

October 19, 2018

VIA ECFS

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

**Re: *Petition of USTelecom for Forbearance Pursuant to 47 U.S.C. § 160(c)*
 to Accelerate Investment in Broadband and Next-Generation Networks,
 WC Docket No. 18-141**

Dear Ms. Dortch:

WorldNet Telecommunications, Inc. (“WorldNet”) respectfully submits this ex parte letter in response to the reply comments filed in this docket by the Puerto Rico Telephone Company, Inc. (“PRTC”) on September 5, 2018. In its comments, PRTC supports the Petition for Forbearance that is the subject of this proceeding by arguing, among other things, (1) that Puerto Rico telecommunications markets are competitive, (2) that the Commission should decline to give special consideration to Puerto Rico, and (3) that the elimination of resale and unbundling obligations in Puerto Rico will aid in Puerto Rico’s recovery from its unrivaled economic problems and devastating 2017 hurricane season. PRTC’s arguments fly in the face of reality, are wholly speculative and non-committal, and are flatly wrong. The result PRTC urges would provide greater market power to a foreign-owned historical monopoly. To this end, WorldNet is compelled to respond to set the record straight.

1. PRTC’s assessment of Puerto Rico’s telecommunications market and the impact of forbearance on the island is contradicted by every other commenter from Puerto Rico.

Aside from PRTC, the Commission has, to date, received input regarding the current state of the telecommunications market in Puerto Rico and the projected impact of forbearance on that market (and Puerto Rico generally) from three other parties with real world experience on the ground in Puerto Rico: WorldNet, Liberty Cablevision, and, importantly, the (independent) Telecommunications Regulatory Board of Puerto Rico (“Board”). All three of these parties sharply contradict the picture of Puerto Rico that PRTC presents to the Commission in its reply comments.

All three of these other parties are in forceful agreement that Puerto Rico is (somewhat obviously) in a unique and presently distinctive position relative to its mainland US counterparts and that Puerto Rico cannot credibly or fairly be swept into materially inapposite nationwide findings regarding competition, consumer harm, and the public interest. Indeed, if nothing else,

it simply cannot be lost in the shuffle of cherry-picked statistics and claims in PRTC’s reply comments that the Board, the independent, local body in Puerto Rico, whose fundamental role is to monitor Puerto Rico’s telecommunications market and to safeguard competition, consumers, and the public interest within Puerto Rico has advised the Commission, unequivocally, that “granting the Petition will erode the competitive marketplace extant in Puerto Rico to the [detriment] of the public interest and safety of its citizens.” Indeed, the Board has told the Commission consistently and repeatedly over the years that Puerto Rico, in terms of its telecommunications market, level of competition, unique physical and economic challenges, and thus, its unique public interest concerns, is markedly different than any other jurisdiction in the country.¹ And, critically, as we are now in the middle of the 2018 hurricane season (which just devastated the Carolinas and Florida), the Board has noted the important role competitive players (using UNEs from the ILEC) have played, and continue to play, in hurricane and disaster response and the ongoing recovery efforts. Forcing CLECs like WorldNet to divert time planning network re-configurations for its 3,000 customers instead of focusing on provision of service and disaster response contradicts (and in many ways undermines) the significant efforts of the Commission to support thoughtful response to the hurricanes and their destructive aftermath.

Indeed, in addition to PRTC being the only party from Puerto Rico telling the Commission in this proceeding that forbearance from federal unbundling and resale obligations would be anything but another disaster for Puerto Rico, it bears noting as well that, Puerto Rico has its own Telecommunications Act (“Law 213”), which affirmatively includes resale and UNE obligations for PRTC independent of federal obligations,² in addition to important findings as to the criticality of competition to ensuring quality communications services. Just last month, the governor of Puerto Rico signed into law legislation that updates and amends multiple provisions of Law 213.³ In this legislation, the Puerto Rico legislature left Puerto Rico’s resale and UNE obligations untouched, signaling further that these obligations are still vitally important to Puerto Rico’s economy at this critical stage of the recovery effort.

¹ See, e.g., In the Matter of Review of the Section 251 Unbundling Obligations of Incumbent Local Exchange Carriers, Waiver Petition of the Telecommunications Regulatory Board of Puerto Rico for Enterprise Market Switching Impairment in Defined Puerto Rico Markets, CC Docket No. 01-338, p. 3-4, 17 & 21 (filed Dec. 30, 2003) (“TRB Waiver Petition”) (“telecommunications competition has been slow to develop in Puerto Rico”); 4 (“competition in the local telephone market in Puerto Rico has been slow to develop, and robust, facilities-based competition has yet to take root”; “the [Puerto Rico] markets are more embryonic than corresponding markets on the mainland . . . The record evidence reflects that CLECs in Puerto Rico are not “competing successfully” in providing switched services via collocation and backhaul transport (i.e., UNE-L) . . . Indeed, the only CLEC to deploy its own local switches in Puerto Rico has been asking PRTC to provide the collocation necessary for a UNE-L based service platform for more than three years without success.”); In the Matter of the Uniendo a Puerto Rico Fund and Connect USVI Fund, WC Docket Nos. 18-143, 10-90 & 14-58, Comments of the Telecommunications Regulatory Board of Puerto Rico at 2 (filed July 26, 2018) (submitting comments to the Commission supporting its proposals for long-term federal hurricane assistance funding by noting “the small number of providers on the island” and other unique circumstances presented by the telecommunications market in Puerto Rico).

² See 27 L.P.R.A. § 269c (“Every local exchange service carrier shall offer access to its network in an unbundled manner giving separate access at any point of its network where technically feasible . . . Each local exchange carrier shall offer for resale at wholesale prices any telecommunications service that said carrier renders at retail price to subscribers other than telecommunications companies.”).

³ See Law 211 (enacted Aug. 12, 2018).

2. PRTC's statistical analysis of the Puerto Rico telecommunications market is contrived, misleading, and ignores fundamental considerations that weigh heavily against applying forbearance to Puerto Rico.

As noted earlier, one of PRTC's primary contentions in its reply comments is that the Puerto Rico telecommunications market is competitive. Indeed, PRTC goes as far as to declare that "competition in the [Puerto Rico] telecommunications market is thriving." Despite contradicting evidence from the Commission and findings from the Board, PRTC seems to take the position that "saying so," "makes it so." In purported support, PRTC strings together a series of statistics documenting, in sum, that, over the past decade or so, PRTC has lost market share, that non-ILEC providers have gained market share, and that the Commission has found certain wireline facilities used to provide business data services ("BDS") in Puerto Rico to be competitive. PRTC's analysis, however, falls short.

First, as reflected in WorldNet's comments filed in this proceeding, PRTC's wireline market share in Puerto Rico is, based on the FCC's own data, 62% -- a number that is 14 percentage points higher than the national ILEC average. PRTC does its best to bob and weave around this fact with a laundry list of cherry-picked stats and stretched equivalencies with comparative national numbers. The bottom line, however, is that, unlike virtually anywhere else in the US, PRTC still controls nearly two-thirds of its wireline market. That is not "thriving" competition.⁴

Second, PRTC claims that, over the past decade, PRTC has lost 8% of its share of the business wireline market, leaving it with "only" a 49% market share. To begin with, the Petition at issue in the proceeding does not seek relief with any distinction between residential or business facilities or services. To this end, PRTC's claim effectively informs nothing of relevance here. To the extent it somehow holds any relevance, however, it should not be lost that PRTC is attempting to claim that a market is competitive where only one provider controls half of the market and, in probably reality, much more than half of the last mile facilities that can realistically serve that market. In the eyes of a historical monopoly, this may seem like a

⁴ To be clear, the under-development of competition in Puerto Rico is due, in large part, to PRTC's aggressive and well-documented opposition over the years to the full and fair implementation of market opening provisions of the federal Telecommunications Act of 1996 and Puerto Rico's corresponding Law 213. See, e.g., TRB Waiver Petition at 21-23 (noting "a track record of PRTC wholesale service failures . . . include[ing] instances where even after two to four years of experience and opportunity, PRTC has failed to devote the resources or attention necessary to provide even the most basic services and facilities without substantial operational problems" and "a consistent track record of being unprepared, uninterested, and incapable of providing wholesale services as and when required or promised."); Petition of WorldNet Telecommunications, Inc., Case No. JRT-2003-AR-0001, Order at 6-8 (J.R.T.P.R. June 18, 2008) (documenting a history in which the Board was forced, over PRTC objections (which PRTC litigated all the way to the 1st Circuit) to require improved performance standards for PRTC in an interconnection agreement with WorldNet based on "PRTC's record of poor performance and failure to improve service to competitive carriers," and then forced, in the subsequent interconnection agreement with WorldNet and, again, over PRTC objections (which PRTC again litigated all the way to the 1st Circuit), to establish liquidated damages as a mechanism to enforce those standards -- "[i]t is certainly reasonable that, when an incumbent telecommunications carrier frustrates competition by repeated breaches of an interconnection agreement or adopts a business policy of paying fines and damages as the price of keeping a competitor out of the market, a state commission might conclude that the goals of the Act could only be achieved by the imposition of punitive liquidated damages.").

“thriving” competitive market, but from any other perspective, including plain old common sense, it clearly is not.

Third, PRTC’s focus on the Commission’s finding that certain facilities used to provide BDS are competitive in Puerto Rico is misplaced and, in reality, highlights an additional hole in PRTC’s analysis. In short, the list of services deemed competitive in the BDS order represents only a subset of the UNE and resale facilities and services that the Petition at issue in this proceeding seeks to eliminate. The most that can be taken from the Commission’s findings in the BDS order, therefore, is that the Commission believes that some facilities that PRTC leases as UNEs are competitive when used for specified purposes, but not all of these facilities and not when used for every purpose. The Petition at issue in this proceeding asks to get rid of unbundling entirely. The Commission’s BDS rulings are not an apples-to-apples comparison with an analysis of the competitive options available to consumers outside of unbundling. PRTC’s argument, therefore, falls short of supporting what is requested in the Petition. Moreover, facilities that are not covered by the Commission’s BDS findings are some of the most core facilities that enable what competition there is in the business sector in Puerto Rico (e.g., analog last mile facilities). Many of the small businesses that drive and present the most hope for the future recovery of Puerto Rico’s economy have chosen providers that lease these last mile facilities as UNEs as, in some cases, the only viable pathway for the services that they want and/or need. In many of these instances, there is no effective competitive alternative other than UNEs – a fact that more than likely is one of the driving factors for the Board to urge the Commission not to apply forbearance to Puerto Rico based on generalized ideological assumptions and national considerations that have no bearing on the market realities in Puerto Rico.

3. PRTC’s focus on Puerto Rico’s treatment by the Commission in past “deregulatory” proceedings is irrelevant.

PRTC also suggests that the Commission should not give special consideration to Puerto Rico in this proceeding because the Commission has not done so in the past in other “deregulatory” proceedings. PRTC’s contention is a patent throwaway argument, amounting to not much more than an attack on WorldNet, and, in any event, is misplaced, irrelevant, and a blatant disregard for reality of the recovery efforts.

