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Puerto Rico Mediators Warn Utility Debt Fix Is ‘Years Away’

- **Island utility is seeking to restructure $9 billion of debt**
- **Parties are set to meet in court Wednesday before Judge Swain**

There remains no clear path on how to best reduce the debt of Puerto Rico’s power utility, a mediation team warned US District Judge Laura Taylor Swain, who is overseeing the seven-year bankruptcy.

Recent negotiations have failed to bring about an agreement on how to restructure $9 billion of Puerto Rico Electric Power Authority debt or develop a framework on how to litigate certain disputes, the mediators wrote in their report that was filed Monday to the court. Litigation, as of now, would probably result in appeals and prolong the process, the mediators said.

“The mediation team believes there is simply no prospect for any mediated or consensual resolution here — and a litigated result is years away,” according to the mediation team’s report. “This is nothing short of a tragedy for the people of Puerto Rico.”

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By Michelle Kaske

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