



Congressman Pedro R. Pierluisi  
Remarks as Prepared for Delivery  
Summit on Puerto Rico Affairs  
Kissimmee, Florida  
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Good afternoon. Thank you for the kind introduction.

I want to begin by thanking Luis de la Rosa, Ralph Suarez and Denisse Bravo for organizing this Summit and for inviting me to speak. I also want to thank the representatives from the National Coalition of Puerto Rican Chambers of Commerce who are in attendance today. I am particularly honored to be here alongside Senator Bill Nelson, who has been such an effective leader for the people of Florida and such a strong advocate for fair treatment for the nearly four million American citizens living in Puerto Rico. Senator Nelson: thank you for all that you have done, and that you continue to do, for my constituents, who do not have their own senators. I am also pleased to be here with Commissioner Otero, who in 2008 became the first Hispanic in Kissimmee history to rise to the position of Vice-Mayor. *Felicidades, Art.*

The purpose of this annual Summit, now in its second year, is to facilitate a dialogue among Florida's political, business and community leaders about ways to expand opportunities for the State's large and growing Puerto Rican population. My remarks will deal with the mutual benefits of increased trade and other business ties between Florida and Puerto Rico.

But I would first like to address some relevant statistics. Over the last decade, the number of Hispanics in Florida has increased by 57 percent, from 2.7 million to 4.2 million. Hispanics now constitute 22.5 percent of the State's total population. In light of these numbers, political leaders in Florida who disregard the State's Latino citizens do so at their own peril.

The growth in Florida's Puerto Rican population between 2000 and 2010 has been particularly astonishing, increasing by 76 percent, to nearly 848,000. The Puerto Rican population is now 20 percent of the State's Latino population and 4.5 percent of the State's total population. Simply stated, Puerto Ricans in the Sunshine State have transformed themselves into a force to be reckoned with—politically, socially and economically. Make no mistake: this development has not gone unnoticed in Washington. Last month, the newspaper *Politico*, which is widely read in the nation's capital, featured a lengthy article concluding that the growth of the Puerto Rican population in Florida, particularly within the I-4 corridor, has the potential to change the State's—and, indeed, the entire nation's—political calculus.

The dramatic increase in Florida's Puerto Rican population is likely due to a combination of factors. Higher than average birth rates may account for some of the growth. So, too, might the southern migration of Puerto Ricans previously living in other U.S. states like New York and New Jersey. Having personally experienced my fair share of winter days in the Northeast, I cannot say I blame these folks for seeking out a warmer climate, access to great beaches, and the various other pleasures that Florida offers. The final factor is increased migration to Florida directly from Puerto Rico.

While Florida's total population increased by 17.5 percent between 2000 and 2010, Puerto Rico's population decreased by 2.2 percent. To put that in context, only one U.S. state experienced a population reduction in the last decade, and that was by a mere 0.6 percent. Although there is a longstanding tradition of migration from Puerto Rico to the states, the departure rate exploded beginning in 2006, the year in which the Island's economy entered a recession. Between 2005 and 2009, more than 300,000 people moved from Puerto Rico to the states. Many settled right here in Florida. And I'm sure quite a few of you are in the audience today.

Notably, data collected by the Statistical Institute of Puerto Rico indicate that Puerto Ricans leaving the Island tend, on average, to be younger and more educated than those who remain. This "brain drain" has hit fields like medicine, science and engineering particularly hard. Individuals in vital service sectors—such as teachers, police officer and firefighters—appear to be leaving Puerto Rico in high numbers as well. Puerto Rico's loss, of course, is also Florida's gain.

For Puerto Rico leaders, this data should serve as a wake-up call. More than that, it should serve as a call to action. The reality is this: people, no matter where they are from, will always seek greater economic opportunities for themselves and their families. If migrating means a better job, better health care or a better education for their children, then many will migrate.

Recently, the White House Task Force on Puerto Rico's Status issued a detailed report. That Report made clear that resolving Puerto Rico's political status question is central to advancing

the Island's economy. Put simply, Puerto Rico cannot wait another 10, 20, or 112 years to resolve its status. We must act now if we want to bolster the Island's economic growth, lower unemployment, and stop the exodus of Island residents to the states.

