

**GOVERNMENT OF PUERTO RICO  
LA FORTALEZA  
SAN JUAN, PUERTO RICO**

Administrative Bulletin No. OE-2017-65

**EXECUTIVE ORDER OF THE GOVERNOR OF PUERTO RICO, HON. RICARDO A.  
ROSSELLÓ NEVARES, TO CREATE THE CENTRAL RECOVERY AND  
RECONSTRUCTION OFFICE OF PUERTO RICO**

WHEREAS On September 19 and 20<sup>th</sup>, 2017, hurricane María made its way through Puerto Rico, becoming the most devastating atmospheric event in the last eighty (80) years, both for local infrastructure and for the provision of essential services to the people of Puerto Rico. Hurricane María impacted Puerto Rico just two (2) weeks after hurricane Irma hit the island.

WHEREAS: The Government of Puerto Rico is taking all necessary measures to safeguard the public order and protect the life, security and health of the people of Puerto Rico.

WHEREAS: Article 15 of Act No. 211-1999, as amended, known as the *Puerto Rico Emergency Management Agency Act* empowers the Governor of Puerto Rico to declare a state of emergency in the whole territory of Puerto Rico or a part thereof. Thus, on September 17, 2017, Executive Order No. 2017-047, Administrative Bulletin No. OE-2017-047 was issued declaring a state of emergency throughout Puerto Rico upon the imminent passing of hurricane María. Also, on September 28, 2017, Executive Order No. 2017-053, Administrative Bulletin No. OE-2017-053, was issued with the purpose of enabling and accelerating the recovery of Puerto Rico after the catastrophic atmospheric event.

WHEREAS: Article 6.10 of Act No. 20-2017, as amended, confers the power upon the Governor of Puerto Rico, after having declared a state of emergency, to give effect to such measures as may be necessary during the period of the emergency for the management of the same, to protect the safety, health and property of all residents of Puerto Rico. Said Article adopts into our current legal order the same powers that were conferred upon the Governor of Puerto Rico under Act No. 211-1999, as amended.

WHEREAS: Hurricane Maria represents a historic atmospheric event, whose consequent devastation and destruction have inflicted unparalleled damage to Puerto Rico, including its people, economy, infrastructure, natural resources and critical infrastructure.

WHEREAS: The recovery and reconstruction of Puerto Rico after the passage of hurricanes Irma and Maria will require an unprecedented amount of state, federal and private resources.

WHEREAS: It is essential that all resources available for such purposes be proactively identified, acquired, coordinated and assigned in a way that maximizes their impact and prevents inefficiencies and duplication of efforts.

WHEREAS: The importance and magnitude of this effort requires that a single government unit assume the responsibility of developing and implementing a strategic plan for the reconstruction of Puerto Rico in the short, medium and long term, in accordance with the vision of the Governor of Puerto Rico. This governmental unit must exercise its functions under the highest criteria of integrity and professional quality to guarantee the collaboration of all governmental entities, municipalities, private sector and community organizations.

WHEREAS: Hurricanes Irma and Maria passed through Puerto Rico at the same time that the island was experiencing the greatest financial and economic crisis in its modern history.

WHEREAS: To address the fiscal crisis, the Legislature of Puerto Rico approved Act No. 5-2017, as amended, known as the *Puerto Rico Financial Emergency and Fiscal Responsibility Act*, through which an "Emergency Period", as defined in such statute, was declared.

WHEREAS: Article 207(a) of Act No. 5-2017 states that "During the Emergency Period [...] the Governor shall exercise general supervisory control over the functions and activities of all government entities within the Executive Branch."

WHEREAS: Article 208(a) of Act No. 5-2017 states that "each government entity within the Executive Branch shall be under the supervision of the Governor



unless otherwise provided by the Constitution of Puerto Rico" and Article 208(d) of the aforementioned law authorizes the Governor to issue executive orders with binding effect on the officials, employees, agents, and contractors of a governmental entity within the Executive Branch. This article also provides that "[o]fficers of a government entity within the Executive Branch shall take and direct the action necessary and advisable to comply with an executive order issued under Section [208] applicable to the government entity."

