



AVISO DE REGLAMENTACIÓN Y VISTAS PÚBLICAS

REGLAMENTO DE LA COMPAÑÍA DE TURISMO DE PUERTO RICO SOBRE LOS INCENTIVOS PARA BARCOS CRUCEROS

La Compañía de Turismo de Puerto Rico anuncia que de conformidad a la Ley del Fondo Especial de Incentivos de Barcos Cruceros en Puerto Rico, Ley Núm. 76 de 25 de agosto de 2005; la Ley de Procedimiento Administrativo Uniforme del Estado Libre Asociado de Puerto Rico, Ley Núm. 170 de 12 de agosto de 1988, según enmendada; y, la Ley de la Compañía de Turismo de Puerto Rico, Ley Núm. 10 de 18 de junio de 1970, según enmendada, se propone adoptar el Reglamento de la Compañía de Turismo de Puerto Rico sobre los Incentivos para Barcos Cruceros.

Dicho Reglamento se adopta para establecer todo lo concerniente a la forma y manera en que se solicitarán y otorgarán los Incentivos provenientes del Fondo Especial de Incentivos de Barcos Cruceros de Puerto Rico, creado por la Ley Núm. 76 de 25 de agosto de 2005, a fin de garantizar una sana administración de los fondos públicos que allí se disponen. Dicho Fondo Especial, así como el Reglamento propuesto, responde al propósito de fijar un plan de incentivos a largo plazo para estimular la llegada de barcos cruceros a la Isla de Puerto Rico, incrementar el número de pasajeros, fomentar la adquisición por éstos de provisiones a comerciantes locales y brindarle certeza y estabilidad a este importante sector turístico de Puerto Rico. Entre otros, el Reglamento que se propone establece los requisitos y términos a cumplir por los solicitantes de incentivos, enténdase los dueños y operadores de barcos cruceros, y por la Compañía de Turismo de Puerto Rico en el otorgamiento de los incentivos.

A partir del 24 de octubre de 2005, este aviso y el texto del propuesto Reglamento estarán disponibles para revisión en formato electrónico en la siguiente página virtual de la Compañía de Turismo de Puerto Rico: www.gotopuertorico.com/cruiseship.dpf. Adicionalmente, este aviso y el propuesto reglamento en formato electrónico podrán accerse a través del portal virtual oficial del Estado Libre Asociado de Puerto Rico: www.gobierno.pr.

De otra parte, el propuesto reglamento podrá revisarse personalmente en la División Legal de la Compañía de Turismo de Puerto Rico, Edificio La Princesa, Núm. 2, Paseo La Princesa, San Juan, Puerto Rico, desde la fecha antes indicada y en el horario de 8:00 AM a 4:30 PM.

Se recibirán comentarios escritos en relación al propuesto Reglamento hasta el 28 de noviembre de 2005. Dichos comentarios escritos podrán ser enviados vía servicio postal al PO Box 9023960, San Juan PR 00902-3960; o entregados personalmente en la dirección física antes indicada para revisar personalmente el propuesto Reglamento.

Se celebrarán vistas públicas sobre el propuesto reglamento el 29 de noviembre de 2005, a las 9:30 AM en el Salón de Conferencias 1 de la Compañía de Turismo de Puerto Rico, Edificio La Princesa, Núm. 2, Paseo la Princesa, San Juan, Puerto Rico. Los interesados en comparecer a las vistas podrán confirmar su asistencia vía telefónica al (787) 721-2400, extensión 2004, por lo menos con dos días de antelación.

En San Juan, Puerto Rico a 20 de octubre de 2005.


Terestella González Denton
Directora Ejecutiva

**COMMONWEALTH OF PUERTO RICO
PUERTO RICO TOURISM COMPANY**

CRUISE SHIPS INCENTIVES REGULATIONS

CHAPTER 1 GENERAL PROVISIONS

Section 1.1 Legal Authority.

These regulations are promulgated pursuant to the Special Funds for the Cruise Ship Lines Incentives in Puerto Rico Act, Act No. 76 of August 25, 2005; the Organic Act of the Puerto Rico Tourism Company, Act No. 10 of June 18, 1970, as amended; and pursuant to the Uniform Administrative Proceedings Act, Act No. 170 of August 12, 1988, as amended; the Board of Directors of the Puerto Rico Tourism Company hereby approves and promulgates the following Cruise Ships Incentives Regulations of the Puerto Rico Tourism Company.

