

House Committee on Natural Resources
The Status of the Puerto Rico Oversight, Management, and Economic Stability
Act (PROMESA): Lessons Learned Three Years Later
Thursday, May 2, 2019
Statement of Congressman Rob Bishop

Good morning, I thank the Republican Leader on Insular Affairs for yielding and thank you Chairman Grijalva for holding this hearing. Let me also thank our witnesses, especially the Governor. I also want to thank Natalie Jaresko, Executive Director for the Board. Both of you have busy schedules and work that needs to be accomplished yesterday. We thank you for joining us. I also want to thank the rest of our panel, including Mr. Pollock.

It's been 3 years since this Committee crafted and signed into law the Puerto Rico Oversight, Management and Economic Stability Act. PROMESA was enacted as a bi-partisan compromise between the Republican-controlled Congress and the Obama White House to help bring control to Puerto Rico's quickly unraveling debt crisis. This committee played a big part in providing the territory with needed tools to cope with an untenable situation. By 2016, Puerto Rico had amassed roughly \$72 billion in bonded debt and \$50 or more billion in unfunded pension liabilities. The Island had effectively lost access to the capital markets. We can all debate how we go here and who or what is to blame, but the fact of the matter is that Puerto Rico needed help. The Island faced impending defaults that would result in mass litigation both against the Commonwealth and amongst their different creditors, further paralyzing its institutions and economy.

PROMESA created mechanisms the Island did not have: a framework for managing the unavoidable restructuring of its debts, a structure for financial oversight, and a path forward for these Americans that did not exist at the time. The situation on the island was created over decades and was –and is –unprecedented in scope and complexity. Nothing Congress could do would fix it overnight, but we have made progress. We need to see more of it. I look forward to hearing from our panel on how we do so.

I thank the Resident Commissioner for yielding, I yield back the remainder of my time.