WHEREAS: The Public Private Partnerships Authority (hereinafter, the "P3 Authority") is a public corporation of the Government of Puerto Rico created by virtue of Act No. 29-2009, as amended, known as the *Public Private Partnerships Act*. The P3 Authority is adscribed to the Puerto Rico Fiscal Agency and Financial Advisory Authority (hereinafter "FAFAA"), created by virtue of Act No. 2-2017, known as the *Puerto Rico Fiscal Agency and Financial Advisory Authority Act*.

WHEREAS: Pursuant to Articles 3 and 6 of Act 29-2009, the P3 Authority is the only governmental entity authorized and responsible for implementing the public policy of the Government of Puerto Rico with regards to the "establishment of Public-Private Partnerships for the creation of Priority Projects, and among other things, to further the development and maintenance of infrastructure facilities, to apportion between the Government and the Contractor the risk involved in the development, operation or maintenance of such Projects, to improve the services rendered and the functions of the Government, to foster the creation of jobs, and to promote the socio- economic development and the competitiveness of Puerto Rico."

WHEREAS: Additionally, the P3 Authority is authorized to grant "Assistance Contracts," as such term is defined under Act No. 29-2009, with any "Governmental Entity," as such term is defined under the Act No. 29-2009, by means of which the P3 Authority may provide financial, administrative,

advisory, technical, or other assistance for the execution of any capital work and/or development of facilities of substantial public interest.

WHEREAS: Subsection (b)(xii) of Article 6 of Act No. 29-2009 authorizes the P3 Authority to execute or cause the construction, rehabilitation, repair, preservation, replacement, extension, improvement, renovation, supply, maintenance and operation of any infrastructure or property, as well as to make partial or total payment of the costs of the above from the funds of the P3 Authority available for such purposes.

WHEREAS: The P3 Authority is empowered under subsection (b)(xiii) of Article 6 of Act No. 29-2009 to "[r]eceive and administer any gift, grant, loan or donation of any property or money including but without being limited to those made by the Government of Puerto Rico and the federal government or any agency or instrumentality thereof to the [P3 Authority] or for an [infrastructure project], and lend or expend the proceeds thereof for any of its corporate purposes and comply with all such conditions and requirements with respect thereto, and to take all steps to meet those conditions and otherwise exercise such powers as may be needed to obtain such benefits for the Government of Puerto Rico."

WHEREAS: The P3 Authority is also empowered under subsections (b)(xiv) and (b)(xv) of Article 6 of Act No. 29-2009 to "[i]nvest its funds, as authorized by resolution of the Board [of Directors], subject to any restrictions in trust agreements..." and "[t]o use the funds generated by the [P3 Authority] to finance the construction, rehabilitation, purchase, repair, conservation and replacement of necessary or beneficial properties or infrastructure [...] and to provide or otherwise offer funds to an [infrastructure project]."

WHEREAS: The enabling act of the P3 Authority confers it complete control and dominion over its properties, broad rights and powers to carry out its purposes, and the administrative and legal flexibility necessary to lead the efforts and activities of the Government of Puerto Rico and its Government Entities directed to the recovery and reconstruction of Puerto



Rico following the passage of hurricanes Irma and María (hereinafter "Recovery").

THEREFORE: I, RICARDO A. ROSSELLÓ NEVARES, Governor of Puerto Rico, by virtue of the authority vested in me by the Constitution and the Laws of Puerto Rico, hereby declare and order the following:

SECTION 1: The creation of the Central Recovery and Reconstruction Office of Puerto Rico (hereinafter, the "CRRO") is authorized and ordered as a division within the P3 Authority. The CRRO is created for the purpose of (a) identifying, procuring and administering all state, federal and/or private resources available to the Government of Puerto Rico or any Governmental Entity to invest in the Recovery; (b) coordinating and channeling all the efforts and activities of the Government of Puerto Rico and its Governmental Entities related to the Recovery; (c) financing, executing, or effecting works and infrastructure projects related to Recovery; and (d) advising the Governor of Puerto Rico and providing technical assistance and advice to other Governmental Entities regarding any matter related to Recovery. The CRRO will carry out its purposes in such a way as to ensure the most efficient and effective use of the resources available for Recovery and to minimize the duplication of Recovery work between Governmental Entities.

