

BERNARD SANDERS
VERMONT

COMMITTEES:
BUDGET, RANKING MEMBER
ENERGY AND NATURAL RESOURCES
ENVIRONMENT AND PUBLIC WORKS
HEALTH, EDUCATION, LABOR, AND
PENSIONS
VETERANS' AFFAIRS

United States Senate

WASHINGTON, DC 20510-4504

332 SENATE DIRKSEN OFFICE BUILDING
WASHINGTON, DC 20510
(202) 224-5141

1 CHURCH STREET, 3RD FLOOR
BURLINGTON, VT 05401
(802) 862-0697
1 (800) 339-9834

www.sanders.senate.gov

October 21, 2015

The Honorable Jacob Lew
Secretary of the Treasury
U.S. Department of the Treasury
1500 Pennsylvania Avenue, NW
Washington, D.C. 20220

Dear Secretary Lew:

As you know, Puerto Rico has been in a decade long depression and is struggling through its worst economic and financial crisis in more than a century.

Since 2006, Puerto Rico has lost 20 percent of its jobs. About 60 percent of Puerto Rico's adult population are either unemployed or are not looking for work. Over the last five years alone, more than 150 public schools have been shut down, and the childhood poverty rate has shot up to 56 percent. At a time when the rich are getting richer, Puerto Rico now has more income inequality than any U.S. state.

In the midst of this massive human suffering, vulture funds and Wall Street investment banks have been calling for even more austerity in Puerto Rico. That is unacceptable. The people in Puerto Rico should not be forced to suffer even more so that a handful of wealthy investors can make even more money.

Therefore, I would urge the Administration to take the following steps.

First, I would urge you to convene a meeting as soon as possible with the government of Puerto Rico, key elected officials, its major creditors, labor unions, business leaders, and pension advocates, to work out a debt repayment plan that is fair to all sides.

At this meeting, it should be made clear that the last thing Puerto Rico needs right now is more austerity. The economic situation in Puerto Rico will not improve by eliminating more public schools, slashing pensions, laying off workers, and allowing corporations to pay workers starvation wages by suspending the minimum wage and relaxing labor laws. It is impossible to get blood out of a stone.

Second, before any debt restructuring plan is agreed to, there needs to be an independent and transparent audit of Puerto Rico's debt and the results need to be made public -- consistent with recent legislation that was signed into law in Puerto Rico. Importantly, if any debt was issued to creditors in violation of Puerto Rico's constitution, it must be immediately set aside.

Third, I strongly believe Puerto Rico must be afforded the same bankruptcy protections that exist for municipalities and public utilities across the United States. Puerto Rico must be given the

same authority granted to every state in this country to restructure the debt of public utilities and municipalities under the supervision of a bankruptcy court.

Finally, the health care system in Puerto Rico is on the verge of collapse, and if we do not act soon, the well-being of 3.5 million American citizens who live there will be put at risk. Today, the people of Puerto Rico pay the same Medicare and Social Security taxes as we do, but they only get about half the rate of federal health care dollars as those who live in the 50 states. That is unacceptable. The federal government should not be discriminating against the people of Puerto Rico by providing much lower Medicare and Medicaid reimbursement rates. The people of Puerto Rico are American citizens. They deserve equal rates.

I look forward to speaking with you, along with other Members of Congress, as to how we can work to improve the economy in Puerto Rico and best address this urgent crisis.

Sincerely,



Bernard Sanders
United States Senator