



# PUERTO RICO IS OPEN FOR BUSINESS

*Strategic Priorities & Federal Actions for Investment*

June 2026 · Washington, D.C.

PRESENTED IN COALITION WITH





PRIORITY · HEALTH

# Puerto Rico's Healthcare System

*Funding equity in Medicaid & Medicare Advantage for 3.1 million residents*

FA**CES**



HEALTH



## A Health-Dependent Population

**3.1M**

residents of Puerto Rico

**~1M**

covered by Medicaid

**~680K**

in Medicare Advantage

**~307K**

Medicare Platino (D-SNP)

**25% are age 65+ (vs 18% U.S.) · 40% live below the Federal Poverty Level (vs 13% U.S.)**

*Healthcare is over one-third of the economy; Medicaid & Medicare cover nearly two-thirds of residents.*



HEALTH



# The Medicaid Cliff

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**SEPTEMBER 30, 2027**

*lapses*

*federal Medicaid funding for Puerto Rico*

- ✓ 48% of residents rely on Medicaid — yet Puerto Rico receives ~60% less funding than states, and over 90% less for Medicare Platino dual-eligibles.
- ✓ Puerto Rico delivers quality, accountable care: the issue is funding sustainability, not performance.



## **FEDERAL ASK Congress:**

Correct Puerto Rico's Medicaid funding before the September 30, 2027 cliff to include an FMAP of at least 76%, funding for the MSP and ap ath towards LTSS.



HEALTH



## Medicare Advantage in Puerto Rico

**86%**

MA penetration — highest in the U.S. (national avg 51%)

**96%**

of Part A & B eligibles enrolled

**99%**

in 4.5-star plans or higher; 82% in 5-star

**3.5%**

remain on Traditional Medicare

Yet MA funding runs ~40% below the U.S. average and 20% below the U.S.V.I. — while residents pay the same FICA taxes.



HEALTH



## The MA Solution: A USVI-Level Floor

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- ✓ Establish a minimum Medicare Advantage payment rate at the USVI benchmark: \$967 PMPM.
- ✓ Even then, Puerto Rico stays the lowest-funded MA market — 22% below Hawaii (\$1,237 PMPM).
- ✓ An administrative correction for 2028 sets a payment floor and creates a strong national MA model.



### FEDERAL ASK **HHS-CMS:**

set a USVI-level MA payment floor for 2028 - the window to act is NOW the next 90 days(June–August).

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PRIORITY · ENERGY

# Puerto Rico's Electric Power Sector

*Key private-sector concerns limiting investment, reliability & transformation*

FA**CES**



ENERGY

# PREPA Bankruptcy

## CURRENT SITUATION

Still under bankruptcy proceedings, with no long-term sustainable financial structure.

## IMPACT ON INDUSTRY & INVESTMENT

Limits infrastructure financing, raises system credit risk, and undermines investor confidence.



## FEDERAL ASK Congress & the Oversight Board:

back a final, sustainable resolution of PREPA's debt and financial structure.



ENERGY



# Slow Execution of Federal Funds

## CURRENT SITUATION

Billions allocated by FEMA remain stalled in approval, design, permitting and reimbursement.

## IMPACT ON INDUSTRY & INVESTMENT

Delays grid modernization, prolongs vulnerabilities, and deepens the economic cost of outages.



## FEDERAL ASK FEMA, HUD & DOE:

streamline approvals and reimbursement to release allocated reconstruction funds faster.



ENERGY



# T&D Operating Model Uncertainty

## CURRENT SITUATION

Ongoing political and regulatory uncertainty over the continuity of the private T&D operator.

## IMPACT ON INDUSTRY & INVESTMENT

Threatens operational stability and risks a return to lower-performing management models.



## FEDERAL ASK **Federal partners:**

support regulatory certainty and continuity for the private transmission & distribution operator.



ENERGY



# Lack of Credit Support for PPOAs

## CURRENT SITUATION

New-generation developers lack robust financial guarantees backing their power agreements.

## IMPACT ON INDUSTRY & INVESTMENT

Complicates financing, raises the cost of capital, and deters bidders in future procurements.



## FEDERAL ASK U.S. DOE:

extend federal credit support or guarantees (e.g., the Loan Programs Office) to back new power agreements.



