



PRESS RELEASE  
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## **NPRC PRAISES LeMIEUX AMENDMENT ON RUM PARITY**

***“Bold new approach assures equity, revenue stability and diversification”***

**WASHINGTON, D.C. (March 5)** – The National Puerto Rican Coalition today praised an amendment by Florida Senator George LeMieux to ensure that future revenues to the U.S. Territories from the so-called “rum cover-over” will be distributed on the basis of population, rather than rum production.

“Senator LeMieux’s bold new approach assures equity, revenue stability and economic diversification in both Territories,” said NPRC Chairman Miguel Lausell. “Instead of enabling corporate rum producers to pit one Territory against the other, Senator LeMieux’s approach will distribute this vital source of revenue in a fair and neutral manner that puts people first.”

“Both U.S. Territories suffer chronic poverty and high unemployment, and the \$470 million in federal excise tax revenues is an important source of funding for both Territories,” noted NRPC President Rafael Fantauzzi. “By basing distribution on population instead of production, Senator LeMieux’s amendment ensures that the money is distributed in an even-handed way to those who need it most.”

Under current law, federal excise taxes collected on rum are rebated back to the Territories based on the respective place of production. The arrangement has recently led to abuse, with the current government of the U.S. Virgin Islands agreeing to share nearly 50 percent of its proceeds with British multinational Diageo, which produces Captain Morgan Rum, and with another distiller, Cruzan. In the case of Diageo, the corporation’s share of the proceeds is estimated to be \$2.7 billion over 30 years – tax dollars that Congress intended to be used for education, health care and other social needs.

“Sen. LeMieux’s amendment is desperately needed to avoid a ‘bidding war’ between the Territories, a war whose casualties will be the poor, sick and aged of both Territories, and whose only victors will be some of the world’s largest liquor producers,” asserted Lausell.

The LeMieux proposal will be offered to the Jobs Bill, previous versions of which previously passed both the Senate and the House, and is expected to come before the Senate for final consideration next week, Fantauzzi noted.

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The National Puerto Rican Coalition’s mission is to enhance the social, political, and economic well-being of all Puerto Ricans on the mainland and the Island with a special focus on the most vulnerable.