

as chairman of this committee during such an eventful and productive time with so many committed and honorable Members of the Senate on both sides of the aisle.

I, of course, have to thank Ranking Member WYDEN for his work on the committee. He has been a valuable partner, and at every step of the way, he has worked hard to ensure that all of the committee's efforts were bipartisan. He has played a huge leadership role in almost all of the successes I have mentioned here today.

I also wish to thank the other members of our committee. If you look down the Finance Committee roster, you will see—from top to bottom—every member has a reputation for working hard and achieving results. On the Republican side, we have Senators GRASSLEY, CRAPO, ROBERTS, ENZI, CORNYN, THUNE, BURR, ISAKSON, PORTMAN, TOOMEY, COATS, HELLER, and SCOTT. They are good people who are working in the best interest of this country. For the Democrats, we have Senators SCHUMER, STABENOW, CANTWELL, NELSON, MENENDEZ, CARPER, CARDIN, BROWN, BENNET, CASEY, and WARNER. And, of course, we have Senator WYDEN. And you can also include me in there. Every one of these members has played a key role in our success on the Finance Committee, and I am very grateful to have the opportunity to work with them all.

I don't want this to sound like a farewell speech. I don't want anybody to think that with all this gushing and all these thank-yous, we are nearing the end of anything. Last time I checked, I will still be the chairman of the Finance Committee in 2016 and we are still going to have this great group of Senators serving on the committee. Most significantly, our Nation will still be facing a number of important challenges in the coming year. We can't and we won't be sitting on our laurels in 2016.

While I am pleased to have this opportunity today to take a short trip down memory lane, everyone both on and off the Finance Committee should be prepared: We are just getting started.

I yield the floor.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. DONNELLY. Mr. President, as always, it is an honor to follow my good friend, the President pro tempore, Senator HATCH from Utah, who has done such an extraordinary job representing his State and our country for so many years.

IRAN BALLISTIC MISSILE TESTS

Mr. DONNELLY. Mr. President, in just the past 10 weeks, Iran has conducted two ballistic missile tests. These tests are a direct violation of the United Nations Security Council Resolution 1929. Despite this flagrant violation, the U.N. has not taken collective action to enforce U.N. Resolution 1929 with increased sanctions against Iran.

Applying sanctions against Iran in response to ballistic missile testing would not violate the Iran nuclear agreement negotiated earlier this year. New sanctions for this type of behavior are not only allowed under the terms of that agreement, in fact, it is critical to the agreement's success that the United States be willing to respond to Iran's bad behavior. In the face of inaction by the international community, it is critical that the United States take the lead in sending a message to Iran that their inflammatory actions have consequences, whether under the nuclear deal, U.N. Security Council Resolution 1929, or other U.S. sanctions regimes.

As ranking member of the Senate Armed Services Strategic Forces Subcommittee, I work year-round with my colleague Senator JEFF SESSIONS to oversee the U.S. nuclear arsenal, our nonproliferation programs, and also our missile defense posture. I have long been an advocate for robust, effective missile defense programs against both global and regional threats. While I firmly believe those systems are an absolute necessity in the face of evolving threats from places such as North Korea and Iran, I also believe they are our last line of defense, not our first. Today, thankfully, some of those on the frontlines of the fight against Iran's ballistic missile program are also in the State Department and the Treasury Department.

I speak today to call on the administration—if the international community will not act together—to take unilateral action readily available to them under current law to respond decisively to Iran's ballistic missile tests. The administration has made clear that the United States reserves the right under the Joint Comprehensive Plan of Action to take action through our sanctions tools in response to Iran's support for terrorism, its human rights abuses, its illegal arms trafficking, and its ballistic missile program. It is time to back up those words with decisive and specific action.

NOMINATION OF ADAM SZUBIN

Mr. DONNELLY. Mr. President, in addition, I can't speak today without also raising my deep concerns and increasing disappointment that the Senate continues to senselessly delay the confirmation of Adam Szubin as Treasury's Under Secretary for Terrorism and Financial Crimes. Mr. Szubin has an impeccable record across both Republican and Democratic administrations for combating terrorist financing and overseeing our sanctions against foreign adversaries. He is one of the best tools in our toolbox against the likes of Iran, ISIS, and Al Qaeda. Yet, despite glowing praise from both sides of the aisle, week after week, month after month, Mr. Szubin's confirmation remains in limbo.

This Sunday will mark the 7-month anniversary of Mr. Szubin's nomina-

tion. In those 7 months, we have watched ISIS spread across Iraq, Syria, and beyond. We have seen Iranian funds and weapons continue to flow to terrorists across the Middle East. We have witnessed the tragic attacks in Paris, San Bernardino, and elsewhere.

In an acting capacity, without having received the full support of the U.S. Senate, Mr. Szubin's status and stature is undermined when he travels abroad to persuade allies to cooperate with us in the fight against terrorism and especially in efforts to go at one of the terrorists' Achilles heels: their funding sources.

Seven months is too long. Both of Mr. Szubin's recent predecessors were approved over a much shorter period of time. One was approved in just 3 weeks.

