



Financial Oversight and Management Board for Puerto Rico

PRESS RELEASE

For Immediate Release

OVERSIGHT BOARD CERTIFIES TITLE III FILINGS

The Puerto Rico Highway and Transportation Authority and the Government of Puerto Rico Employees Retirement System now protected under Title III

(San Juan, PR – May 22, 2017) – The Financial Oversight and Management Board for Puerto Rico (the “Oversight Board”), created by Congress under the bipartisan Puerto Rico Oversight, Management, and Economic Stability Act (“PROMESA”), announced today that it approved, certified and filed in the United States District Court for the District of Puerto Rico on May 21, 2017, voluntary petitions under Title III of PROMESA for the Puerto Rico Highway and Transportation Authority (“HTA”) and the Government of Puerto Rico Employees Retirement System (“ERS”), respectively.

Chairman José Carrión explained that further to a request from the Government of Puerto Rico, the Oversight Board determined it is necessary and appropriate for the HTA and the ERS to file voluntary petitions under Title III of PROMESA to protect the residents of Puerto Rico, the HTA, the ERS and the interests of creditors and pensioners and avoid further negative impact on the economy from a flurry of litigation and continued uncertainty.

The Oversight Board Chairman explained how the certified Government of Puerto Rico Fiscal Plan, in addition to structural reforms aimed at increasing labor force participation and fostering economic growth, already contains substantial expenditure cuts and revenue increases in an effort to structurally balance the budget and make funds available for debt service. But the Government’s liquidity and solvency problems are massive and Title III has now become necessary to protect the people of Puerto Rico.

“The Oversight Board takes these actions solely in order to fulfill its purpose as stated in PROMESA to provide a method for the Commonwealth and its instrumentalities to achieve fiscal responsibility and access to the capital markets,” Carrión concluded.

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