fig. 11).

Figure 11: Condition and Needed Improvements to Certain Infrastructure Elements to Support Air Cargo Operations at Mercedita International Airport in Ponce





Source: GAO analysis of stakeholder interviews and site visit observations and photos. | GAO-26-107762

Note: Some stakeholders and government officials noted that the condition and size of the airport's warehouse space, which was severely damaged by an earthquake in 2020, has affected its use for cargo operations. According to ground handling representatives responsible for maintaining the space, they have been unable to secure funding or permissions to repair the building and can currently only use the space as noncargo storage. All infrastructure elements pictured are on airport property.

See appendix VI for information on cargo characteristics of selected airports.

Workforce

In addition to airport infrastructure improvements, stakeholders identified some federal and private sector workforce issues related to staff availability, training, and retention that they said would be needed to support current air cargo operations and future growth in Puerto Rico. For example:

Inspections and screening. Several stakeholders and government officials mentioned issues related to the availability (i.e., number of staff and hours of operation) of personnel that inspect and screen air cargo. Representatives from carriers and ground handlers noted that limited overnight and weekend operating hours for CBP and USDA inspection personnel can delay inspections for cargo flights arriving during those

times.[42] For example, from Monday to Friday in San Juan, CBP operates from 7 am to midnight, and USDA operates from 8 am to 4:30 pm, according to officials.[43]

Officials from TSA, CBP, and USDA acknowledged these staffing limitations for inspecting and screening air cargo. For instance, in August 2025, TSA officials said that although air cargo volumes in Aguadilla have met TSA thresholds for placing permanent staff at the airport since 2023, TSA has not been able to do so, due to budget availability and staffing metrics. CBP officials also acknowledged the need for additional staff in Puerto Rico; however, they said that the current air cargo volumes were not sufficient for extending operating hours on the island. According to USDA officials, the agency does not have staff dedicated to performing cargo inspections in Puerto Rico, such as entomologists. As a result, officials may need to ship pests discovered on site to a lab on the U.S. mainland for review, which could delay shipments. Officials told us that recent agency staff reductions have disrupted inspections, which can impact the timeliness of inspections and the quality of perishable goods. As a result, freight forwarders in Puerto Rico are working on certifications to allow them to conduct USDA screenings in their warehouses and process cargo more efficiently, according to Puerto Rico government officials.

Air traffic control. Some air cargo stakeholders and government officials said that staffing of the air traffic control tower in Aguadilla, due to limited operating hours, could potentially affect carriers' decisions to operate at the airport.[44] According to Puerto Rico government officials, the tower is

[42]Currently, TSA is the only agency available for cargo inspections 24 hours a day at San Juan and Aguadilla airports. TSA officials told us that most pharmaceutical companies can utilize shipper certified cargo screening facilities, which allows them to screen their own products. Officials added that 12 indirect air carrier certified cargo screening facilities are available to screen cargo from other shippers. Officials stated that TSA's focus is preventing the introduction of explosives and other destructive devices onto an aircraft.

[43]According to officials, CBP also operates from 3 pm to midnight on Saturdays at San Juan. CBP officials told us that, if international cargo flights seek to land in Puerto Rico outside of operating hours, CBP may choose not to approve the flight, and it would need to arrive during operating hours. However, officials told us that this was uncommon. USDA officials said that, while USDA offers inspection services outside of its established operating hours when requested, the agency does not have sufficient staff to extend these hours permanently.

[44]The air traffic control tower is part of the FAA Contract Tower Program, which authorizes private companies to operate certain air traffic control towers with their own personnel. See 49 U.S.C. § 47124(b)(2)(A).

out of regular operation during the peak times for European and Asian flights. To expand the tower's hours, carriers have to pay added fees to the company contracted to staff the tower, which officials said affects the competitiveness of the airport.[45] However, according to DOT officials, Aguadilla does not currently receive enough flights outside of the tower's current operating hours to qualify for additional FAA resources.

Air cargo sector. Several stakeholders and government officials said that companies in the air cargo sector (e.g., ground handlers, air carriers, freight forwarders) faced challenges in attracting, developing, and retaining staff in Puerto Rico. For example, representatives said that attracting and retaining qualified staff and paying increasingly high salaries was difficult. Stakeholders and officials also noted that logistics personnel may need additional training in handling certain cargo. For example, representatives from one freight forwarder said that insufficient training in handling temperature-sensitive goods has at times affected product integrity. Another manufacturing representative said that improper handling of these goods has affected product quality. In addition, some stakeholders had challenges specifically with San Juan airport's ground handling operations. Some stakeholders and government officials suggested that more competition with other ground handlers at the airport could incentivize improvements. Puerto Rico officials and stakeholders have taken steps to align pharmaceutical handling practices with industry standards, which is further described below.

Stakeholders Identified Additional Demand Needed for Air Cargo Services in Puerto Rico to Grow

Beyond infrastructure and operational improvements at Puerto Rico's international airports, stakeholders identified additional factors that could affect growth in air cargo operations—namely the need for additional demand for these services on the island. In particular, stakeholders said that Puerto Rico needed to increase its supply of export goods to be shipped by air. Growth in air cargo operations could also be affected by other issues, such as Puerto Rico's energy infrastructure and geographic location, and competition from other airports and modes of transportation, according to stakeholders.

Manufacturing Exports

Many stakeholders said that Puerto Rico does not have enough demand for air cargo services to grow at its three international airports, citing a need to increase the supply of goods shipped by air. Some stakeholders

[45]According to FAA officials, as part of the Federal Contract Tower Program, Aguadilla airport is authorized to operate for 14 hours. According to FAA officials, the Puerto Rico Ports Authority also has an outside agreement with the contractor to operate some additional hours.

said that supply could be increased through producing and manufacturing more export goods in Puerto Rico.[46] According to one carrier's representatives, increasing the supply of goods for transport, among other factors, was more important in promoting growth of the air cargo industry than airport infrastructure improvements. To increase the supply of goods to ship by air, stakeholders identified some conditions that may affect the growth of export production in Puerto Rico:

- **Airport connectivity.** Some stakeholders and government officials, including manufacturing representatives, noted that more direct international routes at Puerto Rico's airports may benefit the manufacturing industry by reducing cost and time to ship sensitive goods. According to representatives from two health care manufacturers, more direct international routes from Puerto Rico would be critical to expanding production. Aerostar representatives told us that they have promoted increased connectivity by seeking new carriers to establish routes through San Juan airport. However, according to foreign carrier representatives we interviewed, Puerto Rico's current export volume does not justify adding direct international routes out of Puerto Rico.
- **Business environment.** Many stakeholders shared that Puerto Rico's economic and political landscape was important in attracting investment. While a couple of stakeholders considered Puerto Rico's current incentives to businesses to be attractive, some others felt that they could be expanded.[47] Additionally, several stakeholders and government officials noted that current high operating costs and political uncertainty may affect future investments. According to one industry representative, the manufacturing capacity of Puerto Rico's health care industry—an important driver of the island's exports—has already experienced a lack of recent investment, which may be due to fewer business incentives, the high cost of energy, or weather events.
- **Geopolitical developments.** Several stakeholders and government officials mentioned other global changes that may affect production in Puerto Rico, including ongoing reshoring efforts, changes to the de

[46]As discussed above, e-commerce likely contributed to the increase in inbound cargo to Puerto Rico in the last decade—a trend that industry representatives who convened at a recent air cargo industry conference expected to continue.

[47]For instance, we previously reported on Puerto Rico's tax incentives for resident investors and export service businesses. First enacted in 2012, these incentives were meant to encourage relocation and investment in the island. GAO, *Puerto Rico: IRS Should Improve Oversight of Taxpayers Claiming Exemption from Federal Taxes,* GAO-26-107225 (Washington, D.C.: Dec. 8, 2025).

minimis exemption for low-value goods,[48] and potential tariffs.[49] Specifically, according to freight forwarder representatives, while tariff uncertainty could incentivize some manufacturers to return production to the U.S., they have already experienced a reduction in demand for imports in Puerto Rico.

