(Original Signature of Member)

114TH CONGRESS
2D SESSION

H. R. _____

To establish an Oversight Board to assist the Government of Puerto Rico, including instrumentalities, in managing its public finances, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. Duffy introduced the following bill; which was referred to the Committee on _____

A BILL

To establish an Oversight Board to assist the Government of Puerto Rico, including instrumentalities, in managing its public finances, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Puerto Rico Oversight, Management, and Economic Stability Act" or "PROMESA".

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

Sec. 1. Short title; table of contents.
Sec. 2. Effective date.
Sec. 3. Severability.
Sec. 4. Supremacy.
Sec. 5. Definitions.
Sec. 6. Placement.
Sec. 7. Compliance with Federal laws.

TITLE I—ESTABLISHMENT AND ORGANIZATION OF OVERSIGHT BOARD

Sec. 101. Territory Financial Oversight and Management Board.
Sec. 102. Location of Oversight Board.
Sec. 103. Executive Director and staff of Oversight Board.
Sec. 104. Powers of Oversight Board.
Sec. 105. Exemption from liability for claims.
Sec. 106. Treatment of actions arising from Act.
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TITLE II—RESPONSIBILITIES OF OVERSIGHT BOARD

Sec. 201. Approval of fiscal plans.
Sec. 202. Approval of budgets.
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Sec. 204. Review of activities to ensure compliance with fiscal plan.
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Sec. 208. Required reports.
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Sec. 210. No full faith and credit of the United States.
Sec. 211. Analysis of pensions.

TITLE III—ADJUSTMENTS OF DEBTS

Sec. 301. Applicability of other laws; definitions.
Sec. 302. Who may be a debtor.
Sec. 303. Reservation of territorial power to control territory and territorial instrumentalities.
Sec. 304. Petition and proceedings relating to petition.
Sec. 305. Limitation on jurisdiction and powers of court.
Sec. 306. Jurisdiction.
Sec. 307. Venue.
Sec. 308. Jurisdiction; removal; appeals.
Sec. 309. Appellate review.
Sec. 310. Applicable rules of procedure.
Sec. 311. Leases.
Sec. 312. Filing of plan of adjustment.
Sec. 313. Modification of plan.
Sec. 314. Confirmation.
Sec. 315. Role and capacity of Oversight Board.

TITLE IV—MISCELLANEOUS PROVISIONS

Sec. 401. Rules of construction.
Sec. 402. Right of Puerto Rico to determine its future political status.
Sec. 403. First minimum wage in Puerto Rico.
Sec. 404. Application of regulation to Puerto Rico.
Sec. 405. Land conveyance authority, Vieques National Wildlife Refuge, Vieques Island.
Sec. 406. Automatic stay upon enactment.
Sec. 407. Purchases by territory governments.
Sec. 408. Intervention in litigation.

TITLE V—PUERTO RICO INFRASTRUCTURE REVITALIZATION

Sec. 501. Definitions.
Sec. 502. Position of revitalization coordinator.
Sec. 503. Critical projects.
Sec. 504. Miscellaneous provisions.
Sec. 505. Federal agency requirements.
Sec. 506. Judicial review.
Sec. 507. Savings clause.

TITLE VI—CREDITOR COLLECTIVE ACTION

Sec. 601. Creditor Collective action.

SEC. 2. EFFECTIVE DATE.

(a) IN GENERAL.—Except as provided in subsection (b), this Act shall take effect on the date of the enactment of this Act.

(b) TITLE III.—Title III shall apply with respect to—

(1) cases commenced under title III on or after the date of the enactment of this Act; and

(2) debts, claims, and liens (as such terms are defined in section 101 of title 11, United States Code) created before, on, or after such date.

SEC. 3. SEVERABILITY.

If any provision of this Act or the application thereof to any person or circumstance is held invalid, the remainder of this Act, or the application of that provision to per-

sons or circumstances other than those as to which it is held invalid, is not affected thereby, provided that title III is not severable from titles I or II, and titles I or II are not severable from title III.

SEC. 4. SUPREMACY.

The provisions of this Act shall prevail over any general or specific provisions of territory law or regulation that is inconsistent with this Act.

SEC. 5. DEFINITIONS.

In this Act—

(1) AGREED ACCOUNTING STANDARDS.—The term "agreed accounting standards" means modified accrual accounting standards or, for any period during which the Board determines in its sole discretion that a territorial government is not reasonably capable of comprehensive reporting that complies with modified accrual accounting standards, such other accounting standards as proposed by the Board.

(2) BOND.—The term "Bond" means a bond, loan, letter of credit, other borrowing title, obligation of insurance, or other indebtedness, including rights, entitlements, or obligations whether such rights, entitlements, or obligations arise from contract, statute, or any other source of law, in any case, related to such a bond, loan, letter of credit, other bor-

rowing title, obligation of insurance, or other indebtedness in physical or dematerialized form, of which—

(A) the issuer, obligor, or guarantor is the territorial government; and

(B) the date of issuance or incurrence precedes the date of enactment of this Act.

(3) BOND CLAIM.—The term "Bond Claim" means, as it relates to a Bond—

(A) right to payment, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, or unsecured; or

(B) right to an equitable remedy for breach of performance if such breach gives rise to a right to payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured, unmatured, disputed, undisputed, secured, or unsecured.

(4) BUDGET.—The term "Budget" means the Territory Budget or an Instrumentality Budget, as applicable.

(5) PUERTO RICO.—The term "Puerto Rico" means the Commonwealth of Puerto Rico.

(6) COMPLIANT BUDGET.—The term "compliant budget" means a budget that is prepared in accordance with—

(A) agreed accounting standards; and

(B) the applicable Fiscal Plan.

(7) COVERED TERRITORIAL INSTRUMENTALITY.—The term "covered territorial instrumentality" means a territorial instrumentality designated by the Board pursuant to section 101 to be subject to the requirements of this Act.

(8) COVERED TERRITORY.—The term "covered territory" means a territory for which a Board has been established under section 101.

(9) EXECUTIVE DIRECTOR.—The term "Executive Director" means an Executive Director appointed under section 103(a).

(10) FISCAL PLAN.—The term "Fiscal Plan" means a Territory Fiscal Plan or an Instrumentality Fiscal Plan, as applicable.

(11) GOVERNMENT OF PUERTO RICO.—The term "Government of Puerto Rico" means the government of the Commonwealth of Puerto Rico, including all its territorial instrumentalities.

(12) GOVERNOR.—The term "Governor" means the chief executive of a covered territory.

(13) INSTRUMENTALITY BUDGET.—The term "Instrumentality Budget" means a budget for a covered territorial instrumentality, designated by the Board in accordance with section 101, submitted, approved, and certified in accordance with section 202.

(14) INSTRUMENTALITY FISCAL PLAN.—The term "Instrumentality Fiscal Plan" means a fiscal plan for a covered territorial instrumentality, designated by the Board in accordance with section 101, submitted, approved, and certified in accordance with section 201.

(15) LEGISLATURE.—The term "Legislature" means the legislative body responsible for enacting the laws of a covered territory.

(16) MODIFIED ACCRUAL ACCOUNTING STANDARDS.—The term "modified accrual accounting standards" means recognizing revenues as they become available and measurable and recognizing expenditures when liabilities are incurred, in each case as defined by the Governmental Accounting Standards Board, in accordance with generally accepted accounting principles.

(17) OVERSIGHT BOARD.—The term "Oversight Board" means a Financial Oversight and Manage-

ment Board established in accordance with section 101.

(18) TERRITORIAL GOVERNMENT.—The term "territorial government" means the government of a covered territory, including all covered territorial instrumentalities.

(19) TERRITORIAL INSTRUMENTALITY.—

(A) IN GENERAL.—The term "territorial instrumentality" means any political subdivision, public agency, instrumentality, or public corporation of a territory, and this term should be broadly construed to effectuate the purposes of this Act.

(B) EXCLUSION.—The term "territorial instrumentality" does not include an Oversight Board.

(20) TERRITORY.—The term "territory" means—

(A) Puerto Rico;

(B) Guam;

(C) American Samoa;

(D) the Commonwealth of the Northern Mariana Islands; or

(E) the United States Virgin Islands.

(21) TERRITORY BUDGET.—The term "Territory Budget" means a budget for a territorial government submitted, approved, and certified in accordance with section 202.

(22) TERRITORY FISCAL PLAN.—The term "Territory Fiscal Plan" means a fiscal plan for a territorial government submitted, approved, and certified in accordance with section 201.

SEC. 6. PLACEMENT.

The Law Revision Counsel is directed to place this Act in chapter 4 of title 48, United States Code, as subchapter VIII.

SEC. 7. COMPLIANCE WITH FEDERAL LAWS.

Except as otherwise provided in this Act, nothing in this Act shall be construed as impairing or in any manner relieving a territorial government, or any territorial instrumentality thereof, from compliance with Federal laws or requirements protecting the health, safety, and environment of persons in such territory.

TITLE I—ESTABLISHMENT AND ORGANIZATION OF OVERSIGHT BOARD

SEC. 101. TERRITORY FINANCIAL OVERSIGHT AND MANAGEMENT BOARD.

(a) PURPOSE.—The purpose of the Oversight Board is to provide a method to achieve fiscal responsibility and access to the capital markets.

(b) ESTABLISHMENT.—

(1) IN GENERAL.—Except as provided in paragraph (2), a Financial Oversight and Management Board for a territory is established in accordance with this section only if the Legislature of the territory adopts a resolution signed by the Governor requesting the establishment.

(2) PUERTO RICO.—Notwithstanding paragraph (1), a Financial Oversight and Management Board is hereby established for Puerto Rico.

(3) CONSTITUTIONAL BASIS.—The Congress enacts this subsection pursuant to article IV, section 3 of the Constitution of the United States, which provides Congress the power to dispose of and make all needful rules and regulations for territories.

(c) TREATMENT.—An Oversight Board established under this section—

(1) shall be created as an entity within the territorial government for which it is established in accordance with this title; and

(2) shall not be considered to be a department, agency, establishment, or instrumentality of the Federal Government.

(d) OVERSIGHT OF TERRITORIAL INSTRUMENTALITIES.—

(1) DESIGNATION.—

(A) IN GENERAL.—An Oversight Board, in its sole discretion at such time as the Oversight Board determines to be appropriate, may designate any territorial instrumentality as a covered territorial instrumentality that is subject to the requirements of this Act.

(B) BUDGETS AND REPORTS.—The Oversight Board may require in its sole discretion the Governor to submit to the Oversight Board such budgets and monthly or quarterly reports regarding a covered territorial instrumentality as the Oversight Board determines to be necessary and may designate any covered territorial instrumentality to be included in the Territory Budget; except that the Oversight Board may not designate a covered territorial instru-

mentality to be included in the Territory Budget if applicable territory law does not require legislative approval of such covered territorial instrumentality's budget.

(C) SEPARATE INSTRUMENTALITY BUDGETS AND REPORTS.—The Oversight Board in its sole discretion may or, if it requires a budget from a covered territorial instrumentality whose budget does not require legislative approval under applicable territory law, must designate a covered territorial instrumentality to be the subject of an Instrumentality Budget separate from the applicable Territory Budget and require that the Governor develop such an Instrumentality Budget.

(D) INCLUSION IN TERRITORY FISCAL PLAN.—The Oversight Board may require in its sole discretion the Governor to include a covered territorial instrumentality in the applicable Territory Fiscal Plan.

(E) SEPARATE INSTRUMENTALITY FISCAL PLANS.—The Oversight Board may designate in its sole discretion a covered territorial instrumentality to be the subject of an Instrumentality Fiscal Plan separate from the applicable

Territory Fiscal Plan and require that the Governor develop such an Instrumentality Fiscal Plan.

(2) EXCLUSION.—

(A) IN GENERAL.—An Oversight Board, in its sole discretion, at such time as the Oversight Board determines to be appropriate, may exclude any territorial instrumentality from the requirements of this Act.

(B) TREATMENT.—A territorial instrumentality excluded pursuant to this paragraph shall not be considered to be a covered territorial instrumentality.

(e) MEMBERSHIP.—

(1) IN GENERAL.—The Oversight Board shall consist of 7 members appointed by the President who meet the qualifications described in subsection (e), except that the Oversight Board may take any action under this Act (or any amendments made by this Act) at any time after the President has appointed 3 of its members.

(2) APPOINTED MEMBERS.—The President shall appoint the individual members of the Oversight Board, of which two individuals should be selected from a list of individuals submitted by the

Speaker of the House of Representatives; two should be selected from a list submitted by the Majority Leader of the Senate; one should be selected from a list submitted by the Minority Leader of the House of Representatives; and one should be selected from a list submitted by the Minority Leader of the Senate. Of the two individuals to be selected from a list of individuals submitted by the Speaker of the House of Representatives, one shall maintain a primary residence in the territory or have a primary place of business in the territory.

(3) EX OFFICIO MEMBERS.—The Governor, or the Governor's designee, shall be an ex officio member of the Oversight Board without voting rights.

(4) CHAIR.—The voting members of the Oversight Board shall designate one of the voting members of the Oversight Board as the Chair of the Oversight Board (referred to hereafter in this title as the "Chair").

(5) TERM OF SERVICE.—

(A) IN GENERAL.—Each appointed member of the Oversight Board shall be appointed for a term of 3 years.

(B) REMOVAL.—The President may remove any member of the Oversight Board only for cause.

(C) CONTINUATION OF SERVICE UNTIL SUCCESSOR APPOINTED.—Upon the expiration of a term of office, a member of the Oversight Board may continue to serve until a successor has been appointed.

(f) ELIGIBILITY FOR APPOINTMENTS.—An individual is eligible for appointment as a member of the Oversight Board only if the individual—

(1) has knowledge and expertise in finance, municipal bond markets, management, law, or the organization or operation of business or government; and

(2) is not an officer, elected official, or employee of the territorial government or a candidate for elected office of the territorial government.

(g) NO COMPENSATION FOR SERVICE.—Members of the Oversight Board shall serve without pay, but may receive reimbursement from the Oversight Board for any reasonable and necessary expenses incurred by reason of service on the Oversight Board.

(h) ADOPTION OF BYLAWS FOR CONDUCTING BUSINESS OF OVERSIGHT BOARD.—

(1) IN GENERAL.—As soon as practicable after the appointment of its members, the Oversight Board shall adopt bylaws, rules, and procedures governing its activities under this Act, including procedures for hiring experts and consultants and conflict of interest rules. Such bylaws, rules, and procedures shall be public documents, and shall be submitted by the Oversight Board upon adoption to the Governor, the Legislature, the President, and Congress. The Oversight Board may hire professionals as it determines to be necessary to carry out this subsection.