So with the same urgency that I would ask the international community to act collectively—and failing that, the administration to unilaterally sanction Iran for its flagrant violation of Resolution 1929—I also urge the Senate to take immediate action to confirm Mr. Szubin for a post vital to our national security and one for which he is eminently qualified.

I yield back.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The senior assistant legislative clerk proceeded to call the roll.

Mr. NELSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

PUERTO RICO

Mr. NELSON. Mr. President, a number of my colleagues will be coming to the floor in just a while to talk about the crisis that is going on in the island territory of Puerto Rico. Remember, Puerto Rico is a territory. Its citizens are U.S. citizens, and we often forget that, particularly as they are now facing economic challenges that are growing worse by the day.

Although we just had an opportunity in the Omnibus appropriations bill to address Puerto Rico's fiscal crisis, it appears that Congress is going to go home without having done the bare minimum for Puerto Rico. In the meantime, Puerto Rico is going to start the New Year on the verge of default as the Governor faces the troubling choice of whether to pay for essential public services or make a \$1 billion debt payment to Wall Street creditors. The public services include those for health, fire, police, water, et cetera, versus paying the bonds that are coming due.

Many of us have been urging our colleagues for months—Senator DURBIN, Senator CANTWELL, Senator SCHUMER, and myself—to meaningfully address this fiscal crisis by providing Puerto Rico with the same debt restructuring authority that is available to any other State under chapter 9 of the

Bankruptcy Code. This is the authority that Puerto Rico had until it was taken away by Congress without any explanation 30 years ago.

That is why I have joined Senator CANTWELL, who is here, and Senators SCHUMER and BLUMENTHAL, in introducing legislation that would allow Puerto Rico's municipalities and public corporations to restructure its debt under the watchful eye of the Federal bankruptcy judge.

This is not a bailout. Providing Puerto Rico with an opportunity to orderly manage its debt as we do for every State under chapter 9 of the bankruptcy laws costs the Federal Government nothing. It also prevents Puerto Rico from having a drawn-out battle with bond holders following a potential default. Yet nowhere in the Omnibus appropriations bill, where we have a lot of other stuff—nowhere in the omnibus appropriations bill—is there anything to give Puerto Rico the legitimate orderly process of chapter 9 in bankruptcy that it needs. There are a few provisions to help Puerto Rico's hospitals, but even they don't go far enough.

It deeply troubles me that we will celebrate the holidays knowing full well that there is so much more that the Congress could have done.

I would like to put this in perspective. Just a few weeks ago we met with a group of Floridians who were here for the National Day of Action for Puerto Rico. What they describe—and what this Senator has seen in a visit to Puerto Rico and the government in San Juan a month ago—is a humanitarian crisis due to the crushing government debt, a failing economy, and a growing poverty.

What is the result? Thousands of Puerto Ricans—U.S. citizens—are coming to my State. They are certainly welcome, but these are often the very talented, educated people that are so desperately needed for the well-being of the population on the island. Some that come are fortunate to move in with relatives. Others are living in motels. Others are even living out of their cars. A lot of them come to central Florida to the metro Orlando area, where there is a huge Puerto Rican population. What we see in the discrepancy and the economic despair that is happening on the island is absolutely heartbreaking. How in the world can we fail our fellow Americans like this?

Notice who have been the most courageous in the military? It has often been the soldiers who are Puerto Rican. These Americans have contributed to the diverse fabric of our country, and they proudly serve in so many Federal responsibilities, including our military. We should be doing all that we can to provide them with the tools they need—the financial tools Puerto Rico needs to emerge from its current economic challenges—and debt restructuring authority is one of those things.

I want to urge our colleagues, since we didn't get it into the omnibus, in

the spirit of our patriotic unity to help each other and that unity that binds all Americans, to come together and help Puerto Rico at this critical time.

I see my colleague from the State of Washington. I appreciate the leadership that she has taken. My State is one of the ones that is most affected. Her State is not as affected, and yet the Senator from Washington has stepped up and done this because she knows it is the right thing to do.

Mr. President, I yield the floor and look forward to hearing from the Senator.

THE PRESIDING OFFICER. The Senator from Washington.

Ms. CANTWELL. Mr. President, I thank the Senator from Florida for coming to the floor and speaking so articulately about the need for help for Puerto Rico. His State is the most impacted State in the United States when it comes to our policy as it relates to Puerto Rico. He is right that there are not many Puerto Ricans in the State of Washington. But as the Ranking Member of the Senate Committee on Energy and Natural Resources, which has jurisdiction for the territories, I can tell you territorial oversight is about giving people who are U.S. citizens fair access to the law. If we are not going to help people who are U.S. citizens have fair access to the law, I am not sure why we are continuing to say that they are a territory of the United States of America.

What we are talking about, and the Senator from Florida understands this, is if you don't give them fair treatment under the law, just as we do with individual citizens who need to reorganize their debt, businesses who need to reorganize their debt, municipalities that need to reorganize their debt, or even the United States of America in the big bank bailout basically allowing a lot of people to reorganize their debt, then we won't let the people in Puerto Rico come to a resolution of their debt in bankruptcy. It is a hypocrisy that is unexplainable at the moment. We should get to the bottom of this because we want to give fair treatment to Puerto Rico so they can solve their own problems.

