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**To: The Oversight Board for Puerto Rico**

In response to your request for public comments on the draft Puerto Rico fiscal plan, I respectfully submit the following thoughts.

An old friend of mine who ran a publishing company was famous for returning manuscripts to hopeful authors with this note written at the top: "OK to revise."  This is my summary view of the draft plan for three reasons:

1. The recent elections in both Puerto Rico and the United States resulted in changing both administrations.  Presumably a new governor and new members of the U.S. Treasury Department will have different or additional positions to explore.
2. The draft plan entirely sidestepped the critical question of how to approach the debt restructuring obviously required.
3. The draft plan likewise sidestepped the essential questions about how to address the insolvent public-pension plans of Puerto Rico.

However, parts of the draft plan should, in my opinion, enter into final form and implementation as rapidly as practicable. These are the programs to improve budget controls, financial reporting, rationalization of expenditures, effectiveness of tax collections and, in general, all programs to promote stronger financial management and financial integrity.  It seem to me that these should be put into a separate plan document for individual and expedited consideration.

To these essential programs should, in my opinion, be added the creation of a chief financial officer for Puerto Rico, closely modeled on the very successful Office of the Chief Financial

Officer of Washington, D.C., which was one of the key reforms under its Financial Control Board in the 1990s.

It would be a pleasure to provide any other information which might be useful.

Yours respectfully,

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