

**FINANCIAL OVERSIGHT AND MANAGEMENT BOARD
FOR PUERTO RICO**



José B. Carrión III
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Ana J. Matosantos
David A. Skeel, Jr.

Natalie A. Jaresko
Executive Director

BY ELECTRONIC MAIL

March 18, 2020

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

The Honorable Mitchell McConnell, Jr.
Majority Leader of the Senate
United States Capitol
Washington, DC 20515

The Honorable Nancy Pelosi
Speaker of the House of Representatives
United States Capitol
Washington, DC 20515

Dear President Trump, Majority Leader McConnell, and Speaker Pelosi,

I write to express the views of the Financial Oversight and Management Board for Puerto Rico (“Oversight Board”) regarding current policy issues related to manufacturing of pharmaceuticals and medical products. Specifically, there have been recent press reports and public dialogue about potential policy changes that would require increased production of these products within the United States for national security reasons.

Puerto Rico has long been a major center for pharmaceutical and medical device manufacturing. According to the FDA, 8% of pharmaceutical expenditures by Americans are for products manufactured in Puerto Rico.¹ The sector has been a mainstay of the Puerto Rican economy for decades. There is a well-developed ecosystem of highly skilled employees who have the technical skills needed to work in a highly regulated and safety-oriented operating environment. Puerto Rico

¹ [“Securing the Future for Puerto Rico: Restoring the Island’s Robust Medical Product Manufacturing Sector,”](#) US Food and Drug Administration, 2018.

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is also fully within the customs territory of the United States, and manufacturing is subject to FDA and other federal agency oversight.

The Oversight Board was established by law to create the conditions for fiscal responsibility in Puerto Rico and restore access to capital markets. One element of this mandate has been to take opportunities to support the Government of Puerto Rico in its efforts to pursue prudent actions to promote economic stability and create the conditions for growth.

In this context, if federal policymakers consider actions to require increased manufacturing within the United States, the Oversight Board strongly believes that Puerto Rico can be a center of excellence within the nation and play a leading role in the national portfolio of locations where this manufacturing re-locates. The physical infrastructure, human capital, and regulatory processes are already established and well positioned.

We acknowledge there are a number of policy considerations that would need to be discussed. Should policymakers pursue actions to require additional manufacturing in the United States, we respectfully encourage proactive dialogue between the Government of Puerto Rico and federal policymakers to find mutually acceptable solutions to these issues.

The Oversight Board would be proud for Puerto Rico to play a leading role in bolstering our national security and stand ready to assist however we can.

Sincerely,



José B. Carrión

Andrew G. Biggs
Carlos M. García
Arthur J. González
José R. González
Ana J. Matosantos
David A. Skeel, Jr.

CC: The Honorable Charles Grassley, U.S. Senate President Pro Tempore
The Honorable Charles Schumer, U.S. Senate Minority Leader
The Honorable Steny Hoyer, U.S. House of Representatives Majority Leader
The Honorable Raúl M. Grijalva, Member of Congress
The Honorable Nydia Velázquez, Member of Congress
The Honorable Jenniffer González-Colón, Member of Congress
The Honorable Wanda Vázquez Garced, Governor of PR
The Honorable Thomas Rivera Schatz, President of the PR Senate
The Honorable Carlos J. Méndez Núñez, Speaker of the PR House of Representatives
Ms. Natalie A. Jaresko, Oversight Board Executive Director