

101ST CONGRESS
1ST SESSION

S. 712

To provide for a referendum on the political status of Puerto Rico.

IN THE SENATE OF THE UNITED STATES

APRIL 5 (legislative day, JANUARY 3), 1989

Mr. JOHNSTON (for himself, Mr. McCLURE, and Mr. SIMON) introduced the following bill; which was read twice and referred to the Committee on Energy and Natural Resources

A BILL

To provide for a referendum on the political status of Puerto Rico.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 That—

4 (1) the United States of America recognizes the
5 principle of self-determination and other applicable
6 principles of international law with respect to Puerto
7 Rico; and

8 (2) the United States is committed to a process of
9 consultation and negotiation with the people of Puerto

1 Rico leading to a referendum on the issue of political
 2 status to be conducted in a fair and equitable manner.

3 TITLE I

4 SEC. 2. REFERENDUM.

5 (a) IN GENERAL.—An island-wide referendum shall be
 6 held in Puerto Rico in which qualified voters of the Common-
 7 wealth of Puerto Rico shall be presented a choice of three
 8 status options for Puerto Rico as follows:

- 9 (1) statehood;
 10 (2) independence; or
 11 (3) commonwealth

12 as set forth in titles II, III, and IV of this Act.

13 (b) DATE OF REFERENDUM.—The first referendum
 14 shall occur on _____, 1991, or on a date as may be
 15 mutually agreed by the three principal political parties, and
 16 during the summer of calendar year 1991.

17 (c) RETURNS OF REFERENDUM.—The returns of the
 18 referendum held under this Act shall be made to the Gover-
 19 nor of Puerto Rico, who shall cause them to be canvassed in
 20 the manner provided by law for the canvass of votes cast in
 21 general elections in the Commonwealth of Puerto Rico. If
 22 there is not a majority in favor of one of the three options,
 23 then there shall be, on _____, 1991, or on a date as
 24 may be mutually agreed by the three principal political par-
 25 ties, and during the summer of calendar year 1991, a runoff

1 referendum between the two status options which had re-
2 ceived the largest number of votes. Such referendum shall
3 also include an option of "None of the Above". The Gover-
4 nor shall certify to the President and to the Congress of the
5 United States that decision of the people of Puerto Rico
6 which received a majority of the votes cast, if a majority is
7 obtained.

8 (d) **APPLICABLE ELECTION LAWS.**—The election laws
9 of the Commonwealth of Puerto Rico shall apply to the refer-
10 endum held under this Act.

11 (e) Upon the effective date of this Act, the status option
12 which has been certified by the Governor pursuant to subsec-
13 tion (c), shall go into effect in accordance with the appropri-
14 ate title of this Act.

15 TITLE II—STATEHOOD

16 Whereas: Upon admission as a State, Puerto Rico
17 would cease being a territory of the United States.

18 Whereas: The Commonwealth of Puerto Rico would be
19 admitted as a sovereign State of the Union, with its current
20 Constitution, on an equal footing and in true permanent
21 union with the other fifty States.

22 Whereas: The new State of Puerto Rico shall be known
23 as the Commonwealth of Puerto Rico; in Spanish it shall be
24 known as "Estado Soberano de Puerto Rico".

1 Whereas: Admission to the Union has historically been
2 a flexible and varied process which has been adapted to the
3 individual circumstances of each new State.

4 Whereas: Congress, has the constitutional power to fa-
5 cilitate the admission of new States.

6 Whereas Congress is willing to provide for a smooth
7 process of adjustment from the tax structure of the territorial
8 status to the Federal fiscal system.

9 Whereas: The Commonwealth of Puerto Rico assured of
10 its reserved state right under the Constitution to continue to
11 maintain both Spanish and English as its official languages,
12 as well as of its right to preserve and enhance its particular
13 cultural characteristics.

14 Whereas: Statehood creates the only permanent union
15 with the United States that is consistent with the “more per-
16 fect union” of equal States established by the United States
17 Constitution.

18 Whereas: Statehood entails fundamental political and
19 economic betterment for the Commonwealth of Puerto Rico.

20 Whereas: Statehood entails economic self-reliance and
21 social justice, including parity for its residents in those as-
22 pects of Federal legislation that cover the residents of the
23 several States.

24 Whereas: Statehood means political equality, and, spe-
25 cifically, the right to participate in the process of election of

1 the President and Vice-President of the United States as well
2 as the right to elect two United States Senators and the cor-
3 responding number of Members of the United States House of
4 Representatives.