(2) ACTIVITIES REQUIRING APPROVAL OF MAJORITY OF MEMBERS.—Under the bylaws adopted pursuant to paragraph (1), the Oversight Board may conduct its operations under such procedures as it considers appropriate, except that an affirmative vote of a majority of the members of the Oversight Board's full appointed membership shall be required in order for the Oversight Board to approve a Fiscal Plan under section 201, to approve a Budget under section 202, or to cause a legislative act not to be enforced under section 204.

(3) ADOPTION OF RULES AND REGULATIONS OF TERRITORIAL GOVERNMENT.—The Oversight Board may incorporate in its bylaws, rules, and procedures

under this subsection such rules and regulations of the territorial government as it considers appropriate to enable it to carry out its activities under this Act with the greatest degree of independence practicable.

(4) EXECUTIVE SESSION.—Upon a majority vote of the Oversight Board's full appointed membership, the Oversight Board may conduct its business in an executive session that consists solely of the Oversight Board's appointed members and is closed to the public, but only for the business items set forth as part of the vote to convene an executive session.

SEC. 102. LOCATION OF OVERSIGHT BOARD.

The Oversight Board shall have an office in the covered territory and additional offices as it sees fit. At any time, any department or agency of the United States may provide the Oversight Board use of Federal facilities and equipment, with partial or no reimbursement, and subject to such terms and conditions as the head of that department or agency may establish.

SEC. 103. EXECUTIVE DIRECTOR AND STAFF OF OVERSIGHT BOARD.

(a) EXECUTIVE DIRECTOR.—The Oversight Board shall have an Executive Director who shall be appointed

by the Chair with the consent of the Oversight Board. The Executive Director shall be paid at a rate determined by the Oversight Board.

(b) STAFF.—With the approval of the Chair, the Executive Director may appoint and fix the pay of additional personnel as the Executive Director considers appropriate, except that no individual appointed by the Executive Director may be paid at a rate greater than the rate of pay for the Executive Director unless the Oversight Board provides for otherwise. Such personnel may include private citizens, employees of the Federal Government, or employees of the territorial government.

(c) INAPPLICABILITY OF CERTAIN EMPLOYMENT AND PROCUREMENT LAWS.—

(1) CIVIL SERVICE LAWS.—The Executive Director and staff of the Oversight Board may be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of that title relating to classification and General Schedule pay rates.

(2) COVERED TERRITORY EMPLOYMENT AND PROCUREMENT LAWS.—The Executive Director and staff of the Oversight Board may be appointed and

paid without regard to any provision of the laws of the covered territory governing appointments and salaries. Any provision of the laws of the covered territory governing procurement shall not apply to the Oversight Board.

(d) STAFF OF FEDERAL AGENCIES.—Upon request of the Chair, the head of any Federal department or agency may detail, on a reimbursable or nonreimbursable basis, and in accordance with the Intergovernmental Personnel Act of 1970 (42 U.S.C. 4701 et seq.), any of the personnel of that department or agency to the Oversight Board to assist it in carrying out its duties under this Act.

(e) STAFF OF TERRITORIAL GOVERNMENT.—Upon request of the Chair, the head of any department or agency of the covered territory may detail, on a reimbursable or nonreimbursable basis, any of the personnel of that department or agency to the Oversight Board to assist it in carrying out its duties under this Act.

SEC. 104. POWERS OF OVERSIGHT BOARD.

(a) HEARINGS AND SESSIONS.—The Oversight Board may, for the purpose of carrying out this Act, hold hearings, sit and act at times and places, take testimony, and receive evidence as the Oversight Board considers appropriate. The Oversight Board may administer oaths or affirmations to witnesses appearing before it.

(b) POWERS OF MEMBERS AND AGENTS.—Any member or agent of the Oversight Board may, if authorized by the Oversight Board, take any action that the Oversight Board is authorized to take by this section.

(c) OBTAINING OFFICIAL DATA.—

(1) FROM FEDERAL GOVERNMENT.—Notwithstanding sections 552 (commonly known as the Freedom of Information Act), 552a (commonly known as the Privacy Act of 1974), and 552b (commonly known as the Government in the Sunshine Act) of title 5, United States Code, the Oversight Board may secure directly from any department or agency of the United States information necessary to enable it to carry out this Act, with the approval of the head of that department or agency.

(2) FROM TERRITORIAL GOVERNMENT.—Notwithstanding any other provision of law, the Oversight Board shall have the right to secure copies, whether written or electronic, of such records, documents, information, data, or metadata from the territorial government necessary to enable the Oversight Board to carry out its responsibilities under this Act. At the request of the Oversight Board, the Oversight Board shall be granted direct access to such information systems, records, documents, infor-

mation, or data as will enable the Oversight Board to carry out its responsibilities under this Act. The head of the entity of the territorial government responsible shall provide the Oversight Board with such information and assistance (including granting the Oversight Board direct access to automated or other information systems) as the Oversight Board requires under this paragraph.

(d) GIFTS, BEQUESTS, AND DEVISES.—The Oversight Board may accept, use, and dispose of gifts, bequests, or devises of services or property, both real and personal, for the purpose of aiding or facilitating the work of the Oversight Board. Gifts, bequests, or devises of money and proceeds from sales of other property received as gifts, bequests, or devises shall be deposited in such account as the Oversight Board may establish and shall be available for disbursement upon order of the Chair, consistent with the Oversight Board's bylaws, or rules and procedures. All gifts, bequests or devises and the identities of the donors shall be publicly disclosed by the Oversight Board within 30 days of receipt.

(e) SUBPOENA POWER.—

(1) IN GENERAL.—The Oversight Board may issue subpoenas requiring the attendance and testimony of witnesses and the production of books,

records, correspondence, memoranda, papers, documents, electronic files, metadata, tapes, and materials of any nature relating to any matter under investigation by the Oversight Board. The attendance of witnesses and the production of such materials may be required from any place within the United States at any designated place of hearing within the United States.

(2) FAILURE TO OBEY A SUBPOENA.—If a person refuses to obey a subpoena issued under paragraph (1), the Oversight Board may apply to the district court for the district for the covered territory or, for any territory that does not have a district court, to the United States District Court for the District of Hawaii, for an order requiring that person to appear before the Oversight Board to give testimony, produce evidence, or both, relating to the matter under investigation. Any failure to obey the order of the court may be punished by the court as civil contempt.

(3) SERVICE OF SUBPOENAS.—The subpoena of the Oversight Board shall be served in the manner provided for subpoenas issued by the district courts under the Federal Rules of Civil Procedure.

(f) ADMINISTRATIVE SUPPORT SERVICES.—Upon the request of the Oversight Board, the Administrator of General Services shall promptly provide to the Oversight Board, on a reimbursable basis, the administrative support services necessary for the Oversight Board to carry out its responsibilities under this Act.

(g) AUTHORITY TO ENTER INTO CONTRACTS.—The Executive Director may enter into such contracts as the Executive Director considers appropriate (subject to the approval of the Chair) consistent with the Oversight Board's bylaws, rules, and regulations to carry out the Oversight Board's responsibilities under this Act.

(h) AUTHORITY TO ENFORCE CERTAIN LAWS OF THE COVERED TERRITORY.—The Oversight Board shall ensure the purposes of this Act are met, including by ensuring the prompt enforcement of any applicable laws of the covered territory prohibiting public sector employees from participating in a strike or lockout. In the application of this subsection, with respect to Puerto Rico, the term "applicable laws" refers to 3 L.P.R.A. 1451q and 3 L.P.R.A. 1451r.

(i) VOLUNTARY AGREEMENT CERTIFICATION.—

(1) IN GENERAL.—If the Oversight Board determines in its sole discretion that the covered territory or covered territorial instrumentality has suc-

cessfully reached a voluntary agreement with holders of its debt to restructure such debt in a manner that provides for a sustainable level of debt for such covered territory or covered territorial instrumentality and is in conformance with the certified Fiscal Plan as applicable—

(A) the Oversight Board shall issue a certification to the applicable covered territory or covered territorial instrumentality that the voluntary agreement provides for a sustainable level of debt and is in conformance with the applicable certified Fiscal Plan; and

(B) the effectiveness of any such voluntary agreement must be conditioned on the Oversight Board delivering the certification described in subparagraph (A).

(2) PREEXISTING VOLUNTARY AGREEMENTS.—Any voluntary agreements that the territorial government has consummated with holders of its debts to restructure such debt for the territorial government prior to the date of enactment of the Act shall be deemed to be in conformance with the requirements of this subsection.

(j) RESTRUCTURING FILINGS.—

(1) IN GENERAL.—Subject to paragraph (3), before taking an action described in paragraph (2) on behalf of a debtor or potential debtor in a case under title III, the Oversight Board must certify the action.

(2) ACTIONS DESCRIBED.—The actions referred to in paragraph (1) are—

(A) the filing of a petition; or

(B) the submission or modification of a plan of adjustment.

(3) CONDITION FOR PLANS OF ADJUSTMENT.—The Oversight Board can only certify a plan of adjustment only if it is consistent with the applicable certified Fiscal Plan.

(k) CIVIL ACTIONS TO ENFORCE POWERS.—The Oversight Board may seek judicial enforcement of its authority to carry out its responsibilities under this Act.

(l) PENALTIES.—

(1) ACTS PROHIBITED.—Any officer or employee of the territorial government who prepares, presents, or certifies any information or report for the Oversight Board or any of its agents that is intentionally false or misleading, or, upon learning that any such information is false or misleading, fails to immediately advise the Oversight Board or

its agents thereof in writing, shall be subject to prosecution and penalties under any laws of the territory prohibiting the provision of false information to government officials, which in the case of Puerto Rico, shall include 33 L.P.R.A. 4889.

(2) ADMINISTRATIVE DISCIPLINE.—In addition to any other applicable penalty, any officer or employee of the territorial government who knowingly and willfully violates paragraph (1) or takes any such action in violation of any valid order of the Oversight Board or fails or refuses to take any action required by any such order, shall be subject to appropriate administrative discipline, including (when appropriate) suspension from duty without pay or removal from office, by order of the Governor.

(3) REPORT BY GOVERNOR ON DISCIPLINARY ACTIONS TAKEN.—In the case of a violation of paragraph (2) by an officer or employee of the territorial government, the Governor shall immediately report to the Oversight Board all pertinent facts together with a statement of the action taken thereon.

SEC. 105. EXEMPTION FROM LIABILITY FOR CLAIMS.

The Oversight Board, its members, and its employees may not be liable for any obligation of or claim against

the Oversight Board or its members or employees or the territorial government resulting from actions taken to carry out this Act.

SEC. 106. TREATMENT OF ACTIONS ARISING FROM ACT.

(a) JURISDICTION.—Except as provided in section 104(e)(2) (relating to the issuance of an order enforcing a subpoena), and title III (relating to adjustments of debts), any action against the Oversight Board, and or any action otherwise arising out of this Act, in whole or in part, shall be brought in the United States district court for the covered territory or, for any covered territory that does not have a district court, in the United States District Court for the District of Hawaii.

(b) APPEAL.—Notwithstanding any other provision of law, any order of the United States District Court that is issued pursuant to an action brought under subsection (a) shall be subject to review only pursuant to a notice of appeal to the applicable United States Court of Appeals.

(c) TIMING OF RELIEF.—Except with respect to any orders entered to remedy constitutional violations, no order of any court granting declaratory or injunctive relief against the Oversight Board, including relief permitting or requiring the obligation, borrowing, or expenditure of funds, shall take effect during the pendency of the action

before such court, during the time appeal may be taken, or (if appeal is taken) during the period before the court has entered its final order disposing of such action.

(d) EXPEDITED CONSIDERATION.—It shall be the duty of the applicable United States District Court, the applicable United States Court of Appeals, and, as applicable, the Supreme Court of the United States to advance on the docket and to expedite to the greatest possible extent the disposition of any matter brought under this Act.

(e) REVIEW OF OVERSIGHT BOARD CERTIFICATIONS.—There shall be no jurisdiction in any United States district court to review challenges to the Oversight Board's certification determinations under this Act.

SEC. 107. BUDGET AND FUNDING FOR OPERATION OF OVERSIGHT BOARD.

(a) SUBMISSION OF BUDGET.—The Oversight Board shall submit a budget for each fiscal year during which the Oversight Board is in operation, to the President, the House of Representatives Committee on Natural Resources and the Senate Committee on Energy and Natural Resources, the Governor, and the Legislature.

(b) FUNDING.—The Oversight Board may use its powers with respect to the Territory Budget of the covered territory to ensure that sufficient funds are available to

cover all expenses of the Oversight Board. If the Oversight Board elects to do so—

(1) the Oversight Board shall submit to the Governor and the Legislature the budget described in subsection (a); and

(2) the territorial government shall designate a dedicated funding source, not subject to subsequent legislative appropriations, sufficient to support the annual expenses of the Oversight Board as determined in the Oversight Board's sole and exclusive discretion.

SEC. 108. AUTONOMY OF THE OVERSIGHT BOARD.

(a) IN GENERAL.—Neither the Governor nor the Legislature may—

(1) exercise any control, supervision, oversight, or review over the Oversight Board or its activities; or

(2) enact, implement, or enforce any statute, resolution, policy, or rule with respect to the Oversight Board or its activities.

(b) OVERSIGHT BOARD LEGAL REPRESENTATION.—In any action brought by or on behalf of the Oversight Board, and in any action brought by the Oversight Board, the Oversight Board shall be represented by such counsel

as it may hire or retain so long as no conflict of interest exists.

SEC. 109. ETHICS.

All members and staff of the Oversight Board shall be subject to—

(1) the Federal conflict of interest requirements described in section 2018 of title 18, United States Code; and

(2) the financial disclosure requirements under title I of the Ethics in Government Act of 1978 (5 U.S.C. app.).

TITLE II—RESPONSIBILITIES OF OVERSIGHT BOARD

SEC. 201. APPROVAL OF FISCAL PLANS.