SECTION 2: The CRRO shall exercise the following powers to carry out its purposes, consistent with the rights and powers granted to the P3 Authority under Act No. 29-2009 or any other applicable law:

- A. Develop and promote short, medium and long-term recovery plans, which will consider all resources, including federal and state programs and resources, as well as private sector investment.
- B. Propose and promote the implementation of special programs dedicated to Recovery, which will be funded by state or federal funds or funds from any other source.
- C. Identify and procure funds and resources available for Recovery, as well as innovative alternatives to adequately fund the Recovery process. The

CRRO will receive and manage all funds and resources made available to the Government of Puerto Rico to deal with the Recovery. In addition, the CRRO will determine priorities and adopt guidelines for the use and disbursement of such funds and resources to other Government Entities.

- D. Establish priorities and plans for the coordination and allocation of resources in matters related to Recovery.
- E. Coordinate with Government Entities and community organizations for the development of local and regional Recovery plans.
- F. Ensure that all contracts and instruments (including Assistance Contracts) necessary for the exercise of the powers established in this Executive Order are entered with any Governmental Entity, federal government entity, and/or any other person or private entity.
- G. Approve any policy or regulation related to Recovery which, unless otherwise provided, will be applicable to all Governmental Entities that are part of Recovery efforts.
- H. Consistent with Act No. 29-2009, frame, adopt, amend, and repeal (a) regulations to: (i) carry out Recovery activities on behalf of CRRO and other Governmental Entities, (ii) administer resources and programs related to the Recovery, and (iii) conduct its administrative affairs, and (b) those rules, rules and regulations that are necessary or pertinent to exercise and fulfill the purposes, functions and duties of the CRRO according to this Executive Order or any other requirement under federal or state laws or regulations.
- I. Frame, adopt, amend, and repeal a calendar of reports for the Governor of Puerto Rico and the Legislature detailing the activities of the CRRO and the progress of the Recovery.
- J. Consistent with Act No. 29-2009, frame, adopt, amend, and repeal audit and compliance policies to ensure the use of best practices and appropriate processes in the management of any resource or fund received, spent or disbursed by CRRO through the P3 Authority.



- K. Develop and implement robust ethics and compliance and audit programs that guarantee the independence of said functions and their personnel, that report directly to an audit and resolution committee external to the CRRO and the P3 Authority, and that serves as direct liaison with other entities responsible for the oversight over the administration of local and federal public funds and resources.
- L. Develop, present, initiate, carry out or continue any proposal, action plan, request, claim, application or other method (hereinafter a "Proposal" or "Proposals") used to request the allocation of funds and resources for the Recovery under any state, federal, or private program. The CRRO will develop, present and manage any Proposal of the Government of Puerto Rico and other Government Entities related to the Recovery. Any Government Entity, including any public corporation or any of the seventy-eight (78) Municipalities of Puerto Rico, that wishes to develop its own Proposal, will have to submit such Proposal to the CRRO for evaluation and approval prior to its formal submission to the competent authority. The P3 Authority, through the CRRO, shall be the exclusive grantee, administrator, or other analogous designation, of all federal funds program available to address the Recovery, including, without limitation, the programs commonly known as FEMA Public Assistance, FEMA Hazard Mitigation Grant Program, HUD Community Development Block Grant Program, HHS Social Services Block Grant Program, DoT, FHA, FTA, FAA Grant Programs, Department of the Interior Grant Programs, USDA Emergency Conservation Program, USDA Emergency Watershed Protection Program, USDA Emergency Forest Restoration Program, among others. The CRRO shall have the discretion to determine which, or recommend to the Governor the designation of, other Governmental Entity shall be the grantee, subgrantee, administrator, sub-administrator, or other analogous designation, of any federal funds program due to subject matter or administrative expertise or due to any federal or local

statutory or regulatory requirement. In such cases, the CRRO shall provide oversight of the administration of the program.

