

PUERTO RICO RECOVERY BLUEPRINT



SUPPLEMENT

FOUR POLICY AREAS COMPILED AS A CRITICAL
BLUEPRINT FOR THE RECOVERY OF PUERTO RICO



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REPRESENTING FLORIDA'S 9TH DISTRICT

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INTRODUCTION

The Supplement to the Puerto Rico Recovery Blueprint summarizes additional public input we received during our Committee on Natural Resources Congressional Delegation Trip (CODEL) to the island during March 2019. Members of Congress serving on the Committee met with local residents, elected officials, non-profit organizations, businesses, labor unions, educators, scientists, farmers, as well as government agencies such as FEMA, PREPA, PROMESA Fiscal Board, Department of Energy, U.S. Department of Forestry, and Puerto Rico Department of Agriculture.

This supplement is intended as recommendations for the House Committee on Natural Resources. Below are updates on the four critical policy areas compiled to supplement our Puerto Rico Recovery Blueprint:



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DISASTER RELIEF

FEMA UPDATES

- Received an updated PREPA Power Plan and it is under their review
- FEMA is still developing a new Recovery Plan
- Will supply information on response disparities between Texas and Puerto Rico
- Will now recognize affidavits in lieu of title as ownership evidence
- There are multiple local, commonwealth, and federal inspections with lack of local personnel, which is slowing down claims process
- Developing industrial recycling storage and market
- Creating regions to increase rapid response
- Need more guidance on critical infrastructure or Stafford Act changes
- Rebuilding damages historic landmarks; restoring beaches, coastal reefs, and other ecosystems



PREPA UPDATES

- Request that FEMA, HUD, and DOE finally publish notice to start process for \$2 billion grid rebuild
- Began developing solar micro grids in the Cordillera Central rural mountain areas, such as Toro Negro (which we visited) Vieques, Culebras, and the Southeastern part of island which is the usual hurricane entry point

DISASTER RELIEF

PUERTO RICO LEGISLATURE

Governor Ricardo Rosselló / Puerto Rico Legislature requested:

- Stafford Act reform to require reconstruction upgrades (currently discretionary) or better define “critical infrastructure” in the alternative
- Potentially create a Public Advocate in the Office of Management and Budget to assist Puerto Rico in expediting recovery funding

COMMUNITY INPUT

Public / Community Organizations requested:

- Recovery work set asides for local contractors
- Waive barriers to local contractors such as matching funds, bonds and fronting costs
- Local worker hiring preferences
- A public participatory process for spending disaster relief funds
- FEMA, PREPA and other related agencies need to better engage University of Puerto Rico and other subject experts
- Increase micro grids and renewable energy input

PLAN OF ACTION

- Host critical oversight hearings with FEMA, HUD, OMB, DOE, PREPA, PROMESA Fiscal Board, and others
- Encourage expedited completion of new Power Plan and Recovery Plan
- Enact Comprehensive Disaster Relief Reform Package considering these proposals

ECONOMIC DEVELOPMENT

ENERGY SECTOR

- Request that FEMA, HUD, and DOE publish notice to start process for \$2 billion grid rebuild
- Use funds to promote greater renewable energy mix to reach 100% by 2050 - solar, wind, hydro
- Use funds to promote renewable energy power storage
- No solar / renewable tax
- Promote solar micro-grids first in worst disaster prone areas including Vieques, Culebra, Cordillera Central (rural mountain communities) and Southeast Coastal Areas
- Convert coal and oil power plants to liquid gas plants to assist transition

AGRICULTURE

- Pass \$600 million Nutritional Assistance Program Budget
- Convert Puerto Rico to SNAP Program
- Enact USDA Small Family Farm Program with Puerto Rico small acre leases of non-sensitive government lands
- Promote growing more organics
- Boost Puerto Rico domestic food production from 20% to at least 50%

ECO-TOURISM / CONSERVATION

- Oversight hearings to expedite El Yunque National Park recovery funds
- Make rum tax for conservation permanent to encourage purchase and protection of sensitive lands
- Promote agrotourism and farm-to-fork ventures

ECONOMIC DEVELOPMENT

WAGE AND SKILLS REFORM

- Apply Davis-Bacon to Puerto Rico to raise wages on all federal projects including disaster recovery
- Create federal construction training centers
- Encourage building trade union participation

JONES ACT

- Potential 5 year liquid gas energy exemption
- Incentivize Puerto Rican exports on returning vessels
- Department of Justice anti-trust pricing oversight

ELIMINATE EXPORT TAX

- Repeal new tax on exports enacted in GOP Tax Plan proposals

PLAN OF ACTION

- Host critical oversight hearings with FEMA, HUD, DOI, DOE, USDA and PROMESA Board
- Pass comprehensive economic development package considering these proposals

PROMESA/DEBT REFORM

JURISDICTION REFORM

- Puerto Rican Government makes day-to-day operating decisions
- Board only engages in major budget, finance and debt relief decisions

PROTECT PENSION FUNDS & UNIVERSITY OF PUERTO RICO

- Give preference to preserving these areas in bankruptcy

PROTECT DISASTER RELIEF FUNDS

- The law already protects disaster relief funds from creditors
- All relief runs through separate trust funds
- Ensure no exceptions or loopholes exist

INDEPENDENT AUDIT

- Fiscal Board's "Kobre and Kim Audit" is already public
- Fiscal Board based legal challenges on this Audit
- Underwriting documents need to be made public to allow for independent audit

COMMITTEE REVIEW OF EXISTING COURT CHALLENGES

- \$6B reduction of public debt
- Cofina Deal (46% reduction - \$17 billion saved in debt service with \$1 billion a year payment cap according to Fiscal Board)

PROMESA/DEBT REFORM

ECONOMIC DEVELOPMENT

- Despite PROMESA Preamble, Fiscal Board asserts its only economic development powers exist in Title 5
- Title 5 allows them to develop expediting permitting for critical infrastructure

CANCELLING DEBT

- Congress is barred from enacting laws to cancel entire debt under Contracts Clause and Ex Post Facto Clause
- However it should be Fiscal Board policy to aggressively reduce public debt to the maximum extent under law to put Puerto Rico on best path to economic recovery
- Committee should still review options to convert PROMESA to a direct bankruptcy proceeding

PLAN OF ACTION

- ➔ Host critical oversight hearings with PROMESA Board
- ➔ Pass comprehensive Fiscal Board reform packages considering these proposals.

FEDERAL BENEFITS EQUALITY

MEDICAID EQUALITY

- Pass permanent Medicaid equality reform to ensure Puerto Rico is given funding parity with states

PASS FEDERAL BENEFITS EQUALITY

- Supplemental Nutrition Assistance Program
- Earned Income Tax Credit
- Child Tax Credit
- Supplemental Security Income
- Tricare
- Any other federal benefit inequities



PLAN OF ACTION

- ➔ Host critical oversight hearings
- ➔ Pass comprehensive federal benefits equality package considering these proposals