

# Execs: Oversight board may include econ. dev. aspects

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Leaders of the Puerto Rico Private Sector Coalition signaled that the group's lobbying efforts have made progress in convincing members of Congress and the White House to add a measure of "economic development authority" to the expected fiscal oversight board to be imposed on the Commonwealth government.

In their meetings in Washington D.C., representatives of the private sector have repeatedly asked for an economic development component as part of the bill being drafted by members of Congress at the request of U.S. Speaker Paul Ryan. The Coalition seeks to lower energy costs and attract more investment

Puerto Rico Products Association President Ramón Pérez-Blanco revealed there may be a draft bill circulated for discussion as soon as next week, which would include a measure of economic development authority with participation from residents of Puerto Rico.

"There is nothing yet definitive but it is on the table," said Pérez-Blanco.

What seems to be off the table, at least on the Republican side, is any type of debt restructuring authority or access to Chapter 9 of the bankruptcy code.

"I see it as very difficult that Republicans in the U.S. House of Representatives give us a bill with something akin to Chapter 9," said Pérez-Blanco.

He explained that the bill being drafted is expected to create an oversight board that is resistant to a constitutional review, has fiscal authority, as well as debt reprofiling duties and elements of economic development.

The bill drafted has to overcome the opposition of a Republican sector in the U.S. House of Representatives that sees any attempt to give the Commonwealth access to Chapter 9 as a "bailout," said Pérez-Blanco.

In the meetings, the Coalition has stressed that besides having a role on enforcing fiscal discipline on the Commonwealth government, "the board definitely needs to have economic development authority. We have given our recommendations and have seen results," said Puerto Rico Chamber of Commerce President Dr. José Vázquez-Barquet. The Coalition has gone as far as suggesting that the fiscal oversight board be called "economic development board," he said.

The Coalition decried recent talk by local legislators of raising the tax rates on controlled foreign corporations while private sector leaders lobby in D.C., saying such discussions undermine their efforts.

"We are asked in meetings about the moves on raising taxes on corporations and the permitting process. It is sad to think that there are things being worked on here [in D.C.] that in Puerto Rico are not being paid attention to," said Pérez-Blanco.



Members of the Puerto Rico Private Sector Coalition meet with Congressman Richie Neal during this trip to D.C.

“I think the winning move is to show that Puerto Rico can do what needs to be done. As long as they perceive division and conflicting proposals — and we have been asked about this many times — we move farther away from a proposal that makes sense,” said College of Certified Public Accountants President Zulmarie Urrutia-Vélez.

**Continued presence needed in D.C.**

Puerto Rico Manufacturers Association President Carlos Rivera-Vélez said that the Coalition has realized it needs to maintain a regular presence in D.C. as a sense of confusion still persists regarding Puerto Rico’s current situation.

“We have have impacted more than 300 opinion leaders. It has been very positive that the private sector has spoken with one voice. They are paying attention and we are making a difference,” said Rivera-Vélez.

Rivera-Vélez revealed that as a result of the trip a follow-up meeting will be scheduled with presidential advisers in the White House centered on economic development proposals for Puerto Rico, particularly on fostering the manufacturing and professional services sectors.

This is the Coalition’s third visit to D.C. this year. The latest trip has included meetings with the White House National Economic Council and members of the Ways and Means, Insular Affairs, and Transportation Committees, among others.

Private Sector Coalition leaders were joined this time by past president of the Puerto Rico Hospitals Association Domingo Cruz Vivaldi, and past PRMA president Waleska Rivera.

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