Energy Infrastructure

Growth in air cargo operations could also be affected by other issues, such as Puerto Rico's island-wide energy infrastructure. For instance, we recently reported that Puerto Rico's power grid has not fully recovered from the 2017 hurricane damages, and electricity is expensive, which affects Puerto Rico's ability to attract and retain business and to support sustained economic growth.[50] In our interviews, several stakeholders and government officials cited the reliability of Puerto Rico's energy infrastructure as being critical for increasing cargo operations and investments on the island. Representatives from a ground handling company and a carrier said that purchasing back-up generators to mitigate the risk of power outages increases operating costs.[51]

Geographic Location

We also heard varied opinions about whether the geographic location of Puerto Rico's airports could be strategic for air cargo logistics. We

[48]The de minimis exemption provides admission of articles free of duty and of any tax imposed on or by reason of importation under certain circumstances. 19 U.S.C. § 1321(a)(2).

[49]There have been a number of recent developments related to these areas. For example, according to the Puerto Rico Federal Affairs Administration, the Governor of Puerto Rico issued an executive order in March 2025 promoting the reshoring of pharmaceutical manufacturing. The President issued a similar executive order promoting reshoring in May 2025. In July 2025, the President issued an executive order generally suspending the de minimis exemption for shipments of articles, regardless of value, country of origin, mode of transportation, or method of entry, starting August 29, 2025. According to CBP officials, the elimination of the de minimis exemption could affect their ability to efficiently screen cargo in Puerto Rico and nationwide. As of August 2025, officials estimated that the changes would require additional time and staff to process the increased volume of cargo requiring CBP inspection. Also, Public Law 119-21—commonly known as the One Big Beautiful Bill Act—included a provision mandating an additional penalty for violative low-value commercial shipments claiming a duty exemption under 19 U.S.C. § 1321, which relates to de minimis shipments. This provision became effective on August 3, 2025. Given this provision, CBP officials stated that cargo processing time, electronic system queries, inspections, cargo release, seizures, and penalties processing will increase, and more personnel might be required. In response to tariff uncertainty regarding pharmaceuticals, an industry analysis projected that tariffs on goods such as drug ingredients, surgical instruments, and medical device components could significantly disrupt sourcing strategies, increase manufacturing costs, and potentially lead to higher prices for essential medicines and health care products.

[50]GAO-25-107560.

[51]FAA generally does not have requirements for backup power for cargo warehouses.

previously reported, and many stakeholders and government officials agreed, that Puerto Rico's geographic location could serve as a transfer point for cargo transported between Europe and Latin America. Aerostar representatives noted that they have been working to strengthen and promote Puerto Rico's connectivity between Europe and Latin America to support its position as a regional hub and complement the island's existing manufacturing capabilities. However, several stakeholders and government officials emphasized that Puerto Rico's vulnerability to weather events and climate change could create additional uncertainty for businesses.[52] Additionally, other stakeholders were concerned that rising sea levels and flooding could affect continuous operations at San Juan.

Competition

Stakeholders, including carrier and manufacturing representatives, and government officials, said that competition from other nearby airports and advances in ocean shipping alternatives reduce the need for aircraft to stop in Puerto Rico.[53] Many stakeholders and government officials said that other nearby airports, such as those in Miami, the Dominican Republic, or Panama, may have advantages over Puerto Rico in cost, infrastructure, or services. For example, foreign carrier representatives told us that Miami is attractive, due to its investments in infrastructure and easy access to ground transportation.[54] Additionally, some stakeholders, including two health care manufacturing representatives, expressed an increasing interest for shipping goods by ocean instead of air. These stakeholders said that shipping by ocean was more cost effective and could be used for some time-sensitive shipments, due to the growing efficiency and speed of ocean shipping.

[52]A 2024 report from Puerto Rico's Department of Natural and Environmental Resources estimated that Puerto Rico will lose $380 billion in gross domestic product (GDP) by 2050, if global temperatures increase by 2 degrees Celsius above preindustrial levels. Departamento de Recursos Naturales Y Ambientales, *El Costo de la Inacción* (September 2024).

[53]Additionally, several stakeholders stated that the location of Puerto Rico's Aguadilla and Ponce airports may not be suitable for expanding cargo operations, particularly due to the proximity of San Juan's airport to logistics companies and manufacturers. Representatives from two carriers said that, since manufacturing and logistics companies are mostly located around San Juan, there would be no need for additional operations in Aguadilla. Puerto Rico government officials noted that they are undertaking a market analysis study and that they believe there is potential for expanding air cargo operations at these airports, even as San Juan's cargo operations increase.

[54]In 2020, we reported that Miami International Airport, as a direct competitor to Puerto Rico, had extensive air cargo infrastructure and accounted for nearly three-quarters of the air cargo shipped between Latin America and the U.S. GAO-21-21.

Government and Industry Have Undertaken Efforts to Promote Air Cargo in Puerto Rico, with Varied Potential Effects of Cargo Growth

Puerto Rico's Transshipment Exemption Is Intended to Promote Growth, but Effects Are Largely Unknown

As previously mentioned, the Puerto Rico government applied to DOT on behalf of its three international airports for exemption authority for authorized foreign air carriers to engage in certain cargo transfer activities, known as the transshipment exemption.[55]

Puerto Rico's original and renewal applications for the transshipment exemption highlighted the importance of air transportation to the island's manufacturing industry and the need to rebuild infrastructure, including airports, damaged by hurricanes.[56] Some stakeholders (e.g., carrier and freight forwarder representatives) said the transshipment flexibilities could eventually result in more direct international routes, if it attracted new carriers. Life science industry representatives anticipated that additional

[55]Transshipment facilitates the transfer of cargo from one aircraft to another while in transit to a final destination. In response to this application, DOT authorized foreign air carriers to engage in certain cargo transshipment activities, under certain conditions, at Puerto Rico's three international airports. The authority granted in DOT's order does not apply to foreign air carriers of Venezuela.

[56]Some entities, such as trade unions, submitted responsive pleadings to DOT opposing Puerto Rico's exemption application, for two main reasons. First, these entities argued that the exemption authority was unnecessary, since substantially all the flexibilities the authority would provide are already available to foreign air carriers licensed by DOT pursuant to open skies agreements, which are discussed below. DOT declined to resolve the contentions regarding the significance of open skies agreements but stated that it was not inclined to substitute its judgment for Puerto Rico's. Second, these entities were concerned that Puerto Rico may attempt to expand these flexibilities to include cabotage, which, they stated, could harm U.S. carriers. In granting the exemption authority, DOT stated that cabotage remains prohibited. Additionally, DOT recognized the importance of air transportation to Puerto Rico's economy and found that any degree of expanded air services may support the growth of Puerto Rico's economy and infrastructure.

direct routes would benefit local manufacturers.[57] However, Puerto Rico government and airport officials told us they have not collected data on transshipments and do not currently have information on whether the exemption had any direct effects on cargo operations or transshipments. In addition, DOT officials acknowledged that their agency does not currently collect data on transshipments, which creates a challenge in measuring transshipment activity at cargo airports. Puerto Rico government officials said that they are currently developing data collection protocols to better capture transshipments and a methodology to analyze the direct and indirect impacts of the exemption authority.

The government of Puerto Rico commissioned a study from a consulting group in 2021 on how to facilitate cargo growth, using the exemption. The study measured the island's air cargo activity and capacity for increased operations and assessed the most likely sources for increasing air cargo operations. The study did not find that the transshipment flexibilities would create substantial benefits, absent major investments, according to officials.[58] The study recommended that Puerto Rico leverage existing strengths in pharmaceutical manufacturing to improve cargo operations for local shippers.

Selected carrier representatives told us they had not used the transshipment flexibilities in their operations on the island. Of the nine carriers we interviewed with cargo operations in Puerto Rico, representatives from two foreign carriers said they were not familiar with the exemption. Representatives of the other seven carriers said they had

[57]Since transshipments in this context do not involve picking up additional domestic cargo (rather, transferring cargo moving in foreign air transportation from one aircraft to another), transshipment activities directly related to the exemption may not have an impact on local manufacturers.