What my colleague mentioned is that a restructuring authority for Puerto Rico costs the U.S. taxpayers zero. Zero dollars. That is to say, we are not proposing, at least on our side of the aisle, that we give them immediate funds to restructure. We are simply saying: Give them the tools of bankruptcy so they can restructure. My colleagues think this is important because we know that the mass exodus from Puerto Rico, which has been about 300,000 people in the last several years, will continue if we don't give them the tools to reorganize their debt. What that will mean, as the Senator from Florida mentioned, is that people will come in droves to Florida and continue to impact that economy by asking for federal social services that are capped in Puerto Rico. They will come to Flor-

ida and ask for those services. So the United States, by denying Puerto Rico the bankruptcy tools, actually will be impacted economically. Some people have estimated the impact will be as much as \$10 to \$20 billion over a 10-year period of time. I would say we have a lot of skin in the game to get people to reorganize this debt.

Many newspapers across the United States also believe that we should give Puerto Rico these tools to reorganize. In an editorial recently in the New York Times, which talked about the President's proposal, it said: "Crucially, it asks Congress to change the law so that Puerto Rico's territorial government and municipalities can seek bankruptcy protection." They understood this issue, as did the Washington Post when they wrote: ". . . letting an impartial bankruptcy judge sort out the competing claims on a failed public entity is the fairest, most efficient approach; without that option, Puerto Rico has no leverage in debt negotiations, and litigation could ensue."

So there are newspapers throughout the United States of America that are looking at this issue and saying: Give them the ability to reorganize their debt.

Why is this so important? Because the Puerto Rican government may default on its debt as early as January 1, when nearly \$1 billion in payments are due.

Many of us here want to see a resolution of this issue now, giving them the tools to avoid that. Once they default, the economic impact to the rest of us and the U.S. taxpayers will be far greater. Why do I say that? Because if you look at the inaction that takes place, U.S. taxpayers contribute \$6.4 billion to Puerto Rico's annual budget, funding these various programs. If you default, that means we will be spending more than \$6.4 billion.

I know some of my colleagues want to protect the hedge funds from being a part of the bankruptcy reorganization. But, when you are protecting the hedge funds from being a part of the bankruptcy reorganization, you are adding costs for the U.S. taxpayers. That is something we cannot afford.

If Puerto Rico is allowed to restructure their debt, they could make these decisions and save us money as U.S. taxpayers. In the long run, as I said, it would prevent the mass exodus from the island to many other States and provide Puerto Rico with the tools they need. Yet some in Congress are more comfortable with inaction, which basically is just bad public policy. Why is this? Because 20 to 50 percent of the island's debt is owned by hedge funds. These hedge funds swoop in to buy cheap Puerto Rican debt and are using their influence here in Washington, DC, to block Puerto Rico from access to bankruptcy protection that is allowed in other places. It is no secret that the solution will require sacrifice by everyone, and that is what we want to see. If

Congress continues to protect these hedge funds and fails to act, it will be at both the expense of the Puerto Rican people, who have already suffered immensely, and of the American taxpayer.

Sitting by idly is not a solution. We should remind our colleagues that Puerto Rico had preexisting bankruptcy authority which was taken away in 1984, mysteriously. Nobody knows why, or how, or any justification for it. They just know that it disappeared. Congress should reinstate that authority that was taken away. As the Governor of Puerto Rico said before the energy committee, quoting another leader: "Give us the tools, and we will finish the job."

Now is the time to act, before we see a greater mass exodus of people.

This chart shows the migration between Puerto Rico and the United States. You see that it continues to grow. It has grown 500 percent in the last 10 years. The issue is that now government workers are being cut to three days a week, patients are waiting for months without basic medical care, hospitals are going bankrupt, and the health industry is about to collapse.

On the other side of the aisle there is talk about the humanitarian crisis that might occur next year and how they might want to respond to it, but they don't want to stand up and say to the hedge funds that they also have to take some responsibility in this issue. Forty-five percent of the population in Puerto Rico is now living in poverty, including 58 percent who are children. Unemployment is in double digits, and it is, if you compare it to all our States, very high in the ranking of States in the United States. As a result, 80,000 people are leaving the island each year as part of a mass migration.

So what is the solution? As we said: Restructure their debt; give them the tools to restructure their debt. It costs nothing to the U.S. taxpayer, saves us money in the long run, prevents a mass exodus from the island, and prevents more spending on Federal benefits to people who might migrate to the United States.

We think this ought to be a lot of motivation to sit down and solve this issue today. In fact, now we are hearing from different businesses, and I will submit one letter for the RECORD, in the United States that do business in Puerto Rico and that don't want to lose their investment because they are so concerned about the level of collapse that could happen in Puerto Rico, and the loss of infrastructure and infrastructure investment.

So why do we need to continue to move forward? Well, inaction, basically, is to say that the hedge funds have won in this game. Twenty to fifty percent of the island's debt is owned by the hedge funds, and hedge funds are using their influence in Washington to block a Puerto Rico bill from coming to the floor. Failure to act would be at

the expense, as I said, of taxpayers and individuals.