Section 1.2 Short Title.

These Regulations shall be known and may be cited as the "Cruise Ships Incentives Regulations of the Puerto Rico Tourism Company".

Section 1.3 Definitions.

The following terms shall have the meanings that are attributed to them below, except where expressly stated, or unless the context clearly indicates otherwise:

- a. **CERTIFIED LOCAL SUPPLIER (CLS)** – shall mean those suppliers of goods and products in Puerto Rico certified by the Puerto Rico Trade and Export Company and will be listed by the Puerto Rico Tourism Company every year during the term of these Regulations as eligible providers to grant additional incentives.
- b. **COMPANY** – refers to the Puerto Rico Tourism Company, a public corporation organized and existing under of the Commonwealth of Puerto Rico's Act No. 10, enacted on June 18, 1970, as amended.
- c. **CRUISE OWNER** - shall mean a cruise line or a legally organized corporation that owns and operates one or more cruise passenger vessels that use the Port of San Juan as one of its destinations throughout the entire calendar year.

- d. **CRUISE OR PASSENGER SHIPS** - means ships engaged in the transportation of passengers, with cabins (carrying twelve or more passengers), or conducting cruises or tour services and not carrying cargo.
- e. **DESTINATION INCENTIVE** – refers to such sums to be paid under the terms of these Regulations by the Puerto Rico Tourism Company to the CRUISE OWNER for every passenger paying the full amount of the passenger fee or head tax assessed in the prevailing Port Tariff.
- f. **HOMEPORT FREQUENCY INCENTIVE** – shall mean such sum to be determined and paid per passenger by the Puerto Rico Tourism Company to cruise ships that use the Port of San Juan as a home port in their schedules.
- g. **IN-TRANSIT TIME IN PORT INCENTIVE** – shall mean such sum to be determined and paid per passenger by the Puerto Rico Tourism Company to cruise ships in transit that dock and remain in the Port of San Juan for certain amount of time.
- h. **LOCAL SUPPLIERS** – refers to businesses which 50% or more of its shareholders or owners (if it is a DBA) are residents of Puerto Rico by birth or United States citizens with two or more years of residency. For non-United States citizens residing in Puerto Rico, such requirement must be of more than five consecutive years residing in Puerto Rico.
- i. **GOODS MANUFACTURED IN PUERTO RICO** – shall refer to such products developed, manufactured or finished in Puerto Rico according to those definitions and certifications provided by the Puerto Rico Industrial Development Company.
- j. **PASSENGER** – shall mean any natural person who travels aboard and/or embarks to or debarks from a cruise ship in the Port of San Juan. This definition shall not apply to cruise ships personnel or crew that may from time to time use the port facilities in San Juan, Puerto Rico.
- k. **PASSENGER FEE or HEAD TAX** - refers to such fee assessed from time to time by the Puerto Rico Ports Authority through its Port Tariff to every passenger that embarks from or debarks in the port facilities of the Port of San Juan.
- l. **PASSENGER VOLUME INCENTIVE** - refers to such sums to be paid under the terms of these Regulations by the Puerto Rico Tourism Company for the accumulated volume of passengers in certain period

of time that pay the existing port tariff established from time to time by the Puerto Rico Ports Authority. For purposes of this volume incentive under the Regulations, all cruise ships owned and operated by a specific cruise line shall be deemed as one CRUISE OWNER.

- m. **PORT OF SAN JUAN** - shall mean the public marine facilities for tourists and passengers owned and operated by the Puerto Rico Ports Authority in San Juan, Puerto Rico.
- n. **PORT TARIFF** - shall mean the rates, fees and charges for the use of public marine facilities and port services in the Port of San Juan assessed from time to time by the Puerto Rico Ports Authority.
- o. **PROVISIONING INCENTIVE** – shall mean such discounts to be granted to every cruise ship docking at the ports of San Juan for local purchases of food and beverages from Local Suppliers. Additional discounts shall be considered for such goods manufactured in Puerto Rico as set forth herein below.
- p. **PUERTO RICO PORTS AUTHORITY** - refers to a public corporation organized and existing under the Puerto Rico Ports Authority Act, Act No. 125 of May 7, 1942, as amended, that owns and operates the Port of San Juan.
- q. **REGULAR TERM** – refers to the time period from July 1st, 2005 to June 30th, 2008.
- r. **EXTENDED TERM** - refers to the time period from July 1st, 2008 to June 30th, 2011 as it may be applicable pursuant to these regulations.
- s. **SPECIAL FUNDS FOR THE CRUISE SHIP LINES INCENTIVES IN PUERTO RICO ACT** – Act. No. 76 of August 25, 2005 and its amendments.

