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**Puerto Rico Bill Only Immediate Option to Help Territory**

The complete speech as prepared for delivery is below:

*Mr. President, as we all now know, the government of Puerto Rico has run up an astounding debt of around $70 billion, and has more than $40 billion of virtually unfunded pension promises. To address this financial challenge, the Senate has taken up legislation to provide greater oversight of the territory’s finances and some broad debt-resolution authority.*

*That bill – which the authors have titled the Puerto Rico Oversight, Management, and Economic Stability Act, or PROMESA – is certainly not something that I would have written, and in many areas leaves a lot to be desired. Nonetheless, I voted to invoke cloture on the bill, because, thanks to the stubbornness of the Treasury Department and lack of transparency from the government of Puerto Rico, it is the only option on the table, and delaying action would only hurt the Americans who reside on the island.*

*Astoundingly, the government of Puerto Rico has not provided audited financial statements since 2013, despite its responsibilities to do so under continuing disclosure requirements and multiple requests from Congress and investors.*

*The territory’s debt challenges have been center stage here in Congress for about a year now, and, throughout that time, we’ve received only stale, largely useless, and untrustworthy information regarding Puerto Rico’s finances. In fact, some of the disclosures have been downright insulting.*

*For example, earlier this year I submitted a number detailed questions to the Governor of Puerto Rico about the state of the island’s finances. One of my questions was straightforward: “What component units of Puerto Rico’s government has issued debt, and how much does each owe?”*

*Amazingly, the governor, in a delayed response, answered that simple question with a quote from an outdated report issued by the Federal Reserve Bank of New York. In other words, the very government that issued the debt would not even provide information on what it owes, and instead quoted a third party.*

*This is not an isolated incident, Mr. President. Throughout this public discussion, we have yet to get anything resembling a first-hand account of the fiscal situation in Puerto Rico. In fact, this lack of transparency – and that’s putting it kindly – has gone on for years.*

*Lately, however, Puerto Rico’s withholding of information seems to have been strategic and part of a legislative strategy in concert with the Treasury Department.*

*The U.S. Treasury Department was given authority to provide technical assistance to Puerto Rico, but evidently has not advised Puerto Rico’s government to open its books. In addition, despite numerous requests that I’ve made to Treasury to provide briefings on the nature of their technical assistance, they have, so far, refused to provide any such insight.*

*We’ve heard calls from various sources – including members of the Senate – for the Securities and Exchange Commission to investigate actions taken on the part of private investors in relation to Puerto Rico’s debt crisis. Given the apparent coordination between Treasury and the government of Puerto Rico and the overall lack of information we have about the current state of the territory’s debt and finances, I sent a* [*letter*](http://www.finance.senate.gov/imo/media/doc/6.23.2016%20Letter%20to%20Chair%20White%20on%20Puerto%20Rico.pdf) *to this week to the SEC asking that actions and inaction by government officials be included in any investigation into Puerto Rico’s debt.*

*Today, I also sent a* [*letter*](http://www.finance.senate.gov/download/6292016-letter-from-chairman-hatch-to-secretary-lew) *to Treasury Secretary Lew inquiring about reported confidentiality agreements that Treasury officials have signed with component units of Puerto Rico’s government. The existence of such agreements raises many questions. And, disturbing reports that Treasury officials may have impeded negotiations between Puerto Rico and its creditors in order to get a better legislative outcome in Congress raises even more questions.*

*Mr. President, with respect to Puerto Rico, the Obama Administration is and has been interested in one thing and one thing only: Obtaining the broadest and most comprehensive debt resolution authority for Puerto Rico possible, in an obvious attempt to favor public pensions in Puerto Rico.*

*While I tried last year to work with administration officials toward a resolution for Puerto Rico, Treasury officials remained extraordinarily rigid in their objectives.*

*Moreover, while that administration and many of my friends on the other side have been very forthcoming in offering ideas of how to send roughly $50 billion of extra health funds to Puerto Rico, and nearly $10 billion in difficult-to-administer tax incentives, none of them have been forthcoming about the actual cost of their proposals.*

*They have also persisted in identifying what they call “health funding inequities,” but never seem to want to own up to fact that they purposefully included a cliff in health funding for Puerto Rico as part of Obamacare.*

*Mr. President, this health funding cliff alone should be a clear indication to the people of Puerto Rico that, while the administration and my friends on the other side of the aisle talk one way about how they care for the people of Puerto Rico, they often act quite differently and give far more attention and effort to protecting the interests of public-sector unions.*

*Well, Mr. President, I have made clear all along that my main objective has been to serve the interests of the people of Puerto Rico, not the politicians on the island or here in Washington, DC.*

*That is why I voted to invoke cloture on the legislation before us today, despite the rigidities of the Obama administration and the government of Puerto Rico.*

*Unfortunately, we have been put in a position, where, if this legislation were to fail, there will only be more suffering for the people of Puerto Rico.*

*We cannot wait for another administration here or on the island to finally get accurate and verified information on Puerto Rico’s finances.*

*We cannot wait for the Obama Administration to start engaging reasonably with Congress about health care funding or tax incentives for the island.*

*Therefore, in order to finally determine the true state of Puerto Rico’s finances and to provide relief from the massive indebtedness accumulated by a profligate Puerto Rican government, I will, once again, be voting yes on this bill.*

*The bill does not have any significant effect on the federal deficit or our massive federal debt, which is a good thing. Unfortunately, it also won’t have any significant effect on Puerto Rico’s economic growth.*

*But it does promise to finally uncover what is beneath the opaque, web-like structure of the Puerto Rican government’s finances. And, if we’re actually going to be able to meaningfully address the island’s financial challenges that will be a very important step.*

*The bill also has the potential to provide some debt relief which can help the people of Puerto Rico, if effectively implemented and not used simply as a way to funnel resources into public pension programs. Despite reforms to pension programs touted by the Puerto Rican government in recent years, the territory has not actually funded those reforms. As a result, large public pension programs on the island remain, in effect, entirely unreformed, still allowing for things like government-subsidized loans to participants for cultural trips intended for “relaxation.”*

*Unfortunately, there has been a lot of other misinformation about Puerto Rico’s financial situation put forward by some of my friends on the other side of the aisle, by some administration officials who know better, and by many in the House who could stand to learn more. None of that, if we let it persist, will help the people of Puerto Rico.*

*Mr. President, let me close by agreeing with some remarks made yesterday by my colleague and good friend, Senator Cantwell, who correctly identified that whatever happens today with PROMESA, issues surrounding Puerto Rico are not going away.*

*I will note that this legislation sets up a congressional task force to consider impediments to growth in Puerto Rico, including those that may stem from federal government policies. Perhaps Senator Cantwell and I could serve together on the task force. In principle, the task force can allow Congress to continue to address issues surrounding how federal tax and healthcare policies affect Puerto Rico, and how changes could possibly influence growth.*

*To be clear, I believe that this task force could be useful only if both sides of the aisle are willing to seriously discuss ideas beyond sending tens of billions of dollars to Puerto Rico. If the task force will only consider a wish list of federal spending, I don’t see it accomplishing all that much for the people living in Puerto Rico.*

*In any event, Mr. President, it is long past time for holding out hope that the government of Puerto Rico will provide accurate financial information. Similarly, it is likely a fruitless endeavor to keep waiting on the Obama Administration to move away from its rigid focus on obtaining broad debt restructuring authority for Puerto Rico.*

*We should not hold the people of Puerto Rico hostage to the rigidities of self-interested politicians, neither here nor in the territory.*

*Consequently, I plan to support PROMESA, despite its shortcomings. I urge my colleagues to do the same.*

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