



Congressman Pedro R. Pierluisi
Remarks to The Rotary Club of San Juan
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Good afternoon, ladies and gentlemen.

I want to thank the Rotary Club of San Juan for inviting me to speak today. This is not the first time that I have had the privilege of addressing you, but it is the first time I have done so in my capacity as Resident Commissioner. This is an intelligent and sophisticated crowd, and I always enjoy our conversations. After I offer some general thoughts on my tenure in Congress to date, the recently completed health care reform bill, and Puerto Rico's political status, I will be happy to field your questions about my work in Washington.

Please feel free to ask me about any subject, whether it be my office's efforts to promote economic growth and job creation in Puerto Rico; to protect our Island's rum industry from unfair competition; to reduce drug-related crime in our communities; to strengthen English-language instruction and otherwise improve the quality of the education offered in our public schools; or to provide support to our soldiers and veterans. If you were a different audience, I would urge you to be gentle. But with you, I know better!

Let me begin with a simple declaration. Representing the four million U.S. citizens of Puerto Rico in Congress has been challenging, at times frustrating, but always rewarding. In fact, except perhaps for a stint washing dishes during my college years at Tulane, this is the most humbling job I have ever had.

I know this may sound puzzling to some of you, since Members of Congress are not exactly known for having small egos. But I mean “humbling” in a different sense: there is so much to do and so many different issues to address. And I am always conscious of the heavy responsibility that rests on my shoulders.

I believe the professional and personal challenges I faced before running for office prepared me well for my present responsibilities, although my colleagues and I would be the first to concede that no prior experience can ever fully prepare you for this job. It is important to emphasize, moreover, that any burdens associated with my position are considerably eased by four factors. First, by the love and support of my family and friends. Second, by the able assistance of my staff in Washington and San Juan.

Third, by my productive partnership with our governor and my predecessor as resident commissioner, Luis Fortuño. And finally, by my commitment to ensuring that the people of Puerto Rico are treated fairly. For as each of you surely know from your own professional life, it is so much easier to make sacrifices when you are devoted to your work.

But let us now turn to the practical. A couple of weeks ago—after more than a year of hard work by President Obama, Congress, and countless organizations and private citizens—landmark health care reform legislation was enacted into law. Although the American people are generally split along party lines in their views towards this bill, such partisan division was almost completely absent from the debate in Puerto Rico. The reason is simple: the Island's residents have always been treated unfairly under federal health programs.

The most extreme case is Medicaid, a joint federal-state program that provides health care to the poor and that we use in Puerto Rico to help us finance our local Reforma program. The federal government pays a significant share of the program’s cost in the states—no less than 50 percent for any state and up to 83 percent for some states. By contrast, federal law imposes a cap on funding in Puerto Rico and the other territories. The cap was so low that, over the years, the federal government typically paid about 18 percent of Medicaid costs on the Island. In light of such disparate treatment, all Puerto Ricans—whatever their national or local political affiliation—seemed to recognize that this legislation represented a once-in-a-generation opportunity to redress, or at least to mitigate, these historic wrongs. We drew hope and strength from President Obama’s pledge to “seek equal coverage of Puerto Rico in federal health care assistance programs.”

Starting immediately after I took the oath of office in January 2009, I advocated for equitable treatment for the people of Puerto Rico under the forthcoming health care reform bill. By the time President Obama signed the bill into law more than a year later, Governor Fortuño and I, and our respective offices, had held more than 300 meetings with White House officials, senators, representatives and key staff members on the issue. The final results of this effort were extraordinary—a near tripling of Medicaid funding over the next decade, inclusion in the health insurance exchange program, and the application of important consumer protections to Island residents. But nobody should be under the impression that these results were somehow preordained or inevitable. For Puerto Rico and its sister territories, this debate was a roller coaster, characterized by incredible highs and devastating lows.

Unlike our fellow citizens in the states, who were fully and fairly included in the reform as a matter of course, we had to fight for everything we got. It was always a battle. Nothing came easy. And, as I will describe in a moment, I had to make a last-minute, direct and personal appeal to President Obama at the White House about ten days before the bill was enacted in order to avert a great injustice to our citizens.

But, first, let me take you back to mid-2009, when the initial version of the health care bill was introduced in the House of Representatives. Thanks to our early advocacy, the legislation provided a substantial increase in our Medicaid funding caps. However, the bill did not distribute this funding among the territories in a clear and predictable manner and did not signal any intention by Congress to provide true parity with the states within a reasonable time frame.

