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1122 Ave. Ponce de León
San Juan, PR 00925

November 3, 2016

Mr. José B. Carrión, III
President
Puerto Rico Fiscal Oversight Board
San Juan, PR

Dear Mr. Carrión, III:

Title V of Promesa creates the figure of the Revitalization Coordinator. The Revitalization Coordinator will review public and private initiatives and will identify those that will improve Puerto Rico's infrastructure and promote economic growth as Critical Projects. Additionally, the RC will be in charge of the Interagency Environmental Sub-Committee. He or she will also have power over Puerto Rico's permitting Agencies to implement the Expedited Permitting Process for Critical Projects as authorized by Promesa. Lastly, the RC will be responsible for the Public Involvement process as part of the Critical Projects implementation.

According to the Law, "The Revitalization Coordinator (RC) shall be compensated at an annual rate determined by the Oversight Board sufficient in the judgment of the Oversight Board to obtain the services of a person 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 (ED)." It is clear from these compensation requirements that Congress considers the position of RC similar in nature to that of the ED. In other words, both positions serve at the pleasure of the Board, with the RV reporting to the ED. Furthermore, since the OB is a territorial government entity, it will also be a circumvent of Puerto Rico laws and regulations to appoint key figures of the entity through professional service contracts, either directly with the person or indirectly through a consulting firm. The only way to fully comply with both local and federal laws is for both positions to being direct employees of the Oversight Board (OB) and not outside contractors.

Placing the highly sensitive responsibilities of the RC in the hands of a "contractor" is a legal risk the OB should not take. The designation of a Revitalization Coordinator as you have stated publicly may be subsequently invalidated in court. Therefore, any decisions of the appointed person could be overturned due to fact that state or federal courts may decide that the appointment is contrary to the Promesa Act and local laws.

I urge you and the Oversight Board to refrain from making designations contrary to the Promesa Act and that might violate laws and regulations of local Ethics and Comptroller offices. Avoiding early missteps that might prove to be consequential in the future will be key to the Board's success and will make great strides in earning the necessary trust of the people of Puerto Rico.

Respectfully yours,



Carlos I. Pesquera, PhD, PE

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Puerto Rico Fiscal Oversight Board Members, Hon. Yesmín Valdivieso, Lcda. Zulma Rosario