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**FINANCIAL TIMES**

June 9, 2015 11:54 pm

# Fighting for the state-like treatment of Puerto Rico

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Sir, In “Puerto Rico debt calculus grows more complex” (May 29) you state that the effort by the US territory to authorise its government-owned electric power company, Prepa, to adjust its debts under Chapter 9 of the US Bankruptcy Code has been “stymied by the courts”.

To clarify, Congress has empowered the 50 state governments to permit their “municipalities” — a term that includes government-owned corporations — to utilise Chapter 9, but has not empowered the Puerto Rico government to do the same. Faced with this exclusion, the Puerto Rico government enacted a local law to provide for a bankruptcy-like process for its municipalities, and that law was invalidated by a federal judge on the ground that it is pre-empted by Chapter 9.

As Puerto Rico’s representative in Congress, I filed a straightforward bill to give Puerto Rico state-like treatment under Chapter 9. The pending legislation is supported by a broad and diverse coalition of individuals and organisations from across the political spectrum. The bill is opposed by a handful of Prepa bondholders for specious and self-interested reasons, but there is no question that it would be upheld by the courts if enacted.

Puerto Rico’s exclusion from Chapter 9 is just one example of the many ways in which Puerto Rico is treated unfairly because it is a territory and not a state. Thus, at the same time that I am fighting for state-like treatment for Puerto Rico under Chapter 9, I am fighting for Puerto Rico to be admitted as a state. As long as my constituents are treated like second-class citizens, Puerto Rico will not achieve its potential.

**Pedro R Pierluisi, Dem**

*Puerto Rico’s delegate in the US Congress*

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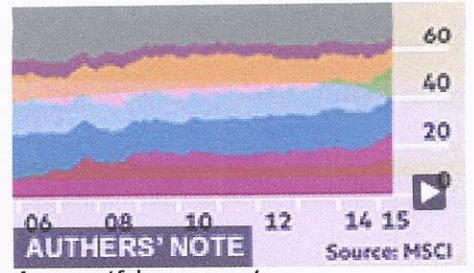
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An eventful non-event

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