- M. Frame, adopt, amend and repeal clear and effective processes for the implementation of the Proposals that are approved, including, but not limited to, the processes for the preparation and review of Proposals, financial and fiscal administration of Proposals, presentation of reports, compliance monitoring, technical support, and all necessary support for the management and compliance with any state or federal requirements.
- N. Coordinate and collaborate with the "State Coordinating Officer (SCO)" and the "Governor's Authorized Representative (GAR)," as both terms are defined in Act No. 20-2017 and applicable federal laws and regulations, to assist them in carrying out their respective responsibilities and to avoid duplicity of efforts. The CRRO will be responsible for incorporating in its administrative processes the participation of the SCO, the GAR, or any other public official whose intervention is required according to the applicable federal or state law or regulation.
- O. Exercise the rights and powers conferred on the P3 Authority under Act No. 29-2009 that are not incompatible with this Executive Order.
- P. Take any action or measure necessary or convenient to carry out the purposes and powers conferred on the CRRO by this Executive Order and which are not incompatible with the rights and powers conferred on the P3 Authority under Act No. 29-2009 or by any other law of the Legislature of Puerto Rico.

SECTION 3: The CRRO may request the Governor of Puerto Rico or the Executive Director of the FAFAA to exercise in relation to any Governmental Entity their respective powers under Act No. 2-2017 and Act No. 5-2017 in cases where the CRRO considers it necessary for the sound administration of the resources and programs managed by the CRRO or to advance the Recovery work.

SECTION 4: The Governor shall appoint the Director of the CRRO.



SECTION 5: The Board of Directors of the P3 Authority and the Executive Director of the P3 Authority are ordered to draft and approve within the next 30 calendar days any resolution, regulation, administrative order, or other document or instrument necessary to formalize the creation of the CRRO as a division of the P3 Authority, according to the provisions of Act No. 29-2009. The Board of Directors of the P3 Authority and the Executive Director of the P3 Authority shall ensure that the CRRO has the necessary resources to exercise the powers and fulfill the purposes expressed in this Executive Order.

SECTION 6: The Director of the Office of Management and Budget (hereinafter, "OMB") is instructed to carry out within the next 30 calendar days all the budgetary actions necessary to allocate and transfer to the P3 Authority those funds necessary to cover expenses related to the opening and start-up of the CRRO. The P3 Authority shall provide OMB a budget and plan detailing the use of such funds before the allocation and transfer of funds is completed.

SECTION 7: This Executive Order shall render ineffective any other executive order which is incompatible with it in whole or in part, to the extent of such incompatibility.

 SECTION 8: DEFINITION OF TERMS:

(a) "GOVERNMENTAL ENTITY". The term "governmental entity," as defined under Act No. 29-2009, refers to any department, agency, board, commission, body, bureau, office, municipal entity, public corporation or instrumentality of the Executive Branch, as well as of the Judicial Branch and the Legislative Branch of the Commonwealth of Puerto Rico, whether existing or to be created in the future, as such term is defined in Act No. 29-2009.

(b) "MUNICIPALITY". The term "municipality", as used in this Executive Order, refers to all municipal jurisdictions and their respective instrumentalities, offices, or dependencies, including any public or municipal corporations and municipal consortia, regardless of their name.

SECTION 9: VALIDITY. This Executive Order shall come into force immediately and shall remain in force until it is amended or revoked by a subsequent Executive Order or by provision of law.

SECTION 10: NON-CREATION OF ENFORCEABLE RIGHTS. This Executive Order is not aimed at creating substantive or procedural rights enforceable before judicial, administrative or any other forum, in favor of third parties against the Government of Puerto Rico or its agencies, officers, employees or any other person.


SECTION 11: PUBLICATION. This Executive Order must be filed immediately with the Department of State and the widest possible publication is hereby ordered.

IN TESTIMONY WHEREOF, I have hereunto set my hand and caused the Great Seal of the Government of Puerto Rico to be affixed, in San Juan, Puerto Rico, on this 23<sup>rd</sup> day of October of 2017.



  
RICARDO ROSSELLÓ NEVARES  
GOVERNOR

Enacted in accordance with the law, on this 23<sup>rd</sup> day of October of 2017.

  
LUIS G. RIVERA MARÍN  
SECRETARY OF STATE

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