

# CARIBBEAN BUSINESS

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THURSDAY, MAY 17, 2007

WEEKLY \$2.00

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## Survival of the fittest

Auto dealerships throughout the island are being bought out, merged, moved or outright shut down, as the local auto industry tries to adjust to the drastic downturn in new car sales and the local economy in general.



### Special Coverage

**Hernández Denton unveils five-year strategic plan**



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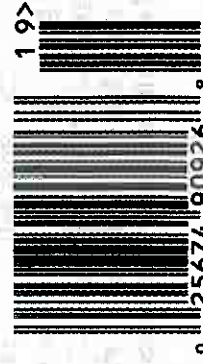
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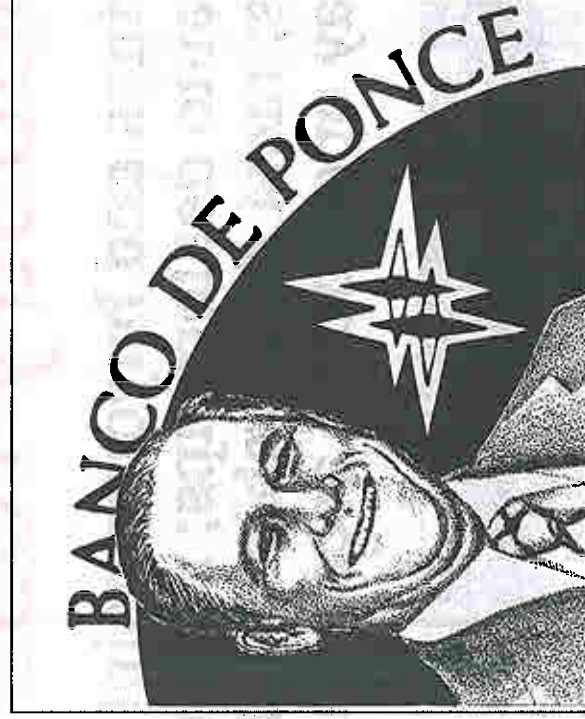
# This week in CB history

BY MARTHA DREYER DUPERRAY  
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**A**fter two years as a newsletter, **CARIBBEAN BUSINESS** made its debut as a monthly newspaper in August 1975. Following is what was making news exactly 31 years ago in May 1976.

**Shopping Center Set for Ponce:** JC Penney will be among some 85 stores setting up operations at the proposed Plaza del Caribe Shopping Center in Ponce. Located on about 65 acres of land along the Ponce bypass it will have some 700,000 square feet of space and parking for at least 4,000 cars. Developer for the center, the largest ever built outside San Juan, is Sabari Estates of Ponce, whose president is Francisco Sánchez Arán, and architects are Passalacqua & Co.

**Profile/Roberto de Jesús Toro:** Although president of Puerto Rico's third-largest bank—Banco de Ponce—for 17 years, he is still in love with his profession. He served under three governors in creating Puerto Rico's financial



base and was the island's second Budget Bureau director. He considers that in today's Puerto Rico 60%-70% of our families are better off than they were three years ago thanks to Food Stamps which have become the number one factor in Puerto Rican life.

**Raúl Joins Agency/New Accounts for Lopito:** Comedian, satirist, composer and singer Raúl González has joined Martí Flores Prieto Marquina & Cuchí Inc. as associate creative director. In his new position he will be dealing with accounts including González Padín, Uni-Coop Supermarkets, Humberto Vidal and others. And Lopito Ileana & Howie Inc. recently hit the jackpot by acquiring the \$100,000 Hull Dobbs 65th Infantry and Kennedy Avenue accounts. Also in the past month the agency acquired the \$80,000 Diane-K hair products account and continues handling Chase Manhattan, La Favorita, Avon, Plaza Provision and Coronet Tissue.

*Roberto de Jesús is still very much on the scene advising businesses and sitting on various boards. Raúl González unfortunately passed away at a very young age as did Lopito. But both agencies have continued to flourish through the decades. And we needn't even mention Plaza del Caribe and its long-term success. ■*