Section 1.4 General Purposes.

These Regulations are promulgated with the purpose to implement the provisions and to establish all the rules and norms related to the Special Funds for the Cruise Ship Lines Incentives in Puerto Rico Act.

These Regulations should be construed and interpreted within the framework and scope of powers, ends and objectives of the Company in order to develop the cruise

ship industry in the Port of San Juan and to promote and increase the visit of cruise ship passengers to the Port of San Juan.

Section 1.5 Scope and Applicability.

These Regulations shall apply to all the procedures for requesting and granting an incentive to all those CRUISE OWNERS that use the Port of San Juan, and within the authority and competence of the Company.

Section 1.6 Rules of Interpretation.

The provisions of these Regulations shall be liberally interpreted in order to allow the Company to carry out its duties and to ensure that all the objectives of the Special Funds for the Cruise Ship Lines Incentives in Puerto Rico Act and these Regulations are achieved.

Section 1.7 Terms of effectiveness and applicability

These Regulations shall apply retroactively from July 1st, 2005.

CHAPTER 2 REQUIREMENTS AND CONDITIONS FOR THE INCENTIVES GRANT

Section 2.1 Request for incentives grants

- (a) Any CRUISE OWNER interested in obtaining an incentive pursuant to the Special Funds for the Cruise Ship Lines Incentives in Puerto Rico Act, shall designate an authorized official that will act on behalf of the CRUISE OWNER to request, coordinate and foresee the faithful performance of these Regulations. The CRUISE OWNER shall file an initial application with the Company through that authorized official. The form of such initial application will be produced by the Company within thirty (30) calendar days of the date of approval of these Regulations, and will require the identity information of the CRUISE OWNER and its authorized official, the corporate resolution that entitles such representation, the certifications and authorizations provided in the sections 2.3 and 2.6 of these Regulations, a commitment of the CRUISE OWNER according to Article 6 of the Code of Ethics for Contractors, Suppliers of Goods and Services and Financial Incentives Applicants of the Executive Agencies of the Commonwealth of Puerto Rico, established by virtue of Act No. 84,

enacted on June 18, 2002, and any other relevant information for the full compliance of the purposes of these Regulations.

- (b) In order to properly produce all the disbursements provided for in these Regulations, the request for any incentive grant shall be submitted by the CRUISE OWNER to the Company by an original invoice requesting the payment with the supporting documentation required by these Regulations attached thereto. Such invoices shall be certified and signed in original by the authorized official of the CRUISE OWNER.
- (c) The Executive Director of the Company or its authorized representative shall evaluate any invoice and supporting documentation submitted by the CRUISE OWNER and shall approve the same for timely payment upon the terms of these Regulations.

Section 2.2 Passenger Requirements

The CRUISE OWNER shall meet the following passenger requirements in order to be entitled to the incentives set forth herewith:

- (a) Minimum Passenger Requirement - during the Regular Term of these Regulations the CRUISE OWNER should have and shall continue to promote and secure a total amount of not less than amount of passengers of the previous calendar year embarking from or debarking to the Port of San Juan who will pay the applicable passenger fees or head tax assessed by the Puerto Rico Ports Authority.
- (b) Extended Minimum Passenger Requirement - On or before June 30th, 2008 and during the Extended Term, the CRUISE OWNER shall promote and secure a total increase of not less than twenty percent (20%) over the above mentioned Minimum Passenger Requirement in the volume of passengers per calendar year embarking from or debarking to the Port of San Juan who will pay the applicable passenger fees or head tax assessed by the Puerto Rico Ports Authority.

