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February 25th, 2015

Hon. Bob Goodlate R (Va)
Chair
House Judiciary Sub-Committee
House of Representatives
2138 Rayburn Building
Washington, DC 20515

RE: HR 870 PR Bankruptcy Bill

Dear Congressman Goodlatte:

This is in regard to the Bill of reference dealing with the current exclusion of Puerto Rico under the U.S. Bankruptcy Code, Chapter 9 HR 870.

As the former chief judge of the U.S. Bankruptcy Court for the District of Puerto Rico (1994-2009) and a member of the Bankruptcy Appellate Panel in First Circuit Court of Appeals in Boston, MA, from 1996 – 2009, I would like to express my position on the bill presently set for hearings on the 26th of this month before the committee of the Judiciary and have this letter included on the record.

My position is that there is no valid reason to exclude Puerto Rico from chapter 9 of the Code. It has been said that leaving Puerto Rico out of the coverage was merely an inadvertence by Congress, if this is the case, the remedy is very simply to amend the Code to provide for inclusion of Puerto Rico immediately. However if this is not done, and Congress again refuses to act, it may be interpreted by some to mean, that the way the Code treats Puerto Rico would be considered as a form of territorial discrimination being applied by Congress to the poorest part of the Nation.

The recent decision by the U.S, District Court of Puerto Rico invalidating the P.R. law for reorganizing municipalities and public corporations leaves the territory as the only part of the Nation, aside from DC, without any form of effective relief in terms of insolvency reorganization possibilities.

There is no reason to treat Puerto Rico differently at the same time that Detroit, Jefferson County in Alabama and California municipalities have been able to reorganize under Chapter 9. Either Congress decides to bail out the territory or the U.S. Bankruptcy Code needs to be amended immediately.

Finally I want to say that there are over 3.5 million U.S citizens living in Puerto Rico that can be affected by the decision this committee takes and another 1 million Unites States citizens of Puerto Rico ancestry that live in the continental United States that are pending the act of Congress. So this is not an insignificant matter by any means.

If I can be of any help in clarifying the above or any of the testimony that is presented before the Committee please feel free to call me.

Sincerely yours,

S/S Gerardo A. Carlo Altieri