## CARIBBEAN BUSINESS

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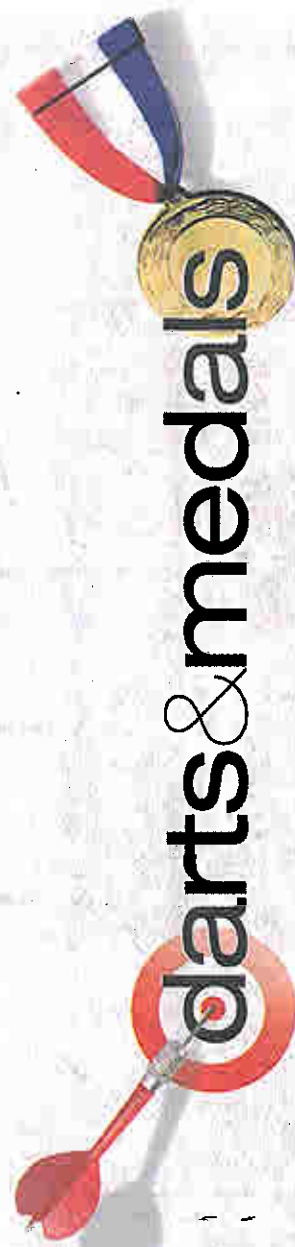
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A proposal by the Puerto Rico Department of Natural and Environmental Resources (DNER) to designate 350 acres of developable and already-impacted land as a natural critical habitat for the Coquí Llanero could actually further imperil the fate of the recently discovered endangered amphibian as it would prevent environmental remediation and demolition of existing facilities containing asbestos and lead-based paint, plus cleanup of two superfund sites in the former navy base. Recently the DNER proposed to designate the 350 acres of developable and already-impacted area on the east side of the base as a natural critical habitat and buffer zone for the Coquí Llanero, although recent research by Dr. Rafael Joglar indicates the Coquí Llanero does not live in the south tract.



Chief Justice Hernández Denton is putting Puerto Rico's prestigious, yet inefficient judicial branch in a time machine. He wants to propel it from the 16th century archaic manual mode in which it operates today to the 21st century in only a few years. This technological transformation—with a price tag of \$15 million over the next three years—will bring the system up to par with the best judicial systems in the U.S. To ensure the technology transformation is completed with a renewed sense of purpose and long-term direction, Hernández Denton will unveil shortly a new five-year strategic plan (2007-2011) for the judicial branch that will establish the first time benchmarks of accountability throughout the system. It is starting to sound like some much-needed private sector management best practices finally made it to the top desk of our top court. Kudos! ■

# Hernández Denton unveils five-year strategic plan

## \$15 million technology overhaul to bring Judicial Branch into 21st century; local judicial system model for other Latin countries

BY FRANCES RYAN  
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“Slow justice is not justice,” said Federico Hernández Denton, chief justice of the Puerto Rico Supreme Court, as he prepares to take Puerto Rico’s prestigious, yet inefficient Judicial Branch, practically from its 16th century archaic manual mode into the present in only a few years.

Easier said than done, says the popular adage. But that’s not going to stop Hernández Denton from seeking support from the Legislature to complete what he deems “a necessary upgrade of the entire judicial system to preserve the most fundamental institution of our democratic way of life.”

Chief Justice Hernández Denton shared with **CARIBBEAN BUSINESS** some of the current efforts in place to automate judicial processes and services as well as his proposed complete technology overhaul of the Judicial Branch. This technological transformation—with a price tag of \$15 million over the next three years—will bring the system up to par with the best judicial systems in the States. To ensure the technology transformation is completed with a renewed sense of purpose and long-term direction, Hernández



*Supreme Court Chief Justice Federico Hernández Denton unveils a five-year strategic plan and a \$15 million technology overhaul for the Judicial Branch.*

Denton will unveil shortly a new five-year strategic plan (2007-2011) for the Judicial Branch that will establish for the first time benchmarks of accountability throughout the system.

The task in itself is paramount, the challenges just as daunting. They range from the government’s tight

fiscal situation, which limits budget assignments, to an even greater internal challenge as he tries to transform the institutional mentality of an antiquated system that has remained behind the times and whose procedural lateness often doesn’t do justice to those who need it most.

Yet, despite the obstacles, Hernández Denton has several things going for him, foremost among them a superb team at all levels from the lower courts to the Supreme Court.

That team has helped him achieve a respectable record despite the circumstances. The total number of resolved cases in 2006 totaled 380,712, up 4% from the year before, this at a time when the system has 18 vacancies out of a total of 382 bench jobs in the system. The Puerto Rico Supreme Court alone increased the total number of cases resolved by more than 17% from 1,293 in 2005 to 1,523 in 2006.

“Financially speaking, a slow justice system is simply more expensive. We need to take a pragmatic approach in transforming our judicial system. Most, if not all, of the proposed measures—like technological upgrade, for example—have long been implemented in the private sector, but to the judicial system, they will represent a significant breakthrough,” said Hernández Den-

ton, referring to the application of technology to simplify and expedite the system’s overall functions from the simplest of tasks to documenting the judges’ latest rulings in real time. “The thoughtful implementation of technology will also make the overall judicial system more accessible to people and that, by definition, is what democracy is all about,” said Hernández Denton.