ENERGY



# Insufficient Generation Capacity

## CURRENT SITUATION

The system still relies on aging units with high forced-outage rates and falling reliability.

## IMPACT ON INDUSTRY & INVESTMENT

Increases the risk of service interruptions and erodes Puerto Rico's industrial competitiveness.



## FEDERAL ASK **Federal partners:**

prioritize funding and fast-track permitting for new, reliable generation capacity.



ENERGY



# No Stable Long-Term Energy Policy

## CURRENT SITUATION

Frequent shifts in government priorities and regulation create uncertainty for the market.

## IMPACT ON INDUSTRY & INVESTMENT

Limits long-term planning and delays strategic private-sector investment decisions.



### FEDERAL ASK **Congress & the Administration:**

support a stable, long-term federal–local energy framework with clear, measurable goals.

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PRIORITY · TAX

# Federal Tax Policy Opportunities

*Strengthening U.S. competitiveness & investment in Puerto Rico*

FA**CES**



TAX



# Revamp Puerto Rico's Tax System

*A private-sector restructuring proposal*

**4%**

Income tax — individuals & corporations

**0%**

Passive income — dividends, interest, capital gains

**10%**

Sales & use tax, with a regressivity credit



**FEDERAL ASK U.S. Treasury:**

provide technical assistance to simplify, modernize and add certainty to the tax system.



TAX



## Pillar Two Relief for Foreign-Owned Firms

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- ✓ The OECD Pillar Two global minimum tax may deter foreign investment — despite Puerto Rico being part of the United States.
- ✓ A targeted framework could shield firms with substantial Puerto Rico operations (per the Tax Foundation's Alan Cole approach).
- ✓ This preserves competitiveness for advanced manufacturing and aligns with U.S. reshoring goals.



### **FEDERAL ASK** Congress & Treasury:

adopt a Pillar Two framework shielding PR-based firms from the IIR and UTPR.



TAX



## Encourage Investment: NCTI / GILTI Relief

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- ✓ Current NCTI rules (formerly GILTI) raise the effective tax burden on U.S. groups operating in Puerto Rico.
- ✓ Targeted relief would make Puerto Rico a preferred destination for domestic investment.
- ✓ It would help retain and expand manufacturing, research and high-quality jobs on the Island.



### FEDERAL ASK **Congress:**

provide NCTI relief for active PR operations and enact HR 1426, the Territorial Economic Recovery Act.



TAX

## Section 1031 Like-Kind Exchanges

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- ✓ Today, Puerto Rico real property cannot qualify as replacement property under Section 1031.
- ✓ Eligibility would promote investment in commercial real estate, tourism, housing & urban redevelopment.
- ✓ It would increase liquidity and the efficient allocation of capital across the Island.



**FEDERAL ASK Congress:**

amend Section 1031 to make Puerto Rico real property an eligible like-kind destination.



TAX



## Why These Actions Matter

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Support reshoring and supply-chain resilience



Encourage domestic and foreign direct investment



Create and preserve high-quality jobs



Strengthen Puerto Rico's role in U.S. economic & strategic security

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PRIORITY · RESHORING

# A Strategic Pillar in U.S. Manufacturing

*Puerto Rico's critical role in bioscience & supply-chain security*

FA**CES**



RESHORING



# Puerto Rico's Critical Role

*Highest U.S. concentration of pharmaceutical & medical-device talent*

**12 of 20**

top global pharma & biotech firms operate here

**#2**

U.S. producer & exporter of pharmaceuticals

**6 of 10**

of the world's top biologics made in Puerto Rico

**30+**

medical-device firms — incl. 6 of top 10 Class III



**FEDERAL ASK The Administration & Congress:**

recognize and leverage Puerto Rico as a ready, U.S.-based platform for critical manufacturing.



RESHORING



## Recent Reshoring Milestones

*Following Executive Order 2025-012*

**\$1.2B**

Eli Lilly — Carolina

**\$650M**

Amgen — Juncos

**\$64M**

SolX solar — Aguadilla

**\$46M**

PharmaEssentia expansion

**\$12M**

Stryker — Humacao (46 jobs)



**FEDERAL ASK Congress & the Administration:**

sustain this momentum by pairing federal incentives with private investment.



