

HISPANIC FEDERATION

Hispanic Federation Statement on the House Vote on PROMESA

June 10, 2016

Hispanic Federation has issued the following statement on the US House of Representatives voting to pass H.R. 5278, the “Puerto Rico Oversight, Management, and Economic Stability Act” (PROMESA).

“Yesterday, the U.S. House of Representatives passed H.R. 5278, the “Puerto Rico Oversight, Management, and Economic Stability Act” (PROMESA). Hispanic Federation believes that this vital but imperfect legislation is an important development in addressing Puerto Rico’s debt crisis. We thank Representatives Nydia Velázquez, José Serrano, Pedro Pierluisi and Raúl Grijalva for their tireless efforts and leadership in pressing Congress to act and pushing for needed improvements in this bill.

PROMESA empowers the Commonwealth to restructure its daunting \$72 billion debt, while instituting a stay on past, present, and future litigation from creditors. Given the approaching \$2 billion debt payment due on July 1st, granting Puerto Rico the tools to renegotiate its debt load is of critical and immediate importance. Only by addressing the short-term debt crisis can Puerto Rico begin what will be an arduous road toward fiscal stabilization and eventually economic growth.

However, Puerto Rico’s economic problems extend beyond its debts. As PROMESA moves to the U.S. Senate for consideration in the next days and weeks, we urge our Senate leaders to remove any and all language that undermines basic labor protections on the island, including the lowering of the federal minimum wage for younger workers. This provision has no business being in this bill and, if enacted, will only work to further impoverish island residents. We also ask the Senate to do all it can to protect and prioritize the pension benefits of workers on the island.

We further exhort Congress and the White House to ensure that the makeup of the Financial Oversight and Management Board included in this legislation includes majority island representation. The limited autonomy of the Puerto Rican people cannot be further compromised by the imposition of a control board whose members are disconnected from the island and its 3.5 million U.S. citizen residents.

In addition to these changes in PROMESA, we note, yet again, that the legislation approved today fails to address the health care funding and reimbursement disparities that threaten to undermine the island’s health and hospital system. Congress and the White House must work together to provide Puerto Rico with adequate funding for its health care services.

Moreover, Puerto Rico still needs significant progressive federal tax reforms, increased federal infrastructure and clean energy investments, and a long-term economic growth package that will build the economy in a way that benefits all Puerto Ricans.

We join with the many thousands of Puerto Ricans on the island and in the diaspora who have raised important and serious questions about PROMESA. This bill is far from perfect. But considering the grave economic problems facing the island - and the political realities we face in Washington DC - Hispanic Federation believes that moving this legislation forward with the changes outlined above is necessary to provide Puerto Rico a lifeline right now.”