(a) IN GENERAL.—As soon as practicable after at least 4 members have been appointed to the Oversight Board in accordance with section 101(e) in the fiscal year in which the Oversight Board is established, and in each fiscal year thereafter during which the Oversight Board is in operation, the Oversight Board shall deliver a notice to the Governor providing a schedule for the process of development, submission, approval, and certification of Fiscal Plans. The notice may also set forth a schedule for revisions to any Fiscal Plan that has already been certified, which revisions must be subject to subsequent ap-

proval and certification by the Oversight Board. The Oversight Board shall consult with the Governor in establishing a schedule, but the Oversight Board shall retain sole discretion to set or, by delivery of a subsequent notice to the Governor, change the dates of such schedule as it deems appropriate and reasonably feasible.

(b) REQUIREMENTS.—

(1) IN GENERAL.—A Fiscal Plan developed under this section shall, with respect to the territorial government or covered territorial instrumentality, endeavor to provide a method to achieve fiscal responsibility and access to the capital markets, and—

(A) provide for estimates of revenues and expenditures in conformance with agreed accounting standards and be based on—

(i) applicable laws; or

(ii) specific bills that require enactment in order to reasonably achieve the projections of the Fiscal Plan;

(B) ensure the funding of essential public services;

(C) provide adequate funding for public pension systems;

(D) provide for the elimination of structural deficits;

(E) for fiscal years covered by a Fiscal Plan in which a stay under titles III or IV is not effective, provide for a debt burden that is sustainable;

(F) improve fiscal governance, accountability, and internal controls;

(G) enable the achievement of fiscal targets;

(H) create independent forecasts of revenue for the period covered by the Fiscal Plan;

(I) include a debt sustainability analysis;

(J) provide for capital expenditures and investments necessary to promote economic growth;

(K) to greatest extent feasible, adopt recommendations submitted to the territorial government by the Oversight Board under section 205(a); and

(L) include such additional information as the Oversight Board deems necessary.

(2) TERM.—A Fiscal Plan developed under this section shall cover a period of fiscal years as determined by the Oversight Board in its sole discretion

but in any case a period of not less than 5 fiscal years from the fiscal year in which it is certified by the Oversight Board.

(c) DEVELOPMENT, REVIEW, APPROVAL, AND CERTIFICATION OF FISCAL PLAN.—

(1) TIMING REQUIREMENT.—The Governor may not submit to the Legislature a Territory Budget under section 202 for a fiscal year unless the Oversight Board has certified the Fiscal Plan for that fiscal year in accordance with this subsection, unless the Oversight Board in its sole discretion waives this requirement.

(2) FISCAL PLAN DEVELOPED BY GOVERNOR.—The Governor shall submit to the Oversight Board any proposed Fiscal Plan required by the Oversight Board by the time specified in the notice delivered under subsection (a).

(3) REVIEW BY THE OVERSIGHT BOARD.—The Oversight Board shall review the proposed Fiscal Plan to determine whether it satisfies the requirements set forth in subsection (b) and, if the Oversight Board determines in its sole discretion that the proposed Fiscal Plan—

(A) satisfies such requirements, the Oversight Board shall approve the proposed Fiscal Plan; or

(B) does not satisfy such requirements, the Oversight Board shall provide to the Governor—

(i) a notice of violation that includes recommendations for revisions to the applicable Fiscal Plan; and

(ii) an opportunity to correct the violation in accordance with subsection (d)(1).

(d) REVISED FISCAL PLAN.—

(1) IN GENERAL.—If the Governor receives a notice of violation under subsection (c)(3), the Governor shall submit to the Oversight Board a revised proposed Fiscal Plan in accordance with subsection (b) by the time specified in the notice delivered under subsection (a). The Governor may submit as many revised Fiscal Plans to the Oversight Board as the schedule established in the notice delivered under subsection (a) permits.

(2) DEVELOPMENT BY OVERSIGHT BOARD.—If the Governor fails to submit to the Oversight Board a Fiscal Plan that the Oversight Board determines in its sole discretion satisfies the requirements set

forth in subsection (b) by the time specified in the notice delivered under subsection (a), the Oversight Board shall develop and submit to the Governor and the Legislature a Fiscal Plan that satisfies the requirements set forth in subsection (b).

(e) APPROVAL AND CERTIFICATION.—

(1) APPROVAL OF FISCAL PLAN DEVELOPED BY GOVERNOR.—If the Oversight Board approves a Fiscal Plan under subsection (c)(3), it shall deliver a compliance certification for such Fiscal Plan to the Governor and the Legislature.

(2) DEEMED APPROVAL OF FISCAL PLAN DEVELOPED BY OVERSIGHT BOARD.—If the Oversight Board approves a Fiscal Plan under subsection (d)(2), such Fiscal Plan shall be deemed approved by the Governor, and the Oversight Board shall issue a compliance certification for such Fiscal Plan to the Governor and the Legislature.

(f) JOINT DEVELOPMENT OF FISCAL PLAN.—Notwithstanding any other provision of this section, if the Governor and the Oversight Board jointly develop a Fiscal Plan for the fiscal year that meets the requirements under this section, and that the Governor and the Oversight Board certify that the fiscal plan reflects a consensus between the Governor and the Oversight Board, then such

Fiscal Plan shall serve as the Fiscal Plan for the territory or territorial instrumentality for that fiscal year.

SEC. 202. APPROVAL OF BUDGETS.

(a) REASONABLE SCHEDULE FOR DEVELOPMENT OF BUDGETS.—As soon as practicable after at least 4 members have been appointed to the Oversight Board in the fiscal year in which the Oversight Board is established, and in each fiscal year thereafter during which the Oversight Board is in operation, the Oversight Board shall deliver a notice to the Governor and the Legislature providing a schedule for developing, submitting, approving, and certifying Budgets for a period of fiscal years as determined by the Oversight Board in its sole discretion but in any case a period of not less than one fiscal year following the fiscal year in which the notice is delivered. The notice may also set forth a schedule for revisions to Budgets that have already been certified, which revisions must be subject to subsequent approval and certification by the Oversight Board. The Oversight Board shall consult with the Governor and the Legislature in establishing a schedule, but the Oversight Board shall retain sole discretion to set or, by delivery of a subsequent notice to the Governor and the Legislature, change the dates of such schedule as it deems appropriate and reasonably feasible.

(b) REVENUE FORECAST.—The Oversight Board shall submit to the Governor and Legislature a forecast of revenues for the period covered by the Budgets by the time specified in the notice delivered under subsection (a), for use by the Governor in developing the Budget under subsection (c).

(c) BUDGETS DEVELOPED BY GOVERNOR.—

(1) GOVERNOR'S PROPOSED BUDGETS.—The Governor shall submit to the Oversight Board proposed Budgets by the time specified in the notice delivered under subsection (a). In consultation with the Governor in accordance with the process specified in the notice delivered under subsection (a), the Oversight Board shall determine in its sole discretion whether each proposed Budget is compliant with the applicable Fiscal Plan and—

(A) if a proposed Budget is a compliant budget, the Oversight Board shall—

(i) approve the Budget; and

(ii) if the Budget is a Territory Budget, submit the Territory Budget to the Legislature; or

(B) if the Oversight Board determines that the Budget is not a compliant budget, the Oversight Board shall provide to the Governor—

(i) a notice of violation that includes a description of any necessary corrective action; and

(ii) an opportunity to correct the violation in accordance with paragraph (2).

(2) GOVERNOR'S REVISIONS.—The Governor may correct any violations identified by the Oversight Board and submit a revised proposed Budget to the Oversight Board in accordance with paragraph (1). The Governor may submit as many revised Budgets to the Oversight Board as the schedule established in the notice delivered under subsection (a) permits. If the Governor fails to develop a Budget that the Oversight Board determines is a compliant budget by the time specified in the notice delivered under subsection (a), the Oversight Board shall develop and submit to the Governor, in the case of an Instrumentality Budget, and to the Governor and the Legislature, in the case of a Territory Budget, a revised compliant budget.

(d) BUDGET APPROVAL BY LEGISLATURE.—

(1) LEGISLATURE ADOPTED BUDGET.—The Legislature shall submit to the Oversight Board the Territory Budget adopted by the Legislature by the time specified in the notice delivered under sub-

section (a). The Oversight Board shall determine whether the adopted Territory Budget is a compliant budget and—

(A) if the adopted Territory Budget is a compliant budget, the Oversight Board shall issue a compliance certification for such compliant budget pursuant to subsection (e); and

(B) if the adopted Territory Budget is not a compliant budget, the Oversight Board shall provide to the Legislature—

(i) a notice of violation that includes a description of any necessary corrective action; and

(ii) an opportunity to correct the violation in accordance with paragraph (2).

(2) LEGISLATURE'S REVISIONS.—The Legislature may correct any violations identified by the Oversight Board and submit a revised Territory Budget to the Oversight Board in accordance with the process established under paragraph (1) and by the time specified in the notice delivered under subsection (a). The Legislature may submit as many revised adopted Territory Budgets to the Oversight Board as the schedule established in the notice delivered under subsection (a) permits. If the Legislature

fails to adopt a Territory Budget that the Oversight Board determines is a compliant budget by the time specified in the notice delivered under subsection (a), the Oversight Board shall develop a revised Territory Budget that is a compliant budget and submit it to the Governor and the Legislature.

(e) CERTIFICATION OF BUDGETS.—

(1) CERTIFICATION OF DEVELOPED AND APPROVED TERRITORY BUDGETS.—If the Governor and the Legislature develop and approve a Territory Budget that is a compliant budget by the day before the first day of the fiscal year for which the Territory Budget is being developed and in accordance with the process established under subsections (c) and (d), the Oversight Board shall issue a compliance certification to the Governor and the Legislature for such Territory Budget.

(2) CERTIFICATION OF DEVELOPED INSTRUMENTALITY BUDGETS.—If the Governor develops an Instrumentality Budget that is a compliant budget by the day before the first day of the fiscal year for which the Instrumentality Budget is being developed and in accordance with the process established under subsection (c), the Oversight Board shall issue a

compliance certification to the Governor for such Instrumentality Budget.

(3) DEEMED CERTIFICATION OF TERRITORY BUDGETS.—If the Governor and the Legislature fail to develop and approve a Territory Budget that is a compliant budget by the day before the first day of the fiscal year for which the Territory Budget is being developed, the Oversight Board shall submit a Budget to the Governor and the Legislature (including any revision to the Territory Budget made by the Oversight Board pursuant to that subsection) and such Budget shall be—

(A) deemed to be approved by the Governor and the Legislature;

(B) the subject of a compliance certification issued by the Oversight Board to the Governor and the Legislature; and

(C) in full force and effect beginning on the first day of the applicable fiscal year.

(4) DEEMED CERTIFICATION OF INSTRUMENTALITY BUDGETS.—If the Governor fails to develop an Instrumentality Budget that is a compliant budget by the day before the first day of the fiscal year for which the Instrumentality Budget is being developed, the Oversight Board shall submit an Instru-

mentality Budget to the Governor (including any revision to the Territory Budget made by the Oversight Board pursuant to that subsection) and such Budget shall be—

(A) deemed to be approved by the Governor;

(B) the subject of a compliance certification issued by the Oversight Board to the Governor; and

(C) in full force and effect beginning on the first day of the applicable fiscal year.

(f) JOINT DEVELOPMENT OF BUDGETS.—Notwithstanding any other provision of this section, if, in the case of a Territory Budget, the Governor, the Legislature, and the Oversight Board, or in the case of an Instrumentality Budget, the Governor and the Oversight Board, jointly develop such Budget for the fiscal year that meets the requirements under this section, and that the relevant parties certify reflects a consensus among them, then such Budget shall serve as the Budget for the territory or territorial instrumentality for that fiscal year.

SEC. 203. EFFECT OF FINDING OF NONCOMPLIANCE WITH BUDGET.

(a) SUBMISSION OF REPORTS.—Not later than 15 days after the last day of each quarter of a fiscal year

(beginning with the fiscal year determined by the Oversight Board), the Governor shall submit to the Oversight Board a report, in such form as the Oversight Board may require, describing—

(1) the actual cash revenues, cash expenditures, and cash flows of the territorial government for the preceding quarter, as compared to the projected revenues, expenditures, and cash flows contained in the certified Budget for such preceding quarter; and

(2) any other information requested by the Oversight Board, which may include a balance sheet or a requirement that the Governor provide information for each covered territorial instrumentality separately.

(b) INITIAL ACTION BY OVERSIGHT BOARD.—

(1) IN GENERAL.—If the Oversight Board determines, based on reports submitted by the Governor under subsection (a), independent audits, or such other information as the Oversight Board may obtain, that the actual quarterly revenues, expenditures, or cash flows of the territorial government are not consistent with the projected revenues, expenditures, or cash flows set forth in the certified Budget for such quarter, the Oversight Board shall—

(A) require the territorial government to provide such additional information as the Oversight Board determines to be necessary to explain the inconsistency; and

(B) if the additional information provided under subparagraph (A) does not provide an explanation for the inconsistency that the Oversight Board finds reasonable and appropriate, advise the territorial government to correct the inconsistency by implementing remedial action.

(2) DEADLINES.—The Oversight Board shall establish the deadlines by which the territorial government shall meet the requirements of subparagraphs (A) and (B) of paragraph (1).

(c) CERTIFICATION OF VARIANCE.—

(1) VARIANCE.—If the territorial government fails to provide additional information under subsection (b)(1)(A), or fails to correct a variance under subsection (b)(1)(B), prior to the applicable deadline under subsection (b)(2), the Oversight Board shall certify to the President, the House of Representatives Committee on Natural Resources, the Senate Committee on Energy and Natural Resources, the Governor, and the Legislature that the territorial government is at variance with the applicable cer-

tified Budget, and shall describe the nature and amount of the variance.

(2) CORRECTION OF VARIANCE.—If the Oversight Board determines that the territorial government has initiated such measures as the Oversight Board considers sufficient to correct a variance certified under paragraph (1), the Oversight Board shall certify the correction to the President, the House of Representatives Committee on Natural Resources, the Senate Committee on Energy and Natural Resources, the Governor, and the Legislature.

(d) BUDGET REDUCTIONS BY OVERSIGHT BOARD.—If the Oversight Board determines that the Governor, in the case of any then-applicable certified Instrumentality Budgets, and the Governor and the Legislature, in the case of the then-applicable certified Territory Budget, have failed to correct a variance identified by the Oversight Board under subsection (c), the Oversight Board shall—

(1) with respect to the territorial government, other than covered territorial instrumentalities, make appropriate reductions in nondebt expenditures to ensure that the actual quarterly revenues and expenditures for the territorial government are in compliance with the applicable certified Territory

Budget or, in the case of the fiscal year in which the Oversight Board is established, the budget adopted by the Governor and the Legislature; and

(2) with respect to covered territorial instrumentalities at the sole discretion of the Oversight Board—

(A) make reductions in nondebt expenditures to ensure that the actual quarterly revenues and expenses for the covered territorial instrumentality are in compliance with the applicable certified Budget or, in the case of the fiscal year in which the Oversight Board is established, the budget adopted by the Governor and the Legislature or the covered territorial instrumentality, as applicable; or

(B)(i) institute automatic hiring freezes at the covered territorial instrumentality; and

(ii) prohibit the covered territorial instrumentality from entering into any contract in excess of $100,000, or engaging in any financial or other transactions, unless the contract or transaction was previously approved by the Oversight Board.

