



Financial Oversight and Management Board for Puerto Rico

PRESS RELEASE

For Immediate Release

OVERSIGHT BOARD REQUIRES CHANGES TO GOVERNMENT'S PROPOSED FISCAL PLANS

(San Juan, PR – February 5, 2018) – 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 sent letters to the Governor of Puerto Rico calling for revisions to the proposed Commonwealth, PREPA, and PRASA Fiscal Plans pursuant to section 201(c)(3)(B)(i) of PROMESA. The Board is requiring changes and further clarifications to proposed structural reforms, fiscal measures, and baseline projections be made by February 12.

The Board noted that the Commonwealth’s proposed Fiscal Plan includes many important proposals needed to move Puerto Rico to fiscal sustainability and economic growth. However, the letter outlines certain material elements and improvements that are required by the Board. For example, the Board requires changes and further details to the structural reforms in the areas of ease of doing business, labor market and labor reform, tax reform, infrastructure reform and capital investment, human capital, and power sector reform.

“It is imperative that Puerto Rico seize this moment to fundamentally reform an economy that has been in a long-term recession, even before Hurricanes Irma and Maria,” Jose Carrion, Chairman of the Board wrote. “Our goals of achieving balance and renewing access to the debt markets is only possible if we fundamentally change the underlying economic trends that characterized Puerto Rico’s economy prior to the hurricane.”

As previously mentioned, the Board also welcomed the Governor’s announcement regarding the PREPA transformation. The Board is calling for a five-year plan focused on reducing costs, improving reliability, and ensuring resiliency. The proposed Fiscal Plan should outline the path, timeline, and parameters of the transaction.

“PROMESA provides the Government with a powerful tool to restore economic growth and opportunity to the people of Puerto Rico,” Carrion wrote. “The Board urges the Government to use this tool to provide for a sustainable fiscal future for PREPA and the Island’s energy sector and to create the conditions that provide for more affordable electricity, more reliable electricity, cleaner electricity, and a more resilient power infrastructure.”

A copy of each letter can be found by clicking the following links: [\[Government of Puerto Rico\]](#), [\[PREPA\]](#) y [\[PRASA\]](#).

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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