



Financial Oversight and Management Board for Puerto Rico

PRESS RELEASE

For Immediate Release

OVERSIGHT BOARD DOES NOT APPROVE PREPA'S RSA

Determination makes PREPA debt restructuring process under Title III of PROMESA the most likely course of action

(San Juan, PR – June 27, 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” or the “Act”) today announced that in an executive session held today the Board did not approve the proposed Puerto Rico Electric Power Authority Restructuring Support Agreement.

The determination closes the door on this request for debt restructuring under Title VI of PROMESA. The most likely course of action under the circumstances would be a debt restructuring process under Title III instead.

The Board noted that it gave serious, professional and deliberate consideration to the proposed RSA but, in the end, decided that the proposed agreement was not in Puerto Rico’s best interests because, ultimately, it did not support the structural and operational reforms required to attract additional capital to PREPA that will enable its much-needed transformation.

“Affordable and reliable electricity is central to Puerto Rico’s economic turnaround, without which customers will seek alternative measures to satisfy their needs resulting in increased pressure to increase the rates to the remaining customer base, thereby inhibiting growth and long-term viability,” the Board noted.

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Contact:

José Luis Cedeño

787-400-9245

jcedeno@forculuspr.com

info@forculuspr.com

Board's Contact Information:

E-mail: comments@oversightboard.pr.gov

Website: www.oversightboard.pr.gov