5 Whereas: Statehood means that all benefits and protec-
6 tions of the United States Constitution would be fully be-
7 stowed on the People of the Commonwealth of Puerto Rico
8 together with the guarantee of full protection by the Federal
9 judicial system.

10 Whereas: Statehood entails the immediate full extension
11 of Federal entitlements and legislation providing parity for
12 the residents of Puerto Rico in all Federal programs.

13 Whereas: The Commonwealth will assume all responsi-
14 bilities of a State of the Union.

15 Whereas: Statehood is a political formula recognized by
16 the international community through Resolution 1541 (XV)
17 of the General Assembly of the United Nations and through
18 Resolution 1469 (XIV) of that body, which was adopted
19 upon the admission of the new States of Alaska and Hawaii.

20 Whereas: Statehood embodies the highest degree of au-
21 tonomy and sovereignty in a true permanent union with the
22 several States.

23 Therefore: *Be it resolved:*

24 SEC. 2. Subject to the provisions of this Act, and upon
25 issuance of the proclamation required by section 7 of this

1 Act, the Commonwealth of Puerto Rico (hereinafter referred
2 to also as “the State”) is declared to be a State of the United
3 States of America, is declared admitted into the Union on an
4 equal footing with the other States in all respects whatever,
5 in compliance with the democratic mandate of the plebiscite
6 held on _____ for the resolution of Puerto Rico’s final
7 political status. The Constitution adopted by a vote of the
8 People of Puerto Rico in the election held on June 4, 1951,
9 has been found by Congress to be republican in form and in
10 conformity with the Constitution of the United States and the
11 principles of the Declaration of Independence, and was ac-
12 cepted, ratified, and confirmed, through Public Law 447 of
13 the 82nd Congress, March 3, 1952.

14

CONSTITUTION

15 SEC. 3. The Constitution of the Commonwealth of
16 Puerto Rico shall always be republican in form and shall not
17 be repugnant to the Constitution of the United States and the
18 principles of the Declaration of Independence. The current
19 Constitution of the Commonwealth of Puerto Rico is hereby
20 accepted as the constitution of the State.

21

TERRITORY AND BOUNDARIES

22 SEC. 4. Subject to the provisions of this section, the
23 State shall consist of all of the territory, together with the
24 territorial waters, of the Commonwealth of Puerto Rico.

1 STATE TITLE TO LANDS AND PROPERTY

2 SEC. 5. (a) The State and its political subdivisions shall
3 have and retain title to all property, real and personal, which
4 it currently holds.

5 (b) Any lands and other properties that, as of the date of
6 admission of Puerto Rico into the Union, are set aside pursu-
7 ant to law for the use of the United States under any (A) Act
8 of Congress, (B) Executive order, (C) proclamation of the
9 President, or (D) proclamation of the Governor of the Com-
10 monwealth of Puerto Rico, shall remain the property of the
11 United States; except that the Commonwealth of Puerto Rico
12 (the State) shall have the exclusive right to explore, exploit,
13 lease, possess and use all seabed, natural, and mineral re-
14 sources lying within the two hundred mile economic zone
15 continental shelf boundary around the waters of the Archipel-
16 ago of Puerto Rico; however, all other rights of sovereignty
17 in regards to the continental shelf and waters, shall belong to
18 the United States except those already vested in Puerto
19 Rico.

20 (c) Not later than five years after the date of admission
21 of the Commonwealth of Puerto Rico as a State of the
22 Union, each Federal agency having control over any land or
23 property that is retained by the United States pursuant to
24 this section shall submit a report to the President and the
25 Congress concerning the need for such land or property. If

1 the President determines that any such land or property is no
2 longer needed by the Federal Government, it shall be forth-
3 with conveyed to the Commonwealth of Puerto Rico.

4 (d) All laws of the United States reserving to the United
5 States the free use or enjoyment of property which vests in
6 or is conveyed to the Commonwealth of Puerto Rico or its
7 political subdivisions pursuant to this section or reserving the
8 right to alter, amend, or repeal laws relating thereto, shall
9 cease to be effective upon the admission of the State into the
10 Union.

11 COMPACT WITH THE UNITED STATES: CLAIMS TO
12 FEDERAL LANDS AND PROPERTY

13 SEC. 6. (a) As a compact with the United States, the
14 Commonwealth and its people recognize all rights and titles
15 to any lands or other property not granted or conferred to the
16 Commonwealth or its political subdivisions by or under the
17 authority of this Act, the right or title to which is now held
18 by the United States or subject to disposition by the United
19 States.

