

CCAGW Supports HR 4900 - Puerto Rico Oversight, Management, and Economic Stability Act

U.S. House of Representatives

Washington, D.C. 20515

Dear Representative,

On behalf of the more than one million members and supporters of the Council for Citizens Against Government Waste (CCAGW), I strongly urge you to support H.R. 4900, the Puerto Rico Oversight, Management, and Economic Stability Act (PROMESA). This legislation creates an essential mechanism to thwart a taxpayer bailout of Puerto Rico's fiscal failures.

On April 12, 2016, Rep. Sean Duffy (R-Wis.) introduced PROMESA, which would establish an oversight board to assist the government of Puerto Rico, including instrumentalities, to manage public finances. The legislation provides reforms that will allow the territory to fulfill its debt obligations responsibly and efficiently. It will also help the citizens of Puerto Rico prosper from a growing economy. The bill is designed to address problems related solely to Puerto Rico and will neither have any impact on existing bankruptcy provisions that govern states or their municipalities.

The structure of the oversight board is based on the precedent established in 1996, when Congress set up a financial control board to oversee the fiscal affairs of the government of the District of Columbia as well as the control board set up for New York City in 1975. PROMESA is not a bailout, despite misleading advertisements to the contrary. Indeed, without the enactment of H.R. 4900, taxpayers will inevitably be forced to bailout Puerto Rico in the near future.

I urge you to vote in favor of PROMESA in order to create a fiscal oversight board for Puerto Rico and ensure that taxpayers are not liable for any defaults on the territory's debt obligations. All votes pertaining to PROMESA will be among those considered in CCAGW's *2016 Congressional Ratings*.

Sincerely,

Tom Schatz

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