



NEWS

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Contact: Curtis Kalin (202) 467-5318

CCAGW Supports Updated Bill That Thwarts Taxpayer Bailout of Puerto Rico

(Washington, D.C.) – The Council for Citizens Against Government Waste (CCAGW) today announced its support of H.R. 5278, the Puerto Rico Oversight, Management, and Economic Stability Act (PROMESA) and urges all members of the House of Representatives to support the bill. This legislation contains several revisions to H.R. 4900, the previous version of PROMESA, which CCAGW also endorsed. H.R. 5278 creates essential mechanisms that thwart a taxpayer bailout of Puerto Rico’s fiscal failures.

On May 18, 2016, Rep. Sean Duffy (R-Wis.) introduced the updated version of PROMESA, which strengthens the financial oversight board’s ability to assist the government of Puerto Rico with the management of public finances. 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. 5278, taxpayers will inevitably be forced to bailout Puerto Rico in the near future.

The legislation 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 not have any impact on existing bankruptcy provisions that govern states or their municipalities.

CCAGW President Tom Schatz said, “CCAGW urges every member of the House to vote in favor of PROMESA in order to create an enhanced 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*.”

[The Council for Citizens Against Government Waste](#) is the lobbying arm of Citizens Against Government Waste, the nation’s largest nonpartisan, nonprofit organization dedicated to eliminating waste, fraud, abuse, and mismanagement in government.