
Puerto Rico's Fiscal Affairs Will Be Overseen by 7 Experts in Finance and Law.

The White House said it had chosen seven experts in finance and the law to supervise Puerto Rico's fiscal affairs in the coming months under a law enacted this summer intended to help the island restructure its $72 billion debt.

Four of the supervisory board members are Republicans and three are Democrats, chosen from lists provided to the White House by the party leaders of both houses of Congress. And four of the members are Puerto Ricans, which is three more than required under the new debt-restructuring law.

The Republicans named to the board are:

■ Andrew G. Biggs, a resident scholar at the American Enterprise Institute.

■ José B. Carrión III, president of Hub International, an insurance brokerage in Puerto Rico.

■ Carlos M. García, founder and chief executive of BayBoston Managers, a private equity firm.

■ David A. Skeel Jr., a University of Pennsylvania law professor with expertise in bankruptcy.

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The Democrats are:

■ Arthur J. Gonzalez, a senior fellow at the New York University School of Law and a former chief judge of the United States Bankruptcy Court for the Southern District of New York.

■ José Ramon González, president and chief executive of the Federal Home Loan Bank of New York.

■ Ana J. Matosantos, president of Matosantos Consulting and a former director of the California Department of Finance.

In addition, the governor of Puerto Rico, Alejandro García Padilla, will hold a position on the board. He is not seeking a second term as governor, so whoever is elected to succeed him in November will take his seat on the board.

"These officials have the breadth and depth of knowledge that is needed to tackle this complex challenge," President Obama said in a statement on Wednesday.

The board was created as part of a new legal framework to shelter Puerto Rico from creditor lawsuits while it seeks to reduce its debt as its financial crisis intensifies. The law was necessary because federal law prohibits Puerto Rico from entering bankruptcy, which is what mainland cities and counties could do in similarly dire straits. It gives the island some restructuring powers normally available only in bankruptcy, but it also requires it to submit to federal oversight. The board is intended to remain in place until Puerto Rico regains the ability to raise money in the capital markets, which could take years.

On the island, public opinion about federal oversight has been mixed, and protesters turned out in San Juan on Wednesday to call for repeal of the new law. Many Puerto Ricans resent Washington oversight, and see the board as an unwelcome vestige of colonialism. But at the same time, many Puerto Ricans have lost faith in their own elected officials, and they harbor some hope that the oversight board will help show the way out of the legal and financial maze in which they are lost.

Mr. Obama acknowledged their hopes and misgivings on Wednesday, saying that for the board to succeed, it “will need to establish an open process for working with the people and government of Puerto Rico.” He said the members would also “have to work collaboratively to build consensus for their decisions.”

Senior administration officials said the board’s first substantive task would be to review the multiyear fiscal plan that Governor García Padilla’s administration is preparing, make sure it meets all requirements under the law and propose revisions as needed. Ultimately the board must certify the soundness of the fiscal plan, which is to be the bedrock of Puerto Rico’s debt restructuring and other important measures to revive its economy.

“Time is of the essence,” Secretary Jacob J. Lew of the Treasury said in a statement on Wednesday. “The Puerto Rico government should bring together all of its resources to develop and submit a plan to the Oversight Board as soon as possible.”

Unsound fiscal policies in the past have contributed greatly to Puerto Rico’s oversize debt. The government failed for many years to balance its budget, and borrowed money to plug the holes. Even as its creditworthiness crumbled, it could still borrow with ease by issuing municipal bonds. As a United States territory, it could offer interest on the bonds that was exempt from federal, state and local taxes, in all 50 states.

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