Just yesterday, a leader who has been supportive of reorganization of a task force in New York that was under a budget crisis said: "The hedge funds got their way in Congress." That is referring to the fact that we were not able to get, as my colleague from Florida said, this legislation as part of the budget omnibus bill or other bills moving through the process.

So now is the time to act to give Puerto Rico the tools. Now is the time for all of those who have made investments to say "we all have to come to the table and resolve this issue." The longer we wait, the greater the risk for the United States of America—to say nothing of the issue of a territory that we lay claim to, giving them the ability to solve their problems.

I ask my colleagues to come to a commonsense resolution on this issue. Stop protecting these hedge funds and start working for people who are called U.S. citizens.

Mr. President, I ask unanimous consent to have printed in the RECORD the articles and the letter I mentioned.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Oct. 24, 2015]

A RESCUE PLAN FOR PUERTO RICO

(By Editorial Board)

There was long-overdue drama at a Capitol Hill hearing Thursday. We are referring, of course, to Treasury Department counselor Antonio Weiss's testimony before the Senate Committee on Energy and Natural Resources, in which he warned of a looming "humanitarian crisis" in the financially distressed commonwealth of Puerto Rico. Mr. Weiss's words marked a break with the Obama administration's previous low-key approach to the island's debt crisis, and if he resorted to hyperbole to compensate for that, it was only slightly. Having already cut spending, jacked up taxes and postponed various bill payments, Puerto Rico is out of cash and facing a year-end liquidity crunch that could lead to a breakdown in public services, or even public order.

Mr. Weiss backed up his words with the administration's most comprehensive policy proposals yet, the most important of which would require congressional action. Specifically, he advocated not only permitting Puerto Rico's municipalities and public corporations to file for bankruptcy, which would affect about a third of its \$73 billion debt, but also extending the bankruptcy option to the commonwealth government itself. He called for a permanent fix to the island's Medicaid program, which faces crippling uncertainty because of limits on federal assistance unlike those of the 50 states. And to address its lagging labor force participation—a huge drag on economic growth—he proposed creating an Earned Income Tax Credit to encourage low-wage workers' return to the job market.

In short, for the first time the executive branch has put its weight behind solutions that would cost money, billions of dollars of it. A good benchmark would be Gov. Alejandro Garcia-Padilla's projection of a \$14 billion hole in the island's finances over the next five years. The administration's plans for Medicaid and an EITC would put U.S. taxpayers on the hook. Bankruptcy would be the mechanism through which creditors chip

in; an average 40 percent "haircut" on their bonds is probably in order, according to a recent study by BlackRock. As the example of Detroit shows, letting an impartial bankruptcy judge sort out the competing claims on a failed public entity is the fairest, most efficient approach; without that option, Puerto Rico has no leverage in debt negotiations, and litigation could ensue.

Which brings us to what can fairly be expected of the commonwealth itself. Its predicament is due to many forces beyond its control, starting with the anomalous semi-sovereign political status that traps it—like Greece in the European Union—in a monetary union with the far larger and more competitive United States. Still, Puerto Rico has squandered vast resources on mismanagement and anti-growth policies. Therefore, it may appropriately be held to a structural adjustment program that ensures it uses fresh cash efficiently. For that program, in turn, to have credibility, it must be subject to oversight by a truly independent body; indeed, if oversight doesn't work, nothing in Mr. Weiss's plan can work, either economically or politically, since buy-in from Republican fiscal hawks is needed. Designing that institution is the task to which Congress, Puerto Rico and the administration must now turn in a spirit of cooperation, but also urgency.

[From the New York Times, Oct. 24, 2015]

SAVE PUERTO RICO BEFORE IT GOES BROKE

(By the Editorial Board)

Puerto Rico's government is on the verge of running out of money. A messy default is in nobody's interest, which is why Congress ought to move swiftly to provide the American territory with a way to restructure its huge debt and revive its economy.

The Obama administration last week offered the outline of a rescue plan to help the island and the 3.5 million American citizens who live there. The plan would impose new oversight on the island's finances and expand access to government programs like Medicaid and the earned-income tax credit. Crucially, it asks Congress to change the law so that Puerto Rico's territorial government and its municipalities can seek bankruptcy protection.

Political leaders in Puerto Rico and many financial and legal experts have been saying for months that the territory cannot repay the approximately \$72 billion it owes to hedge funds, mutual funds and other investors. Its economy is not growing, and tens of thousands of residents are leaving every year for the mainland to look for work. More than 300,000 have left in the last 10 years.

Its public pension plans need a cash infusion of about \$44 billion. Puerto Rico has cut spending and raised taxes in the hope of saving itself, but that hasn't worked, and it won't work in the foreseeable future given the sorry state of the island's economy.

Bankruptcy seems inevitable. But under federal law, Puerto Rico's government, its municipalities and its government-owned utilities cannot go to bankruptcy court—hence the administration's request for a new bankruptcy process for territorial governments and a change in the law to allow Puerto Rican cities and public utilities to seek Chapter 9 protection, much as local governments like Detroit and Orange County, Calif., have done.