(e) TERMINATION OF BUDGET REDUCTIONS.—The Oversight Board shall cancel the reductions under sub-

section (d) if the Oversight Board determines that the territorial government or covered territorial instrumentality, as applicable, has initiated appropriate measures to reduce expenditures or increase revenues to ensure that the territorial government or covered territorial instrumentality is in compliance with the applicable certified Budget or, in the case of the fiscal year in which the Oversight Board is established, the budget adopted by the Governor and the Legislature.

SEC. 204. REVIEW OF ACTIVITIES TO ENSURE COMPLIANCE WITH FISCAL PLAN.

(a) SUBMISSION OF LEGISLATIVE ACTS TO OVERSIGHT BOARD.—

(1) SUBMISSION OF ACTS.—Except to the extent that the Oversight Board may provide otherwise in its bylaws, rules, and procedures, not later than 7 business days after a territorial government duly enacts any law during any fiscal year in which the Oversight Board is in operation, the Governor shall submit the law to the Oversight Board.

(2) COST ESTIMATE; CERTIFICATION OF COMPLIANCE OR NONCOMPLIANCE.—The Governor shall include with each law submitted to the Oversight Board under paragraph (1) the following:

(A) A formal estimate prepared by an appropriate entity of the territorial government with expertise in budgets and financial management of the impact, if any, that the law will have on expenditures and revenues.

(B) If the appropriate entity described in subparagraph (A) finds that the law is not significantly inconsistent with the Fiscal Plan for the fiscal year, it shall issue a certification of such finding.

(C) If the appropriate entity described in subparagraph (A) finds that the law is significantly inconsistent with the Fiscal Plan for the fiscal year, it shall issue a certification of such finding, together with the entity's reasons for such finding.

(3) NOTIFICATION.—The Oversight Board shall send a notification to the Governor and the Legislature if—

(A) the Governor submits a law to the Oversight Board under this subsection that is not accompanied by the estimate required under paragraph (2)(A);

(B) the Governor submits a law to the Oversight Board under this subsection that is

not accompanied by either a certification described in paragraph (2)(B) or (2)(C); or

(C) the Governor submits a law to the Oversight Board under this subsection that is accompanied by a certification described in paragraph (2)(C) that the law is significantly inconsistent with the Fiscal Plan.

(4) OPPORTUNITY TO RESPOND TO NOTIFICATION.—

(A) FAILURE TO PROVIDE ESTIMATE OR CERTIFICATION.—After sending a notification to the Governor and the Legislature under paragraph (3)(A) or (3)(B) with respect to a law, the Oversight Board may direct the Governor to provide the missing estimate or certification (as the case may be), in accordance with such procedures as the Oversight Board may establish.

(B) SUBMISSION OF CERTIFICATION OF SIGNIFICANT INCONSISTENCY WITH FISCAL PLAN AND BUDGET.—In accordance with such procedures as the Oversight Board may establish, after sending a notification to the Governor and Legislature under subparagraph (C) of paragraph (3) that a law is significantly in-

consistent with the Fiscal Plan, the Oversight Board shall direct the territorial government to—

(i) correct the law to eliminate the inconsistency; or

(ii) provide an explanation for the inconsistency that the Oversight Board finds reasonable and appropriate.

(5) FAILURE TO COMPLY.—If the territorial government fails to comply with a direction given by the Oversight Board under paragraph (4) with respect to a law, the Oversight Board may take such actions as it considers necessary, consistent with this Act, to ensure that the enactment or enforcement of the law will not adversely affect the territorial government's compliance with the Fiscal Plan, including preventing the enforcement or application of the law.

(6) PRELIMINARY REVIEW OF PROPOSED ACTS.—At the request of the Legislature, the Oversight Board may conduct a preliminary review of proposed legislation before the Legislature to determine whether the legislation as proposed would be consistent with the applicable Fiscal Plan under this subtitle, except that any such preliminary review shall not be binding on the Oversight Board in re-

viewing any law subsequently submitted under this subsection.

(b) EFFECT OF APPROVED FISCAL PLAN ON CONTRACTS, RULES, AND REGULATIONS.—

(1) TRANSPARENCY IN CONTRACTING.—The Oversight Board shall work with a covered territory's office of the comptroller or any functionally equivalent entity to promote compliance with the applicable law of any covered territory that requires agencies and instrumentalities of the territorial government to maintain a registry of all contracts executed, including amendments thereto, and to remit a copy to the office of the comptroller for inclusion in a comprehensive database available to the public; with respect to Puerto Rico, the term "applicable law" refers to 2 L.P.R.A. 97.

(2) AUTHORITY TO REVIEW CERTAIN CONTRACTS.—The Oversight Board may establish policies to require prior Oversight Board approval of certain contracts, including leases, proposed to be executed by the territorial government, to ensure such proposed contracts are not inconsistent with the approved Fiscal Plan.

(3) SENSE OF CONGRESS.—It is the sense of Congress that any policies established by the Over-

sight Board pursuant to paragraph (2) should be designed to make the government contracting process more effective, to increase the public's faith in this process, to make appropriate use of the Oversight Board's time and resources, and to avoid creating any additional bureaucratic obstacles to efficient contracting.

(4) AUTHORITY TO REVIEW CERTAIN RULES AND REGULATIONS.—The provisions of this paragraph shall apply with respect to a rule or regulation proposed to be issued by the Governor (or the head of any department or agency of the territorial government) in the same manner as such provisions apply to a contract.

(5) FAILURE TO COMPLY.—If a contract, rule, or regulation fails to comply with policies established by the Oversight Board under this subsection, the Oversight Board may take such actions as it considers necessary to ensure that such contract, rule, or regulation will not adversely affect the territorial government's compliance with the Fiscal Plan, including by preventing the execution or enforcement of the contract, rule, or regulation.

(c) RESTRICTIONS ON REPROGRAMMING OF AMOUNTS IN BUDGET.—

(1) SUBMISSIONS OF REQUESTS TO OVERSIGHT BOARD.—If the Governor submits a request to the Legislature for the reprogramming of any amounts provided in an approved Budget, the Governor shall submit such request to the Oversight Board, which shall analyze whether the proposed reprogramming is significantly inconsistent with the Budget, and submit its analysis to the Legislature as soon as practicable after receiving the request.

(2) NO ACTION PERMITTED UNTIL ANALYSIS RECEIVED.—The Legislature may not adopt a reprogramming, and no officer or employee of the territorial government may carry out any reprogramming, until the Oversight Board has provided the Legislature with an analysis that certifies such reprogramming will not be significantly inconsistent with the Fiscal Plan and Budget.

(d) IMPLEMENTATION OF FEDERAL PROGRAMS.—In taking actions under this Act, the Oversight Board shall not exercise applicable authorities to impede territorial actions taken to—

(1) comply with a court-issued consent decree with respect to Federal programs;

(2) implement a federally-authorized or federally-delegated program; or

(3) implement territorial laws, which are consistent with a certified fiscal plan, that execute federal requirements and standards.

SEC. 205. RECOMMENDATIONS ON FINANCIAL STABILITY AND MANAGEMENT RESPONSIBILITY.

(a) IN GENERAL.—The Oversight Board may at any time submit recommendations to the Governor and the Legislature on actions the territorial government may take to ensure compliance with the Fiscal Plan, or to otherwise promote the financial stability, economic growth, management responsibility, and service delivery efficiency of the territorial government, including recommendations relating to—

(1) the management of the territorial government's financial affairs, including economic forecasting and multiyear fiscal forecasting capabilities, information technology, placing controls on expenditures for personnel, reducing benefit costs, reforming procurement practices, and placing other controls on expenditures;

(2) the structural relationship of departments, agencies, and independent agencies within the territorial government;

(3) the modification of existing revenue structures, or the establishment of additional revenue structures;

(4) the establishment of alternatives for meeting obligations to pay for the pensions of former territorial government employees;

(5) modifications or transfers of the types of services that are the responsibility of, and are delivered, by the territorial government;

(6) modifications of the types of services that are delivered by entities other than the territorial government under alternative service delivery mechanisms (including privatization and commercialization);

(7) the effects of the territory's laws and court orders on the operations of the territorial government;

(8) the establishment of a personnel system for employees of the territorial government that is based upon employee performance standards; and

(9) the improvement of personnel training and proficiency, the adjustment of staffing levels, and the improvement of training and performance of management and supervisory personnel.

(b) RESPONSE TO RECOMMENDATIONS BY THE TERRITORIAL GOVERNMENT.—

(1) IN GENERAL.—In the case of any recommendations submitted under subsection (a) that are within the authority of the territorial government to adopt, not later than 90 days after receiving the recommendations, the Governor or the Legislature (whichever has the authority to adopt the recommendation) shall submit a statement to the Oversight Board that provides notice as to whether the territorial government will adopt the recommendations.

(2) IMPLEMENTATION PLAN REQUIRED FOR ADOPTED RECOMMENDATIONS.—If the Governor or the Legislature (whichever is applicable) notifies the Oversight Board under paragraph (1) that the territorial government will adopt any of the recommendations submitted under subsection (a), the Governor or the Legislature (whichever is applicable) shall include in the statement a written plan to implement the recommendation that includes—

(A) specific performance measures to determine the extent to which the territorial government has adopted the recommendation; and

(B) a clear and specific timetable pursuant to which the territorial government will implement the recommendation.

(3) EXPLANATIONS REQUIRED FOR RECOMMENDATIONS NOT ADOPTED.—If the Governor or the Legislature (whichever is applicable) notifies the Oversight Board under paragraph (1) that the territorial government will not adopt any recommendation submitted under subsection (a) that the territorial government has authority to adopt, the Governor or the Legislature shall include in the statement explanations for the rejection of the recommendations, and the Governor or the Legislature shall submit such statement of explanations to the President and Congress.

SEC. 206. OVERSIGHT BOARD DUTIES RELATED TO RESTRUCTURING.

(a) REQUIREMENTS FOR RESTRUCTURING CERTIFICATION.—The Oversight Board, prior to issuing a restructuring certification regarding an entity, shall determine, in its sole discretion, that—

(1) the territorial government completed the process set forth in title VI;

(2) the entity has adopted procedures necessary to deliver timely audited financial statements and

draft financial statements and other information sufficient for any interested person to perform due diligence on the entity's financial condition, which shall exist in the public domain;

(3) the entity is either a covered territory that has adopted a fiscal plan certified by the Oversight Board, a covered territorial instrumentality that is subject to a territory Fiscal Plan certified by the Oversight Board, or a covered territorial instrumentality that has adopted an instrumentality Fiscal Plan certified by the Oversight Board;

(4) only if the entity does not receive, as determined in the Oversight Board's sole discretion, 10 percent or more of its revenues from the taxing power of the government of the covered territory, the entity is insolvent; and

(5) such appropriate consideration is given to relative priority of claims as established by law so that no one group or class of creditors gains an advantage over any other class in which such advantage did not exist prior to the Oversight Board's determination.

(b) ISSUANCE OF RESTRUCTURING CERTIFICATION.—The issuance of a restructuring certification under this section, which shall require no less than a vote

of 5 members of the Oversight Board in the affirmative, shall satisfy the requirement set forth in section 302(2) of this Act.

SEC. 207. OVERSIGHT BOARD AUTHORITY RELATED TO DEBT ISSUANCE.

For so long as the Oversight Board remains in operation, no territorial government may, without the prior approval of the Oversight Board, issue debt or guarantee, exchange, modify, repurchase, redeem, or enter into similar transactions with respect to its debt.

SEC. 208. REQUIRED REPORTS.

(a) ANNUAL REPORT.—Not later than 30 days after the last day of each fiscal year, the Oversight Board shall submit a report to the President, Congress, the Governor and the Legislature, describing—

(1) the progress made by the territorial government in meeting the objectives of this Act during the fiscal year;

(2) the assistance provided by the Oversight Board to the territorial government in meeting the purposes of this Act during the fiscal year;

(3) recommendations to the President and Congress on changes to this Act or other Federal laws, or other actions of the Federal Government, that

would assist the territorial government in complying with the certified Fiscal Plan;

(4) the precise manner in which funds allocated to the Oversight Board under section 107 and, as applicable, section 104(d) have been spent by the Oversight Board during the fiscal year; and

(5) any other activities of the Oversight Board during the fiscal year.

(b) REPORT ON DISCRETIONARY TAX ABATEMENT AGREEMENTS.—Within six months of the establishment of the Oversight Board, the Governor shall submit a report to the Oversight Board documenting all existing discretionary tax abatement or similar tax relief agreements to which the territorial government, or any territorial instrumentality, is a party, provided that—

(1) nothing in this Act shall be interpreted to limit the power of the territorial government or any territorial instrumentality to execute or modify discretionary tax abatement or similar tax relief agreements, or to enforce compliance with the terms and conditions of any discretionary tax abatement or similar tax relief agreement, to which the territorial government or any territorial instrumentality is a party; and

(2) the Members and Staff of the Oversight Board shall not disclose the contents of the report described in this subsection, and shall otherwise comply with all applicable territorial and Federal laws and regulations regarding the handling of confidential taxpayer information.

SEC. 209. TERMINATION OF OVERSIGHT BOARD.

An Oversight Board shall terminate upon certification by the Oversight Board that—

(1) the applicable territorial government has adequate access to short-term and long-term credit markets at reasonable interest rates to meet the borrowing needs of the territorial government; and

(2) for at least 4 consecutive fiscal years—

(A) the territorial government has developed its Budgets in accordance with modified accrual accounting standards; and

(B) the expenditures made by the territorial government during each fiscal year did not exceed the revenues of the territorial government during that year, as determined in accordance with modified accrual accounting standards.

SEC. 210. NO FULL FAITH AND CREDIT OF THE UNITED STATES.

