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House Democrats Try to Help Puerto Rico in Spending Bill.

WASHINGTON — Democrats said on Tuesday they are making a push to help Puerto Rico reorganize its hefty debt load as part of a large spending bill now being negotiated in Congress.

Puerto Rico is struggling with \$72 billion in debt while 45 percent of its citizens live in poverty. The governor of the U.S. territory has warned that it is running out of cash.

Democrats said the U.S. territory's bankruptcy crisis is now part of negotiations with Republicans over the spending bill, which needs to be passed by Friday to keep the U.S. federal government operating.

Democratic Representative Joe Crowley of New York said lawmakers want the territory to have the ability to reorganize its own debt.

"I think 3.5 million (people) who live in Puerto Rico are looking for the same relief that every state and municipality has," Crowley told reporters.

The island does not have access to Chapter 9 of the U.S. bankruptcy code, which governs municipal insolvencies and allows public entities including cities, towns and municipal agencies to file for bankruptcy restructuring.

An existing bill to extend bankruptcy protections to Puerto Rico has made little headway in Congress so far; neither has a proposal to improve the island's federal healthcare funding.

The Obama administration has urged lawmakers to help Puerto Rico, but influential Republicans in Congress, which the party controls, have opposed the idea.

Senate Finance Committee Chairman Orrin Hatch is among Republicans who have said there can be no help for Puerto Rico without better financial disclosure.

House Democratic Leader Steny Hoyer said Democrats wanted the Puerto Rico issue included in the spending bill to fund U.S. government agencies and the military through fiscal 2016, or in a bill to deal with a number of expired business tax breaks.

As talks over the \$1 trillion U.S. spending bill dragged on, Republican leaders in the House of Representatives said on Tuesday they would seek to pass a stop-gap spending bill to avoid a government shutdown early on Saturday. [L1N13X198]

By REUTERS

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