

U.S. DEPARTMENT OF THE TREASURY

Press Center



Statement From Secretary Lew on Puerto Rico Legislation

5/19/2016

"The Administration has been clear that any legislation to address the crisis in Puerto Rico must provide a workable, comprehensive restructuring authority and appropriate oversight that respects Puerto Rico's self-governance. In addition to these urgent tools to bring order to the current crisis, the Administration's proposal released last year would also address the longer-term issues facing Puerto Rico, such as rewarding work and supporting growth through a locally-administered EITC and providing a long-term solution to Puerto Rico's historically inadequate Medicaid treatment.

"We are pleased the bill reintroduced in the House last night includes restructuring tools for Puerto Rico that are comprehensive and workable. The legislation would allow the Commonwealth to restructure all of its liabilities, provide no bailouts for any creditors, and enable an orderly resolution to Puerto Rico's worsening crisis. These critical tools paired with independent fiscal oversight will help put an end to Puerto Rico's debt crisis, which is already showing signs of becoming a humanitarian crisis.

"We are disappointed the bill does not include our proposals to promote economic growth and provide a long-term Medicaid solution. Additionally, there remain extraneous provisions in the bill, such as those regarding labor standards, which will not help address Puerto Rico's debt crisis. However, the bill represents a fair, but tough bipartisan compromise.

"The bill's introduction marks a positive step in the right direction. Congress must stand firm and resist calls from financial interests to undermine this effort every step of the way – in committee, on the House floor and in the Senate. Only bipartisan Congressional action can end this escalating crisis in Puerto Rico, and we encourage lawmakers to act without delay."

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