(a) IN GENERAL.—The full faith and credit of the United States is not pledged for the payment of any principal of or interest on any bond, note, or other obligation issued by the Oversight Board. The United States is not responsible or liable for the payment of any principal of or interest on any bond, note, or other obligation issued by the Oversight Board.

(b) SUBJECT TO APPROPRIATIONS.—Any claim to which the United States is determined to be liable shall be subject to appropriations.

SEC. 211. ANALYSIS OF PENSIONS.

(a) DETERMINATION.—If the Oversight Board determines, in its sole discretion, that a pension system of the territorial government is materially underfunded, the Oversight Board shall conduct an analysis prepared by an independent actuary of such pension system to assist the Oversight Board in evaluating the fiscal and economic impact of the pension cash flows.

(b) PROVISIONS OF ANALYSIS.—An analysis conducted under subsection (a) shall include—

(1) an actuarial study of the pension liabilities and funding strategy that includes a forward looking projection of payments of at least 30 years of benefit

payments and funding strategy to cover such payments;

(2) sources of funding to cover such payments;

(3) a review of the existing benefits and their sustainability; and

(4) a review of the system's legal structure and operational arrangements, and any other studies of the pension system the Oversight Board shall deem necessary.

(c) SUPPLEMENTARY INFORMATION.—In any case, the analysis conducted under subsection (a) shall include information regarding the fair market value and liabilities using an appropriate discount rate as determined by the Oversight Board.

TITLE III—ADJUSTMENTS OF DEBTS

SEC. 301. APPLICABILITY OF OTHER LAWS; DEFINITIONS.

(a) SECTIONS APPLICABLE TO CASES UNDER THIS TITLE.—Sections 101 (except as otherwise provided in this section), 102, 104, 105, 106, 107, 108, 112, 333, 344, 347(b), 349, 350(b), 351, 361, 362, 364(c), 364(d), 364(e), 364(f), 365, 366, 501, 502, 503, 504, 506, 507(a)(2), 509, 510, 524(a)(1), 524(a)(2), 544, 545, 546, 547, 548, 549(a), 549(c), 549(d), 550, 551, 552, 553, 555, 556, 557, 559, 560, 561, 562, 902 (except as other-

wise provided in this section), 922, 923, 924, 925, 926, 927, 928, 942, 944, 945, 946, 1102, 1103, 1109, 1111(b), 1122, 1123(a)(1), 1123(a)(2), 1123(a)(3), 1123(a)(4), 1123(a)(5), 1123(b), 1123(d), 1124, 1125, 1126(a), 1126(b), 1126(c), 1126(e), 1126(f), 1126(g), 1127(d), 1128, 1129(a)(2), 1129(a)(3), 1129(a)(6), 1129(a)(8), 1129(a)(10), 1129(b)(1), 1129(b)(2)(A), 1129(b)(2)(B), 1142(b), 1143, 1144, 1145, and 1146(a) of title 11, United States Code, apply in a case under this title and section 930 of title 11, United States Code, applies in a case under this title; however, section 930 shall not apply in any case during the first 120 days after the date on which such case is commenced under this title.

(b) MEANINGS OF TERMS.—A term used in a section of title 11, United States Code, made applicable in a case under this title by subsection (a), has the meaning given to the term for the purpose of the applicable section, unless the term is otherwise defined in this title.

(c) DEFINITIONS.—In this title—

(1) AFFILIATE.—The term "affiliate" means, in addition to the definition made applicable in a case under this title by subsection (a)—

(A) for a territory, any territorial instrumentality; and

(B) for a territorial instrumentality, the governing territory and any of the other territorial instrumentalities of the territory.

(2) DEBTOR.—The term "debtor" means the territory or covered territorial instrumentality concerning which a case under this title has been commenced.

(3) PROPERTY OF THE ESTATE.—The term "property of the estate", when used in a section of title 11 or 28, United States Code, made applicable in a case under this title by subsection (a), means property of the debtor.

(4) STATE.—The term "State" when used in a section of title 11, United States Code, made applicable in a case under this title by section 301(a) means State or territory when used in reference to the relationship of a State to the municipality of the State or the territorial instrumentality of a territory, as applicable.

(5) TRUSTEE.—The term "trustee", when used in a section of title 11, United States Code, made applicable in a case under this title by subsection (a), means the Oversight Board.

(d) REFERENCE TO TITLE.—Solely for purposes of this title, a reference to "this title", "this chapter", or

words of similar import in a section of title 11, United States Code, made applicable in a case under this title by subsection (a) or to "this title", "title 11", "the Code", or words of similar import in a section of title 28, United States Code, made applicable in a case under this chapter by sections 306 or 309 or in the Federal Rules of Bankruptcy Procedure made applicable in a case under this title by section 310 shall be deemed to be a reference to this title.

(e) SUBSTANTIALLY SIMILAR.—In determining whether claims are "substantially similar" for the purpose of section 1122 of title 11, United States Code, made applicable in a case under this title by subsection (a), the Board shall consider whether such claims are secured and whether such claims have priority over other claims.

(f) OPERATIVE CLAUSES.—A section made applicable in a case under this title by subsection (a) that is operative if the business of the debtor is authorized to be operated is operative in a case under this title.

SEC. 302. WHO MAY BE A DEBTOR.

An entity may be a debtor under this title if—

(1) the entity is—

(A) a territory that has requested the establishment of an Oversight Board or has had an Oversight Board established for it by the

United States Congress in accordance with section 101 of this Act; or

(B) a covered territorial instrumentality of a territory described in paragraph (1)(A);

(2) the Oversight Board has issued a certification under section 206(b) for such entity; and

(3) the entity desires to effect a plan to adjust its debts.

SEC. 303. RESERVATION OF TERRITORIAL POWER TO CONTROL TERRITORY AND TERRITORIAL INSTRUMENTALITIES.

Subject to the limitations set forth in titles I and II of this Act, this title does not limit or impair the power of a territory to control, by legislation or otherwise, the territory or any territorial instrumentality thereof in the exercise of the political or governmental powers of the territory or territorial instrumentality, including expenditures for such exercise, but—

(1) a territory law prescribing a method of composition or moratorium of indebtedness of the territory or any territorial instrumentality thereof may not bind any creditor that does not consent to the composition or moratorium; and

(2) a judgment entered under a law described in paragraph (1) may not bind a creditor that does not consent to the composition.

SEC. 304. PETITION AND PROCEEDINGS RELATING TO PETITION.

(a) COMMENCEMENT OF CASE.—A voluntary case under this title is commenced by the filing with the district court of a petition by the Oversight Board pursuant to the determination under section 302, provided that an otherwise eligible entity may not commence a case under this chapter after the Oversight Board applicable to such eligible entity has been terminated in accordance with section 209.

(b) OBJECTION TO PETITION.—After any objection to the petition, the court, after notice and a hearing, may dismiss the petition if the petition does not meet the requirements of this title; however, this subsection shall not apply in any case during the first 120 days after the date on which such case is commenced under this title.

(c) ORDER FOR RELIEF.—The commencement of a case under this title constitutes an order for relief.

(d) APPEAL.—The court may not, on account of an appeal from an order for relief, delay any proceeding under this title in the case in which the appeal is being

taken, or order a stay of such proceeding pending such appeal.

(e) VALIDITY OF DEBT.—The reversal on appeal of a finding of jurisdiction shall not affect the validity of any debt incurred that is authorized by the court under section 364(c) or 364(d) of title 11, United States Code.

SEC. 305. LIMITATION ON JURISDICTION AND POWERS OF COURT.

(a) IN GENERAL.—Subject to the limitations set forth in titles I and II of this Act, notwithstanding any power of the court, unless the debtor consents or the plan so provides, the court may not, by any stay, order, or decree, in the case or otherwise, interfere with—

(1) any of the political or governmental powers of the debtor;

(2) any of the property or revenues of the debtor; or

(3) the use or enjoyment by the debtor of any income-producing property.

SEC. 306. JURISDICTION.

(a) The district courts shall have original and exclusive jurisdiction of a case under this title.

(b) Section 157 of title 28, United States Code, shall apply to a case under this title.

SEC. 307. VENUE.

(a) IN GENERAL.—Venue shall be proper in—

(1) with respect to a territory, the district court for the territory or, for any territory that does not have a district court, the United States District Court for the District of Hawaii; and

(2) with respect to a covered territorial instrumentality, the district court for the territory in which the covered territorial instrumentality is located or, for any territory that does not have a district court, the United States District Court for the District of Hawaii.

(b) ALTERNATIVE VENUE.—If the oversight Board determines that the venue under paragraph (a) will not adequately provide for proper case management, then venue shall be proper in the district court for the jurisdiction in which the Oversight Board maintains an office that is located outside the territory.

SEC. 308. JURISDICTION; REMOVAL; APPEALS.

(a) FEDERAL SUBJECT MATTER JURISDICTION.—Except as provided in section 306 the district courts shall have—

(1) except as provided in paragraph (2) ~~(20~~, the district court shall have original and exclusive jurisdiction of all cases under this title;

(2) except as provided in paragraph (~~3~~ (3)), and notwithstanding any Act of Congress that confers exclusive jurisdiction on a court or courts other than the district courts, the district courts shall have original but not exclusive jurisdiction of all civil proceedings arising under this title, or arising in or related to cases under this title; and

(3) the district court in which a case under this title is commenced or is pending shall have exclusive jurisdiction of all property, wherever located, of the debtor as of the commencement of such case.

(b) PERSONAL JURISDICTION.—The district court in which a case under this title is pending shall have personal jurisdiction over any person or entity to the fullest extent permitted under the Constitution of the United States.

SEC. 309. APPELLATE REVIEW.

Sections 158(a) and (d) of title 28, United States Code, shall apply to a case under this title.

SEC. 310. APPLICABLE RULES OF PROCEDURE.

The Federal Rules of Bankruptcy Procedure shall apply to a case under this title and to all civil proceedings arising in or related to cases under this title.

SEC. 311. LEASES.

A lease to a territory or territorial instrumentality shall not be treated as an executory contract or unexpired

lease for the purposes of section 365 or 502(b)(6) of title 11, United States Code, solely by reason of the lease being subject to termination in the event the debtor fails to appropriate rent.

SEC. 312. FILING OF PLAN OF ADJUSTMENT.

(a) EXCLUSIVITY.—Only the debtor, upon the issuance of a certification by the Oversight Board pursuant to section 104(j), may file a plan of adjustment of the debts of the debtor.

(b) DEADLINE FOR FILING PLAN.—If the debtor does not file a plan of adjustment with the petition, the debtor shall file a plan of adjustment at the time set by the court.

SEC. 313. MODIFICATION OF PLAN.

The debtor, upon the issuance of a certification by the Oversight Board pursuant to section 104(j), may modify the plan at any time before confirmation, but may not modify the plan so that the plan as modified fails to meet the requirements of this title. After the debtor files a modification, the plan as modified becomes the plan.

SEC. 314. CONFIRMATION.

(a) OBJECTION.—A special tax payer may object to confirmation of a plan.

(b) CONFIRMATION.—The court shall confirm the plan if—

(1) the plan complies with the provisions of title 11 of the United States Code, made applicable to a case under this title by section 301;

(2) the plan complies with the provisions of this title;

(3) the debtor is not prohibited by law from taking any action necessary to carry out the plan;

(4) except to the extent that the holder of a particular claim has agreed to a different treatment of such claim, the plan provides that on the effective date of the plan each holder of a claim of a kind specified in 507(a)(2) of title 11, United States Code, will receive on account of such claim cash equal to the allowed amount of such claim;

(5) any legislative, regulatory, or electoral approval necessary under applicable law in order to carry out any provision of the plan has been obtained, or such provision is expressly conditioned on such approval;

(6) the plan is in the best interests of creditors and is feasible;

(7) the plan is consistent with the applicable Fiscal Plan certified by the Oversight Board under title II; and

(8) all amounts to be paid by the debtor or any person for services or expenses in the case or incident to the plan have been fully disclosed and are reasonable.

SEC. 315. ROLE AND CAPACITY OF OVERSIGHT BOARD.

(a) ACTIONS OF OVERSIGHT BOARD.—Subject to sections 303 and 307, for the purposes of this title, the Oversight Board may take any action necessary on behalf of the debtor to prosecute the case of the debtor, including—

(1) filing a petition under section 304;

(2) submitting or modifying a plan of adjustment under sections 312 and 313; or

(3) otherwise generally submitting filings in relation to the case with the court.

(b) REPRESENTATIVE OF DEBTOR.—The oversight Board in a case under this title is the representative of the debtor.

TITLE IV—MISCELLANEOUS PROVISIONS

SEC. 401. RULES OF CONSTRUCTION.

Nothing in this Act is intended, or may be construed—

(1) to limit the authority of Congress to exercise ultimate legislative authority over the territories;

(2) to authorize the application of section 103(e) of this Act (relating to issuance of subpoenas) to judicial officers or employees of territory courts;

(3) to alter, amend, or abrogate any provision of the Covenant To Establish a Commonwealth of the Northern Mariana Islands in Political Union With the United States of America (48 U.S.C. 1801 et seq.); or

(4) to alter, amend, or abrogate the treaties of cession regarding certain islands of American Samoa (48 U.S.C. 1661).

SEC. 402. RIGHT OF PUERTO RICO TO DETERMINE ITS FUTURE POLITICAL STATUS.

Nothing in this Act shall be interpreted to restrict Puerto Rico's right to determine its future political status, including by conducting the plebiscite as authorized by Public Law 113–76.

SEC. 403. FIRST MINIMUM WAGE IN PUERTO RICO.

Section 6(g) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(g)) is amended—

(1) in paragraph (1)—

(A) by striking "subsection (a)(1), any employer" and inserting "subsection (a)(1)—

"(A) any employer";

(B) by striking the period at the end and inserting "; and"; and

(C) by adding at the end the following:

"(B) the Governor of Puerto Rico, subject to the approval of the Financial Oversight and Management Board established pursuant to section 101 of the Puerto Rico Oversight, Management, and Economic Stability Act, may designate a time period not to exceed five years during which employers in Puerto Rico may pay employees who are initially employed after the date of enactment of such Act a wage which is not less than $4.25 an hour."; and

(2) in paragraph (4), by striking "years" and inserting "years, except in the case of the wage applicable in Puerto Rico, 25 years".

SEC. 404. APPLICATION OF REGULATION TO PUERTO RICO.

The regulations issued by the Secretary of Labor relating to exemptions regarding the rates of pay for executive, administrative, professional, outside sales, and computer employees, and published in the Federal Register on July 6, 2015, shall have no force or effect in the Commonwealth of Puerto Rico.