[58]The study found that Puerto Rico was unlikely to increase transshipments and was not similar to other transshipment hubs, such as Anchorage International Airport. The study recommended that Puerto Rico shift its focus from just increasing transshipments to also increasing airport connectivity (number of direct routes) for local life sciences shippers. Puerto Rico government officials have also worked with another consultant group to develop an air cargo strategy and collect data on different air cargo metrics, such as flights, destinations, trade demand, and commodities. This consulting group recommended that Puerto Rico leverage its existing strengths through marketing its supply of high-value pharmaceutical goods to potential investors and encouraging logistics companies to standardize their pharmaceutical handling practices. Puerto Rico government officials told us that they commissioned a study in August 2025 to identify priority areas for investment, including needed infrastructure improvements and the potential for using Aguadilla and Ponce as cargo airports.

not used the transshipment flexibilities for cargo operations.[59] Some carrier representatives said that the transshipment flexibilities were not relevant to them, given their current business model. For instance, one foreign carrier representative told us that, in order to take advantage of the transshipment flexibilities, it would have to change its current routing structure, which is not feasible for their current operations.

Additionally, transshipment flexibilities may already be available for foreign air carriers under existing air service agreements between the U.S. and signatory countries, in particular those known as open skies agreements. According to DOT officials, the U.S. currently has such agreements with over 130 countries, and the transshipment flexibilities provided under those agreements are essentially the same as those provided for in Puerto Rico's transshipment exemption.[60] We analyzed certain open skies agreements that the U.S. has with countries with high levels of air cargo operations in Puerto Rico. Our analysis found that the transshipment flexibilities in Puerto Rico's exemption were generally already provided to foreign air carriers from these countries.[61] DOT officials told us that foreign carriers from countries with restricted or without open skies agreements may benefit from the increased transshipment flexibilities under Puerto Rico's exemption.[62]

[59]Similarly, officials we interviewed representing the Alaska International Airport System and Ted Stevens International Airport, which has a similar transshipment exemption, told us that they believe many air carriers generally do not use their airports to transfer cargo between aircraft, although transshipment data are not tracked. Instead, according to these officials, Alaska's unique exemption from cabotage restrictions has allowed foreign carriers to perform tech stops (i.e., refuel or change crews) in Alaska before continuing on to another U.S. destination.

[60]DOT officials told us they were not aware of any foreign carriers that have been granted DOT authority to operate in the U.S. that would benefit from the transshipment flexibilities provided under Puerto Rico's exemption authority.

[61]Foreign air carriers may seek to apply for DOT authority that is narrower than the authority that could be available to them under the open skies agreements between their countries and the U.S. In those instances, according to DOT, the exemption may provide additional authority to them.

[62]For instance, DOT officials told us that countries such as Bolivia, China, and the Philippines have restricted agreements with the U.S. While the U.S. may still grant transshipment flexibilities to individual foreign carriers from countries with restricted agreements, we did not look at any such flexibilities provided to individual carriers in such countries.

Stakeholders Identified Government and Industry Collaborative Efforts Prompted by the Transshipment Exemption

Some stakeholders and government officials we interviewed considered the transshipment exemption to have spurred additional efforts to expand air cargo operations, inspiring the island to develop new marketing strategies, increase collaboration across sectors of the industry, and improve its current logistics capabilities. For example, after the exemption was authorized, Puerto Rico developed a new air cargo strategy and created informational materials on Puerto Rico's air cargo industry for marketing to potential investors. Puerto Rico officials told us that increased outreach to foreign carriers due to the exemption may have caused some carriers to expand their air cargo services on the island.

As a part of this strategy, and to improve air cargo operations for a key industry on the island, Puerto Rico government officials and industry stakeholders have engaged with pharmaceutical and medical device companies through the Puerto Rico Air Cargo Community. The community seeks to address the shipping and handling needs of health care product manufacturers. Representatives from two health care manufacturers said that the community has been beneficial in facilitating coordination across the logistics and life sciences industries, identifying areas for improvement, and providing trainings.

According to stakeholders and government officials, collaboration between the Puerto Rico government, logistics companies, and the life sciences industry has increased standardization of pharmaceutical handling practices in Puerto Rico, especially for cold storage. For instance, the Puerto Rico government has subsidized a cold storage certification program for at least 10 companies in San Juan that handle air cargo and plans to invest additional resources to strengthen the island's logistics capabilities.[63] Puerto Rico officials told us that they promoted the certification program to address the need for improved pharmaceutical handling processes, as described above. According to industry representatives, pharmaceutical air cargo hubs across the globe often

[63]This certification is called the Center of Excellence for Independent Validators (CEIV) Pharma, which is offered by the International Air Transport Association (IATA), a global air cargo trade association. According to IATA, the certification program is intended to help organizations and the entire air cargo supply chain achieve pharmaceutical handling excellence and establish standards for safety, security, compliance, and efficiency. Several representatives from logistics companies, and other stakeholders, stated that the CEIV Pharma certification was helpful in ensuring standardized and high-quality pharmaceutical handling practices, although some were concerned that the cost and resource demands of the program could be inaccessible for some companies.

have such certifications, which help ensure that quality is maintained, no matter the differences between airports.

According to Stakeholders, Air Cargo Growth in Puerto Rico May Generate Various Effects

Many stakeholders and government officials we interviewed said increased air cargo operations in Puerto Rico could have positive economic benefits, including job creation and investment in local industries. For instance, more air cargo shipments could benefit the pharmaceutical industry and create additional jobs in the logistics sector.[64] Air cargo growth in Puerto Rico could also spur increased investments at airports and for infrastructure across the island. Aerostar representatives said that increased air cargo activity would generate more revenue for the San Juan airport through landing fees paid by air cargo operators, terminal leases paid by logistics companies, and logistics services. Additionally, officials from the Ports Authority said that by increasing air cargo activity, more funding could be secured to invest in airport infrastructure projects, which could benefit all airport users, depending on the nature of the project.

A few stakeholders also noted that growth in air cargo operations could have other benefits to both Puerto Rico and the U.S. as a whole, such as building supply chain resilience. For instance, Aerostar representatives said that by having a robust air cargo hub in Puerto Rico, the nation could reduce the risk of supply chain disruptions that could happen elsewhere in the U.S., such as a temporary closure of a Florida airport.

Several government officials and other stakeholders mentioned that there could be negative effects of increased air cargo operations to consider as well. One cited negative effect was the potential to further strain infrastructure and resources. For instance, CBP officials stated that their screening technology in Puerto Rico is insufficient to process more air cargo. Additional investments in advanced screening technologies may be required. Additionally, CBP and USDA officials were concerned that their staffing challenges on the island could be exacerbated. Air carriers mentioned other potential strains. One carrier representative cited the potential for delays in loading or unloading cargo, if volume increased without improvements to existing airport capacity. Another carrier representative was concerned that the island's electrical resilience could worsen, if an influx of air cargo operations placed additional strain on the

[64]Air cargo and the aviation industry in general impact several facets of the economy. A study commissioned by IATA found that an increase in air cargo connectivity in a country is associated with an increase in total exports and imports nationally.

current electrical grid.[65] Representatives from another carrier said that despite existing efforts to reduce the impacts of aviation noise and air pollution, these will worsen with increased aviation activity.

Agency Comments

We provided a draft of this report to DOT, DHS, USDA, and the Department of Commerce for review and comment. DOT and DHS provided technical comments, which we incorporated as appropriate. USDA and the Department of Commerce did not have any comments on this report.

We are sending copies of this report to the appropriate congressional committees, the Secretary of Transportation, the Secretary of Homeland Security, the Secretary of Agriculture, the Secretary of Commerce, and the Office of the Governor of Puerto Rico. In addition, the report is available at no charge on the GAO website at https://www.gao.gov.

If you or your staff have any questions about this report, please contact me at GieseD@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff who make key contributions to this report are listed in appendix VII.

