

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 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;
- (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;
- (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; and
- (10) the privatization and commercialization of entities within the territorial government.

(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.

(Pub. L. 114-187, title II, §205, June 30, 2016, 130 Stat. 573.)

§ 2146. Oversight Board duties related to restructuring

(a) Requirements for restructuring certification

The Oversight Board, prior to issuing a restructuring certification regarding an entity (as such term is defined in section 101 of title 11), shall determine, in its sole discretion, that—

- (1) the entity has made good-faith efforts to reach a consensual restructuring with creditors;
- (2) the entity has—
 - (A) adopted procedures necessary to deliver timely audited financial statements; and
 - (B) made public draft financial statements and other information sufficient for any interested person to make an informed decision with respect to a possible restructuring;
- (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; and

(4)(A) no order approving a Qualifying Modification under section 2231 of this title has been entered with respect to such entity; or

(B) if an order approving a Qualifying Modification has been entered with respect to such entity, the entity is unable to make its debt payments notwithstanding the approved Qualifying Modification, in which case, all claims affected by the Qualifying Modification shall be subject to a subchapter III case.

(4)(A) no order approving a Qualifying Modification under section 2231 of this title has been entered with respect to such entity; or

(B) if an order approving a Qualifying Modification has been entered with respect to such entity, the entity is unable to make its debt payments notwithstanding the approved Qualifying Modification, in which case, all claims affected by the Qualifying Modification shall be subject to a subchapter III case.

(b) Issuance of restructuring certification

The issuance of a restructuring certification under this section requires a vote of no fewer than 5 members of the Oversight Board in the affirmative, which shall satisfy the requirement set forth in section 2162(2) of this title.

(Pub. L. 114-187, title II, §206, June 30, 2016, 130 Stat. 574.)

§ 2147. 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, re-