

# THE PUERTO RICO HUMANITARIAN RELIEF ACT

**Clear authority for the Federal Reserve to facilitate an orderly restructuring of Puerto Rico's debt.** This section expresses the Sense of the Congress that the Federal Reserve has the authority to provide emergency financing to Puerto Rico to facilitate an orderly restructuring of Puerto Rico's debt through Section 14(2)(b) and Section 13(3) of the Federal Reserve Act. In addition, this section expresses the sense of the Congress that the Public Debt auditing committee established under Act 97 of the island government should continue its work, and allow Puerto Rico to set aside debt found unconstitutional as a result of this audit.

**Creation of the Reconstruction Finance Corporation of Puerto Rico (Public Corporation).** This section creates a public restructuring agency with authority to lend to the Puerto Rican territory and municipalities in order to facilitate necessary restructuring of debts. It creates a process for the territory and municipal governments to file for insolvency with this Public Corporation. Upon such a filing, a stay on repayment is imposed, and bonds would be written down to whatever the current owner paid for that bond. The Public Corporation would then purchase the bond for that price, and would reset the par value of the bond to that price. The Public Corporation is authorized to negotiate and make further loans necessary for operations and investments, as well as to make other expenditures. The Public Corporation is also empowered to lift the stay at any point. This section makes clear that the pensions of ordinary investors should be protected, and that Wall Street speculators should not be able to profit from the misfortune of U.S. citizens, including the 3.5 million people in Puerto Rico.

The board of the Public Corporation will consist of seven members who must all be full-time residents of Puerto Rico and have expertise in Puerto Rico's economy, culture and history. Four of the members would be chosen by the legislature in Puerto Rico; two of the members would be appointed by the Governor of Puerto Rico; and one would be appointed by the President of the United States. The Public Corporation would be capitalized from the Exchange Stabilization Fund at the U.S. Treasury Department.

**Bankruptcy Protection.** In 2014, Puerto Rico enacted its own law to allow the island to restructure about \$26 billion in debt owed by its public corporations. This section provides that U.S. territories are included under the Chapter 9 Bankruptcy title.

## **Improving Health Care Access in Puerto Rico.**

This section will ensure Puerto Rico receives payments under Medicare and Medicaid that are at least equal to payments received by all states. For Medicaid, the bill would eliminate both the total funding cap and the federal matching cap (FMAP), align Medicaid reimbursement with Medicare rates for primary care services, as well as apply the 100 percent Federal Poverty Level (FPL) limitation. Currently, Puerto Rico's income eligibility levels for Medicaid are based on the Puerto Rican poverty level, which is much lower than the FPL.

For Medicare, the bill includes a provision that raises Medicare payments for health care providers in Puerto Rico and makes permanent the incentive payments for primary care services. The bill also ensures that Puerto Rican seniors and people with disabilities are automatically enrolled in Medicare Part B – just like beneficiaries in the 50 states and DC – and reduces the Part B late enrollment penalty for current Puerto Rican Medicare beneficiaries.

This section directs the Centers for Disease Control and Prevention to add Puerto Rico, with special attention to Vieques, to the National Environmental Public Health Tracking Network, which currently studies health, exposure, and environmental hazard information in 26 states. The bill also awards a grant to a Puerto Rican research university and the Puerto Rico Department of Health for a three-year study of environmental and health factors of residents of Vieques.

**Modernizing Puerto Rico's infrastructure.** This section will appropriate \$10.8 billion over the next five years to rebuild Puerto Rico's crumbling roads and bridges, improve its harbors and airports, upgrade its drinking water and wastewater plants, and fortify flood control projects. It would improve public transportation within cities like San Juan, Ponce, Bayamon, and Carolina, as well as between major cities, and improve the ferry service between Puerto Rico, Vieques and Culebra. It would modernize Puerto Rico's aging electric grid and expand high-speed broadband networks all across the island. It would prioritize the dredging of Caño Martín Peña, a highly polluted channel filled with debris and silt, and fund affordable housing and community development projects in the area, and across the island. Finally, it would fund clean energy projects and allow the island to move away from importing expensive and polluting fossil fuels. Importantly, this substantial investment in the island's infrastructure will support nearly 140,000 good-paying new jobs.

**Earned Income Tax Credit and Child Tax Credit Equity for Puerto Rico.**

This section amends the Internal Revenue Code to make citizens of Puerto Rico eligible for the federal earned income tax credit and allow them to claim the refundable portion of the child tax credit on the same basis as U.S. taxpayers.

**Self-Determination for Puerto Rico.** This section would authorize the State Elections Commission of Puerto Rico to hold a vote or series of votes to allow the people of Puerto Rico to decide on admitting Puerto Rico into the United States, allowing Puerto Rico to become an independent country or allowing Puerto Rico to reform the current commonwealth government. This section instructs the U.S. government to respect and honor the will of the people of Puerto Rico. Votes must be held by January 31, 2018 and a transition respecting the outcome of the votes must be put into place by January 31, 2022.