//SIGNED//

Danielle T. Giese
Director, Physical Infrastructure

[65]At the airport in San Juan, Aerostar representatives told us they were working on addressing capacity challenges through optimizing available space and attempting to reallocate other spaces to serve cargo-related activities. Additionally, Aerostar is currently developing a power generation plant that will serve to supply additional backup power in the event of outages.

Appendix I: Objectives, Scope, and Methodology

The FAA Reauthorization Act of 2024 includes a provision for GAO to study air cargo operations in Puerto Rico.[1] This report examines (1) the trends in air cargo operations in Puerto Rico from 2015 through 2024; (2) the conditions at Puerto Rico's three international airports to support air cargo operations and improvements that selected stakeholders said are needed for growth; and (3) the government and industry efforts underway to promote air cargo growth in Puerto Rico, and the potential effects of such growth.

To address all objectives, we interviewed Department of Transportation (DOT), U.S. Customs and Border Protection (CBP), Transportation Security Administration, U.S. Census Bureau (Census), and U.S. Department of Agriculture officials to better understand the roles and responsibilities of these agencies related to air cargo. We also interviewed government officials from the Puerto Rico Ports Authority, Puerto Rico Department of Economic Development and Commerce, and the Puerto Rico Public Private Partnerships Authority. In addition, we selected a nongeneralizable sample of 29 air cargo stakeholders and conducted semistructured interviews with them about air cargo trends, airport infrastructure and other factors affecting air cargo operations, and potential effects of increased air cargo operations in Puerto Rico.

Specifically, we interviewed officials at all three Puerto Rico international airports, and representatives from two other U.S. airports, selected based

[1]FAA Reauthorization Act of 2024, Pub. L. No. 118-63, § 761, 138 Stat. 1025, 1289. Under this provision, this study shall address the following: (1) the economic impact of waivers authorized by the Secretary of Transportation related to air cargo operations in Puerto Rico; (2) recommendations for security measures that may be necessary to support increased air cargo operations in Puerto Rico; (3) potential need for additional staff to safely accommodate additional air cargo operations; (4) airport infrastructure improvements that may be needed in the three international airports located in Puerto Rico to support increased air cargo operations; (5) alternatives to increase private stakeholder engagement and use of the three international airports in Puerto Rico to attract increased air cargo operations; and (6) possible national benefits of increasing air cargo operations in Puerto Rico. As part of its study, and in alignment with the first element of the pertinent provision in the FAA Reauthorization Act of 2024, GAO reviewed the exemption authority, also known as the transshipment exemption, that DOT granted to foreign air carriers under 49 U.S.C. § 40109 to enable them to provide certain expanded cargo transfer services at international airports in Puerto Rico.

on our prior report and Puerto Rico's exemption application.[2] We also interviewed representatives of one express carrier; two all-cargo carriers; five combination carriers; and three passenger carriers that we selected based on cargo volume for each carrier type, as shown in DOT's Bureau of Transportation Statistics's (BTS) Air Carrier Statistics (T-100) database in 2024; services provided at selected airports; and geographic diversity, among other things.

Additionally, we selected other stakeholders with perspectives on Puerto Rico's air cargo industry and its operations:

- three ground handling companies and three freight forwarders, based on those that provide services at selected airports and recommendations from stakeholders;
- representatives from one health care manufacturer and one organization representing the health care manufacturing industry (which included representatives from four other health care manufacturers) in Puerto Rico, selected based on industry information; and
- two trade associations that represent aviation industry stakeholders and one industry academic, selected based on DOT docket information and published air cargo studies.

See table 3 for a list of stakeholders interviewed.

Table 3: Air Cargo Government and Industry Stakeholders GAO Interviewed

Airports and airport systems		Luis Muñoz Marín International Airport, Aerostar Airport Holdings, LLC
		Mercedita International Airport, Puerto Rico Ports Authority
		Miami International Airport, Miami-Dade Aviation Department
		Rafael Hernández International Airport, Puerto Rico Ports Authority
		Ted Stevens Anchorage International Airport and the Alaska International Airport System
Carriers	All-cargo	Amerijet International, Inc.
		Cargolux*

[2]Puerto Rico's international airports are Luis Muñoz Marín International Airport, Rafael Hernández International Airport, and Mercedita International Airport. The two other U.S. airports were Miami International Airport in Florida and Ted Stevens Anchorage International Airport in Alaska. We selected both airports based on information in our previous report on the potential for expansion of air cargo operations in Puerto Rico: GAO, *Puerto Rico: Perspectives on the Potential to Expand Air Cargo Operations,* GAO-21-21 (Washington, D.C.: Oct. 29, 2020).

	Combination	Air Canada*
		Avianca*
		Copa*
		Lufthansa Cargo*
		SKYhigh Cargo Express*
	Express	FedEx Corporation (FedEx)[a]
		United Parcel Service (UPS)
	Passenger	American Airlines
		JetBlue
		United Airlines
Freight forwarders		CBX Global
		DSV Air & Sea, Inc.
		Prime Air Corp
Ground handlers		Aero Service Inc.
		GMD Airline Services
		Western Aviation Service Corp.
Health care manufacturers		Boston Scientific – Dorado, Puerto Rico
		Industry University Research Center, Inc. (INDUNIV)[b]
Industry associations and academic		Association of Flight Attendants-CWA
		Air Line Pilots Association
		Dr. Darren Prokop, Professor Emeritus of Logistics at the University of Alaska Anchorage
		InvestPR

* = foreign air carrier
Source: GAO. | GAO-26-107762

[a]We observed operations at FedEx facilities and spoke with representatives during our site visit, but representatives did not respond to our request for a formal interview.

[b]INDUNIV stakeholders included representatives from health care manufacturers AbbVie, Amgen, Bristol Myers Squibb, and Johnson & Johnson.

We also observed air cargo infrastructure and operations at Puerto Rico's three international airports and one airport in the continental U.S. and visited nine cargo warehouses at these airports.[3] We selected warehouses for our visits based on stakeholder interviews and recommendations. We visited airfields at all of these airports. These airfield visits allowed us to view cargo infrastructure throughout the airport and experience the distances between warehouses and other elements of air cargo infrastructure firsthand, such as the distance between aprons and fuel farms.

[3]In addition to all three international airports in Puerto Rico, we observed operations at Miami International Airport and interviewed officials at Ted Stevens Anchorage International Airport.

To identify trends in air cargo operations from 2015 through 2024, we analyzed DOT and Census data. Specifically, to identify the volume (weight in pounds) of cargo transported by airport, carrier, and route, we analyzed segment data from BTS's Air Carrier Statistics T-100 database from 2015 through 2024. To assess the reliability of the data, we reviewed documentation, conducted electronic testing, interviewed DOT officials regarding their assessment of the data reliability, and reviewed our prior reliability assessments of these data. We determined the data were reliable for the purpose of describing trends in U.S. air cargo volume from 2015 through 2024, with some limitations.

- **Carrier information.** We cannot attribute volumes to carriers that use aircraft, crew, maintenance, or insurance contracts—known as wet leasing—to move their cargo. Contracted carriers report data to the Federal Aviation Administration under their own name instead of under the name of the carrier that contracted them to move the cargo.
- **Intra-Puerto Rico air traffic.** To avoid counting the same air cargo shipments twice, we removed all cargo traffic between airports within Puerto Rico. This allowed us to calculate the total cargo volume without double counting cargo traveling on the same segment twice—once upon leaving for a destination within Puerto Rico and once upon arrival.

To describe trends in the volume and value of commodities traded by air, we analyzed Census's International Trade and U.S. Trade with Puerto Rico and Possessions data from 2015 through 2024. To determine which goods to classify as health care products, we analyzed how Census's 2025 Schedule B based on the Harmonized System commodity codes classified pharmaceutical and medical devices. To assess the reliability of the data, we reviewed documentation, conducted electronic testing, interviewed Census officials regarding their assessment of the data reliability, and reviewed a prior reliability assessment of these data. We found the datasets reliable for the purpose of describing trends in Puerto Rico's air cargo, including the island's trade partners, volume, and value from 2015 through 2024, with some limitations.