Nothing the Commission did (or did not do) in past, different proceedings binds the Commission in any way here as either a legal or practical matter. To begin with, none of those prior proceedings occurred in the context of hurricane ravages and economic collapse. Further, the fact that PRTC lumps all of these proceedings together as “deregulatory” actions belies the fact those proceedings presented issues and consideration that were materially different from the issues and considerations at issue here, both in substance and scale. The Petition at issue in this proceeding proposes to fundamentally reconfigure a market and an industry, not to simply change ILEC corporate structures, to change ILEC pricing regulation schemes, or to eliminate one particular UNE. The Petition at issue in this proceeding seeks to forbear entirely from the core provisions of landmark federal and Puerto Rico legislation that fundamentally transformed and is now firmly and extensively entrenched in US and, specifically, Puerto Rico telecommunications markets. The Puerto Rico legislature has found, and just months ago left

untouched in its overhaul of Law 213, the importance of pro-competition rules like unbundling and resale, and eliminating these rules now would flatly thwart the will of the Puerto Rican commonwealth, a result inherently unfair and at odds with any view that states and local jurisdictions ought to have the right to help define their own destinies. Unlike any of the previous “deregulatory” actions noted by PRTC in its reply comments, the instant actions now requested in the Petition in this case threatens to strand millions of dollars of network facilities and arrangements deployed by competitive providers and end users over more than twenty years. The market disruption would be immense at a time when virtually all of Puerto Rico’s efforts are focused on its struggling economy and hurricane recovery and preparation.

On top of all of this, the Petition at issue in this proceeding also implicates several different kinds of facilities and services, each with different competitive realities and considerations. The variability, complexity, and magnitude of the considerations and issues raised by the Petition at issue in this proceeding inherently defy the fair or logical resolution of them on a generalized, national scale, and nothing the Commission has done in the past credibly changes this.

4. PRTC’s claim that there is “no compelling reason” to exclude Puerto Rico from forbearance strains credulity

In its reply comments, PRTC also denies that there is anything that materially distinguishes Puerto Rico from the rest of the country in considering the appropriateness of forbearance from UNE and resale obligations. PRTC acknowledges Puerto Rico’s extraordinary economic circumstances, as well as its devastation from the 2017 hurricane season, but argues that these events are all the more reason to eliminate regulations that arguably tie up capital that could be going to next generation network investments. PRTC’s arguments ignore patent harsh realities that Puerto Rico would face if included in forbearance.

Forbearance in Puerto Rico would ostensibly hand to an already-dominant market provider with a documented history of poor service,⁵ additional market power without any corresponding commitment or documented inclination to invest in next generation facilities. In addition to reducing options for better service from agile competitors, the prod to improve service enabled by entrepreneurial competition would be lost. Truly, this would be a giant step backward. This would not be good policy anywhere, but it makes absolutely no sense in Puerto Rico. Moreover, as emphasized by the Board in its reply comments in this proceeding, reducing competitive options also diminishes the number of providers and amount of potential resources for hurricane response – a public safety and public interest consideration that PRTC does not address.

⁵ See, e.g., In re Applications of Verizon Communications, Inc. and America Movil, S.A. for Consent to the Transfer of Control of Entities Holding Commission Licenses and Authorizations Pursuant to Sections 214 and 310(d) of the Communications Act, WCB Docket No. 06-113, Petition to Deny of the Telecommunications Regulatory Board of Puerto Rico (filed July 14, 2006) (urging the Commission to condition the approval of the America Movil takeover of PRTC with an obligation to comply with detailed performance standards designed to raise PRTC’s quality of service to that enjoyed by mainland consumers). Ultimately, the Commission determined, instead, to require a \$1 billion commitment from PRTC to improve its performance. WorldNet is unaware of any concrete evidence that such commitment was honored.

As documented in WorldNet's comments in this proceeding, forbearance comes at a price that Puerto Rico cannot fairly be forced to pay right now. The UST Petition itself acknowledges that forbearance from UNE and resale requirements would not be without some measure of immediate impact to communications markets, including, most notably, price increases for communications services. Although ignored in the UST Petition, forbearance from UNE and resale requirements could also lead to other significant market disruptions, including, for example, the loss by potentially thousands of Puerto Rico residents and business of their chosen communications services and/or service providers. By definition, since the market has shown that competitors were the customers' first choice, including over and above the ILEC, for very good reasons,⁶ then impeding, eliminating, or raising the cost of competition hurts telecommunications customers in Puerto Rico. Indeed, the loss of UNE and resale obligations may even lead to the complete loss of providers that depend on these obligations to reach customers, with the attendant immediate impact of, among other things, significant job losses and potentially millions of dollars in stranded investment. As reflected in the data identified above and the multiple recent news reports included as Attachment B to this letter, suffering as it has from hurricane disaster and fiscal crisis (and still not out of the woods for this current hurricane season) Puerto Rico's economy is, even one year after the 2017 hurricanes, running on fumes right now. It is simply not in a position, even if just in the short term, to absorb price increases on critical communications services, the cost and burden of a forced transition to new services and/or new providers, job losses, or stranded investment. To impose these burdens on Puerto Rico in its current economic state is not consistent with the public interest element of the forbearance standard. PRTC ignores all of this in its reply comments.

Finally, at the end of the day, despite what PRTC says in its reply comments, PRTC itself has often urged the Commission to give special consideration and assistance to Puerto Rico because of its uniqueness among US jurisdictions. According to PRTC, in its own filings with this Commission, "[a]s an insular region, Puerto Rico faces significant and unique challenges in offering affordable and modernized telecommunications services to its residents . . . Moreover, economic conditions in Puerto Rico were extremely desperate even before the catastrophic damage caused by the hurricanes . . . Thus, Puerto Rico faces the double burden of logistical barriers and economic decline, which hinder its ability to provide telecommunications services that are reasonably comparable to those offered in non-insular areas. The logistical and economic barriers plaguing Puerto Rico have negatively impacted the development and modernization of its telecommunications infrastructure."⁷ It simply strains credulity for PRTC to tell the Commission in this proceeding that there is "no compelling reason" to give PRTC special consideration.

⁶ WorldNet has attached to this letter, at Attachment A, a number of WorldNet customer letters explaining WorldNet's value in the Puerto Rico telecommunications market and why they chose WorldNet as their telecommunications provider over PRTC and/or other providers.

⁷ In the Matter of Connect America Fund, WC Docket No. 10-90, Petition of Puerto Rico Telephone Company, Inc. for the Creation of an Emergency Universal Service Fund at 6-8 (filed Jan. 19, 2018).

5. PRTC offers no promise of increasing investment in next generation facilities if UNEs and resale obligations are eliminated.

PRTC's last argument is that UNEs and resale obligations are bad policy for Puerto Rico because they divert investment away from next generation facilities. The Board, as well as multiple other parties, has already pointed out for the Commission that "the Petition has provided little evidence that the removal of these ILEC duties will attain [transitions to fiber]." PRTC's reply comments leave the same hole for Puerto Rico.

PRTC has made no commitment in its reply comments to use one cent of any purported revenue increases or cost savings created by forbearance to invest in next generation facilities. It has provided no evidence of any untapped demand for next generation facilities being held hostage by the purported unmaximized revenues and/or compliance costs incurred because of UNE and resale obligations. It has made no demonstration that it is undertaking any appreciable level of copper retirements and replacements – as it has long already been able to do to eliminate unbundling obligations under existing Commission rules. It has made no attempt to quantify how much capital is "diverted" away from investment by UNE and resale obligations. And, it has made no attempt to reconcile the continuing extremity and magnitude of its claims with the admittedly diminishing utilization of UNE and resale obligations in Puerto Rico. And, one can be sure that any further attempt now by PRTC to address these issues, after being challenged, should be filtered as less than a sincere commitment but instead a mere tactical response to the issues now being raised here, all to gain regulatory advantage without any of the policy benefits justifying such advantage. Instead, all that PRTC effectively offers at the end of the day is a call to diminish competition in Puerto Rico without any commitment or documented inclination to invest in anything that will facilitate a transition to next generation networks.

For decades, PRTC held a monopoly stranglehold on the Puerto Rico telecommunications market. And, over those decades, Puerto Rican telecommunications customers have endured some of the worst telecommunications services anywhere in the United States. Puerto Rico needs excellent and committed telecommunications services to respond to disasters, and, to attract investment to grow its economy. Now is not the time to go back to the "bad old days." Yet, this is exactly what could happen if the US Telecom Petition is granted in Puerto Rico.

Respectfully submitted,

/s/ Lawrence Freedman

Lawrence Freedman
General Counsel & Senior Vice President
WorldNet Telecommunications, Inc.

/s/ Richard Davis

Richard Davis
Outside Counsel
WorldNet Telecommunications, Inc.

ATTACHMENT A

August 10, 2018

Mr. Javier J. Santos Rivera
Commercial Director
WorldNet
Guaynabo, Puerto Rico

Dear Mr. Santos:

Pediatric Medical Group (PMG), now Mednax Health Solution Partners, is a public corporation founded in 1974, with headquarters in Sunrise, Florida. We provide NICU/PICU and services in other pediatric specialties. In addition, we work anesthetics, radiology and other health administration services in the US and Puerto Rico.

In 1992, PMG expanded its services to Puerto Rico at the Hospital Damas in Ponce. We currently serve nine hospitals in the island, with specialty and subspecialty doctors in NICU and pediatrics, with excellent clinical results that have benefited the local pediatric population throughout the years. In 2012 we opened our new regional offices at Metro Office Park. After a long evaluation of proposals for a telecommunications system that could accommodate our complex business structure, we chose WorldNet's proposal to help us with an effective telecommunications system.

WorldNet promised to provide voice and data services of excellent quality, and specialized services adjusted to our needs and business type –including several hospitals in different regions of Puerto Rico; and you have honored this commitment from day one. You have been understanding and accommodating, offering services that are both fairly priced and viable, and considering the challenging situation affecting the healthcare industry in Puerto Rico. In addition, you have helped us save costs in intra-hospital calls and calls to our facilities throughout the island.

The support and benefits we have received from WorldNet has been key in the development of our business. You are a local company that understands our culture and needs. You should not be facing limits that might stop you from providing services to clients who are satisfied with what you have delivered to this day.

Any situation that might impact you would have an effect on many businesses that benefit from your quality of service, professionalism, and the support you as a Puerto Rican company provide to business partners for years.

Finally, as an example of your great qualities, I want to highlight how your personnel was attentive and active before, during and after Hurricane Maria, supporting our operations at all moments. Ms. Ivette Plaza, WorldNet's representative, was always making sure our services were not affected and that, if they were, technical and administrative personnel were available to help us immediately. Your team worked with us

so we could reestablish our operations five days after the worst atmospheric phenomenon Puerto Rico has suffered in years. Our island was devastated, but together we were able to quickly reboot our voice and data system.