More troubling still, residents of the territories were excluded from a key component of the bill, the insurance exchange, a market where federal subsidies would be provided to those individuals who earned too much for Medicaid but still struggled to afford coverage. To add insult to injury, whereas U.S. citizens in Puerto Rico were ineligible to participate in the exchange, non-citizens lawfully living in the states did qualify.

My fellow territory representatives and I moved quickly into action. We drafted an amendment to the bill, which was ultimately adopted, that substantially improved the bill for the territories with respect to Medicaid. Rectifying our exclusion from the exchange proved to be a much harder lift. After initial efforts proved fruitless, I drafted a letter to President Obama and House leadership that was joined by the other delegates. The letter stated as follows:

It appears that concerns over cost have trumped all other considerations, including elemental fairness and public health, when it comes to our constituents. . . . The disjunction between the bill's laudable goal of making quality health care affordable for all Americans and the bill's actual treatment of Americans living in the territories is jarring. And it should be unacceptable.

The letter sought inclusion of the territories in the exchange and roughly \$4 billion for exchange subsidies. Absent this amendment, my fellow delegates and I declared, we would find it difficult to endorse the bill, notwithstanding our strong support for health care reform. Of course, our threat to withhold support for the bill was a symbolic gesture more than anything else, since we were not entitled to vote for or against its passage.

Nevertheless, House leadership, along with the White House, heeded our claims. The bill was amended to allow Puerto Rico and the other territories to participate in the exchange, with \$4 billion provided for subsidies, just as we had requested. This bill—still not perfect, but now much improved—was passed by the House in November 2009.

The story unfolded quite differently, however, in the Senate—where Puerto Rico, despite having a larger population than 23 states, does not have any representation. If you are seeking proof as to how lack of representation in that chamber does harm to the Island’s residents, the Senate’s health care bill could be “Exhibit A” in a large collection of evidence.

Despite our persistent advocacy—and the efforts of allies like Senators Robert Menendez, Chuck Schumer and Christopher Dodd—the bill ultimately approved by the Senate treated the territories terribly, widening the unprincipled gap between funding for the states and the territories under Medicaid and, like the original House bill, excluding territory residents from the insurance exchange altogether.

Yet, as the House and Senate began the process of blending the two bills into a single bill that would be voted on by both chambers, we were cautiously optimistic. Throughout the debate, White House officials and Congressional leaders had assured Governor Fortuño and me that they would fight to retain the House provisions on the territories, expressly admitting that the Senate provisions were inadequate.

However, the situation in Congress became more complicated in January, when Republican Scott Brown won the Massachusetts Senate seat previously held by the late Ted Kennedy. This loss deprived Senate Democrats of the 60 votes they needed to defeat Republican filibusters, meaning that health care reform appeared to have run into a brick wall. To overcome this obstacle, President Obama and Democratic leaders decided to pursue a complicated process called reconciliation, which would require only 51 votes in the Senate to amend and improve its bill.

To set the reconciliation process in motion, the White House in February released a proposal intended to bridge the differences between the House and Senate bills. Contrary to the President's pledge and the constant stream of assurances we had received over the previous year, the White House proposal largely neglected the territories, essentially adopting the Senate provisions that everyone had agreed were inequitable.

I will be candid with you. I am not easily discouraged, but the day the White House proposal was released was a very discouraging day for me. But, think about it, when the President's advisors were facing complex and competing demands in preparing the proposal, it is fair to assume they believed the political calculus was straightforward with respect to Puerto Rico. After all, Island residents cannot vote for president and have no senators. As your only representative in Congress, I could complain to high heaven about our unfair treatment, but I could not vote against the bill.

While recognizing that the odds were against us, my disappointment rapidly gave way to determination to do everything within my power to ensure that our treatment was improved in the final bill. Two days after the President's proposal was released, I gave a speech on the House floor that stated my views plainly and passionately. Here is some of what I said:

I support health care reform. But I do not support the proposal put forward by the White House, because it treats 4.4 million Americans living in Puerto Rico and the other U.S. territories like they are second-class citizens. My loyalty to my party, and to our President, is beyond question. But my principles—and my people—come first. This proposal violates my principles and it mistreats my people. . . . The people of Puerto Rico and the other territories fight proudly for their country. Their country should fight for them too.