SEC. 405. LAND CONVEYANCE AUTHORITY, VIEQUES NATIONAL WILDLIFE REFUGE, VIEQUES ISLAND.

Section 1508(c) of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654A–356) is amended—

(1) by striking "The Secretary" and inserting the following:

"(1) IN GENERAL.—Except as provided in paragraph (2), the Secretary"; and

(2) by adding at the end the following new paragraph:

"(2) CONVEYANCE AUTHORITY.—

"(A) CONVEYANCE AUTHORIZED FOR PURPOSE.—Except as provided in subparagraph (B), the Secretary of the Interior is authorized to convey, without consideration, all or any portion of the Conservation Zones transferred to the Secretary under subsection (a) to the Commonwealth of Puerto Rico for the purpose specified in subparagraph (B). The conveyance shall be subject to interest retained pursuant to section 1506 of this Act.

"(B) CERTAIN LANDS EXCLUDED.—The conveyance authority provided by this paragraph does not include the land encompassing

Solid Waste Management Unit 4, as depicted on the map of former Naval Ammunition Support Detachment, Vieques, maintained by the Naval Facilities Engineering Command.

"(C) INDEMNIFICATION.—The indemnification requirements and conditions specified in section 1502(e) of this Act shall apply with respect to the release or threatened release (after the conveyance is made under this paragraph) of any hazardous substance or pollutant or contaminant as a result of Department of Defense activities on the conveyed property.

"(D) RELATION TO COOPERATIVE AGREEMENT.—The cooperative agreement entered into under subsection (d)(1) shall no longer apply to any portion of the Conservation Zones conveyed by the Secretary of the Interior under this paragraph.

"(E) RELATION TO OTHER LAWS.—Nothing in this paragraph shall be construed to affect the continued applicability of section 120(h) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9620(h)) and the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.)

to any portion of the Conservation Zones conveyed by the Secretary of the Interior under this paragraph.".

SEC. 406. AUTOMATIC STAY UPON ENACTMENT.

(a) DEFINITIONS.—In this section:

(1) LIABILITY.—The term "Liability" means a bond, loan, letter of credit, other borrowing title, obligation of insurance, or other indebtedness, including rights, entitlements, or obligations whether such rights, entitlements, or obligations arise from contract, statute, or any other source of law, in any case, related to such a bond, loan, letter of credit, other borrowing title, obligation of insurance, or other indebtedness in physical or dematerialized form, of which—

(A) the issuer, obligor, or guarantor is the Government of Puerto Rico; and

(B) the date of issuance or incurrence precedes the date of enactment of this Act.

(2) LIABILITY CLAIM.—The term "Liability Claim" means, as it relates to a Liability—

(A) right to payment, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured,

disputed, undisputed, legal, equitable, secured, or unsecured; or

(B) right to an equitable remedy for breach of performance if such breach gives rise to a right to payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured, unmatured, disputed, undisputed, secured, or unsecured.

(b) IN GENERAL.—Except as provided in subsection (c) of this section, the establishment of an Oversight Board for the Commonwealth of Puerto Rico (i.e., the enactment of this Act) in accordance with section 101 operates with respect to a Liability as a stay, applicable to all entities (as such term is defined in section 101 of title 11, United States Code), of—

(1) the commencement or continuation, including the issuance or employment of process, of a judicial, administrative, or other action or proceeding against the Government of Puerto Rico that was or could have been commenced before the enactment of this Act, or to recover a Liability Claim against the Government of Puerto Rico that arose before the enactment of this Act;

(2) the enforcement, against the Government of Puerto Rico or against property of the Government

of Puerto Rico, of a judgment obtained before the enactment of this Act;

(3) any act to obtain possession of property of the Government of Puerto Rico or of property from the Government of Puerto Rico or to exercise control over property of the Government of Puerto Rico;

(4) any act to create, perfect, or enforce any lien against property of the Government of Puerto Rico;

(5) any act to create, perfect, or enforce against property of the Government of Puerto Rico any lien to the extent that such lien secures a Liability Claim that arose before the enactment of this Act;

(6) any act to collect, assess, or recover a Liability Claim against the Government of Puerto Rico that arose before the enactment of this Act; and

(7) the setoff of any debt owing to the Government of Puerto Rico that arose before the enactment of this Act against any Liability Claim against the Government of Puerto Rico.

(c) STAY NOT OPERABLE.—The establishment of an Oversight Board for the Commonwealth of Puerto Rico in accordance with section 101 does not operate as a stay solely under subsection (b)(1) of this section, of the continuation of, including the issuance or employment of

process, of a judicial, administrative, or other action or proceeding against the Government of Puerto Rico that was commenced on or before December 18, 2015.

(d) CONTINUATION OF STAY.—Except as provided in subsections (e), (f), and (g) the stay under subsection (b) continues until the earlier of—

(1) February 15, 2017; or

(2) with respect to the government of the Commonwealth of Puerto Rico or any of its territorial instrumentalities, the date on which a case is filed by or on behalf of the government of the Commonwealth of Puerto Rico or any of its territorial instrumentalities, as applicable, under title III.

(e) JURISDICTION.—

(1) The United States District Court for the District of Puerto Rico shall have original and exclusive jurisdiction of any civil actions arising under this section.

(2) On motion of a party in interest and after notice and a hearing, the United States District Court for the District of Puerto Rico, for cause shown, shall grant relief from the stay provided under subsection (b) of this section.

(f) TERMINATION OF STAY; HEARING.—Thirty days after a request under subsection (e) for relief from the

stay of any act against property of the Government of Puerto Rico under subsection (b), such stay is terminated with respect to the party in interest making such request, unless the court, after notice and a hearing, orders such stay continued in effect pending the conclusion of, or as a result of, a final hearing and determination under subsection (e). A hearing under this subsection may be a preliminary hearing, or may be consolidated with the final hearing under subsection (e). The court shall order such stay continued in effect pending the conclusion of the final hearing under subsection (e) if there is a reasonable likelihood that the party opposing relief from such stay will prevail at the conclusion of such final hearing. If the hearing under this subsection is a preliminary hearing, then such final hearing shall be concluded not later than thirty days after the conclusion of such preliminary hearing, unless the 30-day period is extended with the consent of the parties in interest or for a specific time which the court finds is required by compelling circumstances.

(g) RELIEF TO PREVENT IRREPARABLE DAMAGE.—Upon request of a party in interest, the court, with or without a hearing, shall grant such relief from the stay provided under subsection (b) as is necessary to prevent irreparable damage to the interest of an entity in property, if such interest will suffer such damage before there is

an opportunity for notice and a hearing under subsection (e) or (f).

(h) NO FORCE OR EFFECT OF STAY IN VIOLATION.—No order, judgment, or decree entered in violation of this section shall have any force or effect.

(i) GOVERNMENT OF PUERTO RICO.—For purposes of this section, the term "Government of Puerto Rico", in addition to the definition set forth in section 5(11) of this Act, shall include—

(1) the directors and officers of and employees acting in their official capacity on behalf of the Government of Puerto Rico; and

(2) the Oversight Board, including the directors and officers of and employees acting in their official capacity on behalf of the Oversight Board.

(j) NO DEFAULT UNDER EXISTING CONTRACTS.—

(1) Notwithstanding any contractual provision or applicable law to the contrary and so long as a stay under this section is in effect, the holder of a Liability Claim or any other claim (as such term is defined in section 101 of title 11, United States Code) may not exercise or continue to exercise any remedy under a contract or applicable law—

(A) that is conditioned upon the financial condition of, or the commencement of a restruc-

turing, insolvency, bankruptcy, or other proceeding (or a similar or analogous process) by, the Government of Puerto Rico, including a default or an event of default thereunder; or

(B) with respect to Liability Claims—

(i) for the non-payment of principal or interest; or

(ii) for the breach of any condition or covenant.

(2) The term "remedy" as used in paragraph (1) shall be interpreted broadly, and shall include any right existing in law or contract, and any right to—

(A) setoff;

(B) apply or appropriate funds;

(C) seek the appointment of a custodian;

(D) seek to raise rates; or

(E) exercise control over property of the Government of Puerto Rico.

(3) Notwithstanding any contractual provision or applicable law to the contrary and so long as a stay under this section is in effect, a contract to which the Government of Puerto Rico is a party may not be terminated or modified, and any right or obligation under such contract may not be terminated

or modified, solely because of a provision in such contract is conditioned on—

(A) the insolvency or financial condition of the Government of Puerto Rico at any time prior to the effectiveness of the stay under this section;

(B) the adoption of a resolution or establishment of an Oversight Board pursuant to section 101 of this Act; or

(C) a default under a separate contract that is due to, triggered by, or a result of the occurrence of the events or matters in subsection (i)(1)(B).

(4) Notwithstanding any contractual provision to the contrary and so long as a stay under this section is in effect, a counterparty to a contract with the Government of Puerto Rico for the provision of goods and services shall, unless the Government of Puerto Rico advises to the contrary in writing, continue to perform all obligations under, and comply with the terms of, such contract so long as a stay under this section is in effect, provided that the Government of Puerto Rico is not in default under such contract other than as a result of a condition specified in paragraph (3).

(k) EFFECT.—This section does not discharge an obligation of the Government of Puerto Rico or release, invalidate, or impair any security interest or lien securing such obligation. This section does not impair or affect the implementation of any restructuring support agreement executed by the Government of Puerto Rico to be implemented pursuant to Puerto Rico law specifically enacted for that purpose prior to the enactment of this Act or the obligation of the Government of Puerto Rico to proceed in good faith as set forth in any such agreement.

(l) FINDINGS.—Congress finds the following:

(1) A combination of severe economic decline, accumulated operating deficits, lack of financial transparency, management inefficiencies, and excessive borrowing has created a fiscal emergency in Puerto Rico.

(2) As a result of its fiscal emergency, the Government of Puerto Rico has been unable to provide its citizens with effective services.

(3) The current fiscal emergency has also affected the long-term economic stability of Puerto Rico by contributing to the accelerated outmigration of residents and businesses.

(4) A comprehensive approach to fiscal, management, and structural problems and adjustments

that exempts no part of the Government of Puerto Rico is necessary, involving independent oversight and a federal statutory authority for the Government of Puerto Rico to restructure debts in a fair and orderly process.

(5) Additionally, an immediate—but temporary—stay on litigation is essential to stabilize the region for the purposes of resolving this territorial crisis.

(A) The stay advances the best interests common to all stakeholders, including but not limited to a functioning independent Oversight Board created pursuant to this Act to determine whether to appear or intervene on behalf of the Government of Puerto Rico in any litigation that may have been commenced prior to the effectiveness or upon expiration of the stay.

(B) The stay is limited in nature and narrowly tailored to achieve the purposes of this Act, including to ensure all creditors have a fair opportunity to consensually renegotiate terms of repayment based on accurate financial information that is reviewed by an independent authority or, at a minimum, receive a recovery from the Government of Puerto Rico equal to their

best possible outcome absent the provisions of this Act.

(6) Finally, the ability of the Government of Puerto Rico to obtain funds from capital markets in the future will be severely diminished without congressional action to restore its financial accountability and stability.

(m) PURPOSES.—The purposes of this Act are to—

(1) provide the Government of Puerto Rico with the resources and the tools it needs to address an immediate existing and imminent crisis;

(2) allow the Government of Puerto Rico a limited period of time during which it can focus its resources on negotiating a voluntary resolution with its creditors instead of defending numerous, costly creditor lawsuits;

(3) provide an oversight mechanism to assist the Government of Puerto Rico in reforming its fiscal governance and support the implementation of potential debt restructuring;

(4) make available a federal restructuring authority, if necessary, to allow for an orderly adjustment of all of the Government of Puerto Rico's liabilities; and

(5) benefit the lives of 3.5 million American citizens living in Puerto Rico by encouraging the Government of Puerto Rico to resolve its long-standing fiscal governance issues and return to economic growth.

SEC. 407. PURCHASES BY TERRITORY GOVERNMENTS.

The text of section 1469e of title 48, United States Code, is deleted in its entirety and replaced with "The Governments of Puerto Rico, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, and the United States Virgin Islands are authorized to make purchases through the General Services Administration.".

SEC. 408. INTERVENTION IN LITIGATION.

(a) INTERVENTION.—The Oversight Board may intervene in any litigation filed against the territorial government.

(b) INJUNCTIVE RELIEF.—

(1) IN GENERAL.—If the Oversight Board intervenes in a litigation under subsection (a), the Oversight Board may seek injunctive relief, including a stay of litigation.

(2) NO INDEPENDENT BASIS FOR RELIEF.—This section does not create an independent basis on which injunctive relief, including a stay of litigation, may be granted.

TITLE V—PUERTO RICO INFRASTRUCTURE REVITALIZATION

SEC. 501. DEFINITIONS.

In this title:

(1) ACT 76.—The term "Act 76" means Puerto Rico Act 76–2000 (3 L.P.R.A. 1931 et seq.), approved on May 5, 2000, as amended.

(2) CRITICAL PROJECT.—The term "Critical Project" means a project identified under the provisions of this title and intimately related to addressing an emergency whose approval, consideration, permitting, and implementation shall be expedited and streamlined according to the statutory process provided by Act 76, or otherwise adopted pursuant to this title.

(3) ENERGY COMMISSION OF PUERTO RICO.—The term "Energy Commission of Puerto Rico" means the Puerto Rico Energy Commission as established by Subtitle B of Puerto Rico Act 57–2014.

(4) ENERGY PROJECTS.—The term "Energy Projects" means those projects addressing the generation, distribution, or transmission of energy.

(5) EMERGENCY.—The term "emergency" means any event or grave problem of deterioration in the physical infrastructure for the rendering of

essential services to the people, or that endangers the life, public health, or safety of the population or of a sensitive ecosystem, or as otherwise defined by section 1 of Act 76 (3 L.P.R.A. 1931). This shall include problems in the physical infrastructure for energy, water, sewer, solid waste, highways or roads, ports, telecommunications, and other similar infrastructure.

(6) ENVIRONMENTAL QUALITY BOARD.—The term "Environmental Quality Board" means the Puerto Rico Environmental Quality Board, a board within the executive branch of the Government of Puerto Rico as established by section 7 of the Puerto Rico Act 416–2004 (12 L.P.R.A. 8002a).

(7) EXPEDITED PERMITTING PROCESS.—The term "Expedited Permitting Process" means a Puerto Rico Agency's alternate procedures, conditions, and terms mirroring those established under Act 76 (3 L.P.R.A. 1932) and pursuant to this title and shall not apply to any Federal law, statute, or requirement.