I thank you for the opportunity to support this great Puerto Rican company, and to show our opposition to any new rules or changes to be established by the FCC that might impact the telecommunications market in Puerto Rico.

Sincerely,

José Pérez Díaz
Administrator



10 de agosto de 2018

Sr. Javier J. Santos Rivera
Director Comercial
WorldNet Telecommunications
Centro Internacional de Mercadeo II
Suite 201
Guaynabo, P.R 00968

Estimado Sr. Santos:

Pediatrix Medical Group (PMG), ahora Mednax Health Solution Partners, una Corporación pública fundada en el 1974, con Oficinas Corporativas en Sunrise, Florida, ofrece servicios de Intensivo Pediátrico y Neonatal (NICU/PICU), otros servicios de especialidades pediátricas, Anestesia y Radiología, entre otros servicios administrativos en la Industria de Salud en Estados Unidos y Puerto Rico.

En 1992, PMG se expandió para Puerto Rico en el Hospital Damas de Ponce. Actualmente, cubrimos nueve (9) hospitales a través de toda la Isla, con médicos especialistas y sub especialistas en Intensivo Neonatal y Pediátrico, con excelentes resultados clínicos que han beneficiado a la población pediátrica y neonatal en la Isla a través de todo este tiempo. En el 2012, abrimos nuestras nuevas Oficinas Regionales en Metro Office Park, Guaynabo. Desde entonces, luego de una extensa evaluación y análisis de propuestas para la adquisición de un sistema de comunicaciones que cumpliera con la necesidad de nuestra compleja estructura de negocios, decidimos aceptar la propuesta de WorldNet Telecommunications (WNT) como la compañía que nos ayudaría a mantener un sistema de comunicación efectivo.

Se comprometieron a brindarnos servicios de data y voz de excelente calidad, tecnología moderna, servicios especializados que se ajustan a nuestras necesidades y tipo de negocio que incluye a varios hospitales en distintas Regiones de Salud en Puerto Rico; compromiso que han cumplido desde el primer día. Han demostrado ser comprensivos y complacientes, ofreciendo servicios económicamente viables, teniendo en consideración la situación difícil por la cual está atravesando la Industria de la Salud en Puerto Rico. Además, nos han ayudado a economizar en las llamadas intrahospitalarias a cualquier parte de la Isla donde ofrecemos nuestros servicios.

El apoyo y los beneficios que hemos recibido de WNT han probado ser clave en nuestro desarrollo empresarial. Una compañía local que comprende nuestra cultura y necesidades, no debe tener límites que le impida ofrecer sus servicios y mantener a sus clientes satisfechos como ustedes lo han hecho hasta el presente. Cualquier situación que les afecte, afectarían a su vez, a muchas empresas que se benefician de la calidad, profesionalismo y apoyo que esta corporación puertorriqueña nos ha brindado como socios de negocio por muchos años.

Por último, y como ejemplo específico de sus grandes cualidades, es necesario destacar que antes, durante y luego del desastre que ocasionó el Huracán María en Puerto Rico, el personal de su empresa estuvo atento y activo apoyando nuestras operaciones en todo momento. La Srta. Ivette Plaza, Representante de WNT, estuvo pendiente para asegurar que nuestras comunicaciones no se afectaran, y si se afectaban pudiera tener el personal administrativo y técnico necesario para auxiliarnos de inmediato. Fue a través de este equipo de trabajo que juntos pudimos abrir nuestras operaciones cinco (5) días después de haber sufrido el peor fenómeno atmosférico que ha pasado por Puerto Rico en muchos años. Nuestra Isla quedó destrozada pero juntos pudimos levantar nuestro sistema de voz y data rápidamente.

Agradezco la oportunidad que nos ofrecieras para poder apoyar a esta gran empresa puertorriqueña, y exponer nuestra oposición de que la FCC implemente nuevas reglas o cambios a las ya existentes que puedan afectar el mercado en el área de comunicaciones en Puerto Rico.

Atentamente,



José A. Pérez Díaz, MHSA.
Administrador

August 7, 2018

Mrs. Maria Virella
President
WorldNet Telecommunications

Dear Mrs. Virella:

We chose WorldNet over other providers because of your capacity to adjust to our needs, your service, prices, and, most important to us, your personalized service and WorldNet's management policy of openness towards your VIP clients. Empresas Santana has these services with WorldNet: voice, data, Cloud backup.

Having WorldNet as a competitor in the telecommunications industry helps sustain free enterprise for the benefit of businesses in Puerto Rico. This represents an advantage to us because it keeps all providers offering high quality services at a good price.

Companies as ours keep many backup and redundancy services; with less telecommunication providers prices would go up and we would be forced to eliminate some of these services, which are very important for the business continuity of our company.

After Hurricane Maria, the account executives were always in contact, communicating the status of the system and, most important, providing precise information regarding the reactivation of services without creating false expectations.

We believe that eliminating free competition in this industry would impact the local market. After examining the best options in telecommunications services for our business, we have determined that WorldNet is the best option as a service provider. We invite the FCC to consider any decision that might impact Puerto Rico, the industry and our business in Puerto Rico.

Sincerely,

Carlos Cruz
Empresas Santana



7 de agosto de 2018

Sra. María Virella
Presidente
WorldNet Telecommunications

Estimada señora Virella:

Seleccionamos a WorldNet sobre otros proveedores por que se adaptan a nuestras necesidades, servicio al cliente y precios, pero lo más importante para nuestra empresa es el servicio personalizado y la apertura de la gerencia de WorldNet con los clientes VIP. Empresas Santana, cuenta actualmente con los siguientes servicios a través de WorldNet: voz, data y resguardo en el Cloud.

Tener a WorldNet y competidor en la industria de telecomunicaciones, ayuda a mantener libre competencia para el beneficio de los negocios en Puerto Rico. Esto representa una ventaja para nosotros porque mantiene a todos los proveedores ofreciendo sus servicios de alta calidad a un buen precio.

Empresas como la nuestra, cuentan con muchos servicios de "backup" o redundancia; de haber menos compañías de telecomunicaciones y subir los precios, nos veríamos obligados a salir de estos servicios que son de mucha importancia para el funcionamiento de nuestra empresa o continuidad de negocios.

Luego del huracán María, los ejecutivos de cuenta siempre estuvieron en comunicación dando status y lo más importante dando información precisa de cuando estarían arriba los servicios sin brindar falsas expectativas.

Entendemos que, eliminando la libertad competitiva, el mercado local seria afectado. Luego de examinar cuáles fueron las mejores opciones de servicios de telecomunicaciones para nuestra empresa y hemos determinado que WorldNet es la mejor opción para la prestación de servicios. Instamos a la FCC a considerar cualquier decisión que pueda afectar a P.R., la industria y nuestros negocios en Puerto Rico.

Atentamente,

Carlos Cruz
Empresas Santana

August 7, 2018

Support to WorldNet regarding FCC's draft bill of law

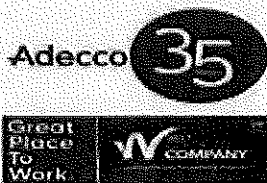
Currently WorldNet is our telecommunications provider for voice, data, Internet and backup services for all of Adecco's locations in Puerto Rico, including our central office. For several years we have received excellent services from WorldNet, based on a personalized service, availability, client service, product quality, diversity of services, VIP service, and, most important of all, providing LOCAL service.

Adecco provides human resources services as temporary and permanent employment providers, and we need a telecommunications provider that can adapt to our needs.

WorldNet is the telecommunications provider in Puerto Rico that offered the most value during the evaluation process, by better adjusting to our economic and service needs. In the current economic conditions, WorldNet had no doubt about adjusting to Adecco's ways of doing business. At the moment of formalizing our contract, WorldNet agreed to a contract duration that other companies would not have considered. They allowed us to do monthly renewals, at a moment when other providers would have taken advantage of us. After Hurricane Maria, they offered special attention to our needs, and we received their support in order to reestablish our operations. WorldNet provided us space at their NOC facilities days after the emergency, which allowed us to keep our operations running as well as a communications channel to our parent company in the US. Service representative Melissa Candelario was an angel during the whole process; getting in touch and following up on pending issues.

For us to have healthy competition and personalized service, there needs to be local competitors. Any change to the telecommunications industry has to consider the impact on small and medium sized companies. There are few solid companies left after a natural catastrophe like the one we faced last year. WorldNet is a key provider that complies with the telecommunications needs of Adecco, by being completely locally-owned in Puerto Rico, with a no-bureaucracy culture, and having all employees based locally and able to respond immediately to our needs. We invite the FCC to reconsider any decision that might impact Puerto Rico, the industry and our businesses in Puerto Rico.

Sincerely,
Erick Hernandez Andino
IM Desktop Support-Adecco Puerto Rico



7 de agosto de 2018

Carta de apoyo a WorldNet – Proyecto de Ley FCC:

Actualmente WorldNet es nuestro proveedor de telecomunicaciones para los servicios de voz, data, internet y back up de internet para todas las oficinas de Adecco incluyendo oficina central. Llevamos varios años recibiendo un excelente servicio de parte de ellos, que se basa en servicio personalizado, Disponibilidad, Servicio al cliente, Calidad de Producto, Diversidad de servicios, Servicio VIP, pero principalmente porque el servicio es LOCAL.

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Hace falta competidores locales para que exista sana competencia y el servicio pueda ser personalizado. Cualquier cambio que se haga en las comunicaciones tiene que considerar el impacto sobretodo el que pueda tener a las pequeñas y medianas empresas. Son pocas las empresas que están solidas luego de una catástrofe natural como la que enfrentamos el pasado año. La compañía WorldNet siendo un proveedor netamente puertorriqueño con una cultura de no burocrática, con todos sus empleados en PR responde de inmediato a nuestras necesidades y es un proveedor clave que cumple con las necesidades de telecomunicaciones de Adecco PR. Instamos a la FCC a considerar cualquier decisión que pueda afectar a P.R., la industria y nuestros negocios en Puerto Rico.

Atentamente,

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ATTACHMENT B

U.S.

A Year After Maria, Puerto Rico Is Pushed to Precipice

The worst storm to hit the island in nearly a century left \$80 billion of damage

By Arian Campo-Flores and Andrew Scurria

Sept. 20, 2018 5:30 a.m. ET

OROCOVIS, Puerto Rico—A year after Hurricane Maria tore through here, this mountain town is still dotted with boarded-up businesses, including El Navideño, a restaurant strung year-round with Christmas lights.

Some abandoned homes lie in ruin. Others are covered in blue tarps serving as temporary roofs. The lush landscape surrounding this town of 21,000 people is interspersed with idle farmland.



Luis Rubero Peña, who grows plantains and other crops in Orocovis, lost more than 50 acres when Maria hit. He is only now beginning to harvest again. PHOTO: JOSE JIMENEZ TIRADO FOR THE WALL STREET JOURNAL

“It has been agonizing,” said Luis Rubero Peña, 59 years old, a farmer who lost more than 50 acres of plantains, yuca and other crops and is only beginning to harvest again. “Many farmers won’t continue. I’ll keep going as long as I can.”

