

Puerto Rico hit by nationwide blackout

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The entire US territory of Puerto Rico suffered a blackout beginning Wednesday night after a fire caused a substation to break down. The plant had not been repaired in decades and the cause of the fire is unclear, although a lightning storm is thought to be responsible.

Puerto Rico Governor Alejandro Garcia Padilla told reporters Friday morning that 75 percent of the island's 1.5 million homes and businesses had electricity restored, and that the entire system would be returned to normal only by Saturday, 72 hours after the power went out. During the press conference at the island's emergency management center, the lights went out briefly prompting laughter from the assembled reporters. Padilla was forced to admit that periodic blackouts and shortages would still occur as the demand for electricity increases.

The blackout shut down the entire island of 3.5 million people, who are already struggling with an economic crisis and forced bankruptcy analogous to the city of Detroit, Michigan. Residents are angry that they are being forced to pay for electric utilities that are already double the rates in the United States.

Governor Padilla called out the National Guard and declared a state of emergency, shutting down all public schools and government buildings for the week. Authorities warned that tropical storms could still knock out power lines and black out areas that had power restored. An estimated 250,000 people don't have access to water.

Temperatures were recorded at 100 degrees Fahrenheit on Friday, causing many Puerto Ricans to sleep outdoors for the third night in a row. Residents formed long lines outside of grocery stores to get ice, a precious commodity, and recharge their cell phones.

Hotels in the capital San Juan offered special rates to island residents but were soon booked up. At least one person died from carbon monoxide poisoning after fixing up a personal power generator in their home. An

elderly man was also taken to the hospital after spending the night in a stuck elevator, and at least four police officer were hit by cars while trying to direct traffic; they are all expected to recover.

While local power outages are common in Puerto Rico, an island-wide blackout is extremely rare. Authorities have since traded blame for the failure to maintain the island's outdated and grossly unmaintained infrastructure.

The Electric Power Authority, which oversees the Aguirre power plant in the southern town of Salinas, is still investigating what caused the fire. Two transmission lines were knocked down, causing circuit breakers to automatically shut down as a safety measure, affecting the broader power grid. The authority's executive director, Javier Quintana, said that the preliminary investigation suggested that lightning might have struck a transmission line, causing the switch to explode.

Governor Garcia, for his part, denied that the blackout was the result of the country's decade long economic slump. He insisted that the switch at the power plant was not properly maintained. Puerto Rico's electric company faces a \$9 billion deficit and numerous allegations of corruption.

These corruption charges are not confined to the utility companies by any means. Garcia's own campaign manager has been accused of illegally soliciting cash donations, and the president of the House of Representatives was forced to resign.

Puerto Rico is now undergoing massive austerity on behalf of Wall Street banks and hedge funds that are demanding the former US colony "restructure" \$70 billion in public debt, \$20,000 for every man, woman, and child on the island. The country's gross national product has contracted in eight of the last nine years. Government corruption has diverted public funds from going to socially useful projects to wasteful ones.

As Emilio Pantojas Garcia, professor of Sociology at the University of Puerto Rico wrote in an article titled, “Is Puerto Rico Greece in the Caribbean?” published in the Winter 2016 edition of the *Fletcher Forum of World Affairs*, the government used bonds starting under the governorship of Pedro Rossello (1993-2001) to finance “mega public works projects.”

“Examples of major projects undertaken with bond issues guaranteed with future income to be realized from the fees of [the Puerto Rico Electric Power Authority and the Puerto Rico Aqueduct and Sewer Authority] include the ‘Super Aqueduct’ of the PRASA and two natural gas pipelines ... of PREPA, which were intended to deliver natural gas from ports to various power plants. Other projects included the ‘Urban Train’ subway, a multi-purpose coliseum, and various municipal projects.

“Of these the ‘Super Aqueduct’ was the only functional project. The urban train operates with a large deficit, and the two gas pipelines were never completed, although the materials were bought and contracts to develop them were issued, as a rule to party donors and affiliates.”

Pantojas Garcia continued, “As a result, 33 members of the Rosselló administration were later indicted and convicted of corruption by U.S. Federal Prosecutors in Puerto Rico. In general, these projects established a ‘pay-for-play’ scheme, requiring contractors to kick back 10% of the contracts to the ruling party, a practice that became known as ‘tithing’ (el diezmo).”

Puerto Rico’s economy has stagnated over the last decade, particularly after the 2008 crash. The population has declined every year since 2005 according to the Census Bureau. Last year saw the population decline by 1.7 percent, the biggest drop since at least 2000.

The exodus of Puerto Ricans abroad is the result of no jobs at home. About 46.2 percent of the island lives below the poverty line, compared to 14.8 percent in the US. Puerto Rico’s unemployment rate is at 11.7 percent, down from a high of 16.9 percent after 2008, though more than double the “official” US unemployment rate of 5 percent.

Of course, these figures are an underestimation of the real unemployment rate, which would include those who have stopped looking for work entirely. Puerto Rico’s labor force participation rate has fallen about 9

percentage points since 2007 to 40.6 percent. This is triple the decline in the US, where it fell from 66.4 to 62.8 percent in the same period.

Total employment in Puerto Rico stands at roughly one million, down nearly 300,000 from 2007. Government employment accounts for 70,000 lost jobs. Tourism, one of the few employers on the island, is now threatened with the outbreak of the Zika virus.

Such conditions are what produced this week’s ongoing blackout, the combination of a rotten government infrastructure and over a century of American colonialism.



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