

The Virgin Islands Consortium

Mapp 'Grateful' Territory Not Included In P.R. Debt Bill

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ST. THOMAS -- Governor Kenneth Mapp said Thursday he was "grateful" that the U.S. Virgin Islands would not be directly tied to the Puerto Rico debt bill, called the Puerto Rico Oversight Management and Economic Stability Act (PROMESA), which [passed the U.S. House of Representatives Thursday](#).

The legislation passed after a change to a controversial provision in the bill, which extended the option for an oversight board to preside over U.S. territories outside of Puerto Rico. The amendment, however, comes with a caveat that would see the islands being re-included in the bill if it were to be challenged in court based on uniformity clause issues in the U.S. Constitution.

"The original language including the small territories in the oversight board provisions was neither requested nor supported by me or any of the other territorial governors. Nor did Treasury fully consider the potential impact of the original language on our respective abilities to access the U.S. capital markets," Mr. Mapp said. "I am grateful that the Treasury and Justice Departments were persuaded by our legal arguments that there was no constitutional impediment to remove the offending language."

The PROMESA bill would put Puerto Rico's fiscal affairs under direct federal control and establish a legal framework for reducing its \$72 billion load of debt. The rules would be similar to Chapter 9 municipal bankruptcy, but with differences intended to reassure those creditors who believe Chapter 9 is stacked against them.

If enacted as is, the bill would also pre-empt action by the United States Supreme Court, which has been called upon to interpret the laws governing Puerto Rico, according to the New York Times. Chapter 9 of the bankruptcy code explicitly bars Puerto Rico from seeking debt relief without revealing why. In March, the justices heard oral arguments in an expedited appeal by the island, but they expressed uncertainty about how to proceed.