Maria was the worst storm to hit the island in nearly a century, with about 3,000 people dying in its wake, according to a study commissioned by the Puerto Rican government.

It also pushed the U.S. commonwealth—already on a fragile economic footing—closer to the edge. Thousands of small businesses have shut. Some big businesses are leaving and the exodus of the young, productive population has accelerated.

In the year ended June, Puerto Rico's economy contracted by 7.6%, according to the latest fiscal plan prepared for the federal board overseeing the island's finances. The board was put in place after a recession that began more than a decade ago pushed the island into a debt restructuring akin to bankruptcy.



Some businesses, like El Navideño restaurant (right), have never reopened in the mountainous town of Orocovis. PHOTO: JOSE JIMENEZ TIRADO FOR THE WALL STREET JOURNAL

Some people who stayed are having second thoughts. Héctor Rosario, who lives in this town in the center of the island, isn't sure his restaurant, Sorbo's, will survive. Sales are off by about half, five employees left to seek work elsewhere and his customer base keeps shrinking with the population loss.

He and his wife, who just gave birth to their first child, are thinking about heading to the U.S. mainland to build a new life. Some relatives relocated to Pennsylvania after the storm.

"If we leave, we aggravate the situation," said Mr. Rosario, 33. "We're fighters, and we have to give it time."

The island is facing a test that could determine whether it can reverse its accelerating spiral downward. Over the next several years, Puerto Rico is poised to receive tens of billions of dollars of federal funding to aid its recovery.

Spent wisely, the infusion could stimulate the economy and spur long-term growth. Squandered, it could provide just a fleeting jolt that fails to stem the island's decline, worsening its ability to pay more than \$120 billion it owes to bondholders and retirees.



The landscape in Orocovis includes homes destroyed by the storm and others abandoned by people who have since left the island. PHOTO: JOSE JIMENEZ TIRADO FOR THE WALL STREET JOURNAL

“If you let that blow away, it’s hard to think you can come back from something like this,” said Miguel Soto-Class, president of the Center for a New Economy, a think tank in San Juan.

The government says it is working to lure businesses and reduce public spending to better fit the island’s smaller economy. One sector it aims to expand is tourism, which is recovering. The island is receiving more cruise ships than ever and hotel-room inventory should return to pre-hurricane levels by mid-2019, said Brad Dean, chief executive of Discover Puerto Rico, a nonprofit that fosters tourism.

Manuel Laboy Rivera, Secretary of the Department of Economic Development and Commerce, said companies announced \$360 million in investments and the creation of more than 6,700 jobs in the first seven months of 2018. That compares with \$48 million in manufacturing investment and the creation of about 1,200 jobs in all of 2017.

Medical device maker Stryker Corp. said this week it would invest \$46 million over five years to expand its manufacturing operations in the south of Puerto Rico. Germany’s Sartorius Stedim Biotech and Chinese pharmaceutical firm PuraCap Caribe LLC have both recently announced investment plans that would create new jobs.

Still, Puerto Rico projects its population will fall by 12% over the next five years as more residents seek better opportunities on the mainland.

The signs of malaise are visible along Avenida Jesús T. Piñero in San Juan, where shuttered storefronts pock the commercial stretch amid “For Rent” signs and the faded lettering of former businesses.

Iris Monsanto, who owns bike store Locos Por Las Bicicletas with her husband, stood on the curb in front of the shop pointing at empty establishments and recalling the businesses they

used to house: a window store, a barbershop, a gym. Eight to 12 businesses closed just on that block, she said.

Ms. Monsanto, 30, is contemplating her family's future. The couple's 1-year-old daughter was born two days before Hurricane Irma and spent her first months engulfed in blackouts and hardship. Their 7-year-old son has had two successive schools closed because of declining student enrollment and entered his third school this fall.

"Why do you send me there if they are just going to close it?" she says he asked.

The couple put 10 years of savings into opening their shop last year before the hurricane. Since the storm, sales have declined 90% and revenue isn't enough to cover costs. They say they will have to decide in the coming months whether to give up and shut down.



Plastic tarps cover damaged roofs in San Juan. PHOTO: CARLOS BARRIA/REUTERS

"We've taken so many blows," Ms. Monsanto said, tearing up. She would like to stay in Puerto Rico to help care for her father, but the couple sometimes weighs whether to head to the U.S. mainland.

An estimated 8,000 small businesses remain closed, or about 10% of the total, says Jorge Argüelles-Morán, president of the United Retailers Association. Many

establishments are still awaiting payouts from insurance policies, or lacked coverage, he says.

The island's bigger businesses also are reassessing. Maria's devastation of the power grid and the business interruption it caused could weigh on companies as they decide whether to move operations off the island.

In January, Israeli drugmaker Teva Pharmaceutical Industries Ltd. announced it would close a manufacturing plant in Manatí, cutting about 200 jobs. PepsiCo Inc. said the following month it would close a plant in Cidra, shedding about 200 workers. Both companies said the moves were part of broader restructuring plans and didn't stem from the hurricanes.

A decline in manufacturing accelerated after federal tax incentives expired in 2006. Since then, manufacturing employment has decreased 35%.

In Guayama, a southern coastal city of 41,000 people, recovery from the hurricane has been inconsistent. Supermercado Plaza, a large supermarket with a warehouse, never reopened after Maria and lies in a heap of rubble.

However, the pharmaceutical plants are humming. Many businesses, from chains like Marshalls and Kmart to small restaurants and clothing boutiques, have reopened. At El Rey de las Puertas y Ventanas, which builds doors and windows, business has been booming as residents rebuild homes, according to owner Marta Torres Vázquez.

Some local employers, including a health-care company and an agricultural firm, are hiring, says Joaquín Santiago from the local workforce development agency. Wages are entry-level positions paying the federal minimum of \$7.25 an hour.

At the agency's office in Guayama, Raúl Ortiz Ramos, 24, arrived one recent afternoon looking for work. He said he lost a job doing municipal repair work three years ago and has been trying unsuccessfully to find a new position ever since. Unemployment on the island was at 9.1% in July.

He estimated that about 20 friends and relatives have moved to the U.S. since the storm. If he doesn't find a job by the end of the year, he plans to move to Orlando, Fla.

"It has been really difficult, very stressful," says Mr. Ortiz Ramos.



Domingo Collazo is rebuilding his house in Orocovis after Maria destroyed the residence. But he cannot move in because electricity has yet to be reconnected. PHOTO: JOSE JIMENEZ TIRADO FOR THE WALL STREET JOURNAL

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National

A year after Maria, Puerto Rico's economy remains feeble

By [Arelis R. Hernández](#) and

[Samantha Schmidt](#)

September 12

ADJUNTAS, Puerto Rico — September is ordinarily the beginning of harvest in the cool, crisp mountains of central Puerto Rico. Coffee farmers pluck the ripe arabica cherries from pregnant plants and begin the painstaking work of separating, drying, hulling and roasting a commodity so sacrosanct that the Vatican once imported it — a factoid the island's coffee cultivators and aficionados publicize proudly.

But there will be no yield this year for farmer Arthur Siemon.

Standing in an overgrown field with a Stetson atop his head, the 71-year-old looked down at the emptiness that was 15,000 seedlings, planted two years ago for his specialty coffee brand, Café de Puta Madre. They were supposed to reap a bounty of coffee cherries this year, but Hurricane Maria yanked them from the earth last September. Few across the island have fared better, as experts estimate the local coffee industry will produce about 10 percent of the coffee it normally brings to market every fall.

As a whole, the island's agriculture industry has taken a \$780 million hit from the storm, leading to closed businesses and lost jobs.

For Siemon, it took tens of thousands of dollars to bring his coffee farming and roasting business back into operation after Maria, and he has been rationing beans he bought before the storm to fill orders, reducing hours and wages for some of his employees in the process.

If the bean shortage continues, he could be closing down by October.

"Maria may have given it its death blow," Siemon said.

Nearly a year after the catastrophic storm, Puerto Rico's feeble economy has shown little sign of progress for workers and small-business owners, jeopardizing the viability of entire industries and communities. Hurricane Maria's assault on the U.S. territory's weaknesses — infrastructure, government and labor — crippled the financial security of Puerto Rican families struggling to balance post-hurricane expenses, lost income and rising prices for basic necessities.

More than 4 in 10 Puerto Ricans suffered a job loss, reduced hours or lost wages from a business closure or missed days at work because of the hurricane and its aftermath, according to a new [Washington Post-Kaiser Family Foundation poll](#). While most say their financial situation is about the same as before

Maria hit, a large majority of residents said they are worried that they won't have enough income to meet their needs in the future, including about half who say they are "very worried."

The San Juan metro area is an economic bubble where businesses are open, people are heading to work and school, and roads are clogged during rush hour. But there remains a constellation of needy municipalities across the Puerto Rican archipelago where jobs were already scarce and business has been sluggish for years. Those communities were in the storm's path of destruction and solicited the greatest amount of help from the Federal Emergency Management Agency, according to the University of Puerto Rico's Census Information Center.

"Families who were already poor are now in extreme poverty," said UPR-Cayey economist José Caraballo Cueto, adding that Puerto Rico has one of the highest indexes of income inequality in the world. "If this inequality continues, the recovery will only exacerbate it."

Some sectors of the economy are improving or stabilizing, buttressed by the promise of federal dollars. Construction jobs have helped lower the unemployment rate below 10 percent for the first time in five years. But many of those jobs are short term, related to the infusion of federal aid, and will not help build a sustainable economy. And the decline in unemployment could be fueled in part by a worrying phenomenon: the migration of hundreds of thousands of working adults to the mainland United States.

When businesses close and employers leave, the losses are more than economic. It changes the fabric of a community, residents say, forcing residents to look for work outside their towns and to drive farther for services, losing those gathering places where locals stop and chat about life over coffee or an ice-cold Medalla.

"People are disillusioned with everything," said Maricruz Rivera Clemente, the director and founder of a nonprofit community organization in Loiza, a northern coastal town and heart of the island's Afro-Caribbean heritage.

Everything in Loiza feels quieter and emptier since Maria, residents said. Those with jobs worry that they will not have them in the near future. According to the Post-Kaiser poll, 51 percent of Puerto Ricans are worried they won't be able to find or keep a good job.

Loiza, like the rest of Puerto Rico, struggled with unemployment and poor infrastructure before Hurricane Maria struck. But now the town's economy is at a standstill. Fifteen Loiza businesses did not reopen after the storm. City Hall has started offering minimum-wage maintenance and cleaning jobs for four hours a day to help residents.

Few families can afford restaurants or to shop for nonessential items. The cultural events that were the heart and soul of Loiza are now sparsely attended as residents have migrated to the mainland en masse, officials said.

Lisette Clemente Vizcarrondo was a cook at 3 Antillas, a beachfront restaurant in Loiza that served Caribbean food and offered live music and salsa dancing classes on Thursdays. But it was damaged and never reopened. A year later, the 52-year-old is still unemployed, and the barriers to reenter the workforce feel insurmountable.

