

Committee on Natural Resources
Oversight Hearing
1324 Longworth House Office
Building May 9, 2019
10:00 am

Hearing on “*The Status of the Puerto Rico Oversight, Management, and Economic Stability Act (PROMESA): Lesson Learned Three Years Later.*”

Questions from Rep. Jody Hice (GA-10) for Natalie Jaresko, Exec. Dir., Financial Oversight & Management Board for P.R.

1. When we last met in this committee I asked you about PREPA’s decision to refuse an offer from creditors for a five-year debt holiday and to instead pursue a bankruptcy strategy. You told me that after the hurricane you felt that was the best course of action due to what would have resulted in unbearable electricity costs. You also mentioned that you had engaged in a new dialog with those creditors and were working on a plan. Can you please update me on the outcome of those conversations here roughly a year-and-a-half later?

2. We will be entering hurricane season in a few short months, and a second disaster could spell doom for both rebuilding the island and for solving this debt crisis. Can you tell me what the Board has done to mitigate that threat? And furthermore, do you feel that the Puerto Rican government and or PREPA has executed its responsibilities to ensure hurricane preparedness for 2019 and beyond?

Questions from Rep. Jody Hice (GA-10) for Alex Pollock, Distinguished Senior Fellow, R Street Institute, Washington, D.C.

1. As you reference in your testimony, \$41 billion in aid has so far been approved for Puerto Rico. And the Oversight Board estimates that this figure will reach \$81

billion while the President has estimated a top end of \$91 billion. My understanding is that is due to potential liabilities over the life of the disaster that would need to be committed via the Disaster Relief and Emergency Assistance Act of 1988 (Stafford Act). For instance, over the life of the disaster recovery, CRS reported in 2014 that, "Congress provided roughly \$120 billion for Hurricane Katrina."

You remark that this acts as a short-term stimulus. Would you agree that in the wake of this crisis that now more than ever it is vital the Puerto Rican government gets its fiscal house in order? Do you have any recommendations?

Questions from Rep. Jody Hice (GA-10) for Ricardo Rossello, Governor of Puerto Rico

1. My understanding is that sections of the electrical grid either have been transitioned or are in the process of transitioning to natural gas. One of the problems being forecast is that there is a transport shortage due to the Jones Act and that a temporary waiver would allow for greater access to U.S. stores. What action have you taken to pursue a waiver?
2. Puerto Rico experienced 710 homicides in 2017, and 641 in 2018 - more than any U.S. state and mostly gang related.
Your police force is not only underpaid (\$40k/yr - 24% below avg) and in many cases owed money, but Colonel Michelle Fraley, who was the superintendent of the Puerto Rico police in 2017 during Hurricane Maria, told CBS News this past January that she wouldn't go outside past 6pm unless it was an absolute emergency requiring a hospital visit. Twenty-one months after Hurricane Maria what is being done to protect your civilian women and children?