

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

[The prepared statement of Mr. Pierluisi follows:]

PREPARED STATEMENT OF THE HON. PEDRO R. PIERLUISI, RESIDENT COMMISSIONER
OF PUERTO RICO

Chairman Young, Mr. Ranking Member, and members of the subcommittee: Puerto Rico has been a territory of the United States since 1898. As this committee has made clear many times, if Puerto Rico does not want to remain a territory, it can follow one of two paths. The territory can become a state or it can become a sovereign nation, either fully independent from the United States or with a compact of free association with the United States that either nation can terminate. If Puerto Rico becomes a sovereign nation, future generations of island residents would not be American citizens.

Those are the options: remain a territory, become a state, or become a sovereign nation.

As the members of this committee are aware, residents of Puerto Rico have made countless contributions to this Nation in times of peace and war, serving in every military conflict since World War I. They fight today in Afghanistan and other dangerous locations, side-by-side with young men and women from the states. Many of them have made the ultimate sacrifice in battle. And when they do, their casket is flown back to this country, draped in the American flag.

It takes a special kind of patriotism to fight for a nation that you love, but one that does not treat you equally. Although Puerto Rico is home to more American citizens than 21 states, my constituents cannot vote for president, are not represented in the Senate, and have one non-voting delegate in the House—a position I have held since 2009. Moreover, the Constitution gives Congress a license to treat Puerto Rico worse than the states under Federal law, and Congress often uses that license.

Every informed observer understands that territory status is the root cause of the economic, social and demographic crisis in Puerto Rico that you have been reading about in the newspapers. As the GAO noted in a recent report requested by the former chairman of the full Natural Resources Committee, Puerto Rico is treated unequally under Federal spending and tax credit programs and is therefore deprived of billions of dollars every year that would otherwise flow to our local economy, which—not surprisingly—has been mired in a deep recession. To compensate for the shortfall in Federal funding, the Puerto Rico government has borrowed heavily in the bond market, which is the main reason why the territory government and its instrumentalities have \$72 billion in outstanding debt. In the last 4 years alone, upwards of 250,000 island residents have relocated to the states in search of better economic opportunities for themselves and their families, and these staggering numbers are only getting worse. When my constituents arrive in the states, they are entitled to vote for their national leaders and to equal treatment under Federal law—the same rights they were denied while living in Puerto Rico. How any American with a conscience could support this shameful situation is, I confess, beyond my comprehension.

There are many concrete examples of how Puerto Rico's territory status harms the quality of life in Puerto Rico, but allow me to mention just two.

Puerto Rico has always been treated in discriminatory fashion under Federal health programs. This is the result of action or inaction by presidents and Members of Congress, both Democrat and Republican, over many decades. The adverse impact on doctors, hospitals, insurance providers and—most importantly—patients in the territory has been as severe as it was predictable. This disparate treatment has also decimated Puerto Rico's fiscal health, since the territory government must cover the costs of services the Federal Government should be covering—and that it *would* be covering if Puerto Rico were a state. Thus, I have introduced a comprehensive bill to essentially provide Puerto Rico with state-like treatment under Medicaid and Medicare.

Another example—Congress has empowered each state government to authorize its "municipalities" to adjust their debts under Chapter 9 of the Federal Bankruptcy Code if they become insolvent. A state government may choose to allow its municipalities to file for protection under Chapter 9, or it may decline to do so. The power to decide rests with the state government. However, for reasons that are clear to nobody, Congress in 1984 chose not to permit the government of Puerto Rico to authorize its municipalities to seek relief under Chapter 9. In other words, Puerto