RESHORING



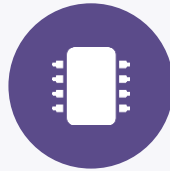
# Tariffs & Strategic Advantage

*Duty-free access to the U.S. market*



## Pharma & Medical Devices

*Tariff-free domestic alternative*



## Electronics & Semiconductors

*Aligned with the CHIPS Act*



## Aerospace & Defense

*Secure, U.S.-based production*



### FEDERAL ASK The Administration:

treat Puerto Rico as the duty-free domestic alternative for critical supply chains.



RESHORING



## Federal Incentives to Expand

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- ✓ MMEDS Act (HR 3042): a federal income-tax credit on wages, benefits, depreciation & local procurement in distressed areas.
- ✓ Supply Chain Security and Growth Act of 2025 (HR 1328).
- ✓ Integrate tariff incentives and provide NCTI (formerly GILTI) relief.



### FEDERAL ASK **Congress:**

enact and strengthen the MMEDS Act (HR 3042) and the Supply Chain Security and Growth Act (HR 1328).



RESHORING



# Military Procurement

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- ✓ The Berry Amendment requires military procurement be U.S.-made — including Puerto Rico.
- ✓ Puerto Rico's role grows with rising U.S. military activity in the Caribbean and Latin America.
- ✓ Uniforms · electronics (drones, surveillance, comms, GPS) · cybersecurity services.



**FEDERAL ASK U.S. DoD:**

use the Berry Amendment to source uniforms, electronics and cyber capabilities from Puerto Rico.



RESHORING



# Align PR with National Strategy

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*Specific federal actions requested:*

- ✓ Integrate Puerto Rico into the EO on Domestic Production of Critical Medicines (May 5, 2025)
- ✓ Apply the Reciprocal Tariffs EO (April 2, 2025) in Puerto Rico's favor
- ✓ Prioritize FDA fast-track pathways for Puerto Rico manufacturing
- ✓ Direct federal procurement (DoD, HHS, VA, DHS) to Puerto Rico manufacturers

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PRIORITY · FEDERAL FUNDS

# Federal Funds: Proper Use & Importance

*Turning allocations into completed projects, jobs & lasting capacity*

FA**CES**



FEDERAL FUNDS



## Why Federal Funds Matter

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- ✓ A major part of Puerto Rico's public finances — supporting recovery, infrastructure, housing, broadband & essential services.
- ✓ Local businesses benefit through contracts and jobs; funds should boost competitiveness and cut the cost of doing business.
- ✓ The goal is long-term economic capacity — not dependence on temporary assistance.



**FEDERAL ASK Congress:**

protect and expand Puerto Rico's access to federal programs.



## From Allocation to Execution

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- ✓ Announcing funds is not enough — they must be disbursed and converted into completed projects and functioning services.
- ✓ Simplify unnecessary procedures, keep FEMA / COR3 / CDBG-DR rules clear, and report spending and outcomes transparently.
- ✓ Prevent fraud, waste & abuse, and assign clear responsibility when projects stall.



### FEDERAL ASK **Executive Branch:**

accelerate disbursement of allocated funds and cut unnecessary bureaucracy.



FEDERAL FUNDS



## Local Business & Infrastructure

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- ✓ Puerto Rican businesses should have meaningful, competitive access to federally funded contracts.
- ✓ Rebuild housing, modernize obsolete infrastructure, expand broadband & improve resilience.
- ✓ Update project awards for inflation and supply-chain costs; keep funds available until projects finish.



### FEDERAL ASK FEMA & Congress:

update awards to current costs and safeguard funds until projects are complete.

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## Hon. Cameron McKenzie

*Master of Ceremonies — President of FACES  
Committee*

### KEY MESSAGE

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Serving as Master of Ceremonies for the evening — delivering the welcome, framing the event's goals and objectives, and leading the Champions of Puerto Rico awards presentation and closing remarks.

### ABOUT

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Investment banker and founder of McKenzie & Associates. He has served as Chairman of the Puerto Rico Chamber of Commerce and on the Financial Oversight & Management Board for Puerto Rico, is the first Puerto Rican on the Executive Board of the International Chamber of Commerce, sits on the B20 Digital Transformation Taskforce advising the G20, and serves as Honorary Consul of Japan in Puerto Rico.