- **Low-value shipments.** Specifically, the Census trade data underestimate the volume and value of low-value shipments. According to the Census's Guide to the Trade Data and U.S. trade with Puerto Rico and Possessions documentation, the U.S. does not require shippers to file documents for shipments below a specified value. While Census estimates the value of these shipments for each

country in international statistics, the estimates have limitations, and Census excludes them from the air trade data.

- **Routing for international shipments.** Census officials told us that port-level international trade data do not include information on a shipment's routing. This means that goods that originated in Puerto Rico but that clear customs at another domestic airport may not be included as international shipments leaving Puerto Rico. As a result, international totals may underestimate the volume of international trade goods traveling to and from the island.

To describe the conditions and needed improvements that selected stakeholders reported at Puerto Rico's three international airports, we analyzed and summarized information from semistructured interviews with government officials and selected air cargo stakeholders and our observations of airports and warehouses. We specifically asked stakeholders to report challenges related to the condition of nine specific elements of air cargo infrastructure and operations: terminals and cargo facilities (including cold storage); airfield and cargo aprons; roadways and intermodal connections; fueling capabilities; digital infrastructure; private-sector engagement; security screening and customs inspections; airport competition; and air cargo workforce. We identified these nine elements by reviewing industry information and by using our previous report on national air cargo trends.[4] Stakeholders also identified challenges with other elements. Information from our interviews with stakeholders and our observations are not generalizable. Additionally, we reviewed the airport master plans of all three of Puerto Rico's international airports for any information on air cargo infrastructure and investment plans.

To describe government and industry efforts to promote air cargo growth and the potential effects of that growth, we reviewed DOT documentation on Puerto Rico's transshipment exemption authority. We also conducted a legal analysis comparing the exemption with existing open skies agreements of four countries, selected based on the volume and number of cargo operations in Puerto Rico according to segment data from BTS's Air Carrier Statistics T-100 database and other information. We also interviewed DOT officials about the exemption and to confirm the results of our legal analysis.

We conducted this performance audit from August 2024 to February 2026 in accordance with generally accepted government auditing standards.

[4]GAO, *Air-Cargo: DOT Should Communicate Data Limitations and Identify Stakeholder Challenges,* GAO-25-107334 (Washington, D.C.: July 23, 2025).

Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Appendix II: Puerto Rico's Transshipment Exemption Authority

In 2020, the U.S. Department of Transportation (DOT) issued Order 2020-4-10, granting certain exemption authority to foreign air carriers under 49 U.S.C. § 40109 to enable them to provide certain expanded cargo transfer services at international airports in Puerto Rico. At Puerto Rico's request, DOT renewed the authority in 2022 and 2025. This exemption authority granted all foreign air carriers that currently hold, or that may subsequently receive, effective Department authority to engage in scheduled foreign air transportation of cargo, with an exemption from 49 U.S.C. § 41301 to engage in the following cargo transfer activities at Puerto Rico international airports:[1]

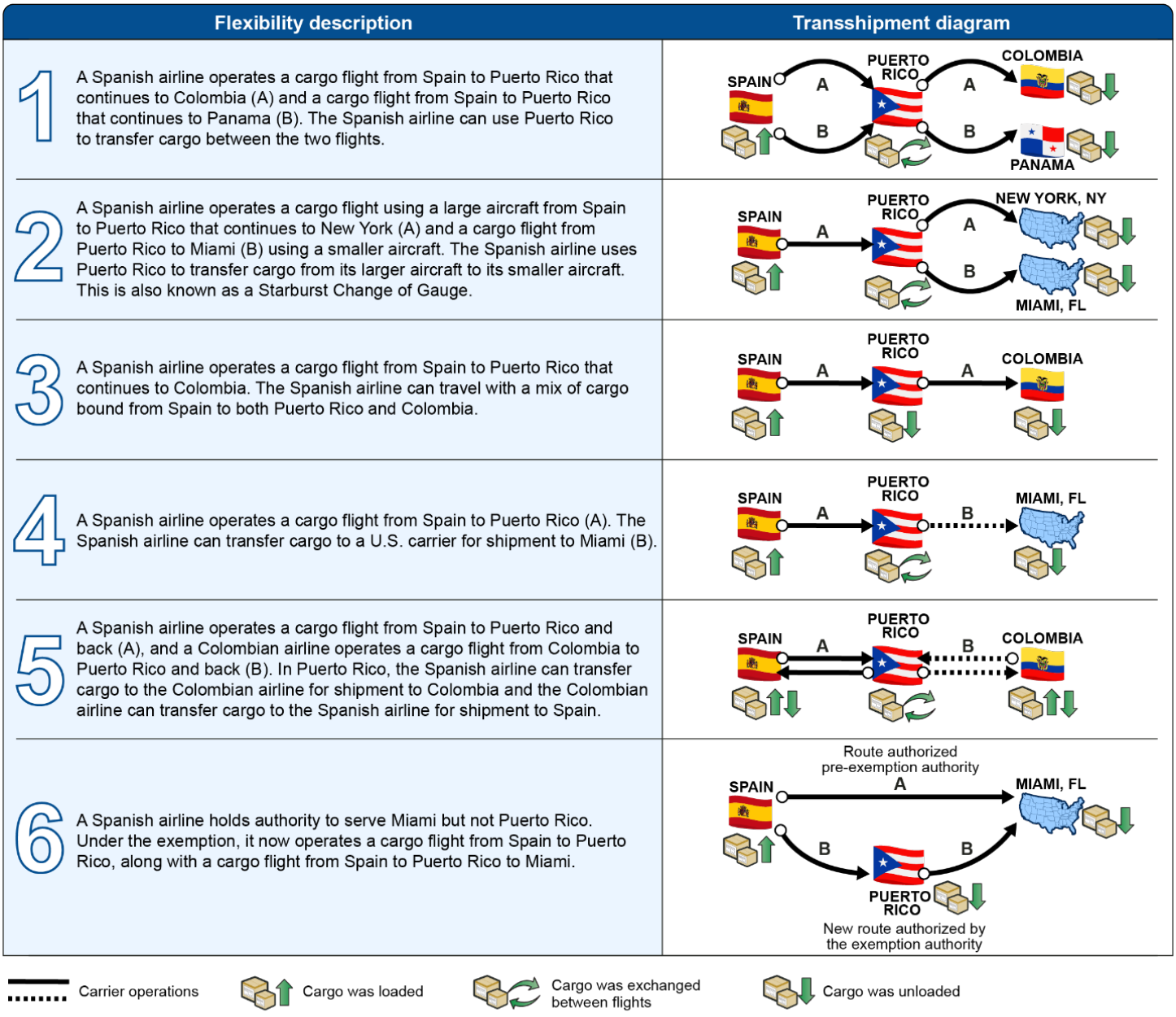
1. to transfer cargo from any of their aircraft to any of their other aircraft, provided that both aircraft are operating to/from a point in the carrier's homeland;
2. to make changes, at Puerto Rico international airports, in the type or number of aircraft used to transport cargo, provided that in the outbound direction, the transportation beyond Puerto Rico is a continuation of the transportation from the carrier's homeland to Puerto Rico, and in the inbound direction, the transportation to the carrier's homeland is a continuation of the transportation from behind Puerto Rico;
3. to commingle cargo traffic moving in foreign air transportation with cargo traffic not moving in foreign air transportation;[2]
4. to discharge cargo 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, and to uplift from Puerto Rico cargo 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;
5. to discharge cargo at Puerto Rico international airports for transfer to another foreign carrier for onward carriage to a final destination in a third country, and to uplift from Puerto Rico international airports cargo transferred from another foreign carrier that was transported by that carrier to Puerto Rico from a point of origin in a third country; and
6. to serve Puerto Rico, carrying cargo, and to coterminalize Puerto Rico with other U.S. points for which they hold DOT authority.

[1]The order excludes foreign air carriers of Venezuela.

[2]This flexibility does not permit cabotage, meaning transportation by foreign aircraft between two points in the U.S. for compensation or hire.

Figure 12 illustrates each of the six exemption flexibilities.

