

**Opening Statement
Of the Hon. Raul Grijalva
Hearing of PROMESA “Discussion Draft”
October 22, 2019**

We are here today to begin the first of two days of hearings on legislation I am considering, to make changes to PROMESA -- the Puerto Rico Oversight, Management and Economic Stability Act.

Today, we will hear from witnesses representing the Governor and Legislature of Puerto Rico as well as the Oversight Board and the Municipality of San Juan. Next week, at the second hearing, we will hear from nonprofit organizations and representatives of labor and the private sector.

Many of you have heard me say that when Congress drafted and passed PROMESA, Democrats would have written a different law if we were in the majority. I believed then and still do today, that PROMESA relies too heavily on austerity measures, falling on the backs of ordinary Puerto Ricans, to achieve its goals of debt reduction and balanced budgets.

It is in this regard, that I wrote the amendments to PROMESA that are contained in the “Draft” we will be discussing today. The draft bill includes provisions to improve PROMESA’s implementation by defining essential public services, assigning federal funding for the operation of the Oversight Board, reducing conflicts of interests and auditing the public debt, among other policy priorities. It also includes provisions to address Puerto Rico’s disaster recovery challenges.

The purpose of today’s hearing as well as the one next week, is to receive feedback from all stakeholders on the draft’s provisions. As a result, I want to encourage anyone who is not able to be a witness at either hearing to submit comments for the record. We want to hear from all interested parties. We are not under any illusion that what we have proposed is the best way to address the challenges the people of Puerto Rico are facing

because of the implementation of PROMESA or the recovery from Hurricane Maria and welcome all suggestions to improve the draft bill.

We have already received a number of comments both in favor and strongly opposed to some of the provisions in the draft. You will hear many of those comments from our witnesses today. However, I want to caution those who raise objections to the way we are proposing to limit austerity measures, to also offer alternatives to accomplishing this goal.

I plan on doing all that I can to prevent the Oversight Board from using the existing provisions of PROMESA as an excuse to cause further suffering for the residents of Puerto Rico. It is already the view of many, that the current policies contained in the several Fiscal Plans and annual budgets will result in more social polarization, unemployment, extreme poverty, and lower educational levels in Puerto Rico.

The draft bill also includes two coordinator provisions for PREPA and the overall disaster recovery of the island that have received significant opposition. Our goal in proposing these provisions was to eliminate concerns – which have led to severe delays in the release of recovery funds – about Puerto Rico’s inability to manage billions of federal disaster funds in a transparent and trustworthy manner. To address those concerns we propose using practices that were utilized during hurricanes Katrina and Sandy recoveries.

We also provide an opportunity for municipalities and community organizations to have input in the recovery plans and decisions in response to criticisms that they are being shut out.

As with objections to our proposals for reversing austerity measures and increasing transparency, we also expect to hear alternatives to achieving our objective of expediting the release of federal disaster funds and increasing participation in recovery efforts.

In closing, I want to welcome our witnesses and thank them for travelling all the way from Puerto Rico to be with us today. I look forward to

receiving your testimony and continuing to work with each of you on improving the lives of ordinary Puerto Ricans.

I yield to the Ranking Member.