Many investors who have lent money to Puerto Rico and stand to lose under any debt restructuring are bitterly opposed to the Obama plan. They say Puerto Rico can repay all of its debt if it tightens its belt and privatizes utilities and other government-owned businesses. Changing the law now, they argue, is deeply unfair. But the record

of what has happened in troubled countries like Greece is clear: Austerity policies have only worsened the crisis. As for the fairness argument, legislators change laws all the time to meet new circumstances.

What investors must realize is that an orderly restructuring is a far better alternative than the long and complex legal battles that would inevitably follow a sudden default. American bankruptcy courts have a good track record of resolving complicated debt cases. And if, in addition to reworking the bankruptcy law, Congress also created an oversight board, as the Obama administration recommends, investors could have some confidence that Puerto Rico's politicians would make needed policy changes.

There is no doubt that Puerto Rican leaders have mismanaged the island's finances and economy. What's at issue now, though, is not Puerto Rico's past but its future and that of its inhabitants. If Congress doesn't like the administration's ideas, it needs to come up with its own.

DECEMBER 9, 2015.

Hon. PAUL RYAN,

Speaker of the House, Washington, DC.

Hon. MITCH MCCONNELL,

Senate Majority Leader, Washington, DC.

Hon. NANCY PELOSI,

House Minority Leader, Washington, DC.

Hon. HARRY REID,

Senate Minority Leader, Washington, DC.

DEAR MR. SPEAKER, LEADER PELOSI, LEADER MCCONNELL, AND LEADER REID: As senior executives of companies that are based in the U.S. mainland and that conduct extensive business in the U.S. jurisdiction of Puerto Rico, we write to respectfully urge you to swiftly enact a legislative package that will promote economic growth and fiscal stability in the territory.

We are extremely concerned about the situation in Puerto Rico for both humanitarian and business reasons. The current economic, fiscal and demographic crisis is harming the 3.5 million U.S. citizens that reside on the island, compromising their quality of life and causing thousands to relocate to the U.S. mainland in search of better opportunities. It is also hurting private sector businesses that manufacture products in Puerto Rico, depend upon Puerto Rico's consumer base, or seek to contract with the central government of Puerto Rico or its public corporations to provide public services on a more cost-efficient basis.

This letter is also endorsed by the Jacksonville Port Authority (JAXPORT), which is the U.S. mainland hub for trade with Puerto Rico. Roughly 70% of all cargo shipped from the U.S. mainland to Puerto Rico goes through JAXPORT. This trade is responsible for 32,000 jobs in the State of Florida alone.

We understand that the causes of Puerto Rico's problems are complex and multifaceted. But we also believe that action by the federal government is essential to enable Puerto Rico to address these problems. There are many specific steps that Congress could take, such as (1) fully including Puerto Rico in the earned income tax credit program and the child tax credit program, which incentivize work and spur consumer demand; (2) providing more equitable treatment to Puerto Rico under federal programs like Medicaid and Medicare, which would improve patient care, reduce migration, and relieve the fiscal burden on the Puerto Rico government; and (3) providing Puerto Rico with state-like treatment under Chapter 9 of the federal bankruptcy code, which would help Puerto Rico manage its debt burden and position the island to achieve economic growth in the future.

We thank you for your consideration of this important request.

Sincerely,

DANIEL DAVIS,
President & CEO, JAX Chamber.

MICHAEL G. ROBERTS,
Senior Vice President & General Counsel, Crowley Maritime Corporation.

TIM NOLAN,
President, TOTE Maritime Puerto Rico.

BRIAN TAYLOR,
Chief Executive Officer, Jacksonville Port Authority (JAXPORT).

JOHN P. HOURIHAN, Jr.,
Senior Vice President & General Manager, Crowley Puerto Rico Services.

THOMAS J. ALCIDE,
President, Saft America.

Ms. CANTWELL. I thank my colleague, and I yield the floor to any of my other colleagues who have come to the floor to join us.

The Senator from New Jersey probably has the second most, if not the most, number of Puerto Ricans in his State.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. MENENDEZ. Mr. President, first, I thank the distinguished senior Democrat on the Energy and Natural Resources Committee, which has jurisdiction over the territories, including Puerto Rico, for her advocacy, for her strength of passion in this effort, and for her work. I also thank my colleague from Florida who has always joined me on issues on Puerto Rico and who has always been a strong voice for the island.

I would hope to prick the conscience of the Senate about the 3.5 million U.S. citizens who just happen to live on the island of Puerto Rico and to do something before this crisis transforms into a full-blown human catastrophe. These 3.5 million Americans who call Puerto Rico home have a long history with the United States. Over 200,000 of them have served in every conflict since World War I and worn the uniform of the United States.

Over 20,000 of them currently wear the uniform of the United States and put their lives at risk for the safety and security of all of us here at home. They are stationed across the globe.

If you went with me—and I invite any colleague who wants to go to the Vietnam Memorial—you would see a disproportionate number of Puerto Ricans who served in the Vietnam war and gave their lives on behalf of the country. Puerto Rico is an integral part of America and its people are as American as you and I. They have full citizenship rights. The status of where they live does not alter their rights under the Constitution, and the fiscal timebomb that is waiting to explode in Puerto Rico is an American problem.