20 (b)(1) Nothing contained in this Act shall recognize,
21 deny, enlarge, impair, or otherwise affect any claim against
22 the United States, and any such claim shall be governed by
23 applicable laws of the United States.

24 (2) Nothing in this Act is intended or shall be construed
25 as a finding, interpretation, or construction by the Congress
26 that any applicable law authorizes, establishes, recognizes, or

1 confirms the validity or invalidity of any such claim, and the
2 determination of the applicability of any law to any such
3 claim shall be unaffected by anything in this Act.

4 (c) No taxes shall be imposed by the State upon any
5 lands or other property now owned or hereafter acquired by
6 the United States.

7 (d) Notwithstanding any other provisions of this Act or
8 any other provision of law, in compensation for the lands now
9 held by the United States, the Congress shall appropriate
10 Federal payments to be assigned to the Commonwealth of
11 Puerto Rico, in the amount of _____ annually,
12 during the next _____ years, for the sole purpose of assist-
13 ing the State in the payment of its present public debt and
14 liabilities.

15 **ELECTIONS AND ADMISSION REFERENDUM**

16 **SEC. 7. (a)(1)** Not more than sixty days after the date of
17 certification by the Governor of the Commonwealth of Puerto
18 Rico as provided by this Act, the President of the United
19 States shall certify the admission of Puerto Rico into the
20 Union to the Governor of the Commonwealth of Puerto Rico.
21 Not more than thirty days after such certification, the Gover-
22 nor of the Commonwealth of Puerto Rico shall issue a procla-
23 mation for the election of two United States Senators and the
24 corresponding number of the United States Representatives
25 in Congress as provided in this Act. The Governor of the
26 State shall certify the election of the Senators and Repre-

1 representatives in the manner required by law. The Senators and
2 Representatives elected shall be entitled to be admitted to
3 seats in Congress and to all the rights and privileges of Sena-
4 tors and Representatives of the other States in the Congress
5 of the United States. The office of Resident Commissioner
6 shall cease to exist upon the swearing in of the first Member
7 of the House so elected.

8 (2) In the first election of Senators from the State (pur-
9 suant to section 7(a)(1)) the two senatorial offices shall be
10 separately identified and designated, and no person may be a
11 candidate for both offices. No such identification or designa-
12 tion of either of the two senatorial officers shall refer to or be
13 taken to refer to the terms of such offices, or in any way
14 impair the privilege of the Senate to determine the class to
15 which each^r of the Senators elected shall be assigned.

16 (b) Election returns shall be made and certified in such
17 manner as provided by the electoral laws of Puerto Rico and
18 in such a manner as the Commonwealth of Puerto Rico may
19 prescribe. The Governor of the Commonwealth of Puerto
20 Rico shall certify the results of such elections to the Presi-
21 dent of the United States.

22 (2) The constitution of the Commonwealth of Puerto
23 Rico, ratified by the people at the referendum held on June
24 4, 1951, shall become the Constitution of the State of Puerto

1 Rico. The new State of Puerto Rico shall be known as The
2 Commonwealth of Puerto Rico.

3 (3) Any legal dispute or controversy arising out of the
4 electoral processes conducted under this act shall be adjudi-
5 cated by the United States District Court for the District of
6 Puerto Rico, and the Appellate Federal Court System. The
7 Courts of the Commonwealth of Puerto Rico shall not have
8 jurisdiction to entertain any suit, appeal, writ of revision or
9 legal action, arising out of these elections, plebiscites and
10 referendums.

11 (4) The individuals holding legislative, executive, and
12 judicial offices of the Commonwealth of Puerto Rico, shall
13 continue to discharge the duties of their respective offices.
14 Upon the issuance of the proclamation by the President of
15 the United States and the admission of the Commonwealth of
16 Puerto Rico as a State of the Union, the officers elected or
17 appointed under the provisions of the constitution and laws of
18 the Commonwealth shall proceed to exercise all the functions
19 pertaining to their offices in, under, or by authority of the
20 government of the States, as provided by the constitution and
21 laws of the State.

22 SEC. 8. The Commonwealth of Puerto Rico upon its
23 admission into the Union shall be entitled to Representa-
24 tives, until the taking effect of the next reapportionment, and

1 such Representatives shall be in addition to the membership
2 of the House of Representatives as now prescribed by law.

