

Why are a million Puerto Ricans still in the dark?

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2 February 2018

When Puerto Rico's governor Ricardo Rosselló announced last week his plan to privatize the nation's largest electric utility, he justified the move as a remedy to the ongoing humanitarian catastrophe being inflicted upon the population. "The Puerto Rico Electric Power Authority (PREPA) has become a heavy burden on our people, who are now hostage to its poor service and high costs," he said. "What we know today as [PREPA] does not work and cannot continue to operate like this."

The present electrical blackout in Puerto Rico is without precedent in modern American history. More than four months after hurricane Maria triggered the collapse of the already failing grid, over 30 percent of residential and commercial customers remain without power—equivalent to approximately a million people. Even where power has been nominally restored, the system remains extremely unstable and subject to outages at any time.

The initial goal set by governor Rosselló of 95 percent restoration by December 15, which even if achieved would have been extraordinarily slow, quietly passed with restoration rates half that. The current assessments expect large scale outages to continue for months into the future.

US Army Corps of Engineers Col. John Lloyd, who is overseeing power restoration for the federal government, recently told PBS Newshour, "I think by the middle of March, end of March, we're going to see the majority of customers with power." Governor Rosselló acknowledged some areas may remain off the grid for an additional four months.

The impact on the residents has been devastating, particularly for working class Puerto Ricans, who have discovered through experience the innumerable aspects of modern life that depend on access to power, including health care services, basic sanitation, transportation, communication, education and employment.

Those without power have been thrown back a century, with simple tasks like storing perishable foods, accessing

drinking water and maintaining contact with loved ones a daily struggle. Generators and rigged car batteries have become the temporary power suppliers, at least for those who can afford the high cost of gasoline. Hundreds of thousands have simply fled the island, seeking refuge on the mainland, in no small part because of the lack of power and other basic necessities of contemporary life.

The official response to the catastrophe has been a collective shrug. President Trump uttered but a single contemptuous reference to Puerto Rico during his State of the Union address Tuesday, professing love for those still struggling to recover. Trump's silence has been matched by the Democrats, who refuse to make an issue of the continuing humanitarian crisis, and instead focus their political energies on seeking to damage Trump with an anti-Russia campaign and whipping up a sexual harassment hysteria.

The US Army Corps of Engineers, the federal agency responsible for the re-electrification of the island, has blamed the slow return of service on a supposed shortage of materials and logistical challenges. The damage is extensive; FEMA estimated Hurricane Maria damaged 80 percent of the power grid, which consists of 2400 miles of transmission lines, 30,000 miles of distribution wire and 300 electrical substations.

Nonetheless, the logistical capacity and resources of the US are potentially immense, yet directed elsewhere. Over the past 25 years the American government has organized massive deployments of hundreds of thousands of soldiers and bureaucrats to invade and occupy countries on the other side of the globe. The government's inability to organize the distribution of equipment and workers just 1,000 miles off the coast of Florida reflect political, rather than technical or logistical, motivations.

These political motivations have come into sharper focus this week with the announcement by Governor Rosselló of the impending privatization of PREPA. The

utility is \$9 billion in debt, accounting for the largest share of the territory's \$70 billion obligation.

PREPA's course toward privatization has been long planned. Four of seven Obama appointees to the Financial Oversight and Management Board for Puerto Rico, which is granted broad powers to seize public assets and break pension obligations, advocated the utility's privatization in an article in the *Wall Street Journal* three months before the hurricane hit. "We believe that only privatization will enable PREPA to attract the investments it needs to lower costs and provide more reliable power throughout the island," they wrote.

More recently, the board's general counsel, Jaime El Koury, suggested at a New York Bar Association event last week, that Latin American governments in the 1980s should be used as models for the current debt crisis in Puerto Rico. "In the '80s Latin America did something about it," he said. "It was very difficult. It extracted a lot of sacrifice from the population but they did something about it." El Koury specifically mentioned Chile, which was led by the brutal dictator Augusto Pinochet, who carried out a wave of privatizations following the bloody repression of political opponents.

The situation in Puerto Rico has deteriorated sharply in the past decade, with regards to both the electrical infrastructure and the economy as a whole. The territory's economy has always been dictated by the needs of US imperialism, which most recently translated into the development of a manufacturing base for pharmaceuticals and other goods. Relatively cheap labor and tax exemptions for US companies generated profits for a time, while much of the population remained poor.

However, by the mid-2000s, with American companies well established at even cheaper offshore locations, the tax exemptions were repealed. Investors responded by simply withdrawing from Puerto Rico. By 2016 investment dropped to 7.9 percent of the island's GDP from 20.7 percent in 1999. Unemployment reached double the rate of the mainland US. Poverty rates rose to near 50 percent, and a mass exodus ensued.

Faced with a shrinking and impoverished consumer base, increasingly unable to afford what are among the highest electrical rates in the country, PREPA took on more and more debt. The agency deferred its own investments, allowing the generating stations and grid to decay. Over the past five years they reduced the workforce by 30 percent, mainly through attrition.

By the time Maria approached, major outages had become commonplace, including a major three-day

outage in September 2016. An independent report to the Puerto Rico Energy Commission published in November 2016 noted that PREPA records show outages at rates five times higher than the norm for the country.

PREPA was deliberately run into the ground, starved of resources, and allowed to mire in corruption. Meanwhile American capital, abstaining from investment in the productive forces of Puerto Rico, instead offered indebtedness, fully conscious that this would lead toward default and set the stage for the looting of public property.

The combined disasters of bankruptcy and Maria have provided the pretext the ruling class has been seeking to implement a wholesale restructuring of social relations to benefit powerful corporate and financial interests. The precedent was set in places like New Orleans following Katrina and Detroit with the municipal bankruptcy, and internationally in countries such as Greece.

The working class needs its own response. The privatization must be stopped and the electrical system instead brought under the democratic control of the working class. Access to power is a fundamental social right—it should not be a source of profit for the hedge funds and bankers who dictate the course of economic policy and investment. This right can only be asserted as part of a common struggle together with the millions of workers throughout the United States and internationally, independent of all the capitalist political parties, to bring the levers of the economy under the command of the working class.



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