

**FINANCIAL OVERSIGHT AND MANAGEMENT BOARD
FOR PUERTO RICO**



José B. Carrión III
Chair

Members

Andrew G. Biggs
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David A. Skeel, Jr.

Natalie Jaresko
Executive Director

BY ELECTRONIC MAIL

March 12, 2018

Mitchell McConnell, Jr.
The Majority Leader of the Senate
United States Capitol
Washington, DC 20515

Paul Ryan, Jr.
The Speaker of the House of Representatives
United States Capitol
Washington, DC 20515

Charles Schumer
The Minority Leader of the Senate
United States Capitol
Washington, DC 20515

Nancy Pelosi
The Democratic Leader of the House of Representatives
United States Capitol
Washington, DC 20515

Dear Mr. Majority Leader, Mr. Speaker, Mr. Minority Leader, and Ms. Democratic Leader:

Since its inception, the Financial Oversight and Management Board for Puerto Rico (“FOMB”) has worked with the Government of Puerto Rico to carry out its charge under PROMESA: to help Puerto Rico achieve fiscal balance, provide a path for its return to the capital markets, and restore economic growth and opportunity. Unfortunately, this work has proven to be extraordinarily expensive for the people of Puerto Rico. While we understand that complex restructuring proceedings are costly, and that the situation facing Puerto Rico guaranteed that it would be so, there is a structural factor at play that has made the costs excessive.

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Pursuant to Section 315(b) of PROMESA, the FOMB is the legal representative of any debtor in the Title III proceedings. To date, that has meant that the FOMB is the legal representative of the Commonwealth of Puerto Rico (the “Commonwealth”) and instrumentalities such as the Puerto Rico Electric Power Authority (“PREPA”) in court. Accordingly, the FOMB has retained counsel and other advisors for such representation.

However, the Commonwealth and its instrumentalities, including PREPA, have retained their own counsel and other advisors for the Title III proceedings, on the grounds that the Commonwealth and its instrumentalities often have divergent interests from those of the FOMB. While the Commonwealth and its instrumentalities are entitled to their own advisors, and the FOMB and the Government of Puerto Rico have strived to work cooperatively and collaboratively with such advisors, there has nonetheless been duplicative work as a result of this arrangement, which has led to additional costs.

We write to apprise Congress that as long as this structure remains in place, the FOMB endeavors to find more ways to work more efficiently with the Commonwealth’s and its instrumentalities’ advisors so as to minimize the amount of duplicative, unnecessary work and therefore reduce fees in the Title III proceedings. To underscore this commitment, we have also sent a letter to the Governor of Puerto Rico, urging him to cooperate with us in this endeavor.

Historically, the people of Puerto Rico have suffered from wasteful government spending. The FOMB is doing all that it can to avert such waste as the legal representative of the Commonwealth and its instrumentalities in the Title III proceedings so that the Commonwealth’s resources are spent on what matters most: providing for health, education, and safety and promoting economic development.

Sincerely,



José B. Carrión
Chair

Andrew G. Biggs
Carlos M. García
Arthur J. González
José R. González
Ana J. Matosantos
David A. Skeel, Jr.

CC: Hon. Ricardo A. Rosselló Nevares
Christian Sobrino Vega
Natalie A. Jaresko