(8) GOVERNOR.—The term "Governor" means the Governor of Puerto Rico.

(9) INTERAGENCY ENVIRONMENTAL SUBCOMMITTEE.—The term "Interagency Environ-

mental Subcommittee" means the Interagency Subcommittee on Expedited Environmental Regulations as further described by section 504, and adopted pursuant to this title.

(10) LEGISLATURE.—The term "Legislature" means the Legislature of Puerto Rico.

(11) PLANNING BOARD.—The term "Planning Board" means the Puerto Rico Planning Board, a board within the executive branch of the Government of Puerto Rico established by Act 75–1975 (23 L.P.R.A. 62 et seq).

(12) PUERTO RICO AGENCY OR AGENCIES.—The terms "Puerto Rico Agency" or "Puerto Rico Agencies" means any board, body, Board of examiners, public corporation, commission, independent office, division, administration, bureau, department, authority, official, person, entity, municipality, or any instrumentality of the Commonwealth of Puerto Rico, or an administrative body authorized by law to perform duties of regulating, investigating, or that may issue a decision, or with the power to issue licenses, certificates, permits, concessions, accreditations, privileges, franchises, except the Senate and the House of Representatives of the Legislature and the judicial branch.

(13) PUERTO RICO ELECTRIC POWER AUTHORITY.—The term "Puerto Rico Electric Power Authority" means the Puerto Rico Electric Power Authority established by Puerto Rico Act 83-1941.

SEC. 502. POSITION OF REVITALIZATION COORDINATOR.

(a) ESTABLISHMENT.—There is established, under the Oversight Board, the position of the Revitalization Coordinator.

(b) APPOINTMENT.—

(1) IN GENERAL.—The Revitalization Coordinator shall be appointed by the Governor as follows:

(A) Prior to the appointment of the Revitalization Coordinator, the Oversight Board shall submit to the Governor no less than three nominees for appointment within 60 days of the appointment of at least 4 members to the Oversight Board.

(B) In consultation with the Oversight Board, not later than 10 days after receiving the nominations under subparagraph (A), the Governor shall select one of the nominees as the Revitalization Coordinator. Such nomination shall be effective immediately.

(C) If the Governor fails to select a Revitalization Coordinator, the Oversight Board

shall, by majority vote, select a Revitalization Coordinator from the list of nominees provided under paragraph (A).

(2) QUALIFICATIONS.—In selecting nominees under paragraph (1)(A), the Oversight Board shall only nominate persons who—

(A) have substantial knowledge and expertise in the planning, predevelopment, financing and development of infrastructure projects, provided that stronger consideration shall be given to candidates who have experience with Energy Projects;

(B) does not currently provide, or in the preceding 3 calendar years provided, goods or services to the government of Puerto Rico (and, as applicable, is not the spouse, parent, child, or sibling of an individual who provides or has provided goods and services to the government of Puerto Rico in the preceding 3 calendar years); and

(C) shall not be an officer, employee of, or former officer or employee of the government of Puerto Rico in the preceding 3 calendar years.

(3) COMPENSATION.—The Revitalization Coordinator shall be compensated at an annual rate de-

termined by the Oversight Board sufficient in the judgment of the Oversight Board to obtain the services of an individual with the skills and experience required to discharge the duties of the position, but such compensation shall not exceed the annual salary of the Executive Director's.

(c) ASSIGNMENT OF PERSONNEL.—The Executive Director of the Oversight Board may assign Oversight Board personnel to assist the Revitalization Coordinator.

(d) REMOVAL.—

(1) IN GENERAL.—The Revitalization Coordinator may be removed for any reason, in the Oversight Board's discretion.

(2) TERMINATION OF POSITION.—Upon the termination of the Oversight Board, the position of the Revitalization Coordinator shall be terminated once all approved Critical Projects have been completed.

SEC. 503. CRITICAL PROJECTS.

(a) IDENTIFICATION OF PROJECTS.—

(1) PROJECT SUBMISSION.—Any project sponsor may submit, so long as the Oversight Board is in operation, any existing, ongoing, or proposed project to the Revitalization Coordinator. The Revitalization Coordinator shall require such submission to include:

(A) ~~The~~ the impact the project will have on an emergency;

(B) ~~The~~ the availability of immediate private capital or other funds, including, loan guarantees, loans, or grants, to implement, operate, or maintain the project;

(C) ~~Economic~~ environmental and economic benefits provided by the project, including the number of jobs to be created;

(D) ~~The~~ the status of the project if it is existing or ongoing; and

(E) ~~In~~ in addition to the requirements found in subparagraphs (A) through (D), the Revitalization Coordinator may ~~require the following criteria for Energy Projects and~~ request an Energy Project proponent to address how the project will—

(i) reduce reliance on oil for electric generation in Puerto Rico;

(ii) improve performance of energy infrastructure and overall energy efficiency;

(iii) expedite the diversification and conversion of fuel sources for electric generation from oil to natural gas, and renewables in Puerto Rico;

(iv) promote the development and utilization of energy sources found on Puerto Rico;

(v) contribute to transitioning to privatized generation capacities in Puerto Rico;

(vi) ~~support the Energy Commission of Puerto Rico in its goals, including the goal to reduce~~ lower energy costs for rate payers and increase the availability of affordable energy; and

(vii) achieve in whole or in part the recommendations of the study in section 505(d) of this title.

(2) Identification of relevant Puerto Rico Agencies.—Within 20 days of receiving a project submission under paragraph (1), the Revitalization Coordinator shall, in consultation with the Governor, identify all Puerto Rico Agencies that will have a role in the permitting, approval, authorizing, or other activity related to the development of such project submission.

~~(2)~~ 3 CERTIFICATION OF EXPEDITED PERMITTING PROCESS.—

(A) Not later than 20 days after receiving a project submission, each Puerto Rico Agency identified in paragraph (1) shall submit to the Revitalization Coordinator the Agency's Expedited Permitting Process.

(B) FAILURE TO PROVIDE EXPEDITED PERMITTING PROCESS.—If a Puerto Rico Agency fails to provide an Expedited Permitting Process within 20 days of receiving a project

submission, the Revitalization Coordinator shall—

(i) consult with the Governor to develop within ~~10~~ 20 days an Expedited Permitting Process for the Agency; and

(ii) require such Puerto Rico Agency to implement the Expedited Permitting Process developed under clause (i) for critical projects.

(b) CRITICAL PROJECT REPORT.—

(1) IN GENERAL.—For each submitted project, the Revitalization Coordinator in consultation with the Governor and relevant Puerto Rico Agencies identified in subsection (a)(~~1~~ 2) shall develop a Critical Project Report within 60 days ~~from the submission of the project~~ of the identification of relevant Puerto Rico Agencies under subsection (a)(2), which shall include:

(A) An assessment of how well the project meets the criteria in subsection (a)(1).

(B) A recommendation by the Governor on whether the project should be considered a Critical Project. If the Governor fails to provide a recommendation, the failure shall constitute a concurrence with the Revitalization Coordinator's recommendation in subparagraph (~~C~~ D).

(C) In the case of an Energy Project that will connect with the Puerto Rico Electric Power Authority's transmission or distribution facilities, a recommendation by the Energy Commission of Puerto Rico If no such recommendation is provided, such failure shall constitute a concurrence with the Revitalization Coordinator's recommendation in subparagraph (D)

(~~C~~ D) A recommendation by the Revitalization Coordinator on whether the project should be considered a Critical Project.

(2) SUBMISSION TO OVERSIGHT BOARD.—Not later than 5 days after finalizing a Critical Project Report, the Revitalization Coordinator shall submit it to the Oversight Board.

(c) ACTION BY THE OVERSIGHT BOARD.—Not later than 30 days after receiving the Critical Project Report, the Oversight Board, by majority vote, shall approve or disapprove the project as a Critical Project, if the Oversight Board—

(1) approves the project, the project shall be deemed a Critical Project;

(2) disapproves the project, the Oversight Board shall submit to the Revitalization Coordinator in writing the reasons for disapproval; and

(3) fails to act and the Revitalization Coordinator had recommended the project be deemed a Critical Project, then the project shall be deemed a Critical Project.

SEC. 504. MISCELLANEOUS PROVISIONS.

(a) CREATION OF INTERAGENCY ENVIRONMENTAL SUBCOMMITTEE.—

(1) ESTABLISHMENT.—Not later than 60 days after the date on which the Revitalization Coordinator is appointed, the Interagency Environmental Subcommittee shall be established and shall evaluate environmental documents required under Puerto Rico law for any Critical Project within the Expedited Permitting Process established by the Revitalization Coordinator under section 503(a)(2).

(2) COMPOSITION.—The Interagency Environmental Subcommittee shall consist of the Revitalization Coordinator, and a representative selected by the Governor in consultation with the Revitalization Coordinator representing each of the following agencies: The Environmental Quality Board, the Planning Board, the Puerto Rico Department of Natural and Environmental Resources, and any other Puerto Rico Agency determined to be relevant by the Revitalization Coordinator.

(b) REGULATIONS, ORDERS, AND CONTRACTS.—The Oversight Board shall approve or disapprove of any action taken by the Governor pursuant to or mirroring section 11 of Act 76 (3 L.P.R.A. 1941) pursuant to section 204(b).

(c) LENGTH OF EXPEDITED PERMITTING PROCESS.—~~For each~~ Such Critical Project, Puerto Rico ~~Agencies~~ Agency

With respect to a Puerto Rico Agency's activities related to only a

shall operate as if the Governor has declared an emergency pursuant to section 2 of Act 76 (3 L.P.R.A. 1932). Section 12 of Act 76 (3 L.P.R.A. 1942) shall not be applicable to Critical Projects. Critical Projects shall be prioritized to the maximum extent possible in each Puerto Rico Agency.

(d) EXPEDITED PERMITTING PROCESS COMPLIANCE.—

(1) WRITTEN NOTICE.—A Critical Project sponsor may in writing notify the Oversight Board of a Puerto Rico Agency's, or the Revitalization Coordinator's failure to adhere to the Expedited Permitting Process.

(2) FINDING OF FAILURE.—If the Oversight Board finds either the Puerto Rico Agency or Revitalization Coordinator has failed to adhere to the Expedited Permitting Process, the Oversight Board shall direct the offending party to comply with the Expedited Permitting Process. The Oversight Board may take such enforcement action as necessary as provided by section 104(k).

(e) REVIEW OF LEGISLATURE ACTS.—

(1) SUBMISSION OF ACTS TO OVERSIGHT BOARD.—The Legislature shall notify and submit to the Revitalization Coordinator and Oversight Board

any Act of the Legislature that may affect the Expedited Permitting Process pursuant to section 204(a).

(2) FINDING OF OVERSIGHT BOARD.—Upon receipt of an act from the Legislature under paragraph (1), the Oversight Board shall promptly review whether the proposed act would significantly impact the Expedited Permitting Process, and upon such a finding, the act shall be deemed to be significantly inconsistent with the Fiscal Plan and Budget as identified by section 204(a).

(f) ESTABLISHMENT OF CERTAIN TERMS AND CONDITIONS.—No Puerto Rico Agency may include in any certificate, right-of-way, permit, lease, or other authorization issued for a Critical Project any term or condition that may be permitted, but is not required, by any applicable Puerto Rico law, if the Revitalization Coordinator determines the term or condition would prevent or impair the expeditious construction, operation, or expansion of the Critical Project. The Revitalization Coordinator may request a Puerto Rico Agency to include any certificate, right-of-way, permit, lease, or other authorization, term or condition, that may be permitted in accordance with applicable laws if the Revitalization Coordinator determines such inclusion would support the expeditious construction, operation, or expansion of any Critical Project.

(g) DISCLOSURE.— All Critical Project reports, and justifications for approval or rejection of Critical Project status shall be made publicly available online within 5 days of receipt or completion

SEC. 505. FEDERAL AGENCY REQUIREMENTS.

(a) FEDERAL POINTS OF CONTACT.—At the request of the Revitalization Coordinator and within 30 days of receiving such a request, each Federal agency with jurisdiction over the permitting, or administrative or environmental review of private or public projects on Puerto Rico, shall name a Point of Contact who will serve as that agency's liaison with the Revitalization Coordinator.

(b) FEDERAL GRANTS AND LOANS.—For each Critical Project with a pending or potential Federal grant, loan, or loan guarantee application, the Revitalization Coordinator and the relevant Point of Contact shall cooperate with each other to ensure expeditious review of such application.

(c) EXPEDITED REVIEWS AND ACTIONS OF FEDERAL AGENCIES.—All reviews conducted and actions taken by any Federal agency relating to a Critical Project, shall be expedited in a manner consistent with completion of the necessary reviews and approvals by the deadlines under the Expedited Permitting Process, but in no way shall the deadlines established through the Expedited Permitting Process be binding on any Federal agency.

(d) TRANSFER OF STUDY OF ELECTRIC RATES.—Section 9 of the Consolidated and Further Continuing Appropriations Act, 2015 (48 U.S.C. 1492a) is amended—

(1) in subsection (a)(5), by inserting ", except that, with respect to Puerto Rico, the term means, the Secretary of Energy" after "Secretary of the Interior"; and

(2) in subsection (b)—

(A) by inserting "(except in the case of Puerto Rico, in which case not later than 180 days after the date of enactment of the Puerto Rico Oversight, Management, and Economic Stability Act)" after "of this Act"; and

(B) by inserting "(except in the case of Puerto Rico)" after "Empowering Insular Communities activity".

SEC. 506. JUDICIAL REVIEW.

(a) EXCLUSIVE JURISDICTION.—Except on petition to the United States Supreme Court, the United States District Court for the District of Puerto Rico shall have original and exclusive jurisdiction to determine the adequacy of any environmental review with respect to any action under this title.

~~(b)~~ a (b) DEADLINE FOR FILING OF A CLAIM.—A claim arising under this title must be brought no later than 30 days after the date of the decision or action giving rise to the claim.

(~~c~~ b) EXPEDITED CONSIDERATION.—The District Court for the District of Puerto Rico shall set any action brought under ~~subsection (a)~~ this title for expedited consideration, taking into account the ~~national~~ interest of enhancing Puerto Rico's infrastructure for electricity, water and sewer services, roads and bridges, ports, and solid waste management to achieve compliance with local and Federal environmental laws, regulations, and policies while ensuring the continuity of adequate services to the people of Puerto Rico and ~~the Commonwealth's~~ Puerto Rico's sustainable economic development.