Clemente Vizcarrondo has struggled to find custodial work, in part because of her age, she said. She would love a school cafeteria job, but the vacancies are few because nearly a third of Puerto Rico's public schools closed. Three shuttered in Loiza alone.

With no income for nearly a year, Clemente Vizcarrondo has been unable to repair her heavily damaged home and has been living with her daughter in the nearby town of Carolina. But she is desperate to return to her own place.

"I cry sometimes, seeing my house like that. It feels horrible," Clemente Vizcarrondo said. "Wanting to do so many things but not having the resources, I feel helpless."

When there are few formal options, Puerto Ricans have resorted to "chiripeando," or working odd jobs to cobble together an income. That could mean day-laboring to repair a damaged home or fix a neighbor's car or selling fruit or sandwiches on the side of the road.

The informal economy is as old and as inherently Puerto Rican as a plate of rice and beans, but the island's current reality is pushing professionals such as psychologist Eva Candelas Tamayo to do jobs they never trained for or hoped to do to bring money home.

Candelas Tamayo's father died from liver cancer days after the hurricane's passage, when access to oncologists and radiation treatment was virtually nonexistent. He left his real estate business, including four apartments in the San Juan metro area, to his daughter. Meanwhile, her psychology practice was crashing.

Three months without power forced Candelas Tamayo to close her practice, and once she reopened, her patients had disappeared. Many fled Puerto Rico or could no longer afford therapy. In mourning her father, the 49-year-old struggled to treat the patients she had left.

Her husband, a sports journalist, is the main breadwinner, but the family's finances took a hit. They had to move their 12-year-old son to a more affordable school and take a break from paying off her \$100,000 in student loans. Fixing up her father's properties to rent them appeared to be the most viable source of income.

"My role changed completely, from a psychologist to a handywoman, from having a PhD to doing construction work," Candelas Tamayo said.

At Siemon's coffee processing plant in Adjuntas, employee Zeneida Sotomayor sorts beans by size, color and shape into steel bowls, a task that is keeping her from joining others who have fled the area.

"Without this job, I would have to leave town," Sotomayor said.

Siemon's remaining beans are safely tucked beneath two giant tarps that keep them dry after Maria tore apart the building's aluminum siding. Because he has so few beans left, the plant Siemon is renting had no need to keep on two brothers who maintained the machinery. The Santanas, who live on the property, have been doing construction and landscaping to make up the loss.

It will take another three to five years for Puerto Rico's coffee plantations to rebound and their fragile seedlings to mature. That is also when the government says it expects Puerto Rico's economy to stabilize. Recovery is another matter.

"There is no other industry in Adjuntas aside from coffee," said Iris Jannette Rodriguez, president of the Puerto Rico Farm Bureau's coffee sector and a second-generation farmer in Adjuntas. "You work in coffee, or you don't have work. The bakeries depend on coffee workers. The gas stations depend on coffee workers. If we fall, everything here falls."



Arelis R. Hernández

Arelis Hernández covers local politics in Prince George's and regularly moonlights as a national breaking news reporter. She joined the Post in 2014 after nearly four years at the Orlando Sentinel. She most recently spent two months in Puerto Rico covering the aftermath of Hurricane Maria. [Follow](#)



Samantha Schmidt

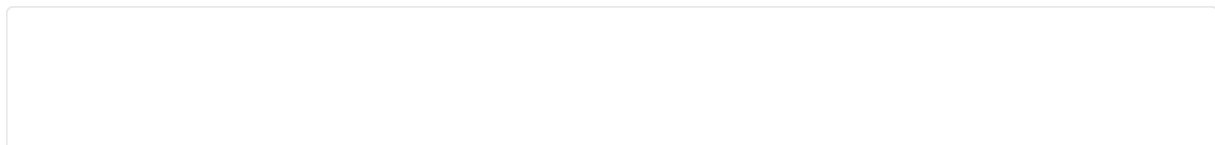
Samantha Schmidt is a reporter covering gender and family issues. [Follow](#)

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Bankruptcies filed in P.R. soar in September, with 160% more cases on record

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When broken down, the majority of the cases, or 382, were filed under the Chapter 13 category, which gives individuals the chance to reorganize their finances.

Puerto Rico's bankruptcy court saw major activity in September, when 661 cases were filed, representing a 160 percent year-over-year increase, according to data compiled by research firm Boletín de Puerto Rico.

The report showed that 254 petitions were filed to the U.S. Bankruptcy Court during September of 2017.

However, the report also confirmed that bankruptcy petitions filed between January and September 2018 have dropped by 11.3 percent, when compared to the same period last year. So far this year, 5,764 cases have been submitted to the U.S. Bankruptcy Court, Boletín de Puerto Rico confirmed.

The report showed increased activity in three of the four categories, with a marked jump in Chapter 11 cases, with 11 on record for September, reflecting a 450 percent increase when compared to the same month in 2017.

When broken down, the majority of the cases, or 382, were filed under the Chapter 13 category, which gives individuals the chance to reorganize their finances. That represents a 126 percent increase from the same month, the prior year.

Coming in second are the 267 Chapter 7 filings, or total liquidation cases, tallied in September. That figure is 221 percent higher than those on record for September 2017. Meanwhile, a single farming operations filed for Chapter 12 protection in September, a category that is reserved exclusively for troubled agriculture businesses.



Miami Herald

Puerto Rico: The Forgotten Island



Puerto Rico recovery: roofless homes, closed schools, an island left to fend for itself

By Andres Viglucci
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PUNTA SANTIAGO, Puerto Rico (En español)

The face of forgotten Puerto Rico after Hurricane Maria could well be that of José Luis “Chegüi” Aponte Cruz, who lost his livelihood and everything in his home when the ferocious storm pushed the roiling sea a mile into this poor beachfront community, sweeping away much of what lay in its path.

Maria smashed apart the bright yellow concrete beach kiosk where people once came for Chegüi’s famed *bacalaítos*, or codfish fritters. The storm took his freezer, his fridge and his stove, his tables and chairs, all uninsured. A year

later, denied loans or government aid to reopen in a food truck, he has — like much of Puerto Rico — barely begun to recover.

Once a week, on Sundays, he tows out a donated cooker and a tent to the beach to dole out fritters and *pastelillos*, a handmade pastry filled with local crab and fish, to the few loyal customers still coming out to what remains of the unsalvageable kiosk, just a couple of roofless walls. But it's not the same.

See more stories from this series.

“This was a family environment. This fulfilled me,” Chegüi said, his eyes watering as he recalled the busy years cooking at Kiosko El Amarillo while his two kids served customers at the counter.

“I wanted to keep going, to buy a food truck, but...,” he said, stopping to wipe the tears from his face. “*Bueno, estamos bregando*. We’re dealing with it.”



Today, little in Punta Santiago is as it was before Maria swept across the entire length and width of the island, plunging it into darkness, damaging or destroying hundreds of thousands of homes and deepening a long-running economic and political crisis. To call recovery uneven and uncertain doesn't begin to capture the true state of things in Puerto Rico 12 months after Maria came ashore as a potent Category 4 storm.

Most of the island has settled into a semblance of normalcy, and the legendary rush-hour traffic jams in the relatively prosperous San Juan metro area have returned, somewhat worsened because traffic signals at some busy intersections work only intermittently, if at all.

But appearances are deceptive. Stability of any kind — economic, political, demographic, in daily life — remains a scarce commodity in Puerto Rico, a U.S. territory of 3.3 million people who are American citizens by birth, and also survivors of one of the most devastating natural disasters in U.S. history.

Nearly every one of them lives today with some portion of the emotional and physical trauma that accompanied the storm's far-reaching devastation and its grueling aftermath: the weeks and months without power, reliable healthcare, basic government services or many of the conveniences and safeguards of modern life to which they were accustomed.

For many, it's far from over.

Power has been restored almost everywhere, an effort funded almost wholly by the federal government, but outages are common and the obsolete, patched-up electrical grid remains vulnerable to massive failure in the next storm and to simple mishaps: Power to a broad section of the island was knocked out for two

days earlier this year when an excavator struck a power transmission tower in the mountains. Much of the electrical generation and transmission system must be redesigned and rebuilt from the ground up, power authority officials say.



Many homes in the Caño Martín Peña communities in San Juan, Puerto Rico, still lack permanent roofs a year after Hurricane Maria.

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Many damaged shopping centers and businesses have yet to reopen, and the jobs they provided hang in limbo. It's a similar picture in the critical tourism industry. Operators of some key resorts are hastening repairs to reopen for the upcoming season, the second since Maria.

Federal recovery aid for homeowners, renters and businesses has been spotty and slow to arrive, while payouts are often insufficient to complete needed repairs, something that's especially critical when few property owners carry insurance. Property-title issues arising from Puerto Rico's system of often-

informal land transfer — a legacy of the Spanish colonial legal system — have meanwhile disqualified thousands of households from receiving any Federal Emergency Management Agency aid to repair damaged homes. Out of 1.1 million applications for individual aid, FEMA says, nearly a third, or 332,000, were denied.

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The Puerto Rican government says about 60,000 occupied homes remain roofless, covered by the temporary blue FEMA tarps that have become a symbol of Maria's devastation and what many on and off the island perceive as a woefully inadequate response by the administration of President Donald Trump. On a bridge over a main artery in San Juan, stenciled graffiti reads "*FEMA es el problema.*" FEMA is the problem.

An analysis by Miami Herald parent McClatchy of public data for FEMA's housing assistance program found that, as of June 1, Maria survivors in Puerto Rico received an average of \$1,800 for repair assistance. In contrast, survivors of Hurricane Harvey in Texas last year got \$9,127.

In many if not most cases, advocates and homeowners say, FEMA grants were hardly enough to replace lost appliances, furnishings and clothing, much less to make repairs sufficient to allow people to remain living safely at home, the purpose of the emergency aid.

On an island where half the population lives under the federal poverty level, many homeowners' and merchants' meager savings were exhausted by the high cost of running gasoline generators for months before they could even tackle renovations. Though FEMA did provide generators, critics say the agency did not account for the cost of fuel.



A man in the small seaside village of La Boca, Puerto Rico recounts the struggles of trying to rebuild his home after Hurricane Maria's storm surge devastated the community.

By Al Diaz ✉

Overwhelmed by the scope of Maria's devastation and the need to restore basic infrastructure such as roads and bridges, and all but broke even before the storm, Puerto Rico's state and municipal governments have been unable to provide residents much direct relief.

That's led to a widespread sense among many on the island that Puerto Ricans have been largely left to fend for themselves after Maria. Those who have managed to begin a path to recovery say they have done so in large part with help from neighbors, community organizations, squads of volunteers and donations and other significant support from private foundations in Puerto Rico and outside the island, especially from the rest of the United States — and with lots of sweat and suffering.

