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Obama Administration Draws Up Plan to Help Puerto Rico With Debt.

Looking for a way to help debt-ridden Puerto Rico, administration officials on Wednesday proposed an ambitious — if politically perilous — plan that stops short of a direct federal bailout but that its backers hope is sweeping enough to keep the island from becoming America's Greece.

The plan would create a new territorial bankruptcy regime and impose new fiscal oversight on Puerto Rico, which is mired in the depths of a decade-long recession, running out of cash and struggling to make payments on \$72 billion of debt. It represents an urgent bid by President Obama to offer a way forward. But it requires cooperation from a Republican-led Congress bent on imposing spending restraint.

In describing the package on Wednesday, administration officials emphasized that they had exhausted the limits of their own authority to help Puerto Rico, and needed quick action by Congress to avoid a catastrophe.

"Administrative actions cannot solve the crisis," Jacob J. Lew, the Treasury secretary, said in a joint statement with Jeffrey D. Zients, the National Economic Council director, and Sylvia Mathews Burwell, the health and human services secretary.

"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 statement said.

The situation in Puerto Rico "risks turning into a humanitarian crisis as early as this winter," one senior administration official said, speaking on condition of anonymity because the person was not authorized to speak publicly. Antonio Weiss, Mr. Lew's counselor, will explain the administration's plan in Capitol Hill testimony on Thursday.

The Puerto Rican government has already "done a lot" to restore fiscal order, the official added, but "Puerto Rico cannot do it on its own, and the United States government has a responsibility to 3.5 million Americans living in Puerto Rico" to step in with additional help.

The plan was shared late Wednesday with The New York Times and Agencia EFE, a news organization in Puerto Rico. On the same day, the island's Government Development Bank said it had ended weeks of fruitless negotiations with certain creditors, aimed at persuading them to voluntarily accept lower bond payments. The bank has a bond payment of about \$300 million coming due on Dec. 1.

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