In my time in the House of Representatives, I could never believe it

when I would have colleagues who asked me if they needed a passport to visit Puerto Rico. I thought they were joking, but they were serious. This is an American problem.

We not only have an opportunity, but more importantly I think we have a responsibility to take immediate action to stabilize the island and give our fellow citizens the opportunity to fix the current crisis, but instead of deescalating the crisis, we are demagoguing those who are facing it. Instead of providing the tools Puerto Rico needs to get on the path to solvency, we are tying our hands behind our backs.

So let me put this plainly and simply: Puerto Rico is getting a raw deal. While we dither here, the island is economically in flames. We are about to spend over \$600 billion in tax breaks but denied the earned-income tax credit and child tax credit equity for American citizens living in Puerto Rico. We are about to pass a \$1.1 trillion budget but ignored pleas on the island to receive the same chapter 9 treatment in bankruptcy to reorganize and restructure their debt that any State has and that they had at one time and was surreptitiously taken out. That right that they had was taken out.

As has been said by the distinguished ranking member, giving Puerto Rico back the right they had will not cost the American taxpayer one single dime. Those bottom feeders who ultimately went and tried to buy enough bonds dirt cheap and now want to get paid at maximum amount, that should not be where the focus of the Senate is when it comes to these 3.5 million Americans. I am wondering if it was some other group of people, whether we would feel the same way. I really have to wonder. We are about to increase Big Oil's profits by about \$170 billion over the next decade, but we can't do anything for the 3.5 million people who call Puerto Rico home, who are U.S. citizens, and who wear the uniform of the United States.

I am pleased to see that the legislation will include a little piece of my high-tech legislation to help the hospitals in Puerto Rico, but that is not going to do anything as it relates to the crisis we are facing. This crisis didn't develop overnight—it was over several administrations—nor will it be fixed in a day. Governor Padilla and the Government of Puerto Rico have done everything they can to right the ship and restore a path to solvency. They have closed schools and hospitals. They have laid off police and firefighters. They have raised taxes on businesses and individuals. They have gone beyond what any sovereign nation would consider doing to right the economic status, but they are out of options.

All the cuts and tax hikes will not make a dent in this crisis without the breathing room that restructuring authority provides. That is all we are asking for, not a single cost to the American paper. This problem is not

going away. Mark my words, if we don't act now, this crisis will explode into a full-blown humanitarian catastrophe that isn't going to take a year or months. It is going to be right around the corner.

It is pretty amazing that instead of dealing with this issue in a way in which we can solve it, we are basically—it is the equivalent of waiting for a malignant tumor to metastasize before we actually act on it. That is what we are doing. The sooner you act, the higher your chances of success are, and that is no different in the case of Puerto Rico. They are not asking us to pull them out of this hole. They are simply saying give us the tools so we can do it on our own.

It is the same can-do spirit of the Borinqueneers, who served our country during the Korean war—an all-Puerto Rican division, the most highly decorated in U.S. military history who said: Just give us the tools and we will fight for our Nation—or NASA engineer and Exceptional Achievement Medal winner Dr. Carlos Ortiz Longo or the baseball great and philanthropist, Roberto Clemente. I could go on and on about the contributions of Americans of Puerto Rican descent to this country. Just give them the tools.

Instead, this Congress is going to go home for the holidays and say to Puerto Rico: You get coal in your stocking, instead of giving them the tools to help them be able to face a better day. At the end of the day, believe me, if we do not act, more will come to Senator NELSON's State of Florida, more of them will come to New Jersey, more of them will come to New York, more of them will come to Ohio, and more of them will come to Pennsylvania—which are some of the largest concentrations in the Nation—because they are U.S. citizens. When they come, they will have the rights to everything that every other citizen has.

That is the reality, and I cannot imagine why our friends on the Republican side cannot get to the point of understanding that these 3.5 million residents of Puerto Rico are U.S. citizens. They fought for their country, died for their country, shed blood for the country, have been maimed for the country, and yet we just can't give them the tools to get themselves into fiscal order again.

It is pretty amazing. It is pretty amazing that we will leave for the holidays and actually have for some—not for those of us on the floor—but for some no regret that we are leaving those 3.5 million U.S. citizens without any options.

I don't believe in leaving any American behind. That is why I have voted on this floor for flood damage in the Mississippi. That is why I voted for wildfires in the West, to help them be dealt with. That is why I voted for crop damage. I have been there because I believe there is a reason we call this the United States of America. Puerto Ricans, in terms of their citizenship,

they are U.S. citizens. They deserve the same rights as anyone else.

With that, I see my distinguished friend and colleague from Connecticut, who I know feels very passionately—the way I do—about this issue, and I yield the floor.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. BLUMENTHAL. Mr. President, I am inspired by the very eloquent words of my colleague from New Jersey and others, from Senator NELSON of Florida and particularly from Senator CANTWELL, and thank them for championing this cause.

