Congress of the United States
Washington, DC 20515

November 15, 2018

The Honorable Donald J. Trump
President
The White House
1600 Pennsylvania Avenue
Washington, DC 20500

Dear Mr. President:

We are writing to express our serious concern that your call for "no more Puerto Rico relief funds"[1], if materialized, would have a catastrophic effect on the Island's already fragile recovery. We understand your position that no disaster relief funds that have or will be provided to Puerto Rico should be used to repay bond debt. To ensure this never occurs, we should work together to include language in all subsequent Puerto Rico disaster appropriations that such funds cannot be used – directly or indirectly - to pay any of Puerto Rico's debt nor factored into any calculation of how much funds will be available for debt repayment. However, denying disaster relief funds to American citizens living on the Island is unacceptable.

This letter is not the first time Members of Congress have raised the issue of federal recovery funds potentially going toward Puerto Rico's debt repayment. Last February, several of us sent a letter to the Puerto Rico Federal Oversight and Management Board ("Oversight Board") reminding them that Congress intended "100 percent of the funding to solely be used for rebuilding Puerto Rico and to help its residents recover from Hurricane Maria."[2] In addition, after the Oversight Board approved a five-year Commonwealth fiscal plan ("Fiscal Plan") that assumed $82 billion in federal hurricane recovery relief,[3] Members cautioned the Oversight Board not to impose any austerity measures on those living on the Island in order to facilitate any generous deals with bondholders.[4]

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[1] Swan, Jonathan, *"Trump wants no more relief funds for Puerto Rico"*, Axios, available at https://www.axios.com/donald-trump-federal-funding-puerto-rico-hurricane-maria-c9e4edc8-2365-40be-af36-8d91463578d6.html, November 11, 2018

[2] Letter to Puerto Rico Federal Oversight and Management Board from members of Congress regarding disaster supplemental, available at https://www.warren.senate.gov/imo/media/doc/21618%20Letter%20to%20FOMB%20re%20disaster%20supplemental%20funds%20to%20be%20used%20only%20for%20relief.pdf, February 16, 2018

[3] Revised Fiscal Plan for the Commonwealth of Puerto Rico, available at https://drive.google.com/file/d/17ca0ALe7vpYn0jEzTz3RfykpsFSM0ujK/view, October 24, 2018

[4] Cerullo, Megan, *"Rep. Nydia Velázquez challenges continuing austerity measures included in Puerto Rico fiscal plan,"* Daily News, available at http://www.nydailynews.com/news/national/ny-news-puerto-rico-fiscal-plan-

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The Oversight Board has also been on record on the issue. The Fiscal Plan itself projects that the disaster relief funding will be disbursed in the reconstruction effort as a mix of individual assistance, public assistance and the expected cost-share requirements. Moreover, the Oversight Board's Executive Director recently said that none of the funds in the Fiscal Plan would be budgeted for debt payments, but rather to help stimulate the economy.[5]

The job of the recovery of the Island, separate and apart from the work of the Oversight Board, is far from over. The scale of the destruction from Hurricanes Irma and Maria was unprecedented and the government of Puerto Rico has estimated that they will need approximately $134 billion to completely rebuild the devastated island.[6] So far, less than a third of this total has been appropriated.[7]

More than a year later, nearly everyone remaining on the Island "lives with some portion of the emotional and physical trauma that accompanied the storm's far-reaching devastation and its grueling aftermath: the weeks and months without power, reliable healthcare, basic government services or many of the conveniences and safeguards of modern life to which they were accustomed."[8]As such, it is premature to stop recovery funds from going to Puerto Rico irrespective of our shared concern regarding payments to bondholders.

The American citizens residing on Puerto Rico continue to need our assistance in their recovery. The federal government needs to both provide the Island with the help that it needs as well as ensure that none of that help is used to repay creditors.

We look forward to working with you for the benefit of the people of Puerto Rico.

Sincerely,

Raúl M. Grijalva
Member of Congress

Nydia M. Velázquez
Member of Congress

Elizabeth Warren
United States Senator

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nydia-velazquez-20181030-story.html?fbclid=IwAR0mj80SwZIfHalCfSOdv8giutylikiaRVLf_y1LF4LHHSHGHzjKL53x-Qg, October 30, 2018

[5] Westwood, Sarah and Landers, Elizabeth, CNN, *"Trump does not want more relief funding sent to Puerto Rico"* available at https://www.cnn.com/2018/11/12/politics/trump-puerto-rico/index.html, November 12, 2018

[6] *"Transformation and Innovation in the Wake of Devastation: An Economic and Disaster Recovery Plan for Puerto Rico"* available at https://reliefweb.int/sites/reliefweb.int/files/resources/pr-transformation-innovation-plan-congressional-submission-080818_0.pdf, August 8, 2018

[7] For combined disaster relief appropriations, see P.L. 115-56, P.L. 115-72 and P.L. 115-123.

[8] Viglucci, Angel, Miami Herald, *"Puerto Rico recovery: roofless homes, closed schools, an island left to fend for itself."* https://www.miamiherald.com/news/nation-world/national/article217659345.html

Luis V. Gutiérrez
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