



JAIME R. PERELLÓ-BORRÁS
SPEAKER

February 25, 2015

The Honorable Bob 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

The Honorable Tom Marino
Chairman
Subcommittee on Regulatory Reform, Commercial and Antitrust Law
House Committee on the Judiciary
2138 Rayburn House Office Building
Washington, DC 20515

The Honorable Henry C. "Hank" Johnson
Ranking Member
Subcommittee on Regulatory Reform, Commercial and Antitrust Law
House Committee on the Judiciary
B-351 Rayburn House Office Building
Washington, DC 20515

RE: HR 870

Dear Chairman Goodlatte, Ranking member Conyers, Chairman Marino and Ranking Member Johnson,

During the past two years, Puerto Rico has faced many challenges to overcome our difficult economic and fiscal situation. As a result of a consistent increase in our public debt, over many years, the Puerto Rico House of Representatives had the responsibility of analyzing, proposing and approving many initiatives to stabilize our fiscal situation. In many cases the

actions were unpopular, but we believe they were necessary and imminent to provide creative and responsible solutions under the realities of our available means.

Notwithstanding these efforts, the magnitude of the accumulated deficits of many public corporations requires additional tools to counteract. Only between the Puerto Rico Electric Power Authority, the Puerto Rico Aqueduct and Sewer Authority and the Puerto Rico Highways and Transportation Authority, in Fiscal Year 2012-2013 the aggregated deficit was an approximate of \$800 million, with a combined debt amount of more than \$20,000 million. A default by any of these and/or other public corporations would leave creditors and constituents without a proper and orderly process to attend such complex and dissimilar interests, and would definitely provoke a foreseen and unwanted crisis.

H.R. 870, presented by the Puerto Rico Resident Commissioner Honorable Pedro Pierluisi, would provide an additional instrument to properly address an insolvency situation in an orderly and timely manner, and balancing all conflicting interests. The Puerto Rico House of Representatives bipartisan approved Concurrent Resolution of the Senate 41, supporting H.R. 870 and petitioning from the United States Congress and the President of the United States its approval (Attachment 1).

I strongly support and urge you to approve the amendment to Section 101(52) of Title 11 of the United States Code to include Puerto Rico for purposes of Chapter 9 of such title, relating to the adjustment of debts of municipalities.

The Puerto Rico House of Representatives stands ready to join you all in this effort, as I am sure are our constituents in the Island and the more than 4 million Puerto Ricans residing in the United States.

I am convinced that by working together we can address this urgent issue. Thank you for your attention to my concerns.

Sincerely,



Jaime R. Perelló-Borrás

Cc: Members of the House Judiciary Subcommittee on Regulatory Reform, Commercial and Antitrust Law.
Honorable Pedro Pierluisi, Resident Commissioner