3 LAWS IN EFFECT

4 SEC. 9. Upon admission of the Commonwealth of
5 Puerto Rico into the Union, all of the territorial laws then in
6 force in the Commonwealth of Puerto Rico shall be and con-
7 tinue in force and effect throughout the State, until amended,
8 modified or repealed by the Commonwealth. All of the laws
9 of the United States shall have the same force and effect
10 within the State as elsewhere in the United States.

11 CONTINUATION OF SUITS

12 SEC. 10. (a) No writ, action, indictment, cause, or pro-
13 ceeding pending in any court of the Commonwealth of Puerto
14 Rico, shall abate by reason of the admission of the Common-
15 wealth of Puerto Rico into the Union, but shall proceed
16 within such appropriate State courts as are now established
17 under the Constitution of the Commonwealth, or shall contin-
18 ue in the United States District Court for the District of
19 Puerto Rico, as the nature of the case may require.

20 (b) All civil causes of action and all criminal offenses,
21 which shall have arisen or been committed prior to the ad-
22 mission of the Commonwealth, but as to which no writ,
23 action, indictment, or proceeding shall be pending at the date
24 of such admission, shall be subject to prosecution in the ap-
25 propriate State courts or in the United States District Court
26 for the District of Puerto Rico in like manner, to the same

1 extent, and with like right of appellate review, as if such
2 State had been created and such State courts had been estab-
3 lished prior to the accrual of such causes of action or the
4 commission of such offenses. The admission of the State shall
5 effect no change in the procedural or substantive laws gov-
6 erning causes of action and criminal offenses which shall have
7 arisen or been committed, and any such criminal offenses as
8 shall have been committed against the laws of the Common-
9 wealth of Puerto Rico, shall be tried and punished by the
10 appropriate courts of the State, and any such criminal of-
11 fenses as shall have been committed against the laws of the United
12 States shall be tried and punished in the United States Dis-
13 trict Court for the District of Puerto Rico.

14

APPEALS

15 SEC. 11. Parties shall have the same rights of judicial
16 review of final decisions of the United States District Court
17 for the District of Puerto Rico or the Supreme Court of the
18 Commonwealth of Puerto Rico, in any case finally decided
19 prior to the admission of the State of Puerto Rico into the
20 Union, whether or not an appeal therefrom shall have been
21 perfected prior to such admission. The United States Court of
22 Appeals for the First Circuit and the Supreme Court of the
23 United States, shall have the same jurisdiction in such cases
24 as by law provided prior to the admission of the State into
25 the Union. Any mandate issued subsequent to the admission
26 of the State, shall be to the United States District Court for

1 the District of Puerto Rico or a court of the State, as appropriate. Parties shall have the same rights of appeal from and
2 appellate review of all orders, judgments, and decrees of the
3 United States District Court for the District of Puerto Rico
4 and of the Supreme Court of Puerto Rico, in any case pending
5 at the time of admission of the State into the Union, and
6 the Supreme Court of the Commonwealth of Puerto Rico and
7 the Supreme Court of the United States shall have the same
8 jurisdiction therein, as by law provided in any case arising
9 subsequent to the admission of the State into the Union.
10

11 **MILITARY LANDS**

12 **SEC. 12.** (a) Subject to the subsection (b) and notwithstanding the admission of the Commonwealth of Puerto Rico
13 into the Union, authority is reserved in the United States for
14 the exercise by the Congress of the United States of the
15 power of exclusive legislation, as provided by article I, section
16 8, clause 17, of the Constitution of the United States, in
17 all cases whatsoever over such tracts or parcels of lands as,
18 immediately prior to the admission of the State, are controlled
19 or owned by the United States and held for defense or
20 Coast Guard purposes.
21

22 (b)(1) The Commonwealth of Puerto Rico shall always
23 have the right to serve civil or criminal process within such
24 tracts or parcels of land in suits or prosecutions for or on
25 account of rights acquired, obligations incurred, or crimes

1 committed within the State but outside of such tracts or par-
2 cels of land.

3 (2) The reservation of authority in the United States for
4 the exercise by the Congress of the United States of the
5 power of exclusive legislation over such lands shall not oper-
6 ate to prevent such lands from being a part of the Common-
7 wealth of Puerto Rico, or to prevent the State from exercis-
8 ing over or upon such lands, concurrently with the Federal
9 Government, any jurisdiction which it would have in the ab-
10 sence of such reservation of authority and which is consistent
11 with the laws hereafter enacted by the Congress pursuant to
12 such reservation or authority.

