



**STATE OF INDIANA
HOUSE OF REPRESENTATIVES**

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The Honorable Paul Ryan
Speaker of the House of Representatives
United States House of Representatives
1233 Longworth House Office Building
Washington, D.C. 20515-4901

Dear Mr. Speaker,

It was great to meet you again last month as you stopped in Indianapolis with the Indiana delegation. You will recall our discussion regarding Lost Valley Ranch, and that our daughter Allison just finished a three year stint as the Executive Chef for the ranch with Tony Warnock. She seems to be there frequently on weekends to help out and visit friends.

I write today to encourage your continued strong support of H.R. 5278, the Puerto Rico Oversight, Management and Economic Stability Act (PROMESA). Indiana confronted significant fiscal troubles 11 years ago when I assumed the Speakership role, albeit not of the magnitude Puerto Rico is currently facing. Budget gimmicks and poor planning by previous administrations had put Indiana in a poor fiscal condition. In 2005, House Republicans, along with then first-term Governor Mitch Daniels, were able to get Indiana back on track by turning deficits into surpluses without raising taxes or hurting our business climate. In fact, Indiana has been able to maintain a AAA credit rating from all three major credit rating agencies over the last 6 years while also continually ranking in the top 10 in numerous state business climate rankings. As you may be aware, Indiana was also recently recognized by Moody's as having one of the lowest tax-supported debts in the nation.

Indiana had to roll up its sleeves and make tough decisions to get our fiscal house in order. I strongly believe that PROMESA will put Puerto Rico in a position to do the same. Any solution must be focused on restoring responsible fiscal management and an economic policy that restores growth and does so without a federal bailout at taxpayer expense.

Additionally, as a practicing bond attorney and member of the National Association of Bond Lawyers, I understand the importance of a strong municipal bond market to ensure safe and cost-effective private sector funding for state and local projects. I believe PROMESA is key to allowing Puerto Rico's bond market to endure and overcome the current fiscal calamity.

Below are some of the key measures the legislation hopes to accomplish:

- **Limiting Restructuring to U.S. Territories (No Chapter 9 or “Super Chapter 9”)** so as to avoid changes to the bankruptcy code and eliminate the risk of contagion to Indiana’s and other states’ municipalities.
- **Establishing Fiscal Oversight** to assist in developing sound fiscal plans, make tough choices, and rationalize expenditures and debt service to sustainable levels.
- **Encouraging Private Agreements Where Possible** and mandate mediation between counterparties before entering a restructuring.
- **Relying on Established Bankruptcy Case Law Precedents** so that any restructuring authority maintains familiar concepts of established bankruptcy law and precedent, upholding inter-creditor agreements, property rights, and the “fair and equitable” treatment of creditors.
- **Stemming Outmigration & Restoring Economic Growth** to ensure that any law includes growth measures, and is thoughtful in its treatment of pensioners & seniors whose spending remains critical to economic growth on the island.

I was very pleased by the recent action to move this important bill out of committee. Please support the continued efforts to enact H.R. 5278 as delays or inaction on this issue will only contribute to the likelihood of a taxpayer bailout down the road.

Thank you for the consideration of this letter and for your continued vigilance in serving our country and our fellow citizens. Please do not hesitate to contact me if I may be of assistance on this or any other issue.

Very truly yours,



Brian C. Bosma, Speaker
Indiana House of Representatives
119th Indiana General Assembly

cc: Senator Dan Coats
Senator Joe Donnelly
Congressman Pete Visclosky
Congresswoman Jackie Walorski
Congressman Marlin Stutzman
Congressman Todd Rokita
Congresswoman Susan Brooks
Congressman Luke Messer
Congressman André Carson
Congressman Larry Bucshon
Congressman Todd Young