



Financial Oversight and Management Board for Puerto Rico

PRESS RELEASE

For Immediate Release

OVERSIGHT BOARD FILES ACTION TO ENFORCE CERTIFIED FISCAL PLAN

(San Juan, PR – August 28, 2017) – The Financial Oversight and Management Board for Puerto Rico (the “Oversight Board” or the “Board”), created by Congress under the bipartisan Puerto Rico Oversight, Management and Economic Stability Act (“PROMESA”), today filed in the U.S. District Court for the District of Puerto Rico an Adversary Complaint for Declaratory and Injunctive Relief seeking to enforce the certified Fiscal Plan for the Commonwealth of Puerto Rico.

In the complaint, the Board asks the court to declare that: the Commonwealth Fiscal Plan as certified by the Board pursuant to PROMESA includes its Amendments (including the amendments mandating (1) a furlough program if certain benchmarks are not met and (2) a pension reform); the Amendments are mandatory and binding parts of the Commonwealth Fiscal Plan; and the Governor must enforce and comply with the entire Commonwealth Fiscal Plan, including its Amendments. The Board also asks for an injunction prohibiting the Governor from refusing to enforce or comply with the Commonwealth Fiscal Plan (including the Amendments) and otherwise treating the Amendments as not part of the Commonwealth Fiscal Plan.

“Fiscal reform is a difficult but necessary process for Puerto Rico and the credibility of the plan lies in its enforcement. While our preference was to avoid this step, we believe it is a necessary measure to keep Puerto Rico on track with its commitments to reduce spending and build stable foundations for its economic future,” said Natalie Jaresko, executive director of the Oversight Board.

“On March 13, the Board certified the Commonwealth’s Fiscal Plan to achieve nearly \$40 billion in long-term deficit reduction by increasing revenues and right-sizing the public sector, while beginning the hard work of restructuring the Island’s unsustainable \$74 billion debt owed to

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creditors. The plan included clear and specific milestones to be closely monitored by the Board," Jaresko continued.

"Puerto Rico's financial situation did not deteriorate overnight, and fixing it is going to be difficult, but we have the tools to do it. We will continue to work with the Puerto Rican government to execute the certified Fiscal Plan that achieves financial sustainability and improves the economic fortunes of the Puerto Rican people," Jaresko concluded.

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