When seawater began to rise rapidly inside Edna Velázquez's concrete-block Punta Santiago home during Maria's long onslaught, she and her children scrambled outside to reach an exterior staircase leading to a second story occupied by relatives. Velázquez, who can't swim, said she nearly drowned when she stepped off the back stoop into water up to her neck. As she recounted the tale, her blind 79-year-old mother, Lidia M. Rodríguez, sitting beside her, began to sob audibly.



The popular beachfront eatery “Kiosko El Amarillo” in Punta Santiago, Humacao, was destroyed after Hurricane Maria made its way through Puerto Rico last year. Owner José Luis Aponte Cruz is now operating temporarily under a tent in a parking lot.

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By the time the storm surge finally and fully receded days later, everything Velázquez and her family owned was destroyed or washed away, including cars. But FEMA denied her application for aid; Velázquez says she doesn’t know the reason and, frustrated with a long delay, gave up an appeal. Instead, she replaced furnishings and made what repairs she could with help from neighbors and friends. The damaged home still leaks when it rains.

“All the neighbors, we helped one another. We fought together and we got ahead,” she said, adding that the trauma is still fresh. “It doesn’t seem like a year ago. I see all this and cry. Sometimes I look at the sea and I feel panic.

But we're alive to tell the story, and for the world to see.”

Criticism of the federal response to Maria has been a rare point of agreement among two leading and rival Puerto Rican politicians, San Juan Mayor Carmen Yulín Cruz, an outspoken Trump critic, and Gov. Ricardo Rosselló, who has expressly declined to lay the blame on Trump.

The issue is closely bound up with the island's peculiar political landscape as a U.S. commonwealth whose U.S. citizen residents cannot vote for president and have no voting representative in Congress (Puerto Ricans automatically enjoy full U.S. voting rights if they move to one of the 50 states). The two principal political parties on the island, Rosselló's New Progressive Party and Cruz's Popular Democratic Party, are organized around espousing statehood or preserving but enhancing the island's commonwealth status without full statehood, respectively.



Lidia M. Rodríguez, 79, who is blind, was trapped in her home in Punta Santiago, Humacao, by rising seawater during Hurricane Maria. A year later, Rodríguez lives with her family as they try to rebuild their home.

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Both contend that the current nebulous status means Puerto Ricans on the island are treated by Congress and the U.S. administration as “second-class citizens” who lack the political clout to demand equal treatment. Both are Democrats, but Cruz has repeatedly dinged Rosselló for not taking on Trump, saying he’s afraid of alienating GOP majorities in Congress whose support would be necessary for approval of statehood.

“The aid to Puerto Rico in general has been inferior relative to other jurisdictions,” Rosselló said in an interview with the Miami Herald. “There is no doubt about that. It’s a reality of our colonial condition and second-class

citizenship.”

Rosselló called the recovery process “inexplicably slow” and added: “As long as we are disenfranchised, we will not have the political power to ask for the appropriate resources, as would a Florida or Texas in similar circumstances.”

Cruz went further, calling the federal government “irresponsible, negligent and abusive” in its handling of the response to Maria.

“We’re nowhere near to being where we should be,” Cruz said in an interview with the Herald. “The aid has not gotten to Puerto Rico. People died because Donald Trump was negligent. The Puerto Rico government and most of the political class looked the other way and helped Donald Trump get away with his negligence. While people were dying, he was giving himself a 10 out of 10. This will follow him forever.”



Carmen Yulín Cruz, the mayor of San Juan, says that thousands of Puerto Ricans died after Hurricane Maria "because Donald Trump was negligent."

Cruz and other critics also attribute failures in the federal response to what they say is bigotry directed to a mostly brown, poor Puerto Rican population by Trump and some members of his administration.

But Cruz praised the outpouring of donations and support from ordinary Americans and private groups.

“We will always be grateful to the American people,” she said. “They rock.”

Puerto Rico’s post-Maria problems, though, aren’t limited to the consequences of an insufficient federal response, or even the sluggish pace of rebuilding.

Even those with private insurance are running into significant obstacles. Many island- and U.S.-based insurers are declining or slow-walking claims, critics say, producing a wave of legal battles. Billboards and radio spots push the services of attorneys who specialize in challenging insurance claim denials, including some from outside who have opened offices on the island to pursue cases.

Severe shortages of construction materials, contractors and workers have led to skyrocketing prices and further hindered reconstruction. That’s because the island’s construction industry shrank dramatically during a deep and prolonged economic recession that predated Maria by a decade. Even those now ready to pay face waits of up to six months for delivery of materials, most of which must be imported into the island.



Lidia M. Rodríguez, 79, who is blind, was trapped in her home in Punta Santiago, Humacao, by rising seawater during Hurricane Maria. Edna Velázquez, Rodríguez's daughter, says the trauma is still fresh. "It doesn't seem like a year ago. ... Sometimes I look at the sea and I feel panic. But we're alive to tell the story, and for the world to see."

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The human toll, meanwhile, has been nearly incalculable.

Suicide rates have jumped, and mental-health experts say cases of depression, diagnosed and not, are likely at epidemic levels. The storm also quickened an economic exodus of younger people from the island, splitting families and accentuating a demographic collapse that has left Puerto Rico with an aging population, including a growing segment of infirm and isolated elderly people that the island's strained healthcare and social services systems struggle to help.

Those at-risk seniors contributed heavily to Hurricane Maria's death tally, the full extent of which became evident only last month, when the Puerto Rican government revised its estimate of deaths attributed to the storm sharply upward to 2,975, after months of keeping the official number at just 64. Many died when power outages lasting for months shut down home respirators, hospitals and dialysis centers — not all of which are fully operational yet. Some experts say the toll may still rise as clinics and hospitals deal with a long-standing shortage of doctors and nurses that the storm has exacerbated.

Virtually bankrupt and with many fewer children to educate, the government is controversially closing hundreds of underused public schools.



Nearly a year after Hurricane Maria ripped through Puerto Rico, the island's education system continues to struggle amid the rebuilding efforts.

By Pedro Portal 

Joining the exodus: members of Puerto Rico's state and San Juan's municipal police forces, where vacancies are reported to have risen significantly since Maria. Across the island, residents complain of fewer police patrols and unanswered calls for service.

Many Puerto Ricans acknowledge that Maria left in its destructive wake a population that is emotionally traumatized and anxious over the uncertain prospects for a recovery that experts say could easily take a decade. Since the storm, more than one commentator has noted that Maria has forced a reckoning, lifting a lid on a family secret that even many Puerto Ricans kept from themselves: that theirs is a sharply unequal, dysfunctional society where perhaps a majority live in poverty amid conditions closer to those of underdeveloped countries than mainstream America.

"We're talking about a fundamentally poor island, with a tremendous inequality problem and a government that has its hands tied," said Benjamín Torres Gotay, deputy editor and columnist at El Nuevo Día, Puerto Rico's largest newspaper. "People are very uncomfortable with that theme of poverty in Puerto Rico. We are under a colonial fantasy that we're a territory of the richest country in the world. But in Puerto Rico there were many with almost nothing, but that almost nothing they have lost."

Federal officials insist, though, that Puerto Rico has hardly been overlooked.

FEMA issued a report in July conceding it was unprepared for the double-whammy effects of Hurricane Irma and the far more devastating Maria on Puerto Rico, which came after Hurricane Harvey flooded a broad swath of Houston and wildfires destroyed entire communities in California. Earlier this month, a massive performance audit report by the federal Government Accountability Office concluded that FEMA did its job in the earlier disasters, but failed to anticipate the extensive and intense damage from Maria, and was overwhelmed when it came time to respond to that calamity.





A year after Hurricane Maria, Puerto Rico is struggling with an increase in mental health issues and less money to help treat drug addicts.

By Al Diaz 

But FEMA says it has now markedly ratcheted up its response to Maria. The agency last month announced an additional \$110 million in aid grants to the island's troubled power authority and its central office for recovery and reconstruction. That brought the total it has spent or pledged in response to Hurricane Maria to \$1.3 billion in aid to individuals and \$3.4 billion in public grants — money that island leaders concede has begun to restart Puerto Rico's stalled economy.

Far more relief money is coming.

Congress has approved nearly \$20 billion in grants to Puerto Rico from the U.S. Department of Housing and Urban Development that are earmarked for housing and business reconstruction and upgrades and modernization of the fragile electrical grid and other infrastructure, in particular projects to help the

island better withstand future storms. That could include raising homes or buildings above storm-surge levels, buying out properties in vulnerable spots or restoring wetlands to protect shoreline development, said HUD spokesman Brian Sullivan.

In late July, HUD approved a Puerto Rico government plan for the first \$1.5 billion, which will fund a program to provide homeowners up to \$48,000 each in grants to repair damaged houses and up to \$120,000 to rebuild destroyed homes. About \$10 million will go to rental assistance, \$145 million to revitalize businesses and \$100 million toward the repair of damaged infrastructure.

Though it's one of the largest single HUD disaster-aid packages ever approved, the amount falls short of the \$94 billion the Rosselló administration estimates is needed for a full reconstruction and to bring the island's decrepit and antiquated infrastructure up to par.

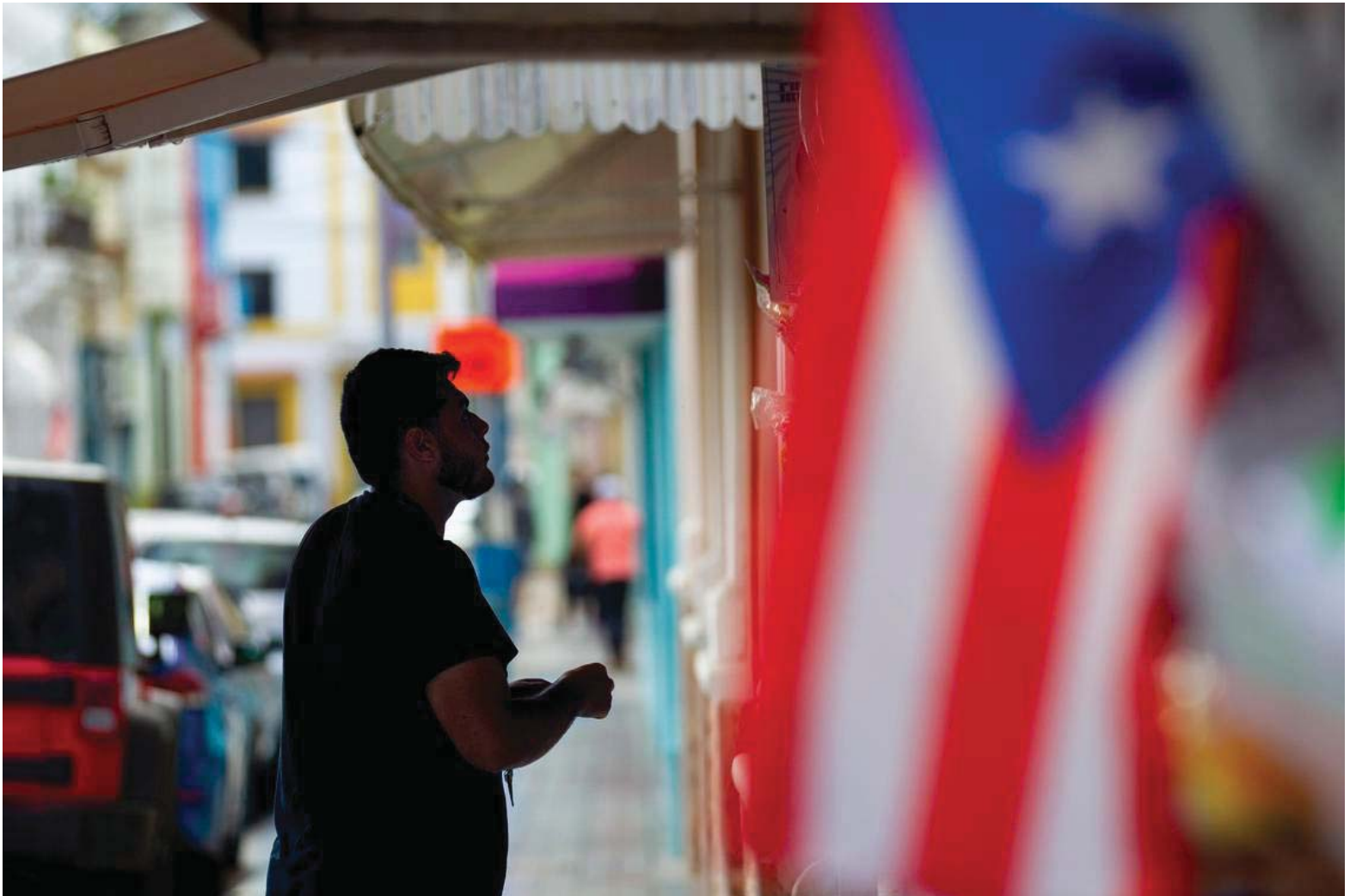
It's still unclear when the allocated money will begin to flow to those who need it the most, or what the procedures will be to review applications. Regulations are being drafted, but the vetting and management will fall to the Puerto Rican government, Sullivan said.

