

**STATEMENT OF ELÍAS F. SÁNCHEZ-SIFONTE,  
EX OFFICIO MEMBER OF THE PROMESA BOARD,  
AT THE FIFTH PUBLIC MEETING HELD ON MARCH 13, 2017**

Dear Mr. Chairman:

- Upon taking office on January 2, 2017, the Governor and his administration were confronted not only with the grave fiscal and economic crisis facing Puerto Rico, but also were handed the critical and urgent responsibility of meeting the Oversight Board’s request to submit a revised fiscal plan by February 15, which was then extended to February 28, which needed to address a \$67 billion deficit projected over 10 years.
- The sheer magnitude of the deficit and the task of complying with the Board’s request in accordance with the five principles established by the Board and the 14 fiscal plan elements required under PROMESA (all within 58 days after taking office) seemed to be an insurmountable challenge for a new incoming administration. That challenge was exacerbated by the fact that the Government was working with unaudited financial statements for 2015 and 2016 and years of unchecked deficit governmental spending.
- The former administration had lost valuable time in seizing the opportunity to meet the Board’s request in accordance with PROMESA’s requirements to put forth a fiscal plan that merited certification. The Governor and his new administration knew that the stakes were high, as PROMESA represented an opportunity for the Government to re-establish credibility by exercising the necessary political will and leadership to propose and embrace a fiscal plan that the Board could certify.
- The Government knew full well that the time for excuses was over and the time for action had arrived.
- Immediately, the Government and its advisors rolled up their sleeves and worked tirelessly over the last 10 weeks—for 7 days a week and with little sleep—in crafting a fiscal plan that could meet the challenges as laid out by the Board to implement a “once and done” approach that achieves structural balance without resorting to short-term liquidity loans or near-term financings that could restrict fiscal options.

- The fiscal plan as submitted undertakes reform measures in almost every aspect of the government's operations, including healthcare, pensions, education, public infrastructure, and public safety, among others.
- The details, as set forth in the fiscal plan, demonstrate a willingness on the Government's part to make difficult—but necessary—decisions as it relates to the necessary revenue and expenditure measures and desperately needed operational and structural reforms. These measure allow us to meet the criteria without having a greater impact on our already weakened economy.
- Our Plan assesses the current fiscal gap by (i) increasing revenues while minimizing the imposition of new taxes through modernization and compliance initiatives, (ii) reducing expenses by transforming the structure of government while continuing to provide essential services and protecting public employees, and (iii) not jeopardizing long-term economic growth.
- The Government asks the Board for a vote of confidence in certifying the Government's fiscal plan. We would take that vote of confidence very seriously and understand the enormity of the Government's responsibility to follow through by implementing the necessary changes, monitoring compliance, and providing certifiable budgets.
- Equally important is that the financial information contained in this fiscal plan provides the Government's creditors, investors, and citizens with the financial transparency and trust that has been lacking for a very long time. Our hope and expectation is that with this fiscal plan and continual open flow of information, Puerto Rico will soon be able to access the capital markets again.
- If certified, this fiscal plan would be the foundation upon which dialogue and discussions can now commence between Puerto Rico and its various bondholder and other creditor constituencies.
- The certification of this fiscal plan by the Board today would mark a beginning: a first and crucial step in putting Puerto Rico on the path toward fiscal responsibility and long-term economic growth and success. Although we might not agree on every point or initiative, it's imperative that we maintain an open communication and a willingness to work together for the good of the people of Puerto Rico.

- This moment underscores the Government's faith in the future of the island, and the capacity of all Puerto Ricans to unite and achieve the reforms that will return lasting prosperity for the benefit of Puerto Rico's 3.5 million United States citizens.