13 (3) The power of exclusive legislation shall vest and
14 remain in the United States only so long as the particular
15 tract or parcel of land involved is controlled or owned by the
16 United States and used for defense on Coast Guard purposes,
17 except that the United States shall continue to have sole and
18 exclusive jurisdiction over such military installations as have
19 been or may be determined to be critical areas as designated
20 by the President of the United States or the Secretary of
21 Defense.

22 UNITED STATES NATIONALITY

23 SEC. 13. No provision of this Act shall operate to confer
24 United States nationality, to terminate nationality lawfully
25 acquired, or to restore nationality terminated or lost under

1 any law of the United States or under any treaty to which
2 the United States is or was a party.

3 REPEAL AND AMENDMENT OF INCONSISTENT LAWS

4 SEC. 14. All Acts or parts of Acts in conflict with the
5 provisions of this Act, whether passed by the Legislature of
6 the Commonwealth of Puerto Rico or by Congress, are
7 hereby repealed or amended to conform with the provisions of
8 this Act.

9 NATIONAL FEDERAL LANDS AREA

10 SEC. 15. (a) The Federal Lands reserved for the United
11 States Government referred to in section 4 are those now
12 held by the Federal Government.

13 ECONOMIC ADJUSTMENT FROM TERRITORY TO STATE

14 SEC. 16. Congress adopts the following economic provi-
15 sions to expedite the adjustment of the Commonwealth of
16 Puerto Rico from the tax structure of the territory to the
17 fiscal and economic system of the State.

18 (a) Provisions of the Internal Revenue Code con-
19 cerning Federal Income Taxes shall immediately apply
20 to Puerto Rico, provided that the proceeds of said
21 taxes shall be transferred to the Treasury of Puerto
22 Rico in an amount to be diminished by percent of
23 the monies collected each year for a year period.
24 Existing income tax laws of the Commonwealth shall
25 stand repealed upon admission of the State.

1 (b) Provision shall be made by Congress so that
2 economic and fiscal exceptions of the Internal Revenue
3 Code, already granted, such as those allowed under
4 section 936 of said code, shall remain in full effect for
5 years and will be smoothly and gradually phased
6 out thereafter, in such a way as to eliminate the preva-
7 lent uncertainty which impairs an orderly planning and
8 which impedes the fulfillment of the job creation re-
9 quirements for such credit, thus promoting investments
10 and higher rate of employment, which will in turn
11 reduce governmental and individual dependence while
12 enhancing the economy of the State and the fiscal
13 soundness of its government.

14 (c) Pursuant to Congress, powers under the Con-
15 stitution, an omnibus act with multiple provisions shall
16 be enacted to ensure that the people of Puerto Rico
17 attain equal social and economic opportunities with the
18 residents of the several States. Said omnibus act shall
19 also provide for measures necessary to assure appropri-
20 ate continuity in the treatment given to Puerto Rico as
21 a principal coffee producer and in the treatment of al-
22 cohol excise taxes; and shall also continue to provide
23 for the transfer to the Treasury of Puerto Rico, for a
24 period of years, of the proceeds of Federal cus-

1 toms and duties levied on imports coming from foreign
 2 sources to Puerto Rico.

3 [Detailed economic provisions, addressing the above
 4 proposals among others, will be furnished to the committee
 5 as soon as final technical work is completed.]

6 TERMS AND CONDITIONS

7 **SEC. 17.** The Commonwealth of Puerto Rico is assured
 8 of its reserved State right under the Constitution to continue
 9 to maintain both Spanish and English as its official lan-
 10 guages, as well as of its right to preserve and enhance its
 11 rich Hispanic cultural heritage. However, all records and
 12 proceedings of all agencies, departments, offices and courts of
 13 the United States Federal Government operating in Puerto
 14 Rico, shall continue to be conducted and kept in the English
 15 language as heretofore. The Commonwealth of Puerto Rico's
 16 present Official Languages Act, 1 L.P.R.A. 51-55 (Laws of
 17 Puerto Rico, 1902), making Spanish and English official
 18 State languages is a State prerogative protected by the Con-
 19 stitution of the United States.

20 **SEC. 18.** The State shall never enact any law restricting
 21 or abridging the right of suffrage on account of race, color,
 22 previous condition of servitude, or ability to read, write,
 23 speak, and understand any language sufficiently; and the
 24 rights, privileges and immunities of citizens of the United
 25 States shall be respected in Puerto Rico according to the

1 provisions of paragraph 1 section 2 of article IV of the Con-
2 stitution of the United States.