Figure 12: Flexibilities Granted to Foreign Air Cargo Carriers Under Puerto Rico's Transshipment Exemption



Source: GAO analysis of Department of Transportation documents and Porcupen/stock.adobe.com (flags). | GAO-26-107762

Notes: In Order No. 2020-4-10, the Department of Transportation (DOT) provided an exemption from 49 U.S.C. § 41301. Transshipment facilitates the transfer of cargo from one vessel to another while in

transit to a destination. The authority granted in DOT's order does not apply to foreign air carriers of Venezuela. Order No. 2020-4-10, *Expanded Cargo and Passenger Flexibility at Puerto Rican International Airports*, Docket No. DOT-OST-2019-0085 (Apr. 29, 2020). All airlines discussed in this table are hypothetical and are not emblematic of any specific airline.

Appendix III: Domestic and International Air Cargo Routes Through Puerto Rico in 2024

Table 4 lists the top 10 domestic and international air cargo routes traveling to and from Puerto Rico's three international airports in 2024. The table also identifies the number of carriers that flew this route and the largest carrier for each route, by volume carried. Note that there was no route through Ponce in the top 10 of either domestic or international routes.

Table 4: Cargo Volume and Carriers for the Top 10 Domestic and International Air Cargo Routes Through Puerto Rico's International Airports, 2024

Routes	Largest carrier	Number of carriers	Cargo volume (pounds in millions)
Domestic routes			
San Juan, PR (SJU) ↔ Miami, FL (MIA)	Amerijet International	12	141.8
San Juan, PR (SJU) ↔ Memphis, TN (MEM)	FedEx	2	107.7
San Juan, PR (SJU) ↔ Cincinnati, OH (CVG)	ABX Air	3	81.5
San Juan, PR (SJU) ↔ Louisville, KY (SDF)	UPS	3	81.1
Aguadilla, PR (BQN) ↔ Memphis, TN (MEM)	FedEx	1	59.2
San Juan, PR (SJU) ↔ Newark, NJ (EWR)	Amerijet International	4	19.1
San Juan, PR (SJU) ↔ Orlando, FL (MCO)	Amerijet International	6	18.1
San Juan, PR (SJU) ↔ Jacksonville, FL (JAX)	UPS	1	15.3
San Juan, PR (SJU) ↔ Atlanta, GA (ATL)	Delta Air Lines	3	4.1
San Juan, PR (SJU) ↔ Ontario, CA (ONT)	Amerijet International	1	3.1
International routes			
Aguadilla, PR (BQN) ↔ Santo Domingo, Dominican Republic (SDQ)	FedEx	2	13.0
San Juan, PR (SJU) ↔ Santo Domingo, Dominican Republic (SDQ)	Northern Air Cargo	7	9.3
San Juan, PR (SJU) ↔ Toronto, Canada (YYZ)	Air Canada	2	8.4
San Juan, PR (SJU) ↔ Panama City, Panama (PTY)	FedEx	3	6.0
San Juan, PR (SJU) ↔ Madrid, Spain (MAD)	Iberia	1	5.4
San Juan, PR (SJU) ↔ Sao Paulo, Brazil (VCP)	FedEx	1	4.6
San Juan, PR (SJU) ↔ Bogota, Colombia (BOG)	Amerijet International	5	4.0
Aguadilla, PR (BQN) ↔ St. Lucia, Saint Lucia (SLU)	FedEx	1	3.0
San Juan, PR (SJU) ↔ Medellin, Colombia (MDE)	Atlas Air	2	2.5
Aguadilla, PR (BQN) ↔ Port of Spain, Trinidad and Tobago (POS)	FedEx	1	2.1

Source: GAO analysis of Bureau of Transportation Statistics's data. | GAO-26-107762

Note: Puerto Rico's international airports are Luis Muñoz Marín International Airport, Rafael Hernández International Airport, and Mercedita International Airport. These figures do not include routes traveling between airports within Puerto Rico.

Appendix IV: Outbound and Inbound Commodities Traveling by Air to and from Puerto Rico in 2024

Table 5 lists the top 10 commodities (by volume) leaving and arriving to Puerto Rico by air in 2024, as well as the associated value of these goods. The table also displays the percent change from 2015, the first year of our analysis, for both volume and value of each commodity.

Table 5: Cargo Volume and Value of the Top 10 Commodities (by volume in pounds) Transported by Air to and from Puerto Rico's International Airports, 2024

	Volume		Value	
Commodity group	**2024 (thousand pounds)**	**Percent change (2015 to 2024)**	**2024 (millions)**	**Percent change (2015 to 2024)**
Outbound	42,299	-21%	$47,158	-40%
Pharmaceuticals[a]	14,879	-21%	$35,813	-32%
Machinery and electrical equipment	7,075	-20%	$1,737	-19%
Medical devices[b]	5,976	-41%	$5,995	-33%
Optical, measuring, and other equipment (not including medical devices)[c]	5,401	+119%	$505	+21%
Chemicals (not including pharmaceuticals)[d]	2,701	-62%	$2,252	-77%
Plastics and rubber	1,488	+20%	$186	+261%
Vehicles and transportation equipment	1,334	+714%	$479	+791%
Pulp and paper products	929	+61%	$30	+234%
Prepared food, beverages, and tobacco	796	-34%	$2	-100%
Base metals	576	-6%	$37	+186%
All other outbound air cargo	1,143	-51%	$121.5	-68%
Inbound	71,909	-14%	$29,071	+1%
Machinery and electrical equipment	12,284	-19%	$3,320	-8%
Textiles	8,976	+23%	$327	-3%
Pharmaceuticals	6,758	-60%	$12,396	+35%
Vegetable products	6,417	+334%	$30	+183%
Plastics and rubber	6,086	-3%	$738	-10%
Chemicals (not including pharmaceuticals)	6,002	-29%	$8,864	-21%
Medical devices	4,936	+64%	$1,494	0%
Prepared food, beverages, and tobacco	4,202	+88%	$251	+8%
Base metals	2,914	-63%	$222	-11%
Animal products	2,766	+145%	$31	+56%
All other inbound air cargo	10,567	-23%	$1,399	-6%

Source: GAO analysis of U.S. Census Bureau (Census) trade data. | GAO-26-107762

Note: Puerto Rico's international airports are Luis Muñoz Marín International Airport, Rafael Hernández International Airport, and Mercedita International Airport. These data include both domestic shipments and international exports transported by air, excluding ocean shipments. According to Census documentation, Census's International Trade (FT900) and U.S. Trade with

Puerto Rico and Possessions (FT895) datasets likely underestimate the volume and value of low-value shipments because the U.S. does not require shippers to file documents for shipments below a specified value. While Census estimates the value of these shipments for each country, the estimates have limitations, and Census excludes them from the air trade data. In addition, Puerto Rico-specific international trade data do not account for goods that clear customs at other U.S. ports en route to their destination. For the purposes of this analysis, commodities are grouped using the section title of the Harmonized System-based schedule B, except in the circumstances listed below. These groupings apply for both outbound and inbound goods.

[a]"Pharmaceuticals" include all goods in Chapter 30 of the Harmonized System-based schedule B codebook.

[b]"Medical devices" include all goods with a four-digit Harmonized System-based schedule B code between 9018 and 9022.

[c]"Optical, measuring, and other equipment (not including medical devices)" includes all goods in Section 18 of the Harmonized System-based schedule B codebook, except those grouped with "Medical devices."

[d]"Chemicals (not including pharmaceuticals)" include all goods in Section 6 of the Harmonized System-based schedule B, except those grouped with "Pharmaceuticals."

Appendix V: Destinations of Key Air Cargo Exports from Puerto Rico, 2024

Table 6 shows the destination of Puerto Rico's exports that cleared customs on the island, specifically for health care products, of which Puerto Rico is a major exporter. Note that the country is not indicative of the route taken to get from Puerto Rico to the destination.

