

SELLING OR SELLING OUT

BACKGROUND

Certain words like lawyer, tax, developer, privatization, gentrification, and a host of others, often elicit negative responses in people. Many have experienced or witnessed undesirable outcomes at the hands of, or results from, some of these nouns. This generalization provides a huge disservice to any and all rational discourse. The noun is not the determinant of good or evil, it's the adjectives (excellent, horrible, just, unfair, etc.) that make all of the difference.

Privatization is an ambiguous commonly used word that can mean:

- *Government transfer of a business or service to private sector ownership **and/or** control;*
- *Government contracting of a business or service with the private sector; or*
- *Government “partnering” with the private sector to operate government owned assets.*

The primary legal and justifiable reasons for government to involve the private sector are:

- Raising money through selling assets and/or securing additional investment funds;
- Extracting the government from an uneconomical or losing political venture; and
- A government lack of technical expertise to effectively run the operation.

Privatization of the ATM is being attempted for all of the above reasons.

Granting of favors to “rent seekers”, cronies, and political donors are common illegal purposes.

PRIVATIZATION UNDER P3

Privatization of a government service is neither good nor bad on its face. To be good, it is important that the process is structured to effectively achieve the community's goals. Properly designed, a contract can facilitate the enforcement of strict compliance with the needs of the customers, including everything from operational performance to fees for services. Bad is illustrated by two of the projects currently in the bidding phase under the P3 program: the ATM (ferry services) and the San Juan Pier operation. This privatization process, as specifically established by the enabling law, is deeply flawed and horrible for Puerto Rico.

The devil is always in the details, and the ultimate determinant of success is the outcome for the stakeholders. But how can any community satisfaction result from P3 legislation that allows the process of defining the bidding and performance specifications to be created and approved without the knowledge of, and input from, the users, customers, and existing service providers? IT CAN'T! It's selling out our people; it's flimflam!

The law presumes that the “superior” insight of the backroom P3 architects trumps the actual experiences, opinions, and needs of everyone else. No mechanism is provided or offered to educate, discuss, collect meaningful data, or exchange ideas with the community. Officials' ignorance of the issues, susceptibility to influence peddling, and lack of best-practice expertise in the industry are hidden from public view due to a total lack of transparency and a wall of legal

protections designed for that purpose. That arrogance of the elite ruling class that was protested-out-of-office still permeates the mentality of many who remain.

The losing battle that is being waged by Viequenses to improve the ATM is not primarily a war for or against privatization, but rather a plea to our government to listen to us and fix the deplorable, dysfunctional system - or to SUPPORT US IN DOING SO OURSELVES. The problem is that the people in charge of creating the solution are not qualified and have not included the stakeholders in specifying the needs of the communities of Vieques and Culebra.

As reported in the Caribbean Business September 1st edition: "San Juan Pier Privatization Sails Under Radar", we see the same modus operandi from the P3 organization to ignore the stakeholders, many of whom know far better what is needed than the financial wizards who put such deals together. This law makes selling out easier than selling. This is how dictatorial regimes, monarchies, and corrupt democracies operate. We deserve better, but it will not be "given" to us, we must work to earn it, and that means attacking the legality of the law and the integrity of the lawmakers. Our past efforts at cleansing the government were inadequate: We didn't get all of the rot!