Section 2.3. MARKETING EFFORTS

- (a) Any CRUISE OWNER applying for an incentive according to these Regulations shall certify in its initial application its intention to develop with the Company a marketing plan or strategy for the promotion of Puerto Rico as a tourist destination subject to the following conditions:
 - (1) The distribution of Puerto Rico advertising, informational and promotional material or literature furnished and approved by the

Company, on board of every cruise ship of the line that services the Port of San Juan, not less than one (1) hour prior to its arrival to that Port.

- (2) An in-cabin program for the broadcast of a welcome script for Puerto Rico not less than one (1) hour prior to the arrival of each cruise ship at the Port of San Juan. The Company shall bear the costs for the production of such script and its content shall be previously approved by the CRUISE OWNER, which approval may not be unreasonable withheld.
 - (3) The authorization of the CRUISE OWNER, at least once a year during the term of these Regulations, allowing the Company to conduct in-house seminars and develop familiarization trips in the jurisdiction of the Commonwealth of Puerto Rico to its cruise ship personnel.
- (b) The above mentioned marketing plan or strategy shall be executed in writing by the CRUISE OWNER no later than sixty (60) calendar days after the filling of the initial application for the incentive grant.

Section 2.4. Promotion for Shore Excursions

- (a) The CRUISE OWNER shall promote shore excursion options and introduce as many new tours as commercially reasonable. The Company shall provide to the CRUISE OWNER an updated list of those endorsed tour operators with their contact information and a detailed list of their offers. Upon prior verification with the Company, the CRUISE OWNER may only promote those tour and transportation companies that submit proposals in compliance with the requirements of the Company.
- (b) The CRUISE OWNER shall be responsible of executing a written contract with each tour and transportation company that will offer land transportation or excursion services. Such contract shall be valid for a minimum term of one (1) year and will specify all services and shore excursions to be provided by the authorized tourist transportation company. In case that the CRUISE OWNER determines to terminate any or all services contracted, the CRUISE OWNER shall give the tour and transportation company not less than a thirty (30) days prior written notice of such termination with specific reasons for such termination. The CRUISE OWNER will provide copies of such transportation regulations and/or termination notices to the Company, within thirty (30) calendar days after its execution.

Section 2.5 Passengers' Projection Reports

No later than May 31st of every year during the term of these Regulations, the CRUISE OWNER shall provide to the Company a fully detailed report of its cruise ships' schedule and passenger volumes for the upcoming fiscal year. These projections must include an itemized list of all cruise vessels scheduled to make a call in the Port of San Juan and the estimated amount of passengers per voyage for the period from July 1st to June 30th of every year, during the term of these Regulations.

Section 2.6 AUTHORIZATIONS FOR INSPECTIONS

- (a) Any CRUISE OWNER being paid an incentive according to these Regulations authorize the Company to:
- (1) Conduct sporadic inspection visits by its designated personnel to the ships of the CRUISE OWNER while docked at the Port of San Juan.
 - (2) Through designated personnel, travel as unidentified guests in the various cruise ships that use the Port of San Juan, at least once a year during the term of these Regulations.
- (b) Upon conclusion of these inspections or unidentified guest visits, the Company shall provide a written evaluation to the CRUISE OWNER of the findings for each particular visit or trip monitored. All costs and expenses incurred by these inspections and visits shall be bore solely by the Company.
- (c) If during such inspection visits mentioned above or during the term of these Regulations, the Company detects or obtains information that denotes CRUISE OWNER's negative or counterproductive advertising of Puerto Rico or the Port of San Juan, the Company will give the CRUISE OWNER a written notice within the next five (5) calendar days to the CRUISE OWNER of such action. Upon such notice, the Company will request the CRUISE OWNER to immediately cease and desist from such practice in order to reinstall the benefits provided in these Regulations. The CRUISE OWNER shall provide to the Company evidence of the remediation measures taken to avoid such incidents in the future. Upon receipt of the notice, the CRUISE OWNER shall have ten (10) days to cure any infringement that may exist. If the infringement is not cured within the time allowed, it shall be deemed an Event of Default, and the Company may revoke or terminate any payment allowed by these Regulations by written notice

to the CRUISE OWNER, in addition to any other remedies available at law or in equity.

