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THE PUERTO RICO CONVENTION BUREAU CATALOGUES THE SAN JUAN MUNICIPAL TAX ON HOTELS AS NEFARIOUS

San Juan, October 5, 2006 --- The Puerto Rico Convention Bureau vigorously opposes the implementation of an additional tax on hotels located within the Municipality of San Juan beginning on October 16, 2006.

"We were shocked when we received a copy of the letter from the Municipality of San Juan notifying their decision to begin charging a \$2 to \$5 tax per person per night to all visitors staying at hotels in the city of San Juan effective on October 16th, since we have always had a good working relationship with the City in favor of our visitors." said Ana María Viscasillas, president and chief executive officer of the Puerto Rico Convention Bureau. "We find it nefarious that San Juan should penalize our leisure and business tourists for staying at its hotels and visiting our tourism attractions, since it is precisely San Juan that most benefits from our industry."

Groups and convention business are the fastest growing segment of the tourism industry, and along with business travel, represents about 65% of hotel occupancy for groups and conventions that stay primarily in San Juan hotels. The Puerto Rico Convention Bureau expects to receive a total of 288 groups within the next few months. This translates into 197,654 room nights with a direct economic impact of 74.1 million dollars towards the Island's economic development. In addition to the hotels, the member-suppliers of the Bureau are also greatly affected since their commerce depends on business tourism to whom they supply services such as restaurants, excursions and destination management services, meeting planners, audiovisual services, photography services, among others.

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San Juan Municipal Hotel Tax/2

According to the Bureau, a measure of this sort results in promoting the negative image that Puerto Rico has of being an expensive destination. An increase in the cost of hotel stays in San Juan by up to 25%, just prior to the high season, creates instability and unrest in the industry and detracts from the destination's competitiveness when compared to other Caribbean destinations or other world class destinations. Moreover, this increase will result in fewer delegates arriving with the companions or families, fewer pre and post stays, and less money spent while on the Island.

Puerto Rico's tourism industry currently generates over 3 billion dollars to the economy and this contribution will be seriously affected if we keep increasing prices to sustain operations. It is unfortunate that at a time when we are experiencing a rebirth in tourism with the opening of the new Convention Center, an investment of over 612 million dollars in hotel development, and over 50 million dollars in renovations to airports, among other infrastructure projects, a new increase in hotel rates puts us in danger of disappearing.

"The Puerto Rico Convention Bureau is working with 445 tentative groups from October 2006 to December 2007, with a direct economic impact of 95 million dollars to the Island's economy. Puerto Rico is in danger of losing both the groups and the revenue they represent to other tourism destinations that can offer more competitive promotional packages," concluded Ana María Viscasillas. "Again, we invite the Municipality of San Juan to a cordial dialogue, as we have always done, to seek alternatives that will free the industry from increasing costs."

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Editor's Note:

The Puerto Rico Convention Bureau (PRCB) is a non-profit organization established in 1962 to drive meetings, conventions, trade shows and incentive groups to Puerto Rico. With offices in San Juan, Chicago, New York, Miami, and Washington DC, the Bureau strengthens Puerto Rico's competitive position in the Americas and abroad by increasing awareness of the Island's outstanding meeting facilities and services, and produces approximately \$125 million to the local economy. The Bureau can be reached electronically through the Internet at info@prcb.org or at its website www.meetpuertorico.com. The PRCB is the official marketing and sales agent for the new Puerto Rico Convention Center (PRCC) opened November 2005. For more information on the new Convention Center visit www.prconvention.com. The Puerto Rico Convention Bureau, representing the capital city of San Juan, has been granted full membership as of January 2005 into BestCities, a global alliance of Bureaus that represent the highest standards of service in the meetings and convention industry. For more information, visit www.bestcities.net.