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Debt Island: How \$74 Billion in Bonds Bankrupted Puerto Rico.

- **Billions sunk into grand projects, expenses and bureaucracy**
- **In San Juan, \$2.25 billion bought a money-losing train line**

San Juan's gleaming commuter train seemed like a coup — the kind of big-ticket item many U.S. cities can only dream of.

More than a decade on, the Tren Urbano is a monument to the folly, bloat and abuse that finally bankrupted Puerto Rico. Despite years of planning, it sells only a third of the rides it needs to, and loses roughly \$50 million a year. The cost so far: \$2.25 billion, \$1 billion more than planned.

That, in a nutshell, is Puerto Rico's story. With Wall Street's help, the U.S. commonwealth borrowed tens of billions in the bond markets, only to squander much of it on grand projects, government bureaucracy, everyday expenses and worse. Debts were piled on debts, even as the economy gave way.

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by Martin Z Braun and Jonathan Levin

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