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Puerto Rico's Creditors Unite To Call For A Credible, Pro-Growth Fiscal Plan.

NEW YORK, Feb. 14, 2018 /PRNewswire/ — A group of creditors (the “Creditors” or “we”), which collectively holds a substantial portion of Puerto Rico’s outstanding debt, released the below statement today in response to the most recent version of the Commonwealth’s Fiscal and Economic Growth Plan (the “Plan” or “FEGP”):

Although Puerto Rico’s creditors have differing perspectives on a number of issues related to the ongoing restructuring, we share a unified view that a pragmatic, transparent and growth-focused policy agenda is critical to the island’s recovery. This view has only strengthened since the devastation caused by Hurricanes Irma and Maria exacerbated the already difficult economic situation on the island. Unfortunately, we believe the Commonwealth’s recently proposed FEGP represents a major step backward on the road to recovery. The Plan fails to provide a credible basis on which to restructure the island’s debt, while completely lacking a foundation for revitalizing the local economy and restoring access to the capital markets.

Perhaps the most troubling issue with the FEGP is that it was developed in an opaque manner, essentially relying on outputs from underlying analyses that have never been made public. This flies in the face of the Commonwealth’s commitment to transparency and undermines recent guidance from House Natural Resources Committee Chairman Rob Bishop, who stated “[i]t is imperative the Oversight Board and Governor fully integrate those who hold the debt into the development of these [fiscal] plans, thereby guaranteeing accuracy and transparency in the underlying assumptions.”

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