



ASOCIACIÓN DE  
**CONSTRUCTORES**  
DE PUERTO RICO

May 25<sup>th</sup>, 2016.

**HR 5278**

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

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

Dear Chairman Bishop and Banking Member Grijalva:

On behalf of the Puerto Rico Builder's Association, thereby we express our institutional position regarding HR 5278, bill referred for the analysis and consideration of your Committee.

Our Association, founded on 1961, is non-partisan and non-governmental organization aimed to represent the construction and development industry of Puerto Rico's economy, particularly the commercial, residential, industrial and tourism real estate developers and investors.

We respectfully submit our comments and recommendations, confident that this legislative process will pave the way for the restructuring of Puerto Rico's non-constitutional and non-guaranteed debt, the stabilization of our fiscal situation and the strengthening of our economy.

In that sense, we fully agree with the creation of a federally-appointed Fiscal Control Board, commissioned with the urgent task of providing stability to Puerto Rico public finances and set the proper and necessary conditions to insure transparency, accountability and adequate controls, in the restructuring and management of our debt and our fiscal challenges.

Notwithstanding our endorsement of the general goals of this bill, we have identified certain areas of this legislation that deserve additional analysis. Specifically, we suggest this Committee reconsiders the proposal to waive the applicability of the minimum wage federal provisions for the population under 25 years old employed in Puerto Rico. A question that Puerto Rico desperately needs to address is to what extent we can retain our more productive and young people, who as American citizens, frequently decide to leave Puerto Rico in search of better job opportunities in the continental United States. Lowering the minimum wage requirements for our young citizens simply cannot help us in that regard. Instead, we should strive to improve their formal education, provide them greater job opportunities and diversify the ways in which they can compete in a highly technological and sophisticated world.

Additionally, we respectfully suggest an amendment to the provisions related to the applicability of federal labor regulations, as pertaining to the classification of exempt or non-exempt employees. In this instance, we recommend a direct and unconditioned exclusion of Puerto Rico from the applicability of these federal labor regulations, intended to be in force for the month of December 2016. Certainly, the analysis and careful consideration that the **Comptroller General of the United States** can give to this matter, deserve our respect and support, but the clear and present economic conditions of Puerto Rico's economy directly provide enough basis for this exclusion. Application of the proposed regulation will negatively impact the cost of doing business in Puerto Rico.

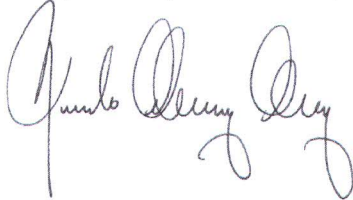
Our unemployment rates have skyrocketed during a ten-year recession that already resembles a Great Depression, the private sector has suffered major layoffs, our investments have plummeted to emergency rates and our economy has a structural weakness that cannot afford a significant increase in the labor costs associated with this change in the federal law. In sum, we urge the members of this Committee to look carefully upon the hard facts already available and exclude Puerto Rico from the enforcement of this burdensome regulation.

At the same time, we commend the proposal of this bill of creating a Revitalization Coordinator, with a special assignment to identify and promote critical infrastructure projects that should receive a high priority and expedited permitting process, under the emergency considerations described in the legislation. Nevertheless, we understand that these critical projects should also include those commercial, residential, industrial and tourism projects, critical for Puerto Rico's economy to address the urgent needs of thousands of American citizens living in Puerto Rico, who clearly deserve a safe and decent home for their families, and who deserve a basic quality of live under federal standards.

We also suggest the appointment of a Housing Coordinator, entrusted with the special task of coordinating, and streamlining the administration of federal housing assistance and programs, established in Puerto Rico to provide financing, insurance financing and subsidies for eligible families and individuals.

Having stated our major concerns and recommendations, we are confident this legislative process will end with a balanced and thoughtful solution for Puerto Rico fiscal crisis which can trigger an economic stimulus that Puerto Rico urgently needs. Without economic prosperity in Puerto Rico, our government will not be able to improve its fiscal condition.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Ricardo Álvarez-Díaz". The signature is written in a cursive style with a large initial "R" and "A".

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

CC: House Natural Resources Committee Members