

# Puerto Rico proclaims “new government” to intensify austerity

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On Tuesday morning, Puerto Rican authorities held a public hearing advancing the “New Government of Puerto Rico Act.” The bill itself and the hearing, which followed the announcement that Hurricane Maria fully destroyed 70,000 households when it devastated the US territory on September 20, both constitute warnings that a brutal offensive against Puerto Rican workers and youth is being prepared.

Referring to the “historically excessive expenditures” of the US territory and the estimation of \$100 billion in costs from Hurricanes Irma and Maria, the bill states, “we’ve been forced to re-think and re-design the Government of Puerto Rico.” Among other drastic measures, it calls for “authorizing the Governor to reorganize, externalize, consolidate and suppress agencies, programs, and services of the Executive branch.”

There is little doubt that such dictatorial powers are aimed at imposing the austerity diktats of the financial oversight and management board responsible for ensuring the payments to the bondholders of the island’s \$74 billion debt. Local officials acknowledge that, in order to receive any of the \$94.4 billion they requested from Washington on Monday in relief aid, the authority of the financial board will have to remain unquestioned.

Puerto Rico’s resident commissioner to the US Congress, Jennifer González Colón, also announced Monday that she introduced a bill to reform the Stafford Act, which currently limits disaster relief aid to the restoration of infrastructure to its previous state, which in the case of Puerto Rico was wholly inadequate.

During the public hearing on the “New Government,” held jointly with members of the colonial upper and lower legislative chambers, public officials took turns in seeking to legitimize the exploitation of the ongoing humanitarian crisis on the island and chaos in the relief efforts to aggressively overhaul public institutions.

The intensity of the measures being prepared is underscored by the insistence that this restructuring will be aimed at fulfilling the existing 10-year fiscal plan, which

aims to reduce the number of public agencies from 130 to 35 and to cut \$2.75 billion in expenditures annually.

The secretary of labor, Carlos Saavedra, portrayed the crisis as a window of opportunity to further the government’s services to the financial and corporate oligarchies. However, as the bill’s reassurances to public workers also show, the main fear is that such an escalation in austerity and privatizations will provoke a mass upheaval and the independent mobilization of Puerto Rican workers.

“This is a historic opportunity to make a new government,” he said, a process that could lead to some “movements of personnel,” cynically adding that this specific legislation will lead to no layoffs.

Almost immediately, however, the director of the island’s fiscal agency AAFAF, Gerardo Portela, vowed that the main aim was “for the government to save money.” The secretary of Justice, Wanda Vázquez, simply declared that the 130 public agencies are “unnecessary.”

In the middle of this farce, and less than a week after a power blackout reduced the share of Puerto Rican households with electricity from 40 to 18 percent, another massive power outage took place. According to the public electric power company PREPA, a “technical failure” on the same transmission line as the previous week, which covers the San Juan metropolitan area, made the island-wide generation collapse from 50 to 22 percent. Several medical centers lost power.

Even though it took the Electric Power Authority a few hours to fix the failed lines, these incidents expose the unreliability of the infrastructure that is being restored and how urgent it is to modernize it.

Even prior to Tuesday’s blackout, 31 of the 78 municipalities still had no power at all, while most of the other municipalities only had partial supply. On Tuesday, the trade union associated with PREPA’s workforce, UTIER, said that the 50 percent figure is “suspicious,” given that the government has refused to make public recent data on average electricity use across the island.

UTIER also denounced the subcontracting of repair work

on the Palo Seco facility to a Puerto Rican private firm, rather than sending available PREPA workers. Such maneuvers are signs that the government is already pushing away the public utility from the still halting reconstruction efforts, which have so far depended upon the public workers.

On the same day, the governor of Puerto Rico, Ricardo Roselló, and the head of PREPA, Ricardo Ramos, both testified before the US House Natural Resources Committee, in a hearing which amounted to another step towards the privatization of the power utility.

At that hearing, US legislators sought to portray PREPA as an unfixable and corrupt mess, attacking it for signing a hugely over-priced \$300 million contract with a tiny and inexperienced firm, Whitefish Energy. In response, Ramos insisted that the company offered the best terms, but recognized that PREPA has been failing for a long time and is susceptible to corruption. On the other hand, Roselló declared bluntly that he is considering privatizing PREPA.

Since the Obama administration created the financial control board in 2016, assembling a group of right-wing political operatives charged with dictatorially imposing austerity and funneling money to Wall Street, it has rejected restructuring the debt and has openly called for the privatization of PREPA.

A naked illustration of this was given by one of the members of the board, Andrew Briggs. *The Intercept* reported Tuesday that, at a public event, Briggs listed the barriers preventing Puerto Rico's recovery, including: "minimum wage laws, labor rules requiring just-cause termination, paid sick days for employees, paternity leave, and overtime pay." In this sense, he said he hoped the hurricane would incite some changes, "like the alcoholic who hits rock bottom."

The economic conditions on the island are the result of more than a century of colonial exploitation of the island's working class as a cheap-labor platform and the more recent flight of investment capital seeking cheaper labor, particularly in Asia, which has resulted in a more than 10 percent economic contraction over the past decade.

Almost two months after Hurricane Maria, the majority of Puerto Ricans are still living a nightmare, with the US Army Corps of Engineers reporting that 80 percent of the 60,000 households requiring temporary roofing still have none, and that only 7 percent of the debris has been cleared.

Laura, a retired New York City sanitation woman who lives in the southeastern town of Arroyo, told the WSWs, "I just got my electricity back on last week. The Stryker company, which has a factory here with 1,000 workers that makes medical equipment, hired a private company to completely redo the electrical infrastructure to get their factory running again. The poles are made of concrete

instead of wood, which is easily knocked down in a hurricane. The people in the towns around it hope they can get their power restored too.

"People are cleaning with contaminated water and there is a serious mosquito problem too. A lot of sewerage goes into the water and the rivers go into the sea. There's a quarter-mile stain on the beaches. But it is even worse in the poorer areas in the countryside and up in the mountains. There are still areas that haven't been reached where people need clean water. Some houses without roofs still haven't gotten tarp to cover them from the elements.

"They are saying it could take nine months to get the electricity fully restored. If it were not for the municipal workers and other people here in Arroyo lifting up downed poles and wires, cleaning up and clearing away debris, we would still be in a disaster. Teachers have cleaned the schools, people with extra generators are bringing them to the elderly. But I'm afraid everything is going to be worse after the hurricane. We need help."

In a blatant signal of Washington's utter indifference to the suffering of the Puerto Rican people, the Pentagon is pulling out US military units sent to participate in relief efforts, including dozens of helicopters that had been flying relief missions. "We're out of the emergency phase, but people still need help," Gen. Jeffrey Buchanan told CNN after announcing that his troops were being withdrawn.

This week a new set of schools resumed classes, reaching a total of 932 open schools, out of a total of 1,132. It's expected that a large portion of those remaining will not open, and that one of the windows of opportunity that Puerto Rico's officials will seek to exploit is for the wholesale privatization of the education system. Puerto Rico's secretary of education, Julia Keleher, already tweeted last month that the transformation of New Orleans after Hurricane Katrina into an all-charter school district was a "point of reference."

For its part, the state water utility AAA announced Tuesday that about 10 percent of the households it serves still have no running water. And, in terms of telecommunications, only 60 percent of the island has cellphone coverage.



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