

## U.S. DEPARTMENT OF THE TREASURY

### Press Center



# Joint Statement by Treasury Secretary Jacob J. Lew, NEC Director Jeff Zients, and HHS Secretary Sylvia Mathews Burwell on the Obama Administration's Legislative Proposal to Address Puerto Rico's Urgent Fiscal Situation

10/21/2015

**WASHINGTON** – U.S. Treasury Secretary Jacob J. Lew, National Economic Council Director Jeff Zients, and Health and Human Services Secretary Sylvia Mathews Burwell today released the following statement after the Obama Administration unveiled a [detailed legislative outline](#) to help Puerto Rico address its serious fiscal challenges. The Administration has worked extensively with Puerto Rican officials to find solutions to the Commonwealth's fiscal crisis, bringing the full capabilities of the Executive branch to bear in providing assistance to speed Puerto Rico's economic recovery. However, only Congress has the authority to provide Puerto Rico with the tools required to lay the foundation for the Commonwealth's recovery, and Congress must act.

"Puerto Rico, and the 3.5 million American citizens who call the island home, are facing a serious crisis that requires immediate congressional action. The Commonwealth has been mired in a decade long recession, during which more than 300,000 people left the island, the island's economy shrank and unemployment soared, and the Commonwealth's fiscal hole deepened. Puerto Rico has taken emergency actions to address these challenges, but those actions will be exhausted this winter. Puerto Rico has already taken significant steps to address its fiscal crisis, but more action is required.

"The Administration has been working with the Puerto Rico government to ensure that the Commonwealth is able to access all available, existing federal resources. We have helped Puerto Rico attract job-creating investments, secure new funds to accelerate infrastructure projects, and lower energy costs on the island. These efforts are ongoing, but administrative actions cannot solve the crisis. Only Congress has the authority to provide Puerto Rico with the necessary tools to address its near-term challenges and promote long-term growth.

"The proposal the Administration released today includes four central elements. First, Congress must provide Puerto Rico with an orderly restructuring regime to comprehensively address its financial liabilities by restructuring its debts. Second, Congress should provide independent fiscal oversight to certify that Puerto Rico adheres to the recovery plan it is implementing in a credible and transparent way. Third, Congress needs to reform the Commonwealth's Medicaid program and ensure that the program provides better access to healthcare services. Fourth, Congress should provide Puerto Rico with access to the Earned Income Tax Credit (EITC), a proven tool that has bipartisan support for rewarding work and supporting growth.

"Working together, Congress and the Administration can help Puerto Rico emerge from the current crisis. Without congressional action, Puerto Rico will face a long and difficult recovery that could have harmful consequences for the residents on the island and beyond."

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