Table 6: Volume (in thousands of pounds) of Health Care and Other Exports Transported by Air from Puerto Rico's International Airports, by Destination, 2024

Destination	Pharmaceuticals[a]	Medical devices[b]	All others	Total
Europe				
Netherlands	1,397.7	953.1	508.9	**2,350.8**
Belgium	1,167.4	267.9	423.6	**1,858.9**
United Kingdom	434.2	10.9	1,092.0	**1,537.0**
Italy	854.8	1.3	157.0	**1,013.1**
Germany	342.8	13.0	651.6	**1,007.4**
France	357.7	222.5	80.6	**660.8**
Hungary	321.8	0	252.5	**574.3**
Ireland	182.8	117.8	130.8	**431.3**
Spain	318.3	0	37.9	**356.1**
Czech Republic	111.0	<1.0	107.9	**219.1**
All other countries[c]	63.6	146.3	144.3	**354.2**
Total – Europe	**5,551.9**	**1,732.9**	**3,587.0**	**10,871.9**
Latin America and the Caribbean				
Brazil	826.4	26.0	1,140.6	**1,993.0**
Dominican Republic	<1.0	222.8	1,050.3	**1,274.0**
Sint Maarten	0	<1.0	752.6	**752.6**
Costa Rica	0	145.6	92.6	**238.2**
Colombia	173.4	2.6	35.9	**211.8**
All other countries[c]	171.3	17.5	397.2	**585.9**
Total – Latin America and Caribbean	**1,171.9**	**414.4**	**3,469.2**	**5,055.5**
Asia				
Japan	1,588.6	8.0	1,969.0	**3,565.6**
China	1,143.0	1.7	511.5	**1,656.1**
South Korea	238.0	<1.0	191.9	**429.9**
Hong Kong	67.9	118.2	67.4	**253.4**
Taiwan	94.1	0	155.6	**249.7**
Singapore	22.7	17.0	166.6	**206.4**
All other countries[c]	558.1	5.9	326.3	**890.3**
Total – Asia	**3,712.3**	**150.8**	**3,388.2**	**7,251.3**

Destination	Pharmaceuticals[a]	Medical devices[b]	All others	Total
North America (not including the U.S.)				
Mexico	855.3	22.5	789.1	**1,666.8**
Canada	211.0	46.0	28.2	**285.2**
Total – North America[d]	**1,066.2**	**68.5**	**817.3**	**1,952.0**
Total – Africa	**143.5**	**16.2**	**161.6**	**321.4**
Total – Australia and Oceania	**80.0**	**14.8**	**84.0**	**178.8**

Source: GAO Analysis of U.S. Census Bureau (Census) data. | GAO-26-107762

Note: Puerto Rico's international airports are Luis Muñoz Marín International Airport, Rafael Hernández International Airport, and Mercedita International Airport. These data only include international exports transported by air, not ocean shipments. According to Census documentation, Census's International Trade (FT900) and U.S. Trade with Puerto Rico and Possessions (FT895) datasets likely underestimate the volume and value of low-value shipments because, according to the documentation, the U.S. does not require shippers to file documents for shipments below a specified value. While Census estimates the value of these shipments for each country, the estimates have limitations, and Census excludes them from the air trade data. In addition, Puerto Rico-specific international trade data do not account for goods that clear customs at other U.S. ports en route to their destination. For the purposes of this analysis, commodities are grouped using the section title of the Harmonized System-based schedule B code except in the circumstances listed below. These groupings apply for both outbound and inbound goods.

[a]"Pharmaceuticals" include all goods in Chapter 30 of the Harmonized System-based schedule B codebook.

[b]"Medical Devices" include all goods with a four-digit Harmonized System-based schedule code between 9018 and 9022.

[c]Sum of all countries receiving less than 200,000 pounds of air cargo from Puerto Rico.

[d]No other countries in North America received air cargo from Puerto Rico.

Appendix VI: Airport Profiles

We created profiles for the three Puerto Rico international airports we selected for our review. To identify each airport's relative cargo volumes, routes, and carriers in 2024, we analyzed air cargo data in the Air Carrier Statistics T-100 database from the Bureau of Transportation Statistics (BTS).[1] To identify information on cargo warehouses and airport locations, we analyzed information from each selected airport, including publicly available information and information we collected through preinterview questionnaires and interviews, and site visits to the three airports.[2]

[1]BTS measures the weight in pounds of cargo transported on an aircraft. Cargo weight reported from our analysis of T-100 data may not match figures reported by airports, due to differences in how cargo is defined, such as whether mail is included and if airports use landed weight, which includes the weight of the aircraft.

[2]In September 2025, we obtained satellite images of each airport from the U.S. Geological Survey that were taken in 2025. We provided representatives for each airport with a copy of their airport's profile for review in August and September 2025.

Luis Muñoz Marín International Airport (SJU)

San Juan

Source: U.S. Geological Survey, The National Map (base map). | GAO-26-107762

2024 Summary Statistics

Physical Footprint:
Seven warehouses (836,000 square feet)
Cold storage (54,000 square feet)

Top Five Trade Routes, by Volume (millions of pounds):
1) Mainland U.S. – 487.1
2) Dominican Republic – 9.9
3) Canada – 8.4
4) Colombia – 6.4
5) Panama – 6.0

Carrier Types, by Volume:
11 all cargo (50% cargo volume)
Two express (40% cargo volume)
Seven passenger (6% cargo volume)
Seven combination (4% cargo volume)

Airport Description

SJU is a medium-size hub airport located 3 miles east of San Juan on the northeast coast of Puerto Rico. The airport comprises approximately 1,600 acres of land. SJU is managed and operated by Aerostar Airport Holdings LLC through a lease agreement with the Puerto Rico Ports Authority (PRPA) as a privatized airport under the Federal Aviation Administration Airport Privatization Program. The airport has two runways (10,400 feet and 8,016 feet), three full-length taxiways, four terminals, and seven cargo warehouses. It is 8 miles from the nearest seaport, with access to two highways.

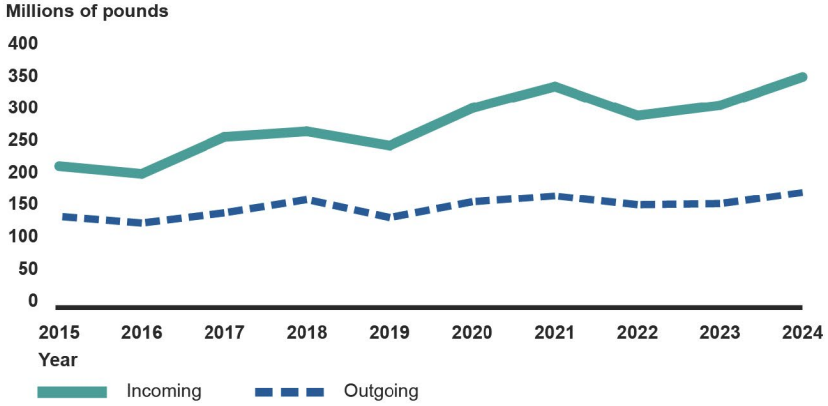
Trends at a Glance

SJU processed 538 million pounds of air cargo in 2024 – up 49 percent from 2015.

SJU processed 87 percent of Puerto Rico's air cargo volume in 2024 – up from 58 percent in 2015.

SJU processed 89 percent of Puerto Rico's domestic cargo and 68 percent of its direct international cargo in 2024.