SEC. 507. SAVINGS CLAUSE.

Nothing in this title is intended to change or alter any Federal legal requirements or laws.

TITLE VI—CREDITOR COLLECTIVE ACTION

SEC. 601. CREDITOR COLLECTIVE ACTION.

(a) DEFINITIONS.—In this title:

(1) ADMINISTRATIVE SUPERVISOR.—The term "Administrative Supervisor" means the Oversight Board established under section 101.

(2) AUTHORIZED TERRITORIAL INSTRUMENTALITY.—The term "Authorized Territorial Instrumentality" means a covered territorial instrumentality authorized in accordance with subsection (e).

(3) CALCULATION AGENT.—The term "Calculation Agent" means a calculation agent appointed in accordance with subsection (j).

(4) CAPITAL APPRECIATION BOND.—The term "Capital Appreciation Bond" means a Bond that does not pay interest on a current basis, but for which interest amounts are added to principal over time as specified in the relevant offering materials for such Bond, including that the accreted interest amount added to principal increases daily.

(5) CONVERTIBLE CAPITAL APPRECIATION BOND.—The term "Convertible Capital Appreciation Bond" means a Bond that does not pay interest on a current basis, but for which interest amounts are added to principal over time as specified in the relevant offering materials and which converts to a current pay bond on a future date.

(6) INFORMATION AGENT.—The term "Information Agent" means an information agent appointed in accordance with subsection (k).

(7) ISSUER.—The term "Issuer" means, as applicable, the Territory Government Issuer or an Authorized Territorial Instrumentality that has issued or guaranteed at least one Bond that is Outstanding.

(8) MODIFICATION.—The term "Modification" means any modification, amendment, supplement or waiver affecting one or more series of Bonds, including those effected by way of exchange, repurchase, conversion, or substitution.

(9) OUTSTANDING.—The term "Outstanding," in the context of the principal amount of Bonds, shall be determined in accordance with subsection (b).

(10) OUTSTANDING PRINCIPAL.—The term "Outstanding Principal" means—

(A) for a Bond that is not a Capital Appreciation Bond or a Convertible Capital Appreciation Bond, the outstanding principal amount of such Bond; and

(B) for a Bond that is a Capital Appreciation Bond or a Convertible Capital Appreciation Bond, the current accreted value of such Capital Appreciation Bond or a Convertible Capital Appreciation Bond, as applicable.

(11) POOL.—The term "Pool" means a pool established in accordance with subsection (d).

(12) QUALIFYING MODIFICATION.—The term "Qualifying Modification" means a Modification proposed in accordance with subsection (g).

(13) SECURED POOL.—The term "Secured Pool" means a Pool established in accordance with subsection (d) consisting only of Bonds that are secured by a lien on property.

(14) TERRITORY GOVERNMENT ISSUER.—The term "Territory Government Issuer" means the government of the Commonwealth of Puerto Rico.

(b) OUTSTANDING BONDS.—In determining whether holders of the requisite principal amount of Outstanding Bonds have voted in favor of, or consented to, a proposed Qualifying Modification, a Bond will be deemed not to be outstanding, and may not be counted in a vote or consent solicitation for or against a proposed Qualifying Modification, if on the record date for the proposed Qualifying Modification—

(1) the Bond has previously been cancelled or delivered for cancellation or is held for reissuance but has not been reissued;

(2) the Bond has previously been called for redemption in accordance with its terms or previously become due and payable at maturity or otherwise and the Issuer has previously satisfied its obligation to make, or provide for, all payments due in respect of the Bond in accordance with its terms;

(3) the Bond has been substituted with a security of another series; or

(4) the Bond is held by the Issuer or by an Authorized Territorial Instrumentality of the Territory Government Issuer or by a corporation, trust or other legal entity that is controlled by the Issuer or an Authorized Territorial Instrumentality of the Territory Government Issuer, as applicable.

For purposes of this subsection, a corporation, trust or other legal entity is controlled by the Issuer or by an Authorized Territorial Instrumentality of the Territory Government Issuer if the Issuer or an Authorized Territorial Instrumentality of the Territory Government Issuer, as applicable, has the power, directly or indirectly, through the ownership of voting securities or other ownership interests, by contract or otherwise, to direct the management of or elect or appoint a majority of the board of directors or other persons performing similar functions in lieu of, or in addition to, the board of directors of that legal entity.

(c) CERTIFICATION OF DISENFRANCHISED BONDS.—Prior to any vote on, or consent solicitation for, a Qualifying Modification, the Issuer shall deliver to the Calculation Agent a certificate signed by an authorized representative of the Issuer specifying any Bonds that are deemed

not to be Outstanding for the purpose of subsection (b) above.

(d) DETERMINATION OF POOLS FOR VOTING.—The Administrative Supervisor, in consultation with the Issuer, shall establish Pools in accordance with the following:—

(1) ~~Not~~ not less than one Pool shall be established for each Issuer;

(2) ~~A~~ a Pool that contains one or more Secured Bonds shall be a Secured Pool.; and

(3) ~~The~~ the Administrative Supervisor shall establish Pools according to the following principles:

(A) ~~For~~ for each Issuer that has issued multiple Bonds that are distinguished by specific provisions governing priority or security arrangements, including Bonds that have been issued as general obligations of the Territory Government Issuer to which the Territory Government Issuer pledged the full or good faith, credit, and taxing power of the Territory Government Issuer—, separate Pools shall be established corresponding to the relative priority or security arrangements of each holder of Bonds against each Issuer, as applicable;

(B) ~~For~~ for each Issuer that has issued senior and subordinated Bonds, separate Pools shall

be established for the senior and subordinated Bonds corresponding to the relative priority or security arrangements;

(C) ~~For~~ for each Issuer that has issued multiple Bonds, for at least some of which a guarantee of repayment has been provided by the Territory Government Issuer, separate Pools shall be established for guaranteed and non-guaranteed Bonds;

(D) ~~Subject~~ subject to the other requirements contained in this section, for each Issuer that has issued multiple Bonds, for at least some of which a dedicated revenue stream has been pledged for repayment, separate Pools for such Issuer shall be established as follows:—

(i) ~~For~~ for each dedicated revenue stream that has been pledged for repayment, not less than one Secured Pool for Bonds for which such revenue stream has been pledged, and separate Secured Pools shall be established for Bonds of different priority; and

(ii) ~~Not~~ not less than one Pool for all other Bonds issued by the Issuer for which

a dedicated revenue stream has not been pledged for repayment;

(E) ~~The~~ the Administrative Supervisor shall not place into separate Pools Bonds of the same Issuer that have identical rights in security or priority.

(e) AUTHORIZATION OF TERRITORY INSTRUMENTALITIES.—A covered territorial instrumentality is an Authorized Territorial Instrumentality if it has been specifically authorized to be eligible to avail itself of the procedures under this section by the Administrative Supervisor.

(f) INFORMATION DELIVERY REQUIREMENT.—Before a Qualifying Modification to solicit the consent or the vote of any holder for a Qualifying Modification is submitted, the Issuer shall—

(1) provide to the Calculation Agent, the Information Agent, and the Administrative Supervisor, the following information—

(A) a description of the Issuer's economic and financial circumstances which are, in the Issuer's opinion, relevant to the request for the proposed Qualifying Modification, a description of the Issuer's existing debts, a description of the impact of the proposed Qualifying Modifica-

tion on the Territory's or its territorial instrumentalities' public debt;

(B) if the Issuer is seeking Modifications affecting any other Pools of Bonds of the Territory Government Issuer or its Authorized Territorial Instrumentalities, a description of such other Modifications; and

(C) the applicable Fiscal Plan certified in accordance with section ~~203~~ 201; and

(2) not propose the Modification to the holders of Bonds in the Pool for which the Modification is being proposed until it has received a certification from the Administrative Supervisor that the Pool has been established in accordance with this section and that the proposed Modification is a Qualifying Modification.

(g) QUALIFYING MODIFICATION.—A Modification will not be considered to be Qualifying Modification unless—

(1) the Issuer proposing the Modification has consulted with holders of Bonds in the Pool for which the Modification is being proposed prior to soliciting a vote on such Modification;

(2) each exchanging, repurchasing, converting, or substituting holder of Bonds of any series in a

Pool affected by that Modification is offered the same amount of consideration per amount of principal, the same amount of consideration per amount of interest accrued but unpaid and the same amount of consideration per amount of past due interest, respectively, as that offered to each other exchanging, repurchasing, converting, or substituting holder of Bonds of any series in a Pool affected by that Modification (or, where a menu of instruments or other consideration is offered, each exchanging, repurchasing, converting, or substituting holder of Bonds of any series in a Pool affected by that Modification is offered the same amount of consideration per amount of principal, the same amount of consideration per amount of interest accrued but unpaid and the same amount of consideration per amount of past due interest, respectively, as that offered to each other exchanging, repurchasing, converting, or substituting holder of Bonds of any series in a Pool affected by that Modification electing the same option under such menu of instruments);

(3) if the Modification relates to Bonds in a Secured Pool, the holders of such Bonds retain the liens securing such Bonds and the Modification does

not reduce the Outstanding Principal amount of such Bonds; and

(4) the Modification is certified by the Administrative Supervisor as—

(A) the plan is in the best interests of creditors and is feasible; and

(B) being consistent with the applicable Fiscal Plan that has been certified under section 207; or

(C) if an applicable Fiscal Plan has not yet been certified by the Administrative Supervisor, being an appropriate Modification, in the Administrative Supervisor's sole discretion.

(h) SOLICITATION.—

(1) Upon receipt of a certification from the Administrative Supervisor under subsection (f)(2) that a proposed Modification is a Qualifying Modification, the Information Agent shall, if practical and except as provided in paragraph (2), submit to the holders of any Outstanding Bonds affected by such Qualifying Modification, including holders of the right to vote such Outstanding Bonds, the information submitted by the relevant issuer under subsection (f)(1) in order to solicit the vote or consent of such holders.

(2) If the Information Agent is unable to identify the address of holders of any Outstanding Bonds affected by a Qualifying Modification, the Information Agent may solicit the vote or consent of such holders by—

(A) delivering the solicitation to the paying agent for any affected Outstanding Bonds or Depository Trust Corporation if it serves as the clearing system for any affected Outstanding Bonds; or

(B) delivering or publishing the solicitation by whatever additional means the Information Agent, after consultation with the Issuer, deems necessary and appropriate in order to make a reasonable effort to inform holders of any affected Outstanding Bonds of the Qualifying Modification which may include, notice by mail, publication in electronic media, publication on a website of the Issuer, or publication in newspapers of national circulation in the United States and in a newspaper of general circulation in the Commonwealth of Puerto Rico.

(i) VOTING.—For each Pool, any Qualifying Modification may be proposed only by the Issuer and made, and future compliance therewith may be waived, with the

written consent of the Issuer and the affirmative vote or consent of holders of the right to vote the Outstanding Bonds of at least two-thirds of the aggregate Outstanding Principal amount of the Outstanding Bonds of all Bonds in the Pool.

(j) CALCULATION AGENT.—For the purpose of calculating the principal amount of the Bonds of any series eligible to participate in such a vote or consent solicitation and tabulating such votes or consents, the Territory Government Issuer may appoint a Calculation Agent for each Pool reasonably acceptable to the Administrative Supervisor.

(k) INFORMATION AGENT.—For the purpose of administering a vote of holders of Bonds, including the holders of the right to vote such Bonds, or seeking the consent of holder of Bonds, including the holders of the right to vote such Bonds, to a written action under this section, the Territory Government Issuer may appoint an Information Agent for each Pool reasonably acceptable to the Administrative Supervisor.

(l) BINDING EFFECT.—

(1) For each Pool, a Qualifying Modification will be conclusive and binding on all holders of the relevant series of Bonds or all holders of all series of Bonds whether or not they have given such con-

sent, and on all future holders of those Bonds whether or not notation of such Qualifying Modification is made upon the Bonds, if—

(A) the holders of the right to vote the Outstanding Bonds in such Pool pursuant to subsection (i) have consented to or approved the Qualifying Modification;

(B) each holder who has not consented to or approved the Qualifying Modification will receive or retain under the Qualifying Modification on account of their claims, property of a value, as of the effective date of the Qualifying Modification, that is not less than the amount that such holders would so receive or retain if there were no Qualifying Modification;

(C) the Administrative Supervisor certifies that—

(i) the voting requirements of this section have been satisfied;

(ii) the Qualifying Modification is—

(I) consistent with the applicable Fiscal Plan that has been certified under section 203; or

(II) if an applicable Fiscal Plan has not yet been certified by the Ad-

ministrative Supervisor, an appropriate Qualifying Modification, in the Administrative Supervisor's sole discretion; and

(iii) any conditions on the effectiveness of the Qualifying Modification have been satisfied or, in the Administrative Supervisor's sole discretion, satisfaction of such conditions has been waived by the Administrative Supervisor; and

(D) the United States District Court for the District of Puerto Rico has, after reviewing an application submitted to it by the applicable Issuer for an order approving the Qualifying Modification, entered an order that the requirements of this section have been satisfied.

(2) ~~The~~ Upon the entry of an order under paragraph (1)(C), the conclusive and binding Qualifying Modification shall satisfy, release, and discharge all Bond Claims affected by the Qualifying Modification, and shall be binding on any person or entity asserting claims or other rights, including a beneficial interest (directly or indirectly, as principal, agent, counterpart, subrogee, insurer or otherwise) in respect of Bonds subject to the Qualifying Modification, any

trustee, any collateral agent, any indenture trustee, any fiscal agent, and any bank that receives or holds funds related to such Bonds. The property that is the subject of the Qualifying Modification shall vest in the Issuer free and clear of all claims in respect of any Bonds of any Issuer.

(m) JUDICIAL REVIEW.—

(1) The United States District Court for the District of Puerto Rico shall have original and exclusive jurisdiction over civil actions arising under this section.

(2) Notwithstanding section [106(e)], there shall be a cause of action to challenge unlawful application of this section.

(3) The district court shall nullify a Modification and any effects on the rights of the holders of Bonds resulting from such Modification if and only if the district court determines that such Modification is manifestly inconsistent with this section.

(n) COMPLETION REQUIRED.—Prior to any certification pursuant to section 202 or the filing of any petition under title III, an offer for a Qualified Modification shall be made to each Pool established under subsection (d).

(o) [ ].—Nothing in this title shall effect the powers of the Oversight Board in titles I, II, and III.