I am inspired by those words to begin with a story. My visit to Puerto Rico to the association headquarters of the Borinqueneers—members of generations who have fought for this country, veterans of our wars, who had visited the White House to receive the Congressional Medal that we in this body voted to award them because of their service to our Nation. It was awarded by the President of the United States when they visited the White House. I visited them in Puerto Rico to say thank you and to recognize their service. I can tell you at the White House and in Puerto Rico what I saw in their faces and heard in their voices was a patriotism every bit as deep and passionate as any I have heard anywhere in this country. Puerto Ricans are not only Americans, they are proud to be American, and we should be proud they are Americans because they are hardworking, dedicated, and they believe in giving back to America.

My friend from New Jersey has said that Puerto Rico is receiving a raw deal, and he is right. It is a raw deal and an unfair deal because the people of Puerto Rico find themselves in an untenable financial situation in large part due to circumstances beyond their control. In fact, in some instances, actions of this very body, in tax policies and health care program decisions, put them at a disadvantage and contributed to the fiscal situation that has put them and their economy in free fall today.

So 2.5 percent of Puerto Rico's population has fled the island in just the last year. If Puerto Rico defaults and that default is permitted to continue, the ramification of additional people fleeing the island and the financial markets feeling the effects of that default will be horrendous.

The day of reckoning for Puerto Rico is inescapable. The only question is whether it occurs in the courts with endless, costly litigation that enriches lawyers—let's face it, the lawyers will be better off if there is no orderly and structured process—or, when that day of reckoning occurs, in the bankruptcy courts where it can be orderly and structured and less costly. This body, the U.S. Senate, has the responsibility to extend to Puerto Rico the same treatment under Chapter 9 that any municipality and utility has around the country—nothing more, nothing less.

The people of Puerto Rico are already suffering because of the uncertainty of their financial situation. That uncertainty in turn is already costing them because the borrowing costs are rising as a disorderly default faces them. To simply provide more money is not the answer. There has to be a structure for orderly and planned payment of debts that are due. Right now, Puerto Rico is insolvent. It can't pay its debts on time, and that is the definition of default. Bankruptcy is not a safety net. It is not a bailout. It is, in fact, a reckoning.

There has been some talk here about who is responsible. There is no question that some stand to profit if there is chaos—not just lawyers, but some of the financial interests who are holding certain of the financial instruments. We don't need to name names or blame them. What we need to do here is to solve a problem and make sure that Puerto Rico is treated fairly and that it is spared this raw deal that will have ramifications for the entire United States of America—for our financial markets, for our communities, and for the people of Puerto Rico who have families here and who will come here themselves.

I hope we will do the right thing even in the hours—and there are just hours—left before the end of this year. There is too much at stake for either partisan differences or special interests to dictate the result. The day of reckoning is here. It is just a question of where it occurs—in a bankruptcy court or in endless litigation that is costly to Puerto Rico and Puerto Ricans and all Americans.

I yield the floor.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DURBIN. Mr. President, I am happy to join my colleagues in this statement on the floor relative to the situation in Puerto Rico. I commend Senator CANTWELL as well as Senator BLUMENTHAL, who is a lead cosponsor of the bill that I am cosponsoring, as well as Senator NELSON of Florida, who has a special interest with so many Puerto Ricans in his State, and, of course, Senator MENENDEZ of New Jersey with the same interest. I share it. It is a feeling that is based on some friendships with Members of Congress of Puerto Rican descent, particularly my friend and colleague from Illinois, LUIS GUTIÉRREZ, but many others, such as NYDIA VELÁZQUEZ and JOSÉ SERRANO of New York. I have served with all of them, and I understand the deep personal feelings they have about the situation.

The financial crisis facing Puerto Rico and its 3.5 million residents who are U.S. citizens demands that we not walk away but address this in an honest way. Congress is working to complete its legislative business, and it is deeply troubling that at this point we are preparing to leave town without resolving Puerto Rico's urgent situation.

The challenges facing Puerto Rico are very serious. The island has been

mired in an economic recession for more than a decade. Their unemployment rate is nearly 12 percent and the poverty rate is almost 45 percent. Tens of thousands of Puerto Ricans are leaving the island each year and, as Senator BLUMENTHAL said, 2.5 percent of the population left just this last year. That is the reality of this economic challenge. If we don't help Puerto Rico get back on its feet, stabilize, and grow its own economy, the alternative, sadly, will be many more people coming to the United States. If they wish to come, that is certainly their right, but we don't want to force them to come to this country because of dire economic circumstances in Puerto Rico that can be avoided.

The island has over \$70 billion in outstanding debt. According to Moody's, this debt load is approximately 100 percent of Puerto Rican's island's gross national product. Moody's also found that in fiscal year 2015, the debt service of the territory and its agencies amounted to almost 40 percent of the revenues available to the government—compared to an average in most States of 5 percent.

I noted an article in the Wall Street Journal not that long ago that quarreled with this 40 percent figure. They said it was less than half of that amount, and, therefore, it wasn't a dire situation. Yet we had a hearing before the Judiciary Committee with experts present, and it was very clear that 40 percent is a valid figure, not arrived at by political figures but by Moody's, a firm that is supposed to be expert in reaching that conclusion.

The Puerto Rican government was able to make large debt payments on December 1 only through some very contorted fiscal determinations. But another debt payment of \$332 million looms on January 1, and a default is a real possibility.

