



ASOCIACIÓN DE  
**CONSTRUCTORES**  
DE PUERTO RICO

April 12<sup>th</sup>, 2016

The Honorable Rob Bishop  
Chairman  
House Natural Resources Committee  
1324 Longworth House Office Building  
Washington, DC, 20515

The Honorable Raul Grijalva  
Ranking Member  
House Natural Resources  
Committee  
1329 Longworth House Office Building  
Washington, DC 20515

Dear Chairman Bishop and Ranking Member Grijalva:

At this time, we bring to your attention, the Discussion Draft, submitted by the Committee you lead, to establish an “Oversight Board to assist the Government of Puerto Rico”.

As you well know, through the National Association of Home Builders (NAHB), we represent the construction and housing industries across our Nation, which includes our Puerto Rico Chapter. As such, we are committed to give an informed input to your Committee on this subject, having discussed and studied this serious matter with our colleagues and fellow companies of our Puerto Rico Chapter.

In light of this preliminary analysis, we provide the following conclusions or recommendations, on this matter:

- a) A federally-appointed Fiscal Control Board is an important and necessary step to tackle Puerto Rico deep fiscal crisis on the short-term.
- b) We believe a good-faith and upfront negotiation should be done between the Government of Puerto Rico, its creditors and any Fiscal Control Board established by Congress.



- c) This Fiscal Control Board should be established, in conjunction with a clearly defined mechanism for the restructuring of Puerto Rico's non-guaranteed debt, that is to say, every portion of the debt owed by public corporations, not guaranteed as a general obligation under the local Constitution or any other guaranteed agreement or legislative act.
- d) This Fiscal Control Board must be complemented with a strong economic redevelopment plan, to stimulate the Puerto Rico economy. No fiscal control effort will make sense without an economic recovery. Included herein is a document outlining suggestions on actions needed to secure economic prosperity.
- e) Every federal piece of legislation, adopted to attain the aforementioned goals, should be approved with adequate instruments to secure complete accountability and transparency from the Government of Puerto Rico, including but not limited to a thorough disclosure of Puerto Rico's updated financial state, current debt and assets.
- f) Legislation should include measures that improve the investment and economic climate of the Commonwealth of Puerto Rico. There will be no fiscal relief or assistance to the local government without an economic recovery.

As you can conclude from the elements described above, the Association and our Puerto Rico local Chapter, have a business-oriented standpoint, geared toward a balanced and reasonable solution to Puerto Rico's fiscal challenges, without any partisan consideration.

Also, this balance can only be accomplished by a combination of a federally-appointed Board that gives stability and certainty to Puerto Rico's fiscal scenario, a restructuring of the non-guaranteed debt and a strategic, coherent and federally-sponsored economic redevelopment plan.

Regarding this last component, we believe some short and medium-term economic measures should be enacted to stimulate the Real-Estate and Construction Sector of Puerto Rico's economy.

We will give the highest priority to the analysis of any other recommendation we deem appropriate to submit to your Committee concerning this matter. Finally, we thank you in advance for your consideration and analysis you can give to our statements and proposals.

Best regards,

Arch. Ricardo Álvarez-Díaz, AIA, NCARB  
President  
Puerto Rico Builder's Association

CC: House Natural Resources Committee Members