

TRANSLATION BY GDB

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Public Building Authority Board of Directors addresses and clarifies claims made by the agency's Labor Union President

The Chairman of the Public Building Authority (PBA) Board of Directors, José M. Izquierdo, reaffirmed today the commitment of the Board of Directors and this Administration to develop and strengthen the PBA. Izquierdo made these declarations upon exiting a Board meeting—in which five board members were present, including Jorge Irizarry, Government Development Bank Executive Vice President for Financing, and José Guillermo Dávila, the Office of Management and Budget (OMB) Executive Director were present— with the President of PBA's Employee's Independent Union, Federico Torres-Montalvo, and the President of the Professionals and Office Clerks Union, Freddie Rodríguez Rohena.

“Since the beginning of this fiscal year we have communicated to the syndical leaders that with the support of Chief of Staff Jorge Silva Puras we have been identifying resources to make funds available for the Authority's operation,” Izquierdo said. The Public Buildings Authority is undergoing a process of stabilizing its finances in order to increase its borrowing margin, for which it has the full commitment of this Administration. For the current fiscal year the rents assigned to PBA were not sufficient to cover its operational expenses, as reported by OMB. Hence, the Government Development Bank (GDB) approved PBA a line of credit for \$75 million to cover said shortfall.

In addition, this fiscal year GDB granted PBA a \$30 million credit for the transfer of the former Sears building in the Hato Rey. Likewise, agencies such as the Department of Education are catching up in their payments to the PBA, for the Education identified \$15 million in addition to the budget provision to be transferred in payment for its debt,” Izquierdo explained.

In the meeting the board members established that addressing the concerns raised by Torres-Montalvo is an exclusive responsibility of the PBA’s Board of Directors and Executive Director, and not of GDB’s Board Chairman, Alfredo Salazar.

In light of Torres-Montalvo’s allegation that some actions that the Puerto Rico Infrastructure Financing Authority (PRIFA) has been doing imply it is attempting to substitute the PBA, the board member reminded the union leaders of PRIFA’s fiscal strength and its independence from the General Fund, and about the fact that it has the faculty to take loans and issue bonds in the U.S. tax-exempt market to provide financing for the construction of public infrastructure, as authorized by the Governor and the Legislative Assembly. For example, AFI is currently in the process to issuing \$400 million in bonds to make viable the development of the infrastructure necessary to celebrate the Central American Games in Mayagüez in 2010.

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