

We Now Must Keep Our Promise to Puerto Rico

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Forum: *Puerto Rico's Ongoing Financial and Humanitarian Crisis:
Economy, Debt-Restructuring, and Options for Recovery.*

Thank you Chair and Members of the Committee,

"...your kingdom come, your will be done on earth as it is in heaven. Give us today our daily bread. And forgive us our debts, as we also have forgiven our debtors." - Matthew 6:10-12

This bible verse opens a statement made one week ago by both the Catholic Archbishop of San Juan de Puerto Rico and the Evangelical head of Puerto Rico's Bible Society. Archbishop González and Reverend Martínez further note in their statement:

New austerity programs are being forced on our people and we must now receive the debt relief we are promised. It is immoral and unethical for any person or group to attempt to deny our people access to promised debt relief processes.... Last year we supported the passage of emergency debt crisis legislation because it promised a process that could restructure 100% of our debt. Now our people need that promise fulfilled.

The Archbishop and Reverend Martínez are right. A promise was made and the promise must be kept.

My organization Jubilee USA represents national US religious bodies, congregations and institutions. Our founders and members range from the US Conference of Catholic Bishops to American Jewish World Service to Islamic Relief to most of the national Protestant denominations. We count 650 faith communities as partners across our great country. We focus on how the most vulnerable are impacted by global issues such as trade, debt, corruption and taxes. We've worked with Congress and every Administration on bipartisan solutions on these issues for 20 years. Because of the agreements that we forged with Republican and Democratic leadership, our financial system is more responsible and transparent and developing countries have seen over 130 billion dollars in debt relief to build schools and medical centers.

Last year the National Latino Evangelical Coalition, the US Conference of Catholic Bishops, Catholic Charities USA and Jubilee USA supported the promise by supporting the PROMESA legislation that the Archbishop and Reverend Martínez referenced.

Now Puerto Rico undergoes additional austerity without receiving the debt relief it was promised. Puerto Rico still awaits the activation of Congress' promise, the Title III debt restructuring process. This is an orderly, comprehensive process that would continue structured negotiations, protect essential services and promote transparency. This morning, the protections you created on debt lawsuits expired and Puerto Rico is now being sued by some of its creditors. It is incumbent on Puerto Rico's Governor and oversight board to authorize the Title III process as soon as possible.

Puerto Rico will not see economic growth until the debt is restructured and the austerity is getting worse.

By the time Puerto Rico had announced almost two years ago that the debt was unpayable, more than 200 schools had closed, vital medical services were cut and hundreds of thousands of people left the island for the mainland as is their right as American citizens. The government of Puerto Rico complied with PROMESA and put in place a fiscal plan that cuts monies to the University of Puerto Rico, further cuts healthcare access to vital services, cuts pensions and freezes and reduces public sector salaries. While we are grateful for the efforts of Puerto Rico's government and oversight board to ensure some protections are in place for vulnerable communities, we must acknowledge that austerity continues to slow the path for economic growth. Because the problem will get worse before it gets better, we will continue to see massive migration from the island to the mainland over the next decade. This means more schools will close and public services and public coffers will further diminish.

The promise of debt relief must be fulfilled. Congress should do nothing to alter, harm or delay the Title III process. We support the Governor and oversight board to immediately activate the debt restructuring process. Pope Francis, the Holy Father and the "father" of modern economics, Adam Smith, have both noted that situations like that of Puerto Rico require the option of bankruptcy.

We also believe it is incumbent on Congress to move forward bipartisan efforts on responsible lending and borrowing. This helps us prevent the next crisis in Puerto Rico and around the globe.

We are grateful for the work of Puerto Rico's Congresswoman Jenniffer González-Colón and Republican and Democratic leadership for moving forward healthcare financing for Puerto Rico. This is a good first step and it is essential that Congress can also facilitate a long term solution to financing healthcare at parity for American citizens that live in Puerto Rico. We would also encourage Congress to adopt the other bipartisan recommendations made by the Congressional Task Force on Economic Growth in Puerto Rico.

Chair and distinguished Members, I am grateful that I was invited to testify. I began with the words of Archbishop González and Reverend Martínez and I end with them:

We continue to hold in prayer everyone who is affected by this crisis whether they are our creditors or our children. We invite prayers for all of those who are impacted. We pray that together we can achieve solutions that protect the dignity and welfare of every person impacted by this crisis.

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