Cargo Volume, by Direction (2015-2024)

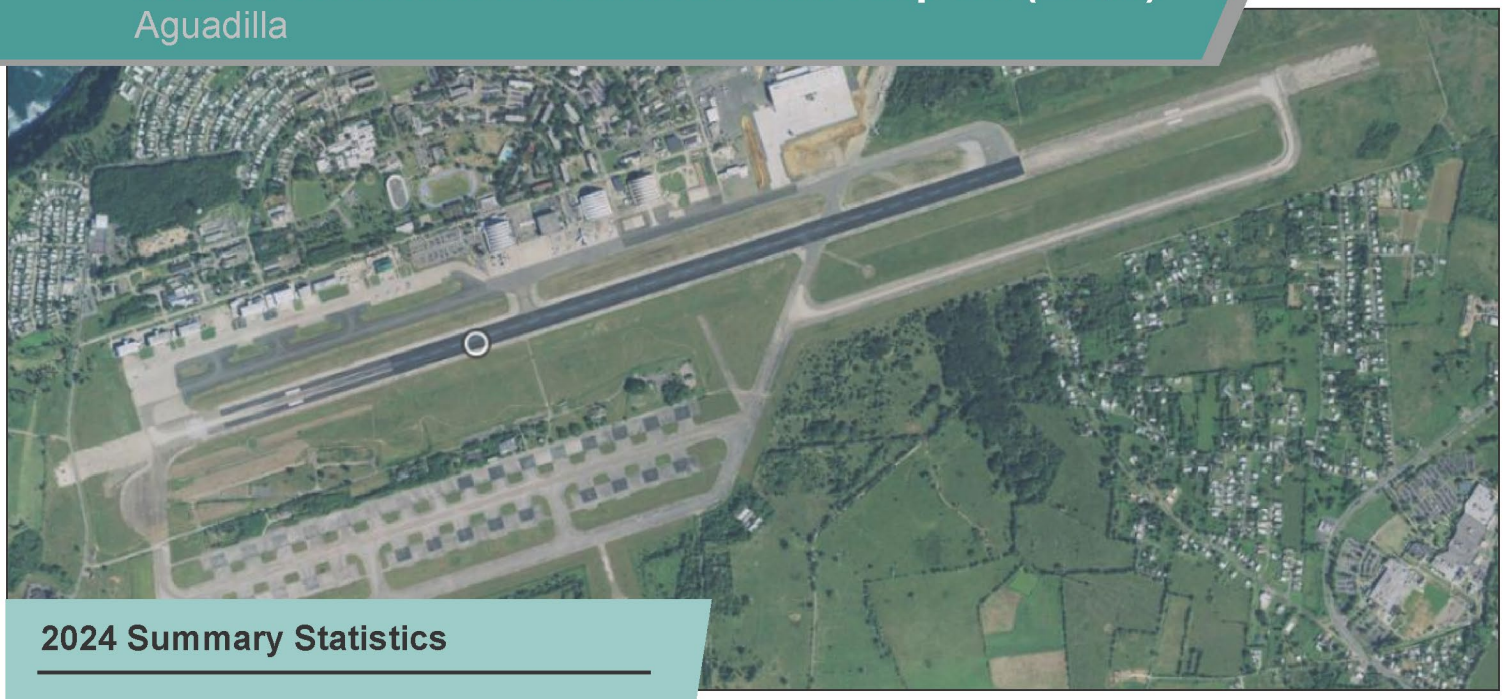


Source: GAO analysis of Bureau of Transportation Statistics's Air Carrier Statistics T-100 database. | GAO-26-107762

Note: These data do not include cargo transported between Puerto Rico's airports.

Rafael Hernández International Airport (BQN)

Aguadilla



Source: U.S. Geological Survey, The National Map (base map). | GAO-26-107762

2024 Summary Statistics

Physical Footprint:
Warehouses (170,596 square feet)
Two cold storage areas

Top Five Trade Routes, by Volume (millions of pounds):
1) Mainland U.S. – 59.3
2) Dominican Republic – 14.2
3) St. Lucia – 3.0
4) Trinidad and Tobago – 2.1
5) Brazil – 1.7

Carrier Types, by Volume:
One express (99% cargo volume)
One all cargo (<1% cargo volume)
Three passenger (<1% cargo volume)

Airport Description

BQN is a nonhub airport located 3 miles northeast of Aguadilla on the northwest coast of Puerto Rico. The airport comprises approximately 1,600 acres of land. BQN is managed and operated by the Puerto Rico Ports Authority (PRPA). The airport has one runway (11,700 feet), two partial-length parallel taxiways, one terminal, and three cargo warehouses. It is 20 miles from the nearest cargo seaport, with access to two highways.

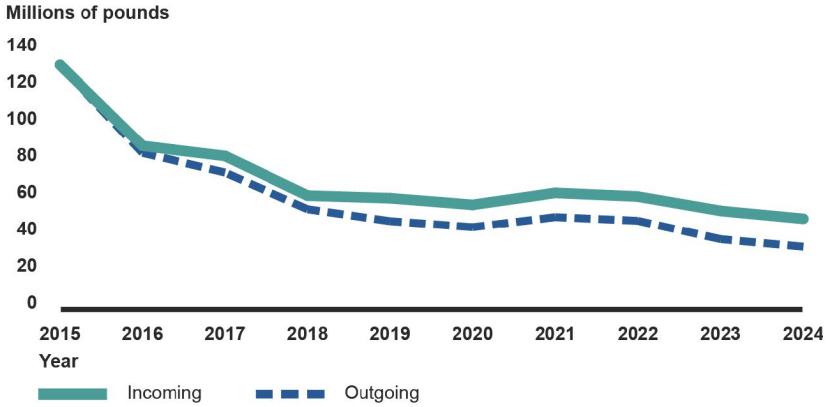
Trends at a Glance

BQN processed 83 million pounds of air cargo in 2024 – down 69 percent from 2015.

BQN processed 13 percent of Puerto Rico's air cargo volume in 2024 – down from 42 percent in 2015.

BQN processed 11 percent of Puerto Rico's domestic cargo and 32 percent of its direct international cargo.

Cargo Volume, by Direction (2015-2024)



Source: GAO analysis of Bureau of Transportation Statistics's Air Carrier Statistics T-100 database. | GAO-26-107762
Note: These data do not include cargo transported between Puerto Rico's airports.

Mercedita International Airport (PSE)

Ponce

Source: U.S. Geological Survey, The National Map (base map). | GAO-26-107762

2024 Summary Statistics

Physical Footprint:
One warehouse (6,567 square feet)
Cold storage: None

Top Five Trade Routes, by Volume:
1) Mainland U.S. – 158

Carrier Types, by Volume:
One passenger (100% cargo volume)

Airport Description

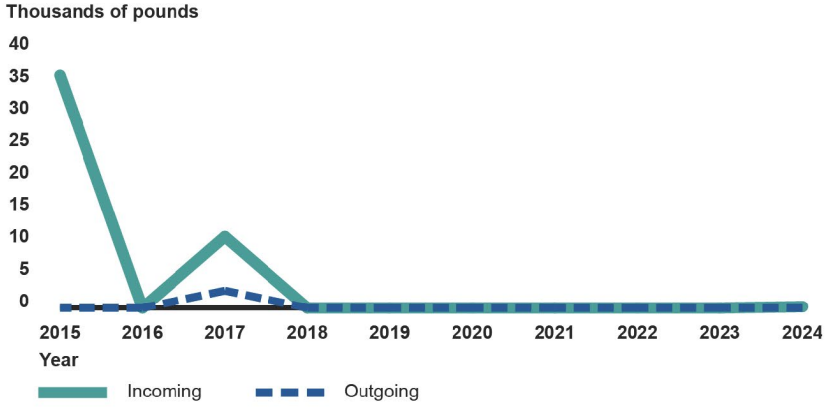
PSE is a nonhub airport located 3 miles east of Ponce on the southern coast of Puerto Rico. The airport comprises approximately 274 acres of land. PSE is managed and operated by the Puerto Rico Ports Authority (PRPA). The airport has one runway (8,000 feet), one full-length parallel taxiway, one terminal, and one cargo warehouse. It is 5 miles from the nearest seaport, with access to three highways.

Trends at a Glance

PSE processed less than 1,000 pounds of air cargo in 2024 – down 100 percent from 2015.

PSE processed less than 1 percent of Puerto Rico's air cargo volume in 2024 – which was the same as in 2015.

Cargo Volume, by Direction (2015-2024)



Source: GAO analysis of Bureau of Transportation Statistics's Air Carrier Statistics T-100 database. | GAO-26-107762
Note: These data do not include cargo transported between Puerto Rico's airports.

Appendix VII: GAO Contact and Staff Acknowledgments

GAO Contact

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Staff Acknowledgments

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