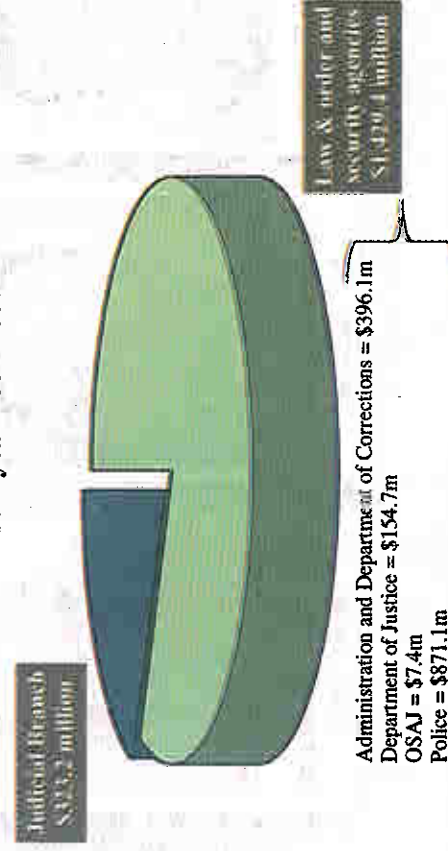
### TECHNOLOGY IMPROVES JUDICIAL SYSTEM’S EFFICIENCY IN 2006

Last year marked an important first step in the initiative to automate the system. Efforts included the launching of the new Integrated Electronic Library System (SEBI by its Spanish acronym), which provides judges and judicial staff with direct access to conduct legal research, including the latest court rulings. Another project that is already expediting the judicial system while also reducing operational expense is For the Record, an automated system which replaces the previous reel-to-reel with modern CD technology.

Also last year a comprehensive system re-engineering was completed, enabling regional judicial centers throughout the island to leverage their workload in a more efficient manner. Re-engineering

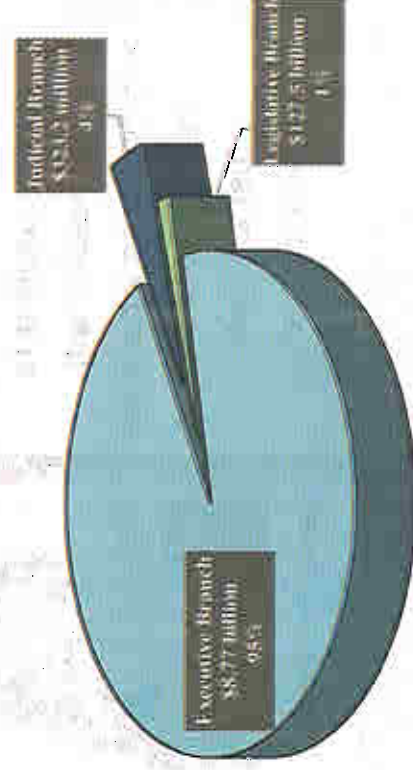
### Budget Assigned to Law & Order Agencies vs. Judicial Branch Budget

Fiscal year 2007-2008



### General Fund Budget Distribution

Fiscal Year 2007-2008  
Total general fund: \$9,227 million



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was completed in the Fajardo, Humacao, Mayagüez, Caguas, Ponce and Arecibo regions enabling their administrative staff to share a common information platform on cases by topics from civil, criminal and minors and family courts among others.

"This has been a very interesting exercise," noted Hernández Denton. "This will not only help keep better track of cases by topics but also expedite the deliberation process throughout the system. In areas like domestic violence, this could make a big difference in a person's life."

Perhaps one of the most exciting new tools available within the judicial system is e-filing which enables judges and lawyers to file, review, access and retrieve every single legal document filed electronically in the comfort of their own offices. This translates into hours of time saved on research and trying to chase papers through the system. "Collectively, the benefits of this tool will be tremendous, also by helping keep track and providing the necessary database to meet and review our productivity benchmarks on an ongoing basis," explained Hernández Denton, adding this will indeed require a change of mentality from the somewhat isolated manual system where judges pretty much kept tabs on their own court work. "Now, we have not only the ability but the collective responsibility to improve our delivery and efficiency ratios."

Almost by default, e-filing will help create a much needed system database that will generate the first on-line registry of lawyers in Puerto Rico "that will enable us not only to keep track of them but to improve our ongoing communications with one another, which was long overdue," said Hernández Denton.