Whatever the precise reasons for the growth of Florida's Puerto Rican population, this growth has served to bring the Sunshine State and *La Isla del Encanto* even closer together. The bonds between us are deep and strong. My own family is no exception. A year ago, I was the commencement speaker at Lake Mary Prep, not far from here, where my youngest son, Rafael, was a member of the graduating class. He is now attending the University of Florida. And my only daughter, Jacqueline, is a proud Hurricane—a 2009 graduate of the University of Miami.

Naturally, the close ties between Florida and Puerto Rico translate into economic opportunities for forward-thinking individuals and companies in both jurisdictions.

Puerto Rico's 3.7 million consumers have significant purchasing power and constitute a prime market for Florida goods. Four maritime shipping companies currently serve the trade lane between Florida and Puerto Rico. I should note that I recently urged the Government Accountability Office, the investigative arm of Congress, to prepare a report examining the impact of the Jones Act's application to Puerto Rico, in terms of its effect on both the Puerto Rico economy and the broader U.S. economy. As you may know, the Jones Act requires that transport of cargo between U.S. ports be carried by vessels built in the United States, owned by U.S. citizens, and operated by U.S. citizen crews.

Many of my constituents, including respected Island economists, have expressed concern that Puerto Rico consumers and producers are hurt—and the Island’s economic growth is hindered—by higher shipping costs potentially associated with the Jones Act. My goal in requesting the report is simple: to obtain the economic data needed to develop a well-informed opinion on the issue. If GAO performs the study, and if that study shows Puerto Rico is being economically disadvantaged by the Jones Act, I will consider offering legislation to address the problem. But any actions I take will be based on hard evidence, not speculation.

Beyond serving as a market for Florida products, Puerto Rico ought to be an attractive location for Florida companies to invest. The Island is one of the most open and vibrant economies in the world. As you know, Puerto Rico is within the U.S. customs zone, the Island is part of the U.S. currency and banking system, and companies in Puerto Rico enjoy the protection of the U.S. legal system, including its intellectual property safeguards.

In addition to relatively low labor costs and a modern infrastructure, Puerto Rico offers companies a comprehensive package of investment incentives, including a low corporate income tax rate and various tax exemptions and deductions. With respect to human capital, Puerto Rico is home to thousands of bilingual, well-educated and highly-motivated workers.

Finally, after years of negligent stewardship, the Island’s economy is steadily being nursed back to health. The current government, which came to power in January 2009, inherited a deficit of \$3.3 billion dollars—as a percentage of revenue, the largest deficit in the country. The rating agencies had downgraded Puerto Rico’s credit to near-junk status. For two-plus years, Governor

Luis Fortuño and the Island's legislature have taken decisive action to impose fiscal discipline and create a leaner, more responsive government. These leaders have made difficult but absolutely necessary choices. They have sharply reduced the deficit as a percentage of revenue. Indeed, by this metric, the Island has moved from last in the nation to a fiscal position that is better than that of 30 states. The rating agencies have rewarded Puerto Rico's progress, with Moody's giving the Island its highest rating in 35 years. Much work remains to be done, but Puerto Rico is finally on a sustainable path. For companies looking to invest on the Island, this should come as welcome news.

In addition, the Puerto Rico government—as part of its long-term, pro-growth strategy—has moved to address two of the chief complaints heard from business owners on the Island. First, Puerto Rico's leaders have streamlined and simplified the permitting process to remove red tape and encourage private investment and development. Second, the government has developed a comprehensive strategy to address Puerto Rico's extremely high energy costs and to reduce the burden they place on Island businesses.

On the export side, in addition to pharmaceuticals and other manufactured goods, Puerto Rico companies make many high-quality products that should appeal to Florida residents, especially the State's Puerto Rican population, including coffee, plantains, red peppers, and cilantro—to name just a few. But the fact is this: too many ships depart Florida's ports for San Juan full of goods, and yet return to Florida half-empty. Events like the Summit on Puerto Rico Affairs are an important way to help correct this imbalance and to otherwise improve business ties between

Florida and Puerto Rico. Thank you again for holding this event, which I hope will become an annual tradition. And thank you again for inviting me.