



April 4, 2014

The Honorable Dave Camp  
Chairman  
Ways and Means Committee  
U.S. House of Representative  
341 Cannon House Office Building  
Washington, DC 20515

Dear Chairman Camp:

In September 2013, a delegation of members of the Puerto Rico Chamber of Commerce visited Congress to convey a message of concern regarding our economic state of affairs and the detrimental effect certain tax reform provisions would have on our economy.

We commend you for initiating the process of reforming the U.S. Internal Revenue Code in an effort to stimulate job creation and make companies in the United States more competitive. This is, without a doubt, a daunting task. As an organization representing a broad spectrum of industries and companies operating in Puerto Rico, we urge the Committee and the Congress not to forget Puerto Rico and the territories during this process.

The draft tax reform bill released a few weeks ago by the Ways and Means Committee included no recognition of the unique situation of Puerto Rico and the U.S. territories. In fact, contrary to the objectives stated for tax reform, the proposed provisions intended to prevent the erosion of the U.S. tax base actually would discourage investment in Puerto Rico.

The Island of Puerto Rico has been immersed in a deep recession for the last seven years from which it has not recovered, despite the recovery of the U.S. economy. The Island has suffered the loss of a significant number of jobs that have migrated overseas. Puerto Rico needs to attract these U.S. jobs and capital back into its economy, and cannot afford proposals which would do otherwise.

Puerto Rico is in a weak economic position - adversely affected by a high level of public debt, budget deficit, an unemployment rate of 14.7%, and the exodus of many of its young workers. Puerto Rico's future depends on job creation by the private sector.

It is imperative that Congress recognize this and not make the situation worse by punishing U.S. companies investing in infrastructure and jobs on the Island. Unfortunately, the discussion draft would penalize U.S. businesses that invest in Puerto Rico and are employing U.S. citizens here.

Regardless of intent, the result will be devastating to the economy of the Island and thousands of direct and indirect jobs will be affected. This is contrary to the goals of tax reform which include creating jobs in the United States - and, therefore, in Puerto Rico and the U.S. territories.

The Chamber of Commerce of Puerto Rico is eager to work with Congress to achieve the overall objectives of tax reform and make America, Puerto Rico, and the territories an attractive place to invest. We appreciate your consideration of these concerns and we make ourselves available to discuss further with you.

Sincerely yours,

Jorge M. Cañellas, ESQ, CPA  
Chairman of the Board