

February 26, 2015

The Honorable Robert W. Goodlatte  
Chairman  
House Committee on the Judiciary  
2138 Rayburn House Office Building  
Washington, DC 20515

The Honorable John Conyers, Jr.  
Ranking Member  
House Committee on the Judiciary  
B-351 Rayburn House Office Building  
Washington, DC 20515

Dear Chairman Goodlatte and Ranking Member Conyers:

In our capacity as former presidents of the Government Development Bank for Puerto Rico (GDB), we write to express our strong support for H.R. 870, the *Puerto Rico Chapter 9 Uniformity Act of 2015*, introduced by Puerto Rico Resident Commissioner Pedro Pierluisi. We hope the House Judiciary Committee will act swiftly to approve this time-sensitive legislation, which we believe is in the best interest of the U.S. citizens of Puerto Rico, the Government of Puerto Rico and its public corporations, and the numerous holders of Puerto Rico bonds in Puerto Rico and the U.S.

As you know, H.R. 870 would simply empower the Government of Puerto Rico to authorize one or more of its government-owned corporations, if they were to become insolvent, to restructure their debts under Chapter 9 of the U.S. Bankruptcy Code, just as all 50 state governments are already empowered to do for municipal entities which issue debt in the U.S. municipal bond market. Puerto Rico is the third largest issuer of municipal debt in the three trillion dollar municipal bond market.

In light of the financial problems affecting certain government-owned corporations in Puerto Rico and the absence of a stable legal framework to protect the public interest and creditors, it is clear that approval of H.R. 870 would ensure that vital public services such as electricity, clean water and sewage and transportation, among others, are not interrupted in the short-term, jobs of thousands of U.S. citizens sustained in the long-term and creditors protected.

Governor Alejandro García Padilla and the Puerto Rico Legislature have indicated that they support enactment of H.R. 870 and have made efforts to that effect at the Federal level.

GDB is a public corporation and governmental instrumentality of the Commonwealth of Puerto Rico created by law in 1948. GDB is the central figure in the issuance of public debt and acts as financial advisor and fiscal agent for the Government of Puerto Rico and its instrumentalities, public corporations and municipalities. GDB also provides interim and long-term financing to the Government of Puerto Rico, its instrumentalities, public corporations and municipalities, and to private parties for economic development.

Sincerely,

[SIGNATURE PAGE FOLLOWS]

/s/ Juan Agosto Alicea

Juan Agosto Alicea  
President (2001-2002)  
Government Development Bank for Puerto Rico

/s/ Mariano Mier

Mariano Mier  
President (1977-1978)  
Government Development Bank for Puerto Rico

/s/ Juan Carlos Batlle

Juan Carlos Batlle  
President (2011-2012)  
Government Development Bank for Puerto Rico

/s/ Marcos Rodríguez-Ema

Marcos Rodríguez-Ema  
President (1993-1998)  
Government Development Bank for Puerto Rico

/s/ Antonio Faría

Antonio Faría  
President (2003-2004)  
Government Development Bank for Puerto Rico

/s/ Lourdes Rovira

Lourdes Rovira  
President (1998-2000)  
Government Development Bank for Puerto Rico

/s/ Javier D. Ferrer

Javier D. Ferrer  
President (2013)  
Government Development Bank for Puerto Rico

/s/ Alfredo Salazar

Alfredo Salazar  
President (1975-1976, 2005-2007)  
Government Development Bank for Puerto Rico

/s/ Carlos M. García

Carlos M. García  
President (2009-2011)  
Government Development Bank for Puerto Rico