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## **Senate Finance Panel Hearing Set On Puerto Rico's Fiscal Health.**

WASHINGTON - The Senate Finance Committee will hold a hearing on Sept. 29 to discuss the “dire financial situation” in Puerto Rico, committee chair Sen. Orrin Hatch, R-Utah, said Tuesday.

The situation “facing Puerto Rico’s economy and its citizens underscores the alarming consequences of crippling debt,” Hatch said. “With outstanding debt greater than its economic output, the territory faces default unless a responsible long-term fiscal path forward is found.”

The committee has not announced witnesses for the hearing, but Resident Commissioner Pedro Pierluisi, D-PR announced that he has been invited to testify. Gov. Alejandro Garcia Padilla, a Democrat, has also been invited to testify, according to Pierluisi, who said he expects the governor to send a representative.

Hatch said members of the Finance Committee will “have the opportunity to explore how the territory manages its finances and government-backed borrowing entities as well as the interplay between federal entitlement and tax programs and Puerto Rico.”

In addition to chairing the Finance Committee, Hatch also sits on the Senate Judiciary Committee, where a bill to extend Chapter 9 bankruptcy protection to Puerto Rico authorities and municipalities has not moved since it was introduced July 15. That bill was introduced by Sens. Richard Blumenthal, D-Conn., and Chuck Schumer, D-N.Y.

A companion bill introduced in February by Pierluisi, has similarly remained stagnant in the House Judiciary Committee.

Sen. Chuck Grassley, R-Iowa, and Rep. Bob Goodlatte, R-Va., who chair the two committees, have said they do not intend to advance the bills unless other avenues are considered.

While the Obama administration and others, are pushing for Congress to extend bankruptcy protections to the territory, groups such as 60 Plus Association, a seniors’ advocacy organization, want to see the creation of a federal financial control board.

Puerto Rico continues to struggle with \$71 billion in public debt. Gov. Alejandro Garcia Padilla has repeatedly said the debt is not payable without restructuring. Officials on the island recently made numerous suggestions for remedying the situation in the form of an economic growth plan a government working group released Sept. 9. The plan incorporates stimulus measures, spending cuts, fiscal reforms and the creation of a local financial control board.

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