

H.R. 5278 —better known as the **Puerto Rico Oversight, Management, and Economic Stability Act (PROMESA)**— was a bipartisan bill in the [United States Congress](#)^[1] that was signed into law by President Obama on June 30, 2016.^[2] With this protection the governor of Puerto Rico, [Alejandro Garcia Padilla](#), suspended payments due on July 1.^[2]

PROMESA aims to establish an oversight board, a process for restructuring debt, and expedited procedures for approving critical infrastructure projects in order to combat the [Puerto Rican government-debt crisis](#).^[3] It is supposed to enable the island's government to enter a bankruptcy-like restructuring process and halt litigation in case of default. The task of the oversight board is to facilitate negotiations, or, if these fail, bring about a court-supervised process akin to a bankruptcy. The board is also responsible for overseeing and monitoring sustainable budgets.^[2] The President must appoint all seven members of the board, six of whom must be chosen among individuals recommended by Congressional leaders (though if not recommended by a September deadline, the President may make the appointments directly). The Governor of Puerto Rico (or a designee) would serve *ex officio* as an eighth member without voting rights.^[3]

Critics indicate that the law continues to treat the island as an anomaly, neither as a state nor a municipality, fails to provide a way to statehood or independence, and does not deal with underlying economic problems such as high unemployment, lack of opportunities, welfare issues, and brain drain.^[4] The oversight board will have broad sovereign powers to effectively overrule decisions by Puerto Rico's legislature, governor, and other public authorities, under the federal government's constitutional power to "make all needful rules and regulations" regarding U.S. territories.

SOURCE: Wikipedia.org (<https://en.wikipedia.org/wiki/PROMESA>)