Chapter 3 - REGULAR TERM INCENTIVES

In consideration for the Minimum Passenger Requirements fulfilled by the CRUISE OWNER the Company shall grant the CRUISE OWNER the incentives provided in this Chapter during the Regular Term.

Section 3.1. Destination Incentive

The Company will pay to the CRUISE OWNER the sum of TWO DOLLARS AND NINETY-FIVE CENTS (\$2.95) for every passenger embarking or debarking in the Port of San Juan that has paid in full the Passenger Fee or Head Tax assessed by the effective port tariff issued by the Puerto Rico Ports Authority. This Destination Incentive will be paid by the Company in not less than thirty (30) calendar days from receipt of CRUISE OWNER's proper documentation as explained in Section 4.5 below.

Section 3.2. Passenger Volume Incentive

The Company will pay the sum of TWO DOLLARS (\$2.00) per passenger to the CRUISE OWNER for the accumulated volume of not less than 10,000 up to 139,999 passengers who have paid in full the assessed passenger fee or head tax established in the effective port tariff issued by the Puerto Rico Ports Authority during this Regular Term. Furthermore, the Company hereby agrees to pay to the CRUISE OWNER FOUR DOLLARS AND FIFTY CENTS (\$4.50) per passenger to the CRUISE OWNER for the accumulated in excess of 140,000 passengers who have paid in full the assessed passenger fee or head tax of the effective port tariff issued by the Puerto Rico Ports Authority during this Regular Term. For purposes of this Section, all cruise ships owned and operated by a specific cruise line shall be deemed as one CRUISE OWNER. This Passenger Volume Incentive will be paid by the Company in not less than thirty (30) calendar days upon receipt of the CRUISE OWNER's proper documentation as explained in Section 4.5 below.

Section 3.3 Homeport Frequency Incentive

The Company will pay to the CRUISE OWNER the sum of ONE DOLLAR (\$1.00) per passenger for every cruise ship that makes the Port of San Juan as homeport for a minimum of twenty (20) calendar days during a period of six (6) consecutive months. This Homeport Frequency Incentive will be paid by the Company every six (6) months during the term of these Regulations in not less than thirty (30) calendar

days upon receipt from the CRUISE OWNER of its cruise ships' schedule for the prior six (6) months.

Section 3.4 In-Transit Time in Port Incentive

The Company will pay to the CRUISE OWNER the sum of EIGHTY-FIVE CENTS (\$0.85) per passenger for every cruise ship in transit that remains in the Port of San Juan for a period of not less than eight (8) hours. This In-Transit Time in Port Incentive will be paid by the Company in not less than thirty (30) calendar days upon receipt from the CRUISE OWNER of its travel schedule for the prior month evidencing arrival and departure times per cruise ship.

Section 3.5 CRUISE OWNER Reports

(a) In order to be eligible for payment of the Destination Incentive and Passenger Volume Incentive mentioned above, the CRUISE OWNER will furnish on a weekly basis by a written mean of communication to the Company with an original detailed report that will include the following:

- (1) name of each cruise ship owned or operated by the CRUISE OWNER that used the public marine facilities at the Port of San Juan during the invoicing period;
- (2) copy of the docking manifest summary per cruise ship's visit with number of passengers who actually paid in full to the Puerto Rico Ports Authority the existing passenger fee or head tax;
- (3) written certification of pertinent cruise ship's Chief Purser or treasurer with the vessel's seal of such report or manifest; and,
- (4) the manifest must include actual time spent by each cruise ship in the Port of San Juan per voyage, and evidence passenger fees' payment to the Puerto Rico Ports Authority.

(b) Once these reports are furnished by the CRUISE OWNER, the Company will corroborate the information provided with such other governmental authorities that it may deem appropriate prior to the remittance of any payment within the timeframe herein provided.

Section 3.6 Provisioning Incentive

(a) The Company will reimburse to the CRUISE OWNER ten percent (10%) of food and beverage purchases from Certified Local Suppliers

("CLS") made by every cruise ship during its docking at the Port of San Juan according to the following:

- (1) The CRUISE OWNER shall submit copies of all invoices for purchases from any CLS and a detail log of its purchases receipts for the end of each calendar month.
- (2) In a period of not less than thirty (30) calendar days upon receipt of such documentation, the Company will reimburse to the CRUISE OWNER an amount that shall not exceed than ten percent (10%) of the purchases reported for the previous month.
- (3) Furthermore, and during the Regular Term of these Regulations, the Company will reimburse to the CRUISE OWNER an additional five percent (5%) for food and beverage purchases of products manufactured in Puerto Rico and five percent (5%) of purchases of non-elaborated (raw) agricultural products made by every cruise ship during its docking at the Port of San Juan.