"After all this money, there still will be unmet needs," Sullivan acknowledged.

In Punta Santiago, additional aid can't arrive soon enough for its 5,200 or so residents.

The fishing pier that once attracted a weekend throng of beachgoers and tourists is a wreck, and the return of cash-spending visitors on which the community depended remains more hope than reality. Repair estimates for the pier, which had been renovated just two years before Maria, run well over \$1

million, money the municipality of Humacao doesn't have, said Félix Fontánez López, project manager at PECES, a community organization that has been the backbone of local recovery efforts.



Manuel Pérez, an employee at a beauty shop in Utuado, Puerto Rico, hangs a sign on Aug. 22, 2018. Pérez's community is still recovering from the damage Hurricane Maria caused a year ago.

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At the heavily damaged mall a few miles down the road where many residents worked, only a Walmart has managed to reopen. The nearby Sam's Club, heavily damaged by Maria, closed permanently.

All but one of the dozen launches belonging to the local working fishermen's association, another local mainstay, are grounded, the boats having been swamped by storm waters that drowned their engines and electrical systems. The 13 fishermen who remain — two died from health complications after Maria and another left after his home was destroyed — are unable to do much fishing, said association president Antonio “Tony” Torres Torres. They need 21 functional engines to resume work.

Most of the 13 local *chinchorros*, rustic roadside watering holes serving fritters and also a draw for weekend visitors, were wiped out by Maria, Fontáñez López said. The popular rental cabanas at the nearby public beach park were also ruined and remain shuttered. The Punta Santiago basketball court sits barely used without its roof.

And while a few residents have received substantial FEMA aid, Fontáñez López said, most grants received won't cover the cost of roof repairs, a critical need. As tough as things are in Punta Santiago, they would be far worse if not for an avalanche of private aid, he noted.

PECES, an acronym that spells out “fish” in a nod to the community's fishing roots, stepped in with \$2 million worth of donated construction materials like hurricane- and flood-resistant aluminum doors and windows and foundation grants to help locals repair their homes and businesses, including the *chinchorros*, some of which have reopened. Much of the repair work was done by volunteers, in particular squads of military veterans from the island and mainland, he said.



Antonio “Tony” Torres Torres, president of the Punta Santiago, Humacao, fishermen’s association, oversees the group’s beachfront cafe and fish market. The group’s members need 21 new boat engines to resume work. “Everyone here has suffered,” he says.

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Among those PECES helped: Kiosko el Amarillo owner Chegüi, as everyone in town knows him. The group gave him the cooker he now uses after he was denied a low-interest small-business loan because he could not show he could pay it back. He still also owes money on a private loan he took out to buy a freezer for the kiosk business before Maria.

To keep working, he bought a new freezer, which he keeps at home, on credit at a local store. He’s also had to improvise to stay in his home. He and his partner got just \$1,000 from FEMA to cover the cost of lost belongings, including all their clothes, furnishings and appliances. She did get a low-interest

government loan to replace the appliances, Chegüi said, but he's had to do his own carpentry work and pay for materials to repair structural damage to the house.

The kiosk, though, is hopeless. He rented the structure from private owners, but it was grandfathered in and can't be rebuilt because it's on a public beach, Chegüi said.

PECES is also placing solar panels on 25 homes of medically needy people dependent on respirators or other equipment that needs to run 24/7.



More and more Puerto Ricans are relying on solar energy instead of putting their faith in the local power company after Hurricane Maria left the island dark for months after the storm.

By Al Diaz ✉ | Christian Colon ✉

But the group's money and materials are running out, Fontáñez López said.

At the fishermen's association's modest beachfront headquarters, FEMA crews repainted a snack bar, storage sheds and a fish market, but did little else, Torres Torres complained. The \$14,000 to replace the destroyed roof over the snack bar's terrace came from local donations, while association members managed to get the snack bar and market repaired and opened with no government help, he said.

For months after Maria, Interstate Battery donated generators and food for 1,000 people, then undertook regular water deliveries, and has quietly continued its support, Fontánez López said. A local company donated hundreds of mattresses to residents, Torres Torres said.

Residential streets of tightly packed concrete houses are dotted with unrepaired, debris-filled homes. Some were abandoned because many simply left after the storm, residents say. Though power to Punta Santiago was restored after seven months, streetlights were not, so on moonless nights the streets are pitch-black. When darkness descends, so does the depression that has afflicted many since Maria.



José Luis Aponte Cruz, 52, wipes a tear as he walks through the ruins of his beachside eatery “Kiosko El Amarillo” in the Punta Santiago neighborhood of Humacao, Puerto Rico. His business was destroyed last year in Hurricane Maria.
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“Around here we call it boca de lobos,” said Velázquez, the Punta Santiago resident living with her blind mother, using a common expression meaning “total darkness.” To dispel the gloom, she has installed solar motion-activated lights outside the family home.

“Everyone here has suffered,” said fishermen’s association president Torres Torres, his eyes welling up. “Night falls, and because there are no streetlamps, you fall back into the same thing.”

Even the sea bottom was changed by Maria. The reefs and seagrass beds where the local fishermen caught snapper, conch and lobster were smothered with sand and silt and, in some places, appliances and debris washed out to sea after the storm surge receded, Torres Torres said. That means that the only association members going out these days, three divers, must go farther out into deeper, unprotected and thus more dangerous waters, and even then the catch is often meager, he said.

To make ends meet, Torres Torres, formerly a part-time fisherman and retired government worker, is working nights as a security guard. He spent \$4,900 on fuel to run a generator at home for the eight months he and his family went without power, depleting his savings. A big man, he gets visibly upset as he recalls how his teenage daughter nearly drowned when the beachfront family home was swamped by Maria, and wonders how he's managed to endure it all.

"It's been hard losing everything. It's been very painful. This has changed the life of Puerto Rico. This ruined families, separated families. Many people closed their businesses. It brings out the tears. We have faith that this may take a long time, especially for the economy to recover, but we're moving forward," he said.

"But let me tell you something. Puerto Rico deserves a prize. Those of us who stayed, we deserve a big prize."

Herald staff writer Caitlin Ostroff contributed to this report.

This special report was produced with support from The Rockefeller Foundation.



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ECONOMY

The economy of Puerto Rico will continue in a tailspin by 2019

The island has been in this negative trend for about a decade

Tuesday, October 9, 2018 - 1:31 PM

By Agencia EFE





The International Monetary Fund (IMF) forecasts that unemployment in Puerto Rico will reach 11% in 2018 and 2019, an increase of 0.2 points with respect to the final figure for 2017. (GFR Media)

The economy of Puerto Rico will fall 2.3% this year and 1.1% in 2019, a negative trend in which the **Commonwealth** has been immersed for nearly a decade, according to the latest economic forecasts presented today by the **International Monetary Fund** (IMF).

Puerto Rico closed 2017 with a decrease of 2.4%, a complicated year for the Caribbean island, which carries a public debt of about \$ 70,000 million and whose government has been supervised by a federal control entity imposed by Washington since 2016.

The IMF projects that the indicator of consumer prices in Puerto Rico will close this year at 2.7%, while for 2019 the expected increase is 1.2%.

The year 2017 closed on the Caribbean island with a 1.8% rise in consumer prices.

The IMF forecasts that unemployment in Puerto Rico will reach 11% in 2018 and 2019, an increase of 0.2 points compared to the final figure for 2017.

Puerto Rico, defined as a Commonwealth of the United States, is a Caribbean territory of about 3.5 million inhabitants that still recovers from the millionaire losses caused by **Hurricane Maria** , which in September 2017 devastated the island.

In 2015, the government incurred the first non-payment of the millionaire debt, which provoked the intervention of the United States Congress, which before the judicial tangle that was approaching for the claims of the creditors approved legislation that establishes a Fiscal Oversight Board that controls the financial policy of the local Executive.

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September 11, 2018, 4:00 AM PDT

Puerto Rico's Small Businesses Are Still Hurting From Hurricane Maria

Estimates say 5,000 to 8,000 may have closed permanently. For others, recovery has been slow.

By Nick Leiber




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After Hurricane Maria destroyed the roof of her artisan business incubator in the Santurce area of San Juan, Puerto Rico, Carla López de Azúa spent about \$14,000 to rebuild it. Her insurer covered just \$9,000 of that. It hasn't yet paid her business continuity claim, though López de Azúa believes it eventually will. Her monthly electricity bills have been erratic, sometimes spiking above \$2,000 for reasons the utility can't explain.

López de Azúa is experiencing a mix of frustration and optimism about the future of Puerto Rico's small businesses. Demand for the spaces she rents to young designers and fledgling startups is increasing. Seven tenants have expanded from her location to open their own independent stores since Maria touched down. The government wants to help, but López de Azúa believes officials don't fully grasp the obstacles faced by people like her tenants. "There are a lot of people 35 and under who are willing to stay in Puerto Rico and work, but the environment doesn't cater to them," she says. "That's the talent that is leaving the island. Those are the people who will pay the taxes, buy the houses and cars, whose kids will go to school."