This speech marked the opening salvo in a month-long effort by Governor Fortuño and me. We spoke constantly to White House officials and Congressional leaders, wrote letters, and appealed to Hispanic organizations in the states and Puerto Rico to take up our cause.

The White House quickly realized that the people of Puerto Rico, and those who cared about them, were not going away quietly. Rather, we were fighting back with all the tools at our disposal—and fighting back hard. Nonetheless, no indication was given that the provisions would be modified. Indeed, to the contrary, every sign we received was that they were cast in stone.

We had one last, make-or-break opportunity. On Thursday March 11, President Obama invited members of the Congressional Hispanic Caucus to meet with him at the White House to discuss health reform, since a final vote on the bill was planned for the coming days. During that meeting, in front of my congressional colleagues and key White House staff, I rose to address the President, whose campaign in Puerto Rico I had co-chaired and for whom I have the highest respect.

I told him that the proposed provisions respecting the territories were unfair and presented our arguments for why they should be modified. The President listened, and I have no doubt that Cecilia Muñoz, Director of the White House Office of Intergovernmental Affairs and the point person for Puerto Rico—got her marching orders.

In the coming days, the White House intervened in our favor and, at a time when all efforts were driven towards reducing the overall cost of the health reform package, Puerto Rico received \$2 billion in additional funding, the restrictions on our funding were lifted, and we became eligible to establish an exchange program. About a week later, the House—and subsequently the Senate—approved the bill containing these new provisions, and the legislation was signed into law on March 30th.

This was truly a remarkable result, one that will substantially reduce the number of uninsured in Puerto Rico and improve the quality of health care on the Island by leaps and bounds. But the roller coaster process by which this result was reached—and the fact that we would not have obtained this result without relentless effort—shines a spotlight on the problems inherent in Puerto Rico’s current political status. The simple reality is that the well being of our people depends on the kindness of national leaders who are not answerable to Island residents at the ballot box. And kindness, especially when divorced from political interest, is not always forthcoming.

As you know, I have introduced legislation that would authorize the government of Puerto Rico to conduct a Congressionally-sponsored plebiscite process among the current status and the three viable alternatives: independence, statehood and “sovereignty in association with the United States,” which some people call “free association.”

This bill, H.R. 2499, has over 180 bipartisan co-sponsors and was approved overwhelmingly by the Committee on Natural Resources. Although the wheels of democracy in Washington do not always turn as fast as one would like, I am confident that the bill will be approved by the House in the coming weeks, whereupon our cause will be taken up in the Senate.

The legislation is based on three simple premises. First, for 111 years, the people of Puerto Rico have had a political status that deprives them of the most fundamental right in a democracy, namely the ability to participate meaningfully in the process of making the national laws that govern their lives and the lives of their families. As the health care reform debate made clear, this lack of meaningful participation results in Puerto Rico being treated unequally under federal laws and programs.

Second, after so many years, the people of Puerto Rico should finally be given the opportunity to express their views on whether they want to maintain this current status or to have a different status in a Congressionally-sponsored vote. And third, Congress has a duty to treat the results of this self-determination process in a serious way.

It is known fact that I strongly support statehood for Puerto Rico. Residents of Puerto Rico have contributed immeasurably to the life of this nation in times of peace and war. I recently had the honor of visiting Afghanistan with a Congressional delegation, where I met with several American soldiers from Puerto Rico, who are risking their lives to bring democracy to a country that has known too much violence, repression, and inequality.

Indeed, for generations, our sons and daughters have served alongside their fellow citizens from the states on battlefields in Europe, Asia and the Middle East. When patrolling in enemy territory, the differences between them mean nothing; what matters is that the flag on their uniform is the same. I support statehood because I believe the people of Puerto Rico have earned the right, should they choose to exercise it, to become full and equal citizens of the United States.

But I was elected to represent all of the people of Puerto Rico, including those whose vision for the Island's future differs from my own. Those who support the current status, independence or free association are as entitled to their views as I am to mine. I respect their right to advocate for the particular status option they prefer.

What I do not respect are efforts by individuals or groups to obstruct the self-determination process because they fear that process will reveal the public's support for a status option other than the one they favor. For the sake of the people of Puerto Rico, four million proud and strong, these anti-democratic forces must not be allowed to prevail. They must be defeated.

Thank you.