

# US government cuts aid to Puerto Rico by half

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Puerto Rico's governor, Ricardo Rossello, announced Tuesday that the US Treasury Department has cut a \$4.7 billion disaster relief loan available to the US territory by more than half, without explanation.

Congress had approved the already meager loan for aid relief in October after Hurricane María ravaged the island in September last year. The storm, and the botched recovery effort that followed, has killed hundreds, if not thousands of people, and caused an estimated \$94 billion in damage.

Last month the Treasury Department and the Federal Emergency Management Agency (FEMA) ominously warned in a letter they would be temporarily withholding the aid loan because they did not believe the island's government was facing a cash shortage. Federal officials said the money would be released through the Community Disaster Loan Program once the island's central cash balance decreased to a certain level.

Even before the storm, the island was already struggling with a major financial crisis to the tune of \$74 billion in debt. With the economy in shambles after the hurricane, the suggestion that the island is flush with cash is absurd.

The aid cut has put many essential services, especially the Puerto Rico Electric Power Authority (PREPA), the island's public power utility, at risk of being interrupted. This means that millions of workers on the island may soon lose access to running water and electricity. This would be in addition to the approximately 30 percent of electric customers who have not had service since María made landfall over five months ago.

Just two days after the relief cut was announced, two major power plants shut down in the Puerto Rican capital, San Juan, affecting 970,000 customers, exposing the continuing fragility of the electrical system. Similar events have become a regular

occurrence; just three weeks ago thousands were left without power after an explosion at a PREPA plant just north of the capital. Both events were the result of repairs of storm damage using old scrap materials and patchwork methods out of desperation. Puerto Rico's power company is currently running with a \$300 million loan that will only sustain operations until the end of the month.

Hundreds of thousands of Puerto Ricans are still struggling from the damage from the hurricane. Many people whose houses were severely damaged have received little, if any, aid for home repairs. Entire families are still living with relatives or as refugees in hotels because they don't have anywhere to go.

The recovery "effort" from the beginning has been a series of scandals and backroom dealings which epitomizes the callous indifference of the ruling class to the plight of workers in Puerto Rico. In the immediate aftermath of María, Puerto Ricans struggled to find food and water when the entire island lost electricity, roads became impassable, and fuel for generators ran out. The situation worsened when ports that import about 85 percent of its food supply shut down under the draconian hundred-year-old Jones Act, which the government only reluctantly lifted weeks later.

Shortly thereafter, a Florida company with an unproven record, was granted more than \$30 million in contracts from FEMA to provide tarps and plastic sheeting for emergency home repairs. Bronze Star LLC never delivered those urgently needed supplies, which left hundreds of thousands of residents roofless and unprotected from the elements for months.

Next, FEMA awarded a \$156 million contract to a one-woman company, Tribute Contracting LLC, to deliver 30 million meals for Puerto Ricans. Only 50,000 of these meals made it to the island, when at least 18.5 million meals were due.

Lastly, most notorious was the Whitefish scandal in

which a newly created company consisting of just two employees was granted a \$300 million contract to help restore the operations of PREPA. Under enormous public pressure, FEMA was forced to cancel the contract. The restoration of power continues to be delayed.

While millions of Puerto Ricans, who are US citizens, continue to live in such harsh conditions, the federal government argues that there are not enough resources to aid the recovery process. However, unfathomable amounts of money are being funneled into the pockets of the rich while the working class of Puerto Rico, like the working class everywhere, is thrown scraps.

Since María made landfall in September the ruling class passed a historic tax bill granting trillions in tax cuts to the wealthiest layers of society, passed a budget which included \$716 billion for the military in a single year, and are currently negotiating millions to be spent on arming border agents and building a wall along the US-Mexico border.

A month after the hurricane, the CEO and owner of Amazon, Jeff Bezos, made \$10.2 billion in a single day, making him the world's richest person. That is five times the amount of aid now being loaned to Puerto Rico. With a fraction of Bezos' net worth, which currently stands at \$125 billion, the funds needed to rebuild Puerto Rico could be covered and Bezos would remain the richest person in the world.



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