This House Committee Plans to Hold a Hearing Over Puerto Rico’s Debt

Puerto Rico’s governor said the U.S. territory’s Department of Justice is trying to anticipate any lawsuits after the island said it would default on some debt due Jan. 1, according to an interview with CNBC.

Puerto Rico said last week that it would default for the second time in five months, but would pay the bulk of $1 billion due, opening the door to potential litigation from affected creditors.

“Our Department of Justice is trying to anticipate any lawsuit we will have, but to be 100 percent prepared will be very hard,” said Alejandro Garcia Padilla in an interview with CNBC.

“It will be very costly – that litigation, for the commonwealth and our creditors,” he said. “Every dollar used to pay lawyers will be a dollar … not available to pay creditors.”

Puerto Rico will be the subject of two hearings in January, a spokesman for the U.S. House Committee on Natural Resources said on Monday, with the first being held on .

The U.S. territory, struggling with around $70 billion of debt, said last week that it would default on some debt due on Jan. 1, following its first default in August.

U.S. House of Representatives Speaker, Republican Paul Ryan, has instructed committees to work with Puerto Rico’s government to come up with a solution to the island’s financial problems and has said this should be crafted by the end of March.

The spokesman for the House Committee on Natural Resources said on Monday that a hearing would be held on Jan. 12, while another would be held the week of Jan. 24.