

Mr. CAMERO. I understand, sir. First of all, I don't think that Puerto Rico would want to propose anything that in any way, shape, or form would weaken our national security structure.

The second point that I would say is: Yes, since we have a tool which we have been using successfully within this 12.2 accommodation that, at the same time, has been providing the security that we are concerned with; and, at the same time, helping your 2.7 percent fellow citizens in Puerto Rico to lift themselves up by the bootstraps, that this should be used for this purpose; yes, sir.

Mr. BUSH. The only question I have is this. If we are going to be lifting up our 2.7 percent fellow citizens—which I think we have to do something about—the question I would raise for the committee's consideration is whether the way to do it is through jimmying it around, as I would call it, the existing oil import program.

You mentioned for example, several incentives or several collateral advantages to Puerto Rico that come from granting Sun, Phillips, and some of these companies the right to do this, you see.

I am wondering just how did that work out. You mentioned that there is a deal with one company which agreed to build a harbor over there.

Mr. CAMERO. That is correct, sir.

Mr. BUSH. One you said gave money to a conservation fund. Who negotiates that? Does the Secretary of the Interior say, "Look, Phillips, if you build a harbor or conservation program, we will give you a loophole through which you can import oil"? How does that work?

Mr. CAMERO. First of all, I don't think that Puerto Rico is using loopholes. Nor do I think that we have used any kind of gimmickry. I think we have used the tools at our disposal.

Mr. BUSH. I am not criticizing what you are doing. I am saying: Should we on this committee take a fresh look at it and recognize that there is a subsidization for Puerto Rico, clean up the program, and then go about the Puerto Rico situation in another way?

I think you would agree that there is a special interest here. Could you answer the question for me?

Let's take the harbor deal for example. Who negotiated that deal? Was that at arm's length between Puerto Rico and the oil company, or did the Secretary of the Interior come into that? How did that work out?

Mr. CAMERO. This was arm's length between the Commonwealth and the oil companies.

Mr. BUSH. In other words, this wasn't an incentive to the Secretary. The Secretary of the Interior had absolutely nothing to do with this special arrangement; is that correct, sir?

Mr. CAMERO. Well, I think that the Secretary of the Interior looks at an overall picture and has been conscious of the creativity that we must have in Puerto Rico in order to eliminate this poverty that we are in right this moment, this unemployment problem. I think these are facts that enter the picture.

Mr. BUSH. Would you say, "Look, Phillips, if you want to go into Puerto Rico I would suggest to you that you go down there and negotiate a deal and do something about poverty at the same time"?