

# Bond Case Briefs

*Municipal Finance Law Since 1971*

---

## House Passes Disaster Relief, Puerto Rico Credit Bill.

***Measure would provide \$36.5 billion in aid for victims of hurricanes and wildfires as well as low-interest Treasury loan to island territory***

WASHINGTON—The House of Representatives on Thursday passed legislation that would provide \$36.5 billion in disaster relief for victims of recent hurricanes and wildfires, as well as emergency credit to help Puerto Rico keep its government functioning.

The 353-69 vote came hours after President Donald Trump questioned in Twitter posts how long the federal commitment to the island should last and suggested that Puerto Rico had mismanaged its finances. Congressional leaders of both political parties defended the need to send resources to the U.S. territory, which was devastated by two hurricanes this summer. Most of the island still lacks electric power and there is limited access to health care and other basic needs.

“‘Puerto Rico survived the Hurricanes, now a financial crisis looms largely of their own making.’ says Sharyl Attkisson,” Mr. Trump tweeted Thursday morning, referring to a television journalist with Sinclair Broadcasting .

“We cannot keep FEMA, the Military & the First Responders, who have been amazing (under the most difficult circumstances) in P.R. forever!” Mr. Trump said, using shorthand for the Federal Emergency Management Agency.

A FEMA spokesman said Thursday that the agency still has personnel at work in Louisiana supporting local and state recovery efforts dating back to Hurricane Katrina in 2005. FEMA personnel are also supporting New York’s and New Jersey’s continuing recovery from superstorm Sandy of 2012. The spokesman said the agency aims to foster recoveries that are as swift as possible and that the length of their support varies based on the circumstances of each natural disaster.

House Speaker Paul Ryan (R., Wis.) said it was the federal government’s responsibility right now to respond to the humanitarian crisis in Puerto Rico, but added he wanted to see the island become more self-sufficient.

“At the moment there’s a humanitarian crisis that has to be attended to and this is an area where the federal government has a responsibility and we’re acting on it,” said Mr. Ryan, who will be visiting Puerto Rico on Friday.

At a White House briefing, White House Chief of Staff John Kelly was asked whether Mr. Trump believed Puerto Ricans were American citizens deserving of the same access to federal aid as Texans and Floridians. He said, “Yes.”

He added: “There will be a period in which...we hope sooner rather than later, to where the U.S. military and FEMA, generally speaking, can withdraw because then the government and the people of Puerto Rico are recovering sufficiently to start the process of rebuilding.”

The island was in financial peril before the storms Maria and Irma hit. Puerto Rico and its agencies

owe more than \$70 billion to creditors. In May, it was placed under court protection in what amounted to the largest-ever U.S. municipal bankruptcy. A federal judge is presiding over the island's debt restructuring under a bankruptcy-like legal framework approved by Congress last year, known as Promesa.

"We've got to do more to help Puerto Rico rebuild its own economy so that it can be self-sufficient," Mr. Ryan said.

Democrats objected to the tone of Mr. Trump's tweets, saying the posts didn't sufficiently acknowledge the magnitude of the disaster gripping Puerto Rico.

"It's heart breaking and it lacks knowledge" of the federal government's responsibility "to the people of our country," House Minority Leader Nancy Pelosi (D., Calif.) said of Mr. Trump's tweets Thursday. "We're all Americans and we owe them what they need."

No Democrats voted against the bill Thursday.

Carmen Yulin Cruz, the mayor of San Juan, Puerto Rico's capital city, said the president's tweets were meant to "mask your administration's mishandling of this humanitarian crisis." The remark came in a statement distributed by Rep. Luis Guterrez (D., Ill.) to reporters. Mr. Trump has criticized the mayor over what he described as her "complaints" and "poor leadership ability."

"Your tweets and comments just show desperation and underscore the inadequacy of your government's response to this humanitarian crisis," Ms. Cruz said in the statement. "It is not that you do not get it, it is that you are incapable of empathy and frankly simply cannot get the job done."

The House bill would provide \$18.7 billion for FEMA's disaster-relief fund, \$16 billion to replenish the nation's flood-insurance program and \$576.5 million for wildfire efforts.

On Wednesday, Heritage Action, the political arm of the conservative Heritage Foundation, encouraged GOP lawmakers to vote no on the bill, calling the money for the federal flood-insurance program a bailout.

Rep. Mark Walker (R., N.C.), chairman of the Republican Study Committee, a group of about 150 House Republicans, said conservatives would make a stronger push to offset disaster aid with budget cuts the next time Congress weighs emergency funding, likely in December.

"We for eight years have said to the former president and administration 'you can't be doing this,' but we're looking the other way [now], it's a little hypocritical," said Mr. Walker, who voted against the bill.

The national flood program, which is set to expire on Dec. 8, is intended to help homeowners living in flood-prone areas that private insurers wouldn't cover and is already several million dollars in debt.

"There are people waiting for that money so they can start making repairs to get back into their houses," said Rep. Blake Farenthold (R., Texas), who voted for the bill.

In supporting the program, members of Congress are divided along regional rather than party lines, based on how prone the area a lawmaker represents is to flooding. Democrats are expected overwhelmingly to support the bill, as are Republicans from Texas and Florida, where residents have also been battered by recent hurricanes.

The disaster aid in the House package is more than the \$29 billion requested last week by the Trump administration, but less than the total sought by lawmakers in states hit by hurricanes in August and September. The Senate is expected to take up the bill early next week.

The storms that hit parts of the U.S. in August and September are draining FEMA's disaster relief fund. The fund received a \$15 billion injection from Congress in September after Hurricane Harvey and an additional \$7 billion on Oct. 1, the start of the federal government's fiscal year. On Tuesday, the fund contained \$6.72 billion.

The bill would give Puerto Rico access to a \$4.9 billion low-interest Treasury Department loan to help the territory pay salaries and other expenses to avoid a government shutdown. Puerto Rico's Treasury Secretary Raúl Maldonado said last week that the government was poised to run out of money at the end of October, and may have to furlough government employees, a move that would hinder recovery efforts.

## **The Wall Street Journal**

By Kristina Peterson and Natalie Andrews

Updated Oct. 12, 2017 5:50 p.m. ET

Write to Kristina Peterson at [kristina.peterson@wsj.com](mailto:kristina.peterson@wsj.com) and Natalie Andrews at [Natalie.Andrews@wsj.com](mailto:Natalie.Andrews@wsj.com)

Copyright © 2025 Bond Case Briefs | [bondcasebriefs.com](http://bondcasebriefs.com)