



**TESTIMONY OF ANTHONY CHIARELLO,
PRESIDENT AND CHIEF EXECUTIVE OFFICER, TOTE,
BEFORE THE HOUSE TRANSPORTATION COMMITTEE'S
COAST GUARD AND MARITIME TRANSPORTATION SUBCOMMITTEE**

**"Building a 21st Century Infrastructure for America: Coast Guard
Stakeholders' Perspectives and Jones Act Fleet Capabilities"**

October 3, 2017

Good morning Chairman Hunter, Ranking Member Garamendi and Members of the subcommittee. Thank you for the opportunity to be with you today. My name is Anthony Chiarello and I serve as the President and CEO of TOTE. I have been involved with the maritime industry for more than 38 years and have been with TOTE since 2010.

Before I share the details of our work in Puerto Rico – the reason you called me here today – I would like to express to you how personal this situation is for us at TOTE. Our employees and customers have experienced the devastation first hand. Many of our employees in Puerto Rico have damage to their homes and families that are struggling following the hurricane but they have come to the terminal to support the offloading of containers and cargo which they know is critical for the larger Puerto Rican community. We are proud of the work our team is doing to get important cargoes to Puerto Rico and we will not rest in our efforts.

TOTE is a leading transportation and logistics company and oversees some of the most trusted companies in the U.S. domestic maritime trade. TOTE is comprised of three operating companies – two of which serve the US Jones Act market while the third company provides crewing and ship management services to a number of carriers.

TOTE Maritime Alaska has been providing twice weekly service between Tacoma, WA and Anchorage, AK for more than 42 years. TOTE Maritime Puerto Rico has served the people of Puerto Rico for more than 32 years again providing twice weekly service to the island sailing between Jacksonville, FL and San Juan. We strive for on-time and efficient operations that support daily life in the non-contiguous United States. In Alaska, TOTE Maritime is considered critical infrastructure and we would argue that the same is true in Puerto Rico.

Over the last few years, TOTE has invested significantly in reducing its environmental footprint by introducing liquefied natural gas as its fuel of choice. TOTE's Puerto Rico fleet are the first cargo ships in the world to run on LNG and TOTE's Alaska fleet will begin the conversion to LNG later this year. TOTE is proud to have the most environmentally friendly fleet in the Jones Act trade and is committed to seeking creative solutions that will only further reduce our impact on the environment.



Since Hurricane Maria made landfall in Puerto Rico on September 19th, the people of Puerto Rico have been struggling to gain access to various goods and services necessary for daily life - goods that are sitting on our docks now that need support to be moved.

Even before Hurricane Maria made landfall, TOTE was working closely with customers and other parties such as the Red Cross to prepare for what was forecasted to be a devastating blow to the island. TOTE's Isla Bella departed Jacksonville on September 20 – as Puerto Rico was still feeling the effects of Hurricane Maria – with more than 900 containers of cargo and relief goods for the island. The Isla Bella arrived at the Port of San Juan on September 24th following the opening of the Port on September 23 by the USCG. Immediately after the discharge of the Isla Bella, TOTE's second ship, the Perla del Caribe arrived in San Juan with more than 1000 additional containers of relief goods. Our vessels will continue to transport relief aid including food and water to the island along with the daily needs such as clothing and house goods.

TOTE's transit time from Jacksonville to San Juan is less than three days. This means that we are uniquely positioned to respond to emerging needs on the island, providing critical supplies to the people of Puerto Rico as the situation on the ground continues to evolve. TOTE will serve the people of Puerto Rico throughout this crisis and long after TV cameras have left.

Despite news and misinformation about the Jones Act, American companies like TOTE have ample capacity to ship supplies to Puerto Rico. The challenges are not with the maritime industry getting the goods to the island. Unfortunately the challenge is distributing the goods throughout the island communities. Infrastructure and roads have been compromised as a result of the storm making transport and delivery of goods challenging. We need to get the water and other life-saving supplies to those who need it.

Over the last few days, we have seen more and more containers leave our facility in San Juan but there are still many at the terminal. Of the more than 2700 containers at the terminal (and more keep coming with each full ship);

- on Monday (September 25), 88 left
- on Tuesday (September 26), 110 left
- on Wednesday (September 27), 180 left
- On Thursday (September 28), 259 left

Unfortunately, as of Friday September 29, only about 650 containers had left our facility since September 19.

We are working with our customers, the Puerto Rican government and FEMA to solve this bottleneck. In some cases, we are providing refrigerated containers as temporary storage for warehouses and stores that were damaged or destroyed. We are also



working with a variety of partners to offload critical cargo at our terminal that can help relieve the bottleneck and service first responders.

I am grateful for the opportunity to testify today and discuss ways that TOTE can work in concert with the Government and other stakeholders to help accelerate the recovery effort for the people of Puerto Rico and especially our employees and customers. I look forward to answering your questions.