



GOVERNMENT OF PUERTO RICO
OFFICE OF THE GOVERNOR

Oral Statement
Hon. Pedro R. Pierluisi
Governor of Puerto Rico
House Committee on Natural Resources
Hearing on "Build Back Better and the Territories."
March 24, 2021

Chairman Grijalva, Ranking Member Westerman, and members of the Committee:

Thank you for the opportunity to testify before you today. My constituents, the 3.1 million American citizens in Puerto Rico, have endured multiple natural disasters, a governance disruption, and the struggles related to the COVID-19 pandemic.

All of these factors have added to an already complex environment, including the creation and operation of the Financial Oversight and Management Board to improve Puerto Rico's fiscal situation and restructure its public debt. Even with the significant disruptions caused by all of these events, we have made considerable progress.

On the debt restructuring front, Puerto Rico has successfully restructured the financial obligations of several of its instrumentalities, and the Oversight Board recently put forth a Plan of Adjustment to restructure the largest portion of our government's bonded debt, which my administration supports, except for the proposed cuts to public pensions.

Ending the bankruptcy process will allow the Island to set our path forward to progress.

Our government has met important milestones towards fiscal responsibility, including a significant reduction of expenses, increased cash balances, a PayGo system to honor pension obligations, agency consolidations, and increased transparency on the use of public funds.

All that work has been done while still reeling from the hurricanes, earthquakes, a global pandemic, and a bureaucratic maze to access federal funding.

But there is new hope. The Biden Administration has pledged assistance in Puerto Rico's reconstruction, economic development initiatives, support for families, relief from unsustainable debt, and expansion of education and workforce development.

Moreover, my Administration has worked closely with the White House and federal agencies to ensure that federal funding is deployed efficiently and in full compliance with appropriate laws and regulations. We are currently working with FEMA and HUD to remove onerous restrictions imposed on Puerto Rico that limit access to federal recovery funds.

A cornerstone of President Biden's economic plan is an infrastructure package to rebuild our Nation. Since Puerto Rico's infrastructure has endured years of limited investment, we need to work together with Congress and the Administration to ensure that Puerto Rico's critical infrastructure, including our electric grid and power generation structure, is rebuilt in ways that increase our capacity and resiliency to withstand any future natural disasters.



I would like to thank the Members of Congress who advocated for the enactment of the American Rescue Plan. The Plan includes provisions that will significantly benefit Puerto Rico, such as our full inclusion in the Child Tax Credit program and considerable funding for our local Earned Income Tax Credit program.

In addition, the Biden/Harris Administration has pledged support to improve access to affordable, quality health care. Without permanent federal funding of Puerto Rico's Medicaid program, we will not be able to provide adequate healthcare to our citizens falling below the federal poverty level.

I look forward to working with Congress to meet the health care needs of vulnerable U.S. citizens in Puerto Rico.

Furthermore, I join the members of this Committee who have called for the U.S. Department of Justice to stop defending the disparate treatment that the American citizens of Puerto Rico receive in the Supplemental Security Income program, as well as other federal programs.

In his Build Back Better plan, President Biden recognized that to assure Puerto Rico's future, we must reduce our unsustainable debt burden. PROMESA aimed to address this crisis but when it was enacted, no one envisioned two devastating hurricanes, earthquakes, and a once-in-a-century pandemic.

In light of these current conditions and the advances in fiscal responsibility and management improvements still underway, the Oversight Board needs a meaningful shift in approach. Significant headcount reductions, severe funding cuts, and budgetary constraints have delayed reform implementations and added unnecessary bureaucracy.

The Oversight Board should concentrate on assisting the Government on the adoption of accounting best practices, fiscal responsibility measures, and increased transparency, while respecting the authority of Puerto Rico's elected leaders to govern and establish public policy.

However, moving forward is not possible without addressing the issue of Puerto Rico's political status. Even if we were given state-like treatment in all federal programs, it would still fall short. The American citizens of Puerto Rico deserve equal political rights as well, representation in Congress and the right to vote for our President and Vice President.

This past November 3, a clear majority of Puerto Rico's voters declared, in no uncertain terms, that they want equality and no longer consent to being second class citizens. To ignore the plebiscite results is undemocratic and un-American. This is not the time for Congress to impose on Puerto Rico a convoluted status resolution process. I respect those who advocate for other status options, but the Puerto Rican people made a clear choice expressing that statehood is their preferred path forward. So it is Congress's responsibility to respond to that vote.

For those of us who believe in equality, we cannot consent to discrimination and unequal treatment. It is up to Congress now to show the world that the democratic principle of equality professed by our Nation applies to all American citizens. Puerto Ricans have earned it and we will fight for it until we achieve it.