3 **TITLE III—INDEPENDENCE**

4 **SUBTITLE 1—STATEMENT OF PURPOSES**

5 **First:** The United States hereby recognizes that Puerto
6 Rico is historically, socially and culturally a Latin American
7 nation which has been under the sovereignty of the United
8 States since 1898.

9 **Second:** The United States recognizes Puerto Rico's in-
10 alienable right to independence.

11 **Third:** In order to best promote Puerto Rico's develop-
12 ment according to its needs and resources and within the
13 framework of present day interdependence, the United States
14 recognizes Puerto Rico's sovereignty as a means to provide
15 Puerto Rico with the political powers and the flexibility nec-
16 essary to achieve this objective.

17 **Fourth:** In order to insure lasting friendship, equitable
18 economic relations, and the gradual elimination of the burden
19 which Puerto Rico's extreme economic dependence repre-
20 sents for both nations, the United States declares its intention
21 to guarantee all necessary conditions for a rational and mutu-
22 ally advantageous transition before and after independence.

23 **Fifth:** It is the purpose of this title to recognize the inde-
24 pendence of Puerto Rico as a sovereign and democratic
25 nation, to provide the conditions necessary for an orderly

1 transition from the present status to independence, and to
2 guarantee the legitimate interests of both Puerto Rico and
3 the United States.

4 SUBTITLE 2—TRANSITION PROCESS PRIOR TO
5 PROCLAMATION OF INDEPENDENCE

6 SEC. 2.1. CONSTITUTIONAL CONVENTION.

7 (a) Should the results of the referendum provided for in
8 title I of this Act favor independence as a status alternative
9 for Puerto Rico, the Legislative Assembly of the Common-
10 wealth of Puerto Rico shall provide for the election of dele-
11 gates to a Constitutional Convention to formulate and draft a
12 Constitution for the Republic of Puerto Rico. The election of
13 delegates must be held within six months after the celebra-
14 tion of the aforementioned referendum.

15 (b) Those qualified to vote in the election of delegates to
16 the Constitutional Convention shall be: (1) all persons born
17 and residing in Puerto Rico; (2) all persons residing in Puerto
18 Rico and one of whose parents was born in Puerto Rico; (3)
19 all persons who at the time of the adoption of this Act shall
20 have resided in Puerto Rico for a period of twenty years or
21 more; and (4) all persons who established their residence in
22 Puerto Rico prior to attaining voting age and still reside in
23 Puerto Rico; and (5) spouses of all persons included in (1),
24 (2), (3), and (4) above.

1 (c) The laws of the Commonwealth of Puerto Rico relat-
2 ing to additional voter qualifications and the electoral process
3 shall apply to this election.

4 (d) The Constitutional Convention shall meet within
5 three months of the election of delegates at such time and
6 place as the Legislative Assembly of the Commonwealth of
7 Puerto Rico shall determine.

8 (e) The Constitutional Convention shall exercise juris-
9 diction over all of the territory of Puerto Rico ceded to the
10 United States by Spain by virtue of the Treaty of Paris the
11 10th day of December 1898.

12 **SEC. 2.2. CHARACTER OF THE CONSTITUTION.**

13 (a) The Constitutional Convention mandated under the
14 previous section shall formulate and draft a Constitution es-
15 tablishing a republican form of government which shall guar-
16 antee the protection of fundamental human rights.

17 (b) The fundamental human rights guaranteed by the
18 aforementioned Constitution shall include such rights as due
19 process and equal protection under the law, freedom of
20 speech, press, assembly, association, and religion, as well as
21 the rights of the accused, and economic, social and cultural
22 rights such as the right to education, adequate nutrition,
23 health services, adequate housing, and work or employment.

1 **SEC. 2.3. RATIFICATION OF THE CONSTITUTION.**

2 (a) The Constitution elaborated by the Constitutional
3 Convention shall be submitted to the people of Puerto Rico for
4 its ratification or rejection.

5 (b) The Legislative Assembly of the Commonwealth of
6 Puerto Rico shall call for a special election for such ratifica-
7 tion or rejection, to be held within three months of the adop-
8 tion of the Constitution elaborated by the Constitutional
9 Convention.

10 (c) The special election providing all qualified voters the
11 opportunity to cast a vote for or against the proposed Consti-
12 tution shall be held in the manner prescribed by the Legisla-
13 tive Assembly of the Commonwealth of Puerto Rico.

