

Forum on Puerto Rico's Ongoing Financial and Crises

Welcome and Introduction

Good Afternoon. My name is Mairym Ramos from the Service Employees International Union. SEIU represents 28,000 workers in Puerto Rico. I will like to welcome Members of Congress, those testifying today and the audience to this panel on the crises in Puerto Rico.

Yesterday more than 50,000 Puerto Ricans took to the streets to express frustration over austerity, not 2 or 3 years of austerity, but 10 years of austerity. In the last two months they have seen even more cuts to labor benefits, possible dismantling of the health care system, the potential loss of accreditation of our flagship university for lack of funding, and a public health crisis with the Zika virus. Little kids now have to travel over an hour to get to school because their local schools have closed. The U.S. has sent a fiscal board to fix this situation, and in reality, the Board has had the effect of taking Puerto Rico back to the 1930's, when strikes and unrest rocked a small island ruled by a U.S. General.

Luckily, we have people here in DC who do not want a repeat of the 1930's, like ranking member Raul Grijalva. He is providing in this panel the opportunity to hear first hand the relentless austerity measures, the Government of PR ongoing debt negotiations and the need to safeguard accrued pension benefits. Also, we are going to hear about the cause of the human crisis, and the response of local politicians to these "crises". I use the plural because it is easy to focus on the debt, on that one big number, but there are millions of people whose lives will be affected by those numbers that have faces, names, families. Included in those numbers are members of my family who live in Puerto Rico and live through these "crises"/ plural every day. You can hear for yourselves what the real costs of austerity look like, and how it can impact real human beings. The tragedy of this is that neither the fiscal control board imposed by PROMESA, nor local politicians, actually

have all of the tools needed to fix this humanitarian crises. Why? Because neither local leaders, nor the Fiscal Control Board have any will to audit the debt. Second, neither the local leaders, nor the Fiscal Control Board have access to any economic resources to stimulate the economy. PROMESA operates on the false premise that the only budget that works for the people of Puerto Rico is an accountant's budget, not people's budget. It is a budget meant to ensure that one class gets paid, and other does not. We've seen this before, when the Government of Puerto Rico laid off 30,000 workers and teachers had to clean up schools because the janitors had been laid off.

Again, I want to acknowledge that everyone does not thinks like this. We do have visionaries like Raul Grijalva who know that a public budget is meant to help people, not spreadsheets. Representative Grijalva is bringing the opportunity to discuss Puerto Rico in today's panel with the same inclusiveness he has focused on diversifying the environmental movement beyond traditional activist groups, holding a number of Capitol Hill roundtables with women's groups, Latino organizations, Native American tribes and other communities traditionally underrepresented in environmental decision-making. I want to introduce Ranking Member Raul Grijalva.

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Closing Remarks

Puerto Ricans on the island have coined a slogan which summarizes how many people feel right now. That slogan is: First the people, then the debt! El Pueblo antes que la deuda! (in Spanish). This summarizes our concerns. 110,000 people have demanded that the public credit be audited so we know how much, who, and how, Puerto Rico got into this, and whether debt was issued illegally. We need this information to make the appropriate decisions on the basis of the effect in the life of the citizens. Even though Congress allowed for this in Sec. 413 of PROMESA, no one wants to do this. People died in Greece as a result of austerity based cuts forced by lenders and the Troika. We have both in PR....a troika (oversight board) and lenders (bondholders and hedge funds). Austerity led to negative growth there, and will lead to further negative growth. And yet leaders both stateside and on the island do not have the will to do this.

The Fiscal Control Board ordered the Government to reduce the budget dedicated to healthcare. More than 700,000 Puerto Rican American lives will be left without medical coverage. It could be old people who will not be able to stretch their pensions to cover medications, or those who may not get a check, period, because the pension fund will run out of money. We'll know soon enough if we continue on this path.

Cuts to essential services, the increase of taxes, the abandonment of the country's infrastructure, the deprivation of rights, the abandonment of the project of economic development, unemployment, the dismantling of health reform, the increase in criminality, the rampant mental health cases, the closure of schools, and the University accreditation crisis, are the signs of the times that people in Puerto Rico live. The despair is written on the walls of people's homes, and on their faces.

Neither the Oversight Board, nor local leaders are equipped to deal with this. The Oversight Board cannot raise money, it cannot look to Congress for any financial assistance, including much needed Medicaid parity. Local political leaders in Puerto Rico don't have the tools to deal with this either...they do not have the tools to help jumpstart the economy, or they are making the wrong decisions by focusing on austerity. The economic plan of the current administration, privatization, is nothing more than a fire sale of public assets. Even though everyone talks about Puerto Rico's government being too big, the reality is that Puerto Rico spends less per capita on government than most other states, ranking about 26-27th. If you look at the size of the Government per 1000 residents, Puerto Rico is ranked around 37, or the size of Wyoming's government relative to the rest of the population.

When your sole income is \$800 a month from a Social Security check that needs to cover your life basics need with the need to cover medication and treatment for a chronic asthma and high blood pressure decease. When you are recently college graduate with the only job opportunity in the service sector with no opportunities of full time or benefits, we need to realize that further austerity will take us further into the abyss. This financial crisis has touched everyone in Puerto Rico. Personally. Deeply. I want to tell you about my mother. She retired after 30 years of decent, dedicated, and hard work for the Government of Puerto Rico. She receives now a pension. That's all she gets. She doesn't have a 401k savings, or investments. She has her pension. The Fiscal Control Board and the Puerto Rican government are suggesting to cut it by 30%. She will then get \$1,400. She will suffer so the hedge funds and the banks get paid. A debt my mother didn't incur into. How's my mother going to survive on her own? Puerto Rico needs economic growth, not economic cuts.