"Making the system more accessible to the people is another area we have paid a lot of attention to as people should have access to justice when they need it," said the chief justice. Teletribunales, the system's telephone information line for island residents and the community centers, are two of several community outreach and information initiatives already in place.

"Something as simple as keeping track of our case workload was getting in the way of doing our job. The new Consortium of Investigative

Courts (*Consortios de Salas de Investigaciones*) was created to ensure an equitable and efficient distribution of cases throughout the system based on different variables from geographic proximity to relevant topics and the existing workload of each court. This will enable cases to keep flowing. A distribution calendar is issued weekly for better tracking," he explained.

**\$15 MILLION CAN MAKE**

**A DIFFERENCE**

At \$323.2 million, the Judicial Branch budget represents only 4% of the central government's total budget, compared with the nearly \$9 billion, or 95% that go to the Executive branch and the mere \$127.5 million, or 1% that go to the Legislative branch. So, when the Judicial branch seeks support from the other two branches to finalize this technological overhaul they not only have the productivity numbers to make the case but early results from some of the recent technological efforts to demonstrate management is putting its assigned budget to work.

There are several bills pending in the House of Representatives aimed at securing the \$15 million over the next three years that the Judicial branch will need to bring Puerto Rico's judicial system into the 21st century. What exactly will the money be used for?

For starters, the system's archaic equipment needs to be migrated to a new operational platform that will permit all areas of the system to speak to each other online and in an efficient manner. But to complete the migration, there must be acquisition of new computer systems and multifunctional equipment that can not only handle the existing workload but be flexible enough to accommodate projected growth. "Here we are paying attention not only to what we acquire but how we go about it by looking into leasing options that enable us to maintain the latest available technology without having to maintain an enormous technology department or staff or the repair and maintenance structure a huge system demands," noted Hernández Denton.

Redundancy systems will practically eliminate paper shuffling and transit time between transactions complemented by new switchboard systems and a unified case management system. "Overall, the idea is that every single legal action and

Projects	Annual cost	Estimated total investment throughout the contract duration	Comment
System migration to a different platform	\$1,004,467	\$3,073,402	Includes a 36-month H/P contract and servers replacement. Also includes financing of \$984,991 with federal funds
Project to acquire and replace computers & multifunctional equipment through leasing agreements	\$4,852,158	-	Includes estimated annual lease cost of \$2,265,449 for 4,564 computers
Operation and maintenance of judicial branch's communications network	\$2,868,000	-	Evertec contract
Redundancy of information systems	\$375,000	\$1,595,300	50-month Evertec contract for high availability, email & internet access services
Switchboard Systems	\$231,154	-	Evertec contract for switchboard systems
ODIN modernization and a unique registry of cases	\$1,225,800	-	\$325,000 and \$400,000 contracts with technology partners
Unified case management system	\$1,200,000	\$1,500,000	Proposal for 15 months
<b>Total</b>	<b>\$11,558,179</b>		

transaction could be documented, protected, referred to, retrieved and saved electronically. As we also aim at serving our citizens better, this is also an important step in the right direction by making our judicial system available to those who need it most," he said.

Puerto Rico's Evertec, the back office and processing division of Popular, Inc. will be the main company, and one of several, behind the judicial system's technological overhaul.

**PLANNING FOR THE FUTURE TODAY**

"Advanced planning is another area in which the private sector has excelled, but not government. However, today's changing market conditions, increasing demands, shrinking budgets and even globalization force us to look at the way we provide our judicial services in a different light. It is no longer enough that we do our job we now have to do it with a greater sense of purpose and accountability every step of the way," Hernández Denton continued.

Hernández Denton's new five year strategic plan for the Judiciary is anchored in five strategic imperatives: a) to strengthen judicial independence, b) to improve the administration of the judicial system,

c) to guarantee access to justice, d) to develop the competency level and capabilities of the Judicial branch's human resources and e) to promote the strengthening of the judicial system and its support structures.

**A MODEL OF JUSTICE**

Despite its many imperfections, Puerto Rico's judicial system is highly regarded around the world as a model of justice in a modern democracy. And while new technology will bring the system up-to-date with today's changing demands, other U.S. jurisdictions and Latin American countries look at Puerto Rico to improve their own court systems.

Some examples of model justice include collaboration with Honduras, Guatemala and the Dominican Republic in their preparation of criminal codes and new mediation centers. Puerto Rico's Judicial is represented in major international legal forums, as in the case of the Ibero-American Summit of Chief Court Justices, the National Conference of Bar Examiners and an ongoing collaboration with the Ameritas Judicial Center Studies.

Also, our local courts have been an important training ground for judges in Ecuador, Colombia, Perú, El Salvador, Costa Rica and the Dominican Republic. ■