14 (d) Those qualified to vote in this election shall be those
15 possessing the qualifications established in section 2.1 of this
16 title.

17 **SEC. 2.4. ELECTION OF OFFICERS OF THE REPUBLIC.**

18 (a) Within thirty days of the ratification of the Constitu-
19 tion as provided for by section 1.3 of this title, the Governor
20 of the Commonwealth of Puerto Rico shall issue a proclama-
21 tion calling for the election of such officers of the Republic of
22 Puerto Rico as may be required by the ratified Constitution.

23 (b) The election of officers of the Republic shall be held
24 not later than six months after the date of ratification of the
25 Constitution.

1 (c) The aforesaid election shall be held in accordance
2 with the procedures and requirements established in the Con-
3 stitution of the Republic of Puerto Rico.

4 (d) The Governor of the Commonwealth of Puerto Rico
5 shall certify the results of the election to the President of the
6 United States.

7 **SEC. 2.5. JOINT TRANSITION COMMISSION.**

8 (a) A Joint Transition Commission shall be appointed in
9 equal numbers by the President of the United States and the
10 Constitutional Convention of Puerto Rico as soon as the fa-
11 vorable results for the independence option in the referendum
12 provided for in title I of this Act are announced.

13 (b) The Joint Transition Commission shall be responsi-
14 ble for expediting the orderly transfer of all functions current-
15 ly exercised by the Government of the United States in
16 Puerto Rico, or in relation to Puerto Rico; including the
17 recommendation of appropriate legislation.

18 (c) Any necessary task forces under the aegis of the
19 Joint Transition Commission shall be constituted in the same
20 manner as the Commission.

21 (d) The Government of the Commonwealth of Puerto
22 Rico and the agencies of the Government of the United
23 States shall collaborate with the Joint Transition Commis-
24 sion and subsequently with the new officers of the Republic

1 of Puerto Rico, to provide for the orderly transfer of the func-
2 tions of government.

3 (e) All members representing the Puerto Rican side on
4 the Joint Transition Commission or on any task force shall be
5 bona-fide supporters of Puerto Rican independence.

6 **SEC. 2.6 RESOLUTION OF CONTROVERSIES PRIOR TO INDE-**
7 **PENDENCE.**

8 (a) From the date of the referendum provided for in title
9 I of this Act, and until the date of proclamation of independ-
10 ence, the Supreme Court and all inferior courts of the United
11 States shall have no jurisdiction over any case or controversy
12 arising from the operation of this Act.

13 (b) Any question arising from the operation of this Act
14 shall be referred to the Joint Transition Commission estab-
15 lished in section 2.5 for disposition through negotiation.
16 Should the Commission be unable to reach a negotiated solu-
17 tion to a question, it shall submit all points in question to
18 international arbitration.

19 **SUBTITLE 3—PROCLAMATION OF INDEPENDENCE**

20 **SEC. 3.1. PROCLAMATIONS BY THE PRESIDENT OF THE**
21 **UNITED STATES AND THE HEAD OF STATE OF**
22 **THE REPUBLIC OF PUERTO RICO.**

23 (a) Not later than one month after the official certifica-
24 tion of the elected officers of the Republic of Puerto Rico
25 under section 2.4, the President of the United States shall by

1 proclamation withdraw and surrender all rights of possession,
2 supervision, jurisdiction, control or sovereignty then existing
3 and exercised by the United States over the territory and
4 people of Puerto Rico, and shall furthermore recognize on
5 behalf of the United States of America the independence of
6 the Republic of Puerto Rico and the authority of the govern-
7 ment instituted by the People of Puerto Rico under the Con-
8 stitution of their own adoption. The proclamation shall state
9 that the effective date of withdrawal of the sovereignty of the
10 United States and recognition of independence shall be the
11 same as the date of the proclamation of independence, as
12 provided in subsection (c).

13 (b) The President of the United States shall forward a
14 copy of the proclamation issued by him to the presiding offi-
15 cer of the Constitutional Convention of Puerto Rico within a
16 week after signature.

17 (c) Within one week after receiving the presidential
18 proclamation and with the advice of the officer elected as
19 head of state of the Republic, the presiding officer of the
20 Constitutional Convention shall determine the date in which
21 the Government of the Republic shall take office, and shall so
22 notify the Governor of the Commonwealth of Puerto Rico
23 and the President of the United States.

