

Press
OFFICE OF THE GOVERNOR
LUIS G. FORTUÑO



NEWS RELEASE

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“Puerto Rico is overcoming,” Governor Fortuño declares

San Juan – In his State of the State message before the Legislative Assembly tonight, the Governor of Puerto Rico, Luis G. Fortuño, reviewed mid-term accomplishments and set forth his administration’s agenda for the future. “In just two years, we have fulfilled our pledge to bring you a true change of good government,” Governor Fortuño declared. “But we’re still in mid-course, and there is much that remains for us to do,” he added.

Despite the fact that two years ago he inherited “a government on the verge of bankruptcy, with its credit on the threshold of junk status,” Fortuño highlighted the fact that after 25 months in office:

- Puerto Rico’s public finances have been stabilized;
- “We’ve paid more than \$1.5 billion in unpaid bills left to us by the last administration;”
- “We have reduced by more than three-quarters the more than \$3.3 billion deficit left to us by the last administration...and we’re on our way to completely eliminating it;”
- “We have rescued Puerto Rico’s credit, and in so doing we have saved tens of thousands of jobs and protected the value of your house, your IRAs and the life savings of tens of thousands of Puerto Ricans that would have plummeted if Puerto Rico had gone bankrupt;”
- “The credit rating agencies have given us the highest ratings in over 35 years and they, not us, have certified that Puerto Rico’s outlook is POSITIVE;”

Governor Fortuño further pointed to the fact that, “we have stabilized our economy and we have already started to see clear signs of recovery after a lost decade, such as the

27,600 net new jobs created from August to December of 2010, along with increased retail sales, increased auto sales and the reactivation of the residential real estate market.”

The first Republican Governor in more than three decades to lead the island also pointed to additional innovative initiatives of his administration on multiple fronts, such as “the total modernization or new construction of 100 schools throughout Puerto Rico, at least one in each municipality, with an investment of \$756 million dollars;” Public-Private Partnerships that are stimulating the investment of more than \$3 billion dollars and creating thousands of jobs on the island; an Energy Reform “that will help us reduce our excessive dependence on expensive and environmentally damaging oil, in favor of cleaner, safer, healthier alternative sources, such as natural gas, as well as renewable energy sources, such as the sun and wind;” and Government Reform that is simplifying and accelerating government processes at all levels.

Governor Fortuño also emphasized his administration’s Housing Incentives, which have resulted in an overall 20% increase in residential housing sold and a whopping 35% increase in new housing units sold; the distribution of \$4.5 billion dollars in ARRA funds in both direct benefits to citizens as well as infrastructure projects; the disbursement of \$500 million in local economic stimulus funds and the return of the right to health to “one and a half million Puerto Ricans through MI Salud.”

“And as if that weren’t enough, last week, just like I promised you — and thanks to the decisive support of House Speaker Jennifer González and Senate President Thomas Rivera-Schatz — we approved the largest, most comprehensive, most fair and most beneficial Tax Reform in the history of Puerto Rico, which will put more than \$1.2 billion dollars a year in tax relief back in your pockets,” Fortuño declared.

Pivoting towards members of the legislative minority who voted in bloc against Tax Reform, Fortuño noted that in order to make sure everyone benefits from Tax Reform, the Reform includes a provision that allows taxpayers who believe it does not benefit them to file their income tax returns under the old Internal Revenue Code. “I’m certain that, come April 16th, we’ll read in the press how each and every member of the legislative minority who voted against Tax Reform chose that option.”

With regard to his agenda for the balance of his current term in office, Fortuño pledged to “complete our fiscal stabilization plan, and assure you that we put behind us, forever, the threat that you’ll have to pay the consequences of the budgetary irresponsibility of past administrations.” He also stated that his administration will proceed to effectively implement Tax Reform, “ensuring that you enjoy the tax relief we signed into law, so that more of your hard-earned money stays in your own pockets.”

The Governor also said he intends “to expand MI Salud in order to cover municipal employees, employees of small and medium-sized businesses and non-profit organizations...as well as once again cover the thousands of citizens that past administrations stripped of the right to health care.” He also indicated that the months ahead will see the concession of Public-Private Partnership investment programs to

improve and maintain major insular highways PR-22 and PR-5, as well as the Luis Muñoz-Marín International Airport. He also announced that an additional \$200 million will be allocated for repairs to the state highway network, including \$100 million for highway projects in the island's central mountain region.

Other projects in the pipeline this year include “the construction of the Valenciano and Beatriz reservoirs, with an aggregate investment of \$475 million, which will benefit 1.5 million of our citizens in Humacao, Las Piedras, Juncos, Gurabo, San Lorenzo and the entire Caguas region,” as well as the creation of the “Great Northeast Natural Reserve” which will triple, to 9,000 acres, the land that is protected in that area of such great ecological value.

Governor Fortuño also emphasized the construction of the Vía Verde natural gas pipeline “that will allow us to use natural gas as a cleaner, safer, cheaper alternative to oil, so that we can finally see a reduction in our electricity bills,” and a re-doubling of the effort to “eradicate the crime and violence that continues to besiege our society.”

Although all other Type 1 crimes — rape, robbery, aggravated assault, breaking and entering, illegal appropriation and vehicle theft — have declined as a result of the administration's anti-crime plan, Fortuño focused on the importance of his administration's new efforts to reduce the murder rate. Addressing the subject of the fight against crime, he rejected drug legalization and advocated for more collaboration between state and federal law enforcement agencies, as well as for the creation of a multi-sector Alliance for Social Transformation. Among other initiatives, the Governor also proposed a stepped-up effort to combat school dropout rates. “We shall seek—and we shall find—ways to make sure parents fulfill their responsibility to provide for the education of their children,” he declared.

In his closing remarks, Governor Fortuño noted “our agenda is ambitious, but you know we will fulfill it, because the pledge we made to you is sacred. But the work never stops...because your aspirations are eternal. A Puerto Rico that is overcoming always aspires to the highest goals. With God's help, I don't have the slightest doubt that we will reach them,” concluded the Governor, who earlier in his remarks reaffirmed his pledge to devote himself “body and soul, for as long as it takes, to give back to you and your family the Puerto Rico you deserve.”

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