
WHEREAS: Section 8 of Article VI of the Constitution of the Commonwealth of Puerto Rico provides that “[i]n case the available resources for any fiscal year are insufficient to meet the appropriations made for that year, interest on the public debt and amortization thereof shall first be paid, and other disbursements shall thereafter be made in accordance with the order of priorities established by law.”

WHEREAS: The Commonwealth of Puerto Rico has the responsibility and the duty to ensure the public health, safety, education, and welfare of its residents through the exercise of its police power.

WHEREAS: This Administration has taken historic measures to address Puerto Rico’s fiscal crisis by reducing government expenses, increasing revenues and implementing structural changes. Additionally, the Working Group for the Fiscal and Economic Recovery of Puerto Rico was created in June 2015 and it developed a five-year Fiscal and Economic Growth Plan.

WHEREAS: On October 21, 2015, the administration of the President of the United States, Hon. Barack Obama, requested U.S. Congress to provide the Commonwealth of Puerto Rico with a legal framework to address its financial obligations in an comprehensive and orderly manner. Nevertheless, Congress has not enacted such legislation.

WHEREAS: Despite all the steps that have been taken, the Secretary of Treasury and the Director of the Office of Management and Budget of Puerto Rico have certified that the cash flow projection for the current fiscal year is insufficient to meet public debt payments as they become due,
and continue paying for the necessary expenses to protect the public health, safety, education and welfare of the residents of Puerto Rico.

WHEREAS: The updated cash flow projection took into account actual year-to-date revenues, a revised revenue projection through the end of the current fiscal year and estimates of the necessary expenses to protect the health, security, education and welfare of the residents of Puerto Rico.

WHEREAS: Given the foregoing, the Commonwealth of Puerto Rico does not have sufficient resources to meet public debt payments and, at the same time, ensure essential services to preserve public health, safety, education and welfare.

WHEREFORE: I, ALEJANDRO J. GARCÍA PADILLA, Governor of the Commonwealth, by virtue of the inherent powers of my position and the authority vested in me by the Constitution and the laws of the Commonwealth, do hereby order as follow:

FIRST: The Secretary of Treasury of Puerto Rico is hereby ordered to retain the revenues assigned to:

a. the Puerto Rico Highways and Transportation Authority (PRHTA) for the payment of certain PRHTA obligations pursuant to Section 3060.11 of Act Num. 1-2011, as amended, and Section 23.01 of Act Num. 22-2000, as amended,

b. the Infrastructure Financing Authority (PRIFA) for the payment of certain PRIFA obligations PRIFA pursuant to Section 25 of Act Num. 44 of June 21, 1988, as amended, and Section 3060.11A of Act Num. 1-2011, as amended,

c. the Metropolitan Bus Authority (AMA, by its Spanish acronym) for payment of certain AMA obligations pursuant to Section 3060.11 of Act No. 1-2011, as amended; and

d. the Integrated Transport Authority (ATI, by its Spanish acronym), for the payment of certain ATI obligations pursuant to Section 3060.11 of Act No. 1-2011, as amended.

SECOND: The Puerto Rico Tourism Company is hereby ordered to transfer to the Department of the Treasury the amounts collected and used pursuant to Article 24 of Act No. 272-2003, as amended, for the payment of certain obligations of the Puerto Rico Convention Center District Authority described in Article 31, Section A, of said act.
THIRD: The Department of the Treasury shall only retain such revenues that are necessary for the payment of public debt, while continuing to provide essential services necessary to protect the public health, safety, education and welfare of the residents of Puerto Rico. The aforementioned revenues constitute available resources subject to Article VI, Section 8, of the Constitution of the Commonwealth of Puerto Rico. The retention will not affect such funds that are necessary for the operation of the applicable entities. Any funds retained by the Department of Treasury shall be held in a segregated account and shall only be used for the payment of the public debt when due. To the extent that the use of all or a portion of such funds is not necessary, any remaining funds shall be transferred to the applicable public corporations for the payment of their respective obligations.

FOURTH: DEROGATION. This order shall prevail over any other Executive Order that may, in whole or in part, be inconsistent with this Executive Order, to the extent of such incompatibility.

FIFTH: EFFECTIVENESS AND PUBLICATION. This Executive Order shall take effect immediately. Its widest publication and dissemination are hereby ordered.

IN TESTIMONY BY WHICH, I issue this order under my signature and I stamp on it the Great Seal of the Commonwealth of Puerto Rico, in the city of San Juan, today, the 1st day of December, 2015.

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ALEJANDRO J. GARCÍA-PADILLA
GOVERNOR

Enacted pursuant to applicable law, on December 1, 2015.

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VÍCTOR A. SUÁREZ-MELÉNDEZ
DESIGNATED SECRETARY OF STATE