



GOBERNADOR DE PUERTO RICO
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Message of the Governor of Puerto Rico Ricardo Rosselló-Nevarés

March 13, 2017

During the past weeks our People have been closely following the deliberations of the Financial Oversight and Management Board, particularly the impact that the fiscal proposals would have on the daily lives of Puerto Ricans.

There were two fiscal plans before the consideration of the Board:

On one hand, the Board's proposal, which implied the layoff of 45,000 public employees, leaving over 700 thousand persons without health services and affecting the pensions of all retirees, with cuts that would negatively affect those most vulnerable.

Today, I am pleased to communicate to the people of Puerto Rico that the Financial Oversight and Management Board has validated our plan, along with a series of contingencies that guarantee that there will be no layoffs of public service employees, that their work schedule will not be affected, that health services to our people will continue and the pensions of our most vulnerable retirees will be protected.

Reason prevailed, common sense prevailed, our fiscal plan prevailed, and Puerto Rico prevailed.

We all recognize that these are unprecedented challenging times, but faced with this reality, we sought a great opportunity, which we can only reach together.

Now we begin a process to make the government a more efficient one, rehabilitating its finances and recovering the lost trust and credibility.

The validation of the Fiscal Plan submitted by our Administration represents a recognition of the credibility of our new government. Once again, Puerto Rico prevailed.

I want to specially recognize the public officers who led the works that resulted in today's approval of our Fiscal Plan. Among them, I would like to single out the executive director of the Fiscal Agency and Financial Advisory Authority, Gerardo Portela; our representative to the Fiscal Oversight Board, Elías Sánchez; Pedro Soto; Edward Calvesbert; and all our fiscal team. To each one of them, our congratulations for a job well done.

Some doubted the existence of the Plan. Today a Plan that protects the most vulnerable, facilitates economic development and does not take access to health services away from over 700 thousand lives that were in peril, was approved.

I want to emphasize that this is the same plan that I presented on February 28 during my State Message before the Legislative Assembly.

It is the same Plan that is based on teamwork, which is to be implemented in collaboration with our Resident Commissioner in Washington, Jenniffer González; with the presidents of the House of Representatives and the Senate, Johnny Méndez and Thomas Rivera-Schatz; and with Puerto Rico's legislators and mayors.

This is the new Government, which, in collaboration with the private sector, non-profit organizations and the different sectors comprising our society, will be working to comply with a well-thought Fiscal Plan, based on achieving economies and efficiencies in the services to the people.

The contingencies we presented to the Fiscal Oversight Board include an excise tax on cigarettes and the elimination of the Christmas bonuses on the salaries of government executives, among other measures aimed at achieving economies and collecting additional revenues for the treasury.

During the intense dialogue that I sustained, together with our financial advisors, with the Fiscal Oversight Board and its advisors, we never surrendered our principles, and we never will. Our commitment to Puerto Rico prevailed.

In the health area, we reduced the proposed one billion dollar cuts per year, as proposed by the Board, to 300 million dollars over the next two years, until reaching 750 million dollars in the next years. This will allow for everyone who now has the public health insurance coverage to maintain it. With the New Health Model, you will have the power to decide where to get your health services, not the insurance company.

In the area of government revenues, we showed more collection efficiency and we stabilized the revenues collected from foreign companies, thus avoiding having to affect the taxpayers' pockets.

Regarding the size of government, we prevented the layoff of 45,000 public employees and /or the reduction of 20% of their salaries by eliminating subsidies, freezing positions in government, and increasing the contributions of those who have more.

The contingencies included in the Fiscal Plan require the government to comply. In order to do this, everyone must collaborate. But I guarantee that our team is fit to undertake that challenge.

I will make sure that we have the necessary liquid funds to avoid affecting the salaries of public employees. Likewise, I will be certain to provide our people a new and more just tax system, which will facilitate the development of our economy, and an education system that tends to the needs of our children.

Now, please allow me to address the national media in English, since they are closely following this issue.

Today, I am pleased to communicate to the people of Puerto Rico that the Financial Oversight and Management Board has validated our plan, along with a series of contingencies that guarantee that there will be no lay-offs of public service employees, that their work schedule will not be affected, that health services to our people will continue and the pensions of our most vulnerable retirees will be protected.

Reason prevailed, common sense prevailed, our fiscal plan prevailed, and Puerto Rico prevailed.

Let everyone know, that with new leadership, a commitment to excellence, bold policies and results oriented action, Puerto Rico is on the path to recovery, growth and restoring credibility.

The validation of the Fiscal Plan submitted by our Administration represents a recognition of the credibility of our new government.

Today we have shown that we have passed from the times of improvisation and incoherence to the times of working as a team to produce results for the benefit of Puerto Rico.

Today we have passed from the “I don’t care” and the lack of credibility, to having a fiscal and economic development Plan that complies with the government’s objective of reducing expenditures, but even more importantly, a plan that allows us to build a better society.

My Puerto Rican brothers and sisters:

Only together can we overcome the obstacles and today we have shown we can.

After weeks of uncertainty, reason and common sense have prevailed. Now it is up to us to execute; for Puerto Rico, for the future of our children. For the benefit of our people, let us begin this new stage recognizing the huge challenges that we face, but also with great optimism and hope, and the conviction that together we can overcome adversity and build a new Puerto Rico, one in which justice and equal rights for all Puerto Ricans will guide us towards the definitive solution.

God bless Puerto Rico.