Chapter 4 - EXTENDED TERM INCENTIVES

Upon verified information by the Company of the increase of not less than twenty percent (20%) of the Extended Minimum Passenger Requirements fulfilled by the CRUISE OWNER, the Company shall grant the CRUISE OWNER the incentives provided in this Chapter during the Extended Term.

Section 4.1. Destination Incentive

The Company will pay to the CRUISE OWNER the sum of TWO DOLLARS AND NINETY-FIVE CENTS (\$2.95) for every passenger embarking or debarking in the Port of San Juan that has paid in full the Passenger Fee or Head Tax assessed by the effective port tariff issued by the Puerto Rico Ports Authority. This Destination Incentive will be paid by the Company in not less than thirty (30) calendar days from receipt of CRUISE OWNER's proper documentation as explained in Section 5.5 below.

Section 4.2. Passenger Volume Incentive

The Company will pay the sum of TWO DOLLARS (\$2.00) per passenger to the CRUISE OWNER for the accumulated volume of not less than 10,000 up to 139,999 passengers who have paid in full the assessed passenger fee or head tax established in the effective port tariff issued by the Puerto Rico Ports Authority during this Extended Term. Furthermore, the Company will pay FOUR DOLLARS

AND FIFTY CENTS (\$4.50) per passenger to the CRUISE OWNER for the accumulated in excess of 140,000 passengers who have paid in full the assessed passenger fee or head tax of the effective port tariff issued by the Puerto Rico Ports Authority during this Extended Term. For purposes of this Section, all cruise ships owned and operated by a specific cruise line shall be deemed as one CRUISE OWNER. This Passenger Volume Incentive will be paid by the Company in not less than thirty (30) calendar days upon receipt of CRUISE OWNER's proper documentation as explained in Section 5.5 below.

Section 4.3 Homeport Frequency Incentive

The Company will pay to the CRUISE OWNER the sum of ONE DOLLAR (\$1.00) per passenger for every cruise ship that makes the Port of San Juan as homeport for a minimum of twenty (20) calendar days during a period of six (6) consecutive months. This Homeport Frequency Incentive will be paid by the Company in not less than thirty (30) calendar days upon receipt from the CRUISE OWNER's proper documentation as explained in Section 5.5 below.

Section 4.4 In-Transit Time in Port Incentive

The Company will pay to the CRUISE OWNER the sum of EIGHTY-FIVE CENTS (\$0.85) per passenger for every cruise ship in transit that remains in the Port of San Juan for a period of not less than eight (8) hours. This In-Transit Time in Port Incentive will be paid by the Company in not less than thirty (30) calendar days upon receipt from the CRUISE OWNER's proper documentation as explained in Section 5.5. below.

Section 4.5 CRUISE OWNER Reports

- (a) In order to be eligible for payment of the Destination Incentive and Passenger Volume Incentive mentioned above, the CRUISE OWNER will furnish on a weekly basis by any mean of written communication to the Company with an original detailed report that will include the following:
 - (1) name of each cruise ship owned or operated by the CRUISE OWNER that used the public marine facilities at the Port of San Juan during the invoicing period;
 - (2) copy of the docking manifest summary per cruise ship's visit with number of passengers who actually paid in full to the Puerto Rico Ports Authority the existing passenger fee or head tax;
 - (3) written certification of pertinent cruise ship's Chief Purser or treasurer with the vessel's seal of such report or manifest; and,

- (4) the manifest must include actual time spent by each cruise ship in the Port of San Juan per voyage and evidence of passenger fees' payment to the Puerto Rico Ports Authority.
- (b) Once these reports are furnished by the CRUISE OWNER, the Company will corroborate the information provided with such other governmental authorities that it may deem appropriate prior to the remittance of any payment within the timeframe herein provided.

