



The Hon. Pedro R. Pierluisi
Oral Testimony
“Examining Procedures Regarding Puerto Rico’s Political Status and Economic Outlook”
House Committee on Natural Resources
Subcommittee on Indian, Insular and Alaska Native Affairs
June 24, 2015

Chairman Young, Mr. Ranking Member, and Members of the Subcommittee:

The facts are as follows. Puerto Rico is a territory. If it does not wish to remain a territory, it can become a state or a sovereign nation, either fully independent or with a compact of free association with the U.S. However, if Puerto Rico becomes a sovereign nation, future generations of island residents would not be American citizens.

My constituents have made countless contributions to this nation in times of peace and war, serving in every military conflict since World War I. Many have made the ultimate sacrifice. When they do, their casket is flown back to this country, draped in the American flag.

It takes real patriotism to fight for a nation you love, but one that does not treat you equally. Puerto Rico has more U.S. citizens than 21 states, but my constituents cannot vote for president, have no senators, and have a non-voting delegate in the House. Moreover, the Constitution gives Congress license to treat territories worse than states, and Congress often uses that license.

Territory status is the root cause of the crisis in Puerto Rico. Because Puerto Rico is treated unequally under federal programs, it is deprived of critical economic support. To compensate, the Puerto Rico government has borrowed heavily, which helps explain why the government and its instrumentalities have \$72 billion in debt. In recent years, 250,000 island residents have relocated to the states, and these numbers are only growing. Once in the states, they are entitled to full voting rights and equal treatment under law—rights they lack in Puerto Rico.

Let me mention two of the many ways that Puerto Rico’s status hurts the quality of life of my constituents.

First, Puerto Rico is treated unequally under Medicaid and Medicare. The impact on our health care system and on our fiscal health has been severe.

Second, Congress has authorized each state government to permit its insolvent “municipalities” to adjust their debts under Chapter 9 of the Bankruptcy Code, but has not authorized Puerto Rico to do so. Thus, territory status is a significant reason why Puerto Rico has excessive debt and the sole reason why it lacks a critical tool to manage that debt.

I have introduced bills to give Puerto Rico equal treatment under federal health programs and Chapter 9. While I appreciate that the governor of Puerto Rico has endorsed these efforts, it is ironic that an anti-statehood administration is seeking state-like treatment for the territory in key policy areas.

I seek equal treatment for Puerto Rico in all respects. If you give us the same rights and responsibilities as our fellow American citizens, and let us rise or fall on our merits, we will rise. But if you continue to treat us like second-class citizens, don't profess to be surprised when we fall.

This is now the predominant view in Puerto Rico. In a 2012 referendum, a majority of voters rejected territory status and more voters expressed a desire for statehood than any other option.

At my initiative, Congress approved funding for a federally-sponsored referendum. Once I have the opportunity, I will use this funding to hold a vote on whether Puerto Rico should be admitted as a state, just like Alaska and Hawaii did. This is logical. Statehood won the 2012 referendum, so we should now vote on statehood itself. This is also fair. Those who support statehood can vote “yes” and those who oppose it can vote “no.”

This approach has broad support in Congress. I have introduced a bill to authorize a vote in Puerto Rico on whether the territory should be admitted to the Union. If a majority of voters say yes, Puerto Rico would become a state within five years. This bill has 109 cosponsors from 39 states and territories, and more bipartisan backing than 99 percent of bills filed this year. Each cosponsor refutes the cynical argument that the U.S. would not accept Puerto Rico as a state.

Puerto Rico's status is intolerable, and my constituents will no longer tolerate it. We want equality under the American flag, and we will settle for nothing less.

Thank you.