We had this hearing before the Senate Judiciary Committee. It was an eye opener. One of the witnesses that I remember specifically is Richard Carrion, the executive chairman of Puerto Rico's largest bank, Banco Popular. He testified that, as a banker, it was truly painful for him to ever talk about bankruptcy and not paying their debts. But Mr. Carrion went on to say that there needs to be some kind of bankruptcy or restructuring regime made available for Puerto Rico because the money just isn't there.

If Puerto Rico goes into default, the ramifications are frightening. Not only would a default threaten the island's fiscal stability, but it would also cause a humanitarian crisis where we have such a high rate of poverty. It would threaten access to essential services, such as education and even basic utilities.

It is true that there are a lot of factors that contributed to this financial situation, and there is no silver bullet to fix all of these problems. But one step that would certainly help is to allow Puerto Rico to use Chapter 9 of

the Bankruptcy Code, and that is what Senator BLUMENTHAL's legislation proposes.

About \$20 billion of Puerto Rico's \$70 billion debt is debt issued by municipalities and public corporations. Chapter 9 creates a mechanism for a State to allow a municipality or public corporation to restructure its debts in bankruptcy. This authority has been used over and over again, but Congress passed an unusual law in 1984, which no one has been able to explain. It contained a provision that excluded Puerto Rico specifically from Chapter 9. No other State or territory was excluded except Puerto Rico. There is no legislative history to explain why Puerto Rico was singled out.

It appears that the bar on Puerto Rico using Chapter 9 bankruptcy was either an error or it was an intentional discrimination against this territory and its 3.5 million American citizen residents. Either way, it is time we correct this inequity, if not for the simple fairness of the argument, then for the point being made by Senator BLUMENTHAL earlier: So many of these Puerto Rican residents have literally risked and given their lives in defense of the United States. There is absolutely no excuse for discriminating against these people.

I am a cosponsor of Senator BLUMENTHAL's bill that would allow Puerto Rico to use Chapter 9. This would create a backstop to address a significant portion of Puerto Rico's debt.

The availability of a bankruptcy process would also create an incentive for creditors, bondholders, and others to negotiate voluntary restructuring. The option of bankruptcy helps bring all the parties to the negotiating table because typically it is a dose of reality.

I regret that not a single Republican has been willing to cosponsor this bill, and I don't get it. I just don't understand it. I regret that the Republican majority has been unwilling to bring the issue of Puerto Rico bankruptcy reform to the Senate floor. It should have been brought to the floor. It is timely, and it is important. Nobody wants to encourage bankruptcy, but the Founding Fathers recognized the importance of this legal option in giving individuals and institutions the ability to dig out of debt in an orderly fashion. That is why Congress's power to enact bankruptcy laws was actually written into the Constitution.

Furthermore, the bankruptcy process is well-known and understood. It is not a Federal bailout because it won't cost the taxpayers a dime if Puerto Rico chooses bankruptcy. In contrast, if Puerto Rico defaults, we will face a new, uncertain future that may well require Federal corrective action and may cost money. These steps likely would be far more upsetting to creditors and taxpayers in the United States than any bankruptcy process.

We know that bankruptcy reform is not the silver bullet solution. There

are other steps that should be taken when it comes to tax laws, health care reform, and fiscal oversight that would help Puerto Rico. But it is clear that Congress has to act.

I want to commend my colleagues again for joining me on the floor to raise this important issue. We cannot ignore this crisis. Puerto Ricans are American citizens. Puerto Rico's challenges are America's challenges. And the clock is literally ticking.

I urge my Republican colleagues to support Senator BLUMENTHAL. This modest bankruptcy reform bill will help us step forward to solve this problem. We need to work with the administration and with both political parties to chart a fair and responsible path forward for Puerto Rico.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Utah.

OMNIBUS AND TAX EXTENDERS

Mr. LEE. Mr. President, here we are again: another year of legislative dysfunction capped by an undemocratic, unrepugnant process that uses the threat of another manufactured crisis to impose on an unwilling country the same broken government policies that have repeatedly failed the people they are supposed to serve.

The bills moving through Congress today and tomorrow, made up of the omnibus spending bill and the tax extenders package, and the process that produced it are an affront to the Constitution—to the very idea of constitutionalism—and an insult to the American people we were elected to represent.

I am not even talking about the substance of the bill, which is bad enough and which I will get to in just a moment. I am talking about the way it was produced. A small handful of leaders from the two parties got together behind closed doors to decide what the Nation's taxing and spending policies will be for the next year. Then, after several weeks, the negotiators emerged, grand bargain in hand, confident the people they deliberately excluded from the policymaking process would now support all 2,242 pages of the legislative leviathan that they cooked up. This is not how a self-governing—or a self-respecting—institution operates, and everyone here knows it.

The leaders who presided over these negotiations were elected, just like the rest of us, to represent the people residing in their State or congressional district and not the entire population of the country. Yet they excluded 99 percent of the country from this process, as if their representatives are just partisan seals trained to bark and clap on cue for their leaders.

That anyone is celebrating this bill as some kind of achievement is further evidence of how out of touch Washington has truly become. Indeed, the very premise of this process—that the established leaders of the two parties