Section 4.6 Provisioning Incentive

- (a) The Company will reimburse to the CRUISE OWNER ten percent (10%) of food and beverage purchases from Certified Local Suppliers ("CLS") made by every cruise ship during its docking at the Port of San Juan according to the following:
 - (1) The CRUISE OWNER shall submit copies of all invoices for purchases from any CLS and a detailed log of its purchases receipts for the end of each calendar month during the Extended Term.
 - (2) In a period of not less than thirty (30) calendar days upon receipt of such documentation, the Company will reimburse to the CRUISE OWNER an amount that shall not exceed than ten percent (10%) of the purchases reported for the previous month.
 - (3) Furthermore and during the Extended Term of these Regulations, if applicable, the Company will reimburse to the CRUISE OWNER an additional five percent (5%) for food and beverage purchases of products manufactured in Puerto Rico and five percent (5%) of non-elaborated (raw) agricultural products made by every cruise ship during its docking at the Port of San Juan.

Chapter 5 Reconsideration

- (a) Any CRUISE OWNER adversely affected by a determination of the Executive Director of the Company pursuant to these Regulations, may file a petition for reconsideration before the Executive Director of the Company within a period of twenty (20) calendar days from the date of the notice of the determination. Said petition should be signed by the CRUISE OWNER's authorized official or by its legal representation and shall, if applicable, request an evidentiary hearing.

- (b) The Company shall, within fifteen (15) calendar days of the filing of said petition, consider any motion filed in accordance with the above paragraph. If the Company rejects said petition or if it does not act with respect to the same within fifteen (15) calendar days of its filing, the statute of limitation to request a judicial review pursuant to Chapter IV of the Uniform Administrative Proceedings Act, Act No. 170 of August 12, 1988, as amended, shall commence from the date when said denial is notified or from the expiration of the fifteen (15) calendar days, as the case may be.
- (c) If the Company makes any determination with respect to the petition for reconsideration, the period for requesting a judicial review pursuant to Chapter IV of the Uniform Administrative Proceedings Act, Act No. 170 of August 12, 1988, as amended, shall commence to be counted from the date in which a copy of the notice of the resolution of the Company definitively resolving the motion for reconsideration is filed in the records.
- (d) Said resolution shall be issued and filed in the records within ninety (90) calendar days following the filing of the petition for reconsideration. If the Company accepts the motion for reconsideration but fails to take any action with respect to the motion within the ninety (90) calendar days from its filing, it shall lose jurisdiction over the same and the period to request judicial review shall commence to be counted from the expiration of said ninety-day period, unless the Company, for just cause and within those ninety (90) calendar days, extends the period to resolve to a period that shall not exceed thirty (30) additional calendar days.

CHAPTER 6. MISCELLANEOUS PROVISIONS

Section 6.1 Compliance

The CRUISE OWNER shall comply with all the terms, requirements and conditions of these Regulations and with the provisions of the Code of Ethics for Contractors, Suppliers of Goods and Services and Financial Incentives Applicants of the Executive Agencies of the Commonwealth of Puerto Rico, established by virtue of Act No. 84, enacted on June 18, 2002, in order to be entitled to the incentives offered herein.

Section 6.2 No Transfer

The incentives granted by these Regulations are not transferable.

Section 6.3 Notices

All notices pertaining to these Regulations shall be in writing and shall be transmitted either by personal hand delivery or through the facilities of the United States Postal Office.

Section 6.4 Civil Actions

The Company will be entitled to demand the return of any incentive grant obtained or disbursed in violation of the provisions of these Regulations. Any amount recovered under this Section will be returned to the fund created by the Special Funds for the Cruise Ship Lines Incentives in Puerto Rico Act.

Section 6.5 Severability

If any provision of these Regulations is declared unconstitutional or illegal by a court of competent jurisdiction, said determination shall not affect nor invalidate the rest of the Regulations, but its effect shall be limited to the part, section, paragraph, subsection, subparagraph or clause which was declared unconstitutional or illegal.

Approved by the Board of Directors of the Puerto Rico Tourism Company, and by the Secretary of Economic Development and Commerce, in San Juan, Puerto Rico, on _____, 2005.

Jorge Silva Puras
President
Board of Directors
Puerto Rico Tourism Company

Jorge Silva Puras
Secretary Economic Development and Commerce