Replay

Nearly a year after Hurricane Maria devastated Puerto Rico, many of the island's roughly 44,000 small businesses that haven't benefited from reconstruction spending are still struggling. About 2,400 businesses closed in the fourth quarter of 2017, more than double the amount that closed during the same period in 2016, U.S. Bureau of Labor Statistics data show. In total, 5,000 to 8,000 small businesses may have closed permanently since the storm, estimates Nelson Ramírez, president of the Centro Unido de Detallistas, a small business advocacy group in San Juan. The toll could climb to more than 10,000, he says, if insurers keep dragging their feet, energy costs keep increasing, and large numbers of Puerto Ricans keep relocating to the mainland. Because small employers represent about 80 percent of the private sector workforce, their health is crucial to the economy.

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under way. “Given the situation, I wouldn’t be surprised if there are a significant number that are unable to hang on,” he says. “I’m very concerned because they are the principal job creators for the island.”

The migration acceleration is “one of the most significant hurdles for future economic recovery,” according to a [report](#) released in March by the Center for Puerto Rican Studies at Hunter College in New York. “Puerto Rico could lose the same population in a span of a couple of years after Hurricane Maria as the island lost during a prior decade of economic stagnation.” From Sept. 20, 2017, when the storm hit the island, through the end of this year, the total could reach about 200,000, Edwin Meléndez, the center’s director, estimates.

In rural areas, where small businesses account for a larger share of employment than in cities, the outflow has a disproportionate effect, says Arnaldo Cruz, director of research and analytics at the Foundation for Puerto Rico, a San Juan nonprofit that has been instrumental in the relief effort. “If more of them start closing in these communities, you’re going to have more people without a job and more dependent on the government,” he says. “If we don’t act now, we might get to a point where some are at a point of no return.”

In Orocovis, a mountainous municipality in the center of the island where the median household income is below \$15,000, Cruz’s nonprofit has been conducting a pilot program to fortify the community. Héctor Rosario, who got a \$3,000 grant he credits with helping his restaurant stay in business, says it’s the only help he’s received. Feeling abandoned by the government, Rosario contemplated moving his family to the mainland after Maria, but reopened his business in October.

Power wasn’t restored to his restaurant until February. His landlord wouldn’t let him use a generator, so he drove ingredients to and from his parent’s refrigerator, which was connected to generator power. Local customers he depends on are still moving out of the area, he says—sales are 60 percent to 70 percent below what they were before Maria. The foundation is hoping its efforts to attract more tourists to Orocovis will result in new customers for business owners like Rosario to replace lost revenue when locals leave. “The real question now is, how long can small businesses here hang on until the next phase of the economic cycle?” says Rosario.

The Foundation for Puerto Rico is expanding its Orocovis pilot to two more rural areas. It’s also tracking 200 businesses in other parts of the island to which it has awarded just over \$500,000 in grants. Fewer than 5 percent of the grantees have failed, says Cruz. In late August the U.S. Department of Commerce granted nearly \$5.6 million to the foundation to bolster its work.

The U.S. Small Business Administration received 10,292 business disaster loan applications from entrepreneurs in Puerto Rico and the U.S. Virgin Islands after Maria. After loan modifications and cancellations, the agency approved 2,704 applications for a total of about \$201 million in loans and had disbursed about \$91 million as of Sept. 9, according to

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wounded before the hurricanes struck,” she says via email, noting she’s pushing other legislation to improve the flow of capital to small businesses after disasters. “If the economy there is going to recover, we need this sector to thrive.”

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POLITICS

The Situation in Puerto Rico Is Untenable

Although the effort to rebuild Puerto Rico has made progress, the island is still confronting questions of status, economics, and emigration that Hurricane Maria helped expose.

VANN R. NEWKIRK II SEP 20, 2018



CARLOS BARRIA / REUTERS

SAN JUAN, Puerto Rico—*Puerto Rico se levanta*. It's become something of an official motto among officials on the island, draped across buildings and making its way into press releases and speeches. It captures an optimistic and hopeful feeling, one a world away from mainland America's posture toward the island, which vacillates between indifference and sensationalism. The best English translation is probably "Puerto Rico is rising," but a few others might do as well. Puerto Rico rises. Puerto Rico raises itself. Puerto Rico is waking up.

But a full year after the destruction of Hurricane Maria—with blue tarps as ubiquitous on the island as the *se levanta* slogans and the murals declaring *fuerte*—just what do "rising" and "waking up" really mean? Thursday marks the tragic anniversary of one of the most deadly disasters in American history, and somber vigils and *actos ecuménicos* across Puerto Rico will mark it as such. The subtext of

each event is the push and pull of grief and hope, a battle between past and future, a struggle between colony and colonizer, a complicated relationship between a diaspora and home, and an unresolved mix of questions about status and citizenship.

[A year after Maria, Puerto Rico finally knows how many people died.]

What have we learned since Hurricane Maria? Most of the attention in the past few weeks has been focused on how to quantify the damage done by the storm and its aftermath. That discussion took on a heated, partisan character when President Donald Trump disputed the estimate, rendered by academic researchers, that almost 3,000 people died as a result of the storm. His dispute—and that of the praetorian guard of pundits dedicated to preserving his presidency—is not one rooted in facts or even in goodwill toward the Puerto Rican people, but in dismissal and negligence. The number makes the federal government look bad, so it must be a hoax, or the result of poor conditions on the island before the storm, or a poor response from Puerto Rican authorities long after.

It's a self-contradictory argument, but one that, above all else, denies any kind of federal responsibility. According to Trump, the federal government's response was monumental and historical, but was somehow also hampered by the fact that Puerto Rico is a five-hour flight away from Washington, D.C. In his telling, that response is what kept the island from enduring a fate similar to Louisiana and other states in the Gulf of Mexico after Hurricane Katrina.

But the truth is that the federal government's reaction was deeply inadequate, and likely led to hundreds or perhaps thousands of deaths. A report released by Trump's own Federal Emergency Management Agency even outlines some of the ways in which the response was lacking. The report found that local stores of emergency supplies in federal warehouses in Puerto Rico were all but nonexistent, and that many of the agency's critical staff were deployed elsewhere during the early stages of Hurricane Maria. Federal communications were a mess, making it difficult to get a handle on the true scope of the damage or marshal resources to the worst-hit areas, and leading to logistics logjams in the provision of emergency goods. Outside reporting from Frontline and NPR has found even more worrying deficiencies in the federal response, including a critical lack of planning, a misunderstanding of the island's fragile electric grid, and a contracting process

during the response phase that was wanting, to say the least. There is no reading of FEMA's response, official or otherwise, that indicates that it was as swift or efficient as it was after mainland disasters like Hurricane Harvey in Texas.

But the responsibility for Maria's aftermath doesn't just rest with the federal government, either. Puerto Rico's vulnerable electricity grid and its weak critical infrastructure were almost entirely destroyed by the storm, and the story of how they got so weak is one that involves authorities on the island and federal lawmakers from both parties. Then there's the financial crisis that wracked the island, and the Puerto Rico Power Authority's financial troubles, which left the territory with a power grid that was a strong storm away from complete collapse. The fact is that last year, Hurricanes Irma and Maria struck an island that was uniquely fragile, in political and financial turmoil, and probably in the worst shape possible for a major disaster.

The ongoing question of responsibility is still being sorted out in the territory. Multiple levels of government have been involved in Puerto Rico's restoration, as well as its political struggle for power within the United States. A federal oversight board, implemented by Congress two years ago and signed into law by President Obama, is technically in charge of major fiscal decisions on the island, and as such was the major player in a recent decision to privatize Prepa. But it still exists uneasily alongside the official elected government on the island, led by Governor Ricardo Rosselló, and the two have often clashed on infrastructure and finance, among other matters.

Under the direction of the oversight board, the island has embarked on an austerity program, which includes slashing public assistance and government support to municipalities and institutions like Puerto Rico's robust university system, as well as major cuts to public education and a massive slate of school closings. In a post-Maria world, the goal of this program is essentially to starve off the informal economy and massive public sector that have developed over time in Puerto Rico, and replace them with a robust formal tourism industry and private developers, all buoyed by an influx of credit from mainland investors. But that program has highlighted another rift within the territory, one in which public-sector employees and students are naturally squeezed and now find themselves often in protest.

Even as those tensions heighten within the increasingly complicated social and political structures within Puerto Rico, rebuilding is still taking place. After eight months in the dark for some citizens, most of the power grid is back in place. It's still fragile, and still faces outages during storms in some areas, but the deafening hum of generators that characterized the island's metropolitan areas after Maria is no longer. Most of the critical roads are repaired, and the hospitals are in no worse condition than they were before the storm. Tourism is back—and this week especially, Rosselló has made a show of entertaining visitors—even though some of the signature hotels in San Juan and Old San Juan still haven't been rebuilt.

[*Puerto Rico enters a new age of austerity.*]

Officials within the tourism industry have decried news coverage of dysfunction and destruction in favor of a narrative that highlights strong recovery. “Six months after Hurricane Maria hit, more than fifty percent of travelers said media coverage negatively impacted their view of Puerto Rico as a destination and we're hoping to change that as the one year anniversary approaches,” said Brad Dean, the CEO of Discover Puerto Rico, a new nonprofit created to promote tourism, in a press release earlier this month.

Still, it's hard to visit Puerto Rico and not see that the recovery is incomplete, perhaps even hollow in some places. The blue tarps covering roofs are so common that they are visible on the flight into San Juan. Municipalities far away from the bustle of the capital still lag behind in rebuilding, only compounding the miseries of rural, poorer residents that existed before the storm. As Kathy Gannett, a resident of Vieques, a small island off the eastern coast, told me, most of the population there still has “great needs for housing, health services, sustainable energy, jobs, ferry service, and mental-health services.”

One of the most difficult problems for the island to deal with is the fact that so many people have left it. According to an analysis released Thursday by the Center for Puerto Rican Studies at Hunter College in New York, almost 200,000 people have departed for the mainland in the year since the storm. That's a steep drop of about 6 percent from the total population of roughly 3 million people, and it's on top of the half million residents who left in the 12 years before Maria. According to Edwin Meléndez, the center's director, the exodus of Puerto Ricans to the

mainland “is an indication of stagnant conditions on the island and the impatience of the population with the governmental responses at all levels.”

Those numbers get to the heart of the problem in Puerto Rico, one that exists beyond Trump’s government, and one that Maria exposed rather than created. It’s that the political and economic situation of the island is untenable, and that the old specter of colonialism is more and more unbearable.

As people continue to leave, the disaster of Hurricane Maria is still exerting its influence, and the political questions of how to truly confront the catastrophe and its root causes are in front of the island and its diaspora—not behind them. A year is not enough time to measure the scale of a disaster as massive as Maria. The effects on local and federal politics alone will reverberate through future elections. The effects on the economy of Puerto Rico have only just begun, and it increasingly looks like the hurricane marks an epochal shift in the nature of the relationship between the island and the broader United States. *Puerto Rico se levanta*, but exactly where it will rise is still a mystery.

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