

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



José B. Carrión III
Chair

VIA ELECTRONIC MAIL

February 7, 2017

Mr. Gustavo Vélez, President
Inteligencia Económica y Legislativa
PMB 124 San Claudio Ave. #382
San Juan, Puerto Rico 00926

Dear Mr. Vélez:

Thank you for your letter of February 1, 2017, in which you express concern with the expenses represented by recent professional service contracts entered into by the Puerto Rico Legislative Assembly.

The Financial Oversight and Management Board is currently focused on the goal of certifying a ten-year fiscal plan for Puerto Rico. Such fiscal plan will provide the Governor and the Legislative Assembly the framework by which they must abide when designing the government's annual budget, including the budget of the Legislative Assembly. PROMESA also authorizes the Board to adopt policies that would allow the Board to review government contracts to determine whether they are consistent with the fiscal plan.

The fiscal plan has not yet been adopted. Once adopted, the Board will monitor its implementation. In the meantime, the Board has provided guidance to the Government of Puerto Rico with respect to the magnitude of the fiscal adjustments that will need to be made. Given that under present conditions very significant reductions in government expenditures are inevitable, we believe that all government entities need to do the utmost to reduce expenses, including those relating to professional service contracts, as soon as possible and as much as possible.

Very truly yours,

Jose B. Carrión
Chair

Members

*Andrew G. Biggs
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Ramón Ruiz-Comas
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