

March 24, 2015

The Honorable Tom Marino
Chairman
Subcommittee on Regulatory Reform
Commercial and Antitrust Law
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Henry C. "Hank" Johnson
Ranking Member
Subcommittee on Regulatory Reform
Commercial and Antitrust Law
U.S. House of Representatives
Washington, D.C. 20515



NHCSL

National Hispanic Caucus
of State Legislators

Dear Chairman Marino and Ranking Member Johnson:

On behalf of the National Hispanic Caucus of State Legislators (NHCSL) - the preeminent organization serving and representing the interests of Hispanic State Legislators from all states, commonwealths and territories of the United States -- we strongly urge you to support H.R. 870, the Puerto Rico Chapter 9 Uniformity Act of 2015, introduced by Representative Pedro R. Pierluisi on February 11, 2015.

H.R. 870 would amend the U.S. Bankruptcy Code to provide the Commonwealth of Puerto Rico's municipalities and public instrumentalities with the same access to bankruptcy court proceedings pursuant to Chapter 9 as those currently authorized in the states. It is worth noting, that all chapters and provisions of the U.S. Bankruptcy Code - except Chapter 9 - are applicable to Puerto Rico.

Puerto Rico is the third largest issuer of municipal bonds in the United States, and is currently facing significant economic and fiscal challenges that may result in a situation where one or more of its municipalities or public corporations may not be in a fiscal position to responsibly meet their debt obligations in a timely manner. This bill would empower government-owned corporations and protect the collective interests of creditors and the public.

Puerto Rico's public corporations are the main providers of essential services like electricity, water and highway maintenance on the Island. If any of these public corporations were unable to meet their debt obligations in a timely fashion, the individual and institutional investors who purchased bonds from these corporations would be placed at a greater risk of being subjected to a legal quagmire of unprecedented proportions as litigation could then be brought throughout various courts and in many states simultaneously. Extending Chapter 9 access to Puerto Rico's municipalities and public instrumentalities not only makes sense; it is the only legal mechanism available to provide an orderly and recognized process that would best allow all parties to responsibly address adjusting legal debts and identifying a bankruptcy relief.

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**National Hispanic
Caucus of State Legislators**
444 North Capitol Street, NW,
Suite 404
Washington, DC 20001
Phone: 202-434-8070
Fax: 202-434-8072

H.R. 870 has broad bi-partisan support from the business community in Puerto Rico, as well as from the U.S. financial community. We strongly urge you to support H.R.870 and ask you to help us pass this legislation. This measure will ensure that vital public services continue to operate in the Commonwealth of Puerto Rico and ensure sustainability of jobs for thousands of hard-working U.S. citizens residing in the Island.

Enclosed you will find editorials from Bloomberg and the Washington Post as well as a press release from Fitch Ratings in support of Congress granting access to Chapter 9 to the Commonwealth of Puerto Rico.

Thank you for your attention to this very important matter.

Sincerely,

Senate President Eduardo Bhatia (PR)
NHCSL President

Representative Juan Candelaria (CT)
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