## Margaret Ramírez Báez

*President, Puerto Rico Chamber of Commerce*

### KEY MESSAGE

Presenting the history and advocacy efforts of the Puerto Rico Chamber of Commerce and speaking on federal funds — their proper use and importance to the Island's recovery and growth.

### ABOUT

Attorney and President of the Puerto Rico Chamber of Commerce (2025–2026), leading a 'Growth and Freedom' agenda built on private property rights and free enterprise. Founder of the law firm LegalmentePR LLC, she is also an executive at Air Flamenco and Flamenco Cargo and owner of ProntoCare, and holds a JD, a Master's in Finance, and a BBA.



**José Julio Aparicio**

*President-Elect, PR Chamber — FACES Founder*

## KEY MESSAGE

Presenting the history and mission of FACES — the federal-advocacy initiative he created within the Chamber — and its work advancing Puerto Rico's priorities before Congress.

## ABOUT

Attorney, entrepreneur, and President-Elect of the Puerto Rico Chamber of Commerce. He is the creator and founder of the FACES federal-advocacy program and a serial founder across industries — from Knox Medical, which helped pioneer Puerto Rico's medical-cannabis sector, to Gentech Security, Red Rooster, and WininPR.



**Luis Pizarro**

*Founder & CEO, FIDE LLC — Past PRCC  
Chairman*

## KEY MESSAGE

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Speaking on the health sector and the opportunities in Medicaid and Medicare Advantage, making the case for equitable federal health funding for Puerto Rico's beneficiaries.

## ABOUT

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Health-policy attorney and founder, President & CEO of FIDE LLC, and Immediate Past Chairman of the Puerto Rico Chamber of Commerce. He holds an LLM in Health Law from Loyola University Chicago and a BA from George Washington University, with more than a decade of leadership across Medicaid, Medicare, and private insurance.



## Solange de Lahongrais

*President, MMAPA & MMM Multihealth*

### KEY MESSAGE

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Joining the health-sector remarks on Medicaid and Medicare Advantage opportunities, advocating for fair federal funding and parity for the programs that serve Puerto Rico's beneficiaries.

### ABOUT

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Attorney and President of MMM Multihealth, which serves more than 280,000 Medicaid beneficiaries in Puerto Rico, and the first woman to preside over MMAPA. A magna cum laude graduate of the Pontifical Catholic University law school, she was appointed by the Governor in 2026 to a multisectoral working group advocating for fair federal health funding for the Island.



**David Rodríguez**

*President, PR Society of CPAs*

## KEY MESSAGE

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Speaking on tax reform and the impact of GILTI on Puerto Rico — and the role of sound, competitive tax policy in the Island's economic growth.

## ABOUT

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Certified Public Accountant and Certified Internal Auditor, and President of the Puerto Rico Society of CPAs (2025–2026). He founded the CPA firm Sageza, LLC in 2010 and previously chaired the board of the Puerto Rico Chamber of Commerce (2016). A UPR graduate, he is also a business columnist and frequent media commentator on tax and economic matters.



**Kenneth Rivera**

*Tax Partner, Galíndez LLC — Past PRCC  
President*

## KEY MESSAGE

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Speaking on tax incentives and the importance of the Malliotakis bill (the MMEDS Act) for reshoring pharmaceutical and critical manufacturing to Puerto Rico.

## ABOUT

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Tax Partner at Galíndez LLC with more than three decades of experience. A CPA, attorney, and notary public who also holds the CVA, CGMA, and CM&AA designations, he is a Professor of Tax Law at the UPR School of Law, a past President of both the PR Chamber of Commerce and the PR Society of CPAs, and Secretary of the PR Manufacturers Association.



**Rafael Vélez**

*President, PR Manufacturers Association*

## KEY MESSAGE

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Speaking on Puerto Rico's electric power sector — the path toward a reliable, resilient, and modern energy system, including new transmission infrastructure linking the Island to the region.

## ABOUT

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President of the Puerto Rico Manufacturers Association (since 2025) and a CPA. He is Founder and President of Atabey Capital and CEO of Caribbean Transmission Development Co., advancing a 700 MW submarine power-transmission cable between Puerto Rico and the Dominican Republic. A director of OFG Bancorp, he holds degrees from Babson College and Georgetown and completed IESE's Advanced Management Program.

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# Puerto Rico is Ready to Lead

*Let's build bridges, inspire investment, and show that Puerto Rico is open for business.*