24 (d) Upon taking office, the head of state of the Republic
25 of Puerto Rico shall immediately issue a proclamation declar-

1 ing: (1) that Puerto Rico has become a sovereign, independ-
2 ent nation; (2) that the Constitution of the Republic is
3 thenceforth in effect; (3) that the Commonwealth of Puerto
4 Rico and its Government have ceased to exist; and (4) that
5 the Government of the Republic will henceforth exercise its
6 powers and duties under its Constitution.

7 **SUBTITLE 4—EFFECTS OF THE PROCLAMATION OF**
8 **INDEPENDENCE**

9 **SEC. 4.1. ON LEGAL AND CONSTITUTIONAL PROVISIONS.**

10 (a) Upon the proclamation of independence as provided
11 in this subtitle, and except as otherwise provided in this title
12 or in any separate agreements hereinafterwards concluded
13 between the United States and the Republic of Puerto
14 Rico—

15 (1) all property, rights and interests which the
16 United States may have acquired over Puerto Rico by
17 virtue of the Treaty of Paris of 1898, and thereafter by
18 cession, purchase, or eminent domain, with the excep-
19 tion of such land and other property, rights, or inter-
20 ests as may have been sold or otherwise legally dis-
21 posed of prior to the enactment of this Act, shall vest
22 ipso facto on the Republic of Puerto Rico;

23 (2) all laws of the United States applicable to the
24 Commonwealth of Puerto Rico immediately prior to

1 the proclamation of independence shall no longer apply
2 in the Republic of Puerto Rico; and

3 (3) all laws and regulations of the Commonwealth
4 of Puerto Rico in force immediately before the procla-
5 mation of independence shall continue in force and
6 shall be read with such modifications, adaptations, quali-
7 fications and exceptions as may be necessary to bring
8 them into conformity with the Constitution of the Re-
9 public of Puerto Rico until such time as they shall be
10 replaced with the new legislation: *Provided*, That any
11 provisions that may be incompatible with the sover-
12 eignty of the Republic of Puerto Rico shall be deemed
13 invalid.

14 **SEC. 4.2. ON JUDICIAL PRONOUNCEMENTS.**

15 (a) The Republic of Puerto Rico shall recognize and
16 give effect to all orders and judgments rendered by United
17 States or Commonwealth courts prior to the proclamation of
18 independence pursuant to the laws of the United States then
19 applicable to the Commonwealth of Puerto Rico.

20 (b) All judicial proceedings pending in the courts of the
21 Commonwealth of Puerto Rico prior to the proclamation of
22 independence shall be continued in the corresponding courts
23 under the Constitution of the Republic of Puerto Rico.

24 (c) Upon the proclamation of independence, the judicial
25 power of the United States shall no longer extend to Puerto

1 Rico. All proceedings pending in the United States District
2 Court for the District of Puerto Rico shall be transferred to
3 the corresponding Puerto Rican courts of competence under
4 the Constitution of the Republic of Puerto Rico for disposi-
5 tion in conformity with laws applicable at the time when the
6 controversy in process arose. All proceedings pending in the
7 United States Court of Appeals for the First Circuit, or in the
8 Supreme Court of the United States, which may have initiat-
9 ed in the courts of the Commonwealth or in the United
10 States District Court for the District of Puerto Rico shall
11 continue until their final disposition and shall be submitted to
12 the competent authority of the Republic of Puerto Rico for
13 proper execution: *Provided*, That neither the United States
14 nor any of its officers is a party, in which case any final
15 judgment shall be properly executed by the competent au-
16 thority of the United States.

17 SUBTITLE 5—TRANSITION ASPECTS SUBSEQUENT TO
18 PROCLAMATION OF INDEPENDENCE

19 SEC. 5.1. CITIZENSHIP AND MIGRATION.

20 (a) Every person who, having been born in Puerto Rico,
21 is on proclamation of independence a citizen of the United
22 States and a resident of Puerto Rico, shall become a citizen
23 of the Republic of Puerto Rico on that date.

1 (b) Every person born in Puerto Rico after proclamation
2 of independence, and subject to the jurisdiction thereof, shall
3 be a citizen of the Republic of Puerto Rico.

4 (c) Every person born in Puerto Rico but not a resident
5 thereof on proclamation of independence shall become a citi-
6 zen of the Republic of Puerto Rico upon residing for six
7 months and taking the oath of allegiance.

8 (d) Every person not born in Puerto Rico before or after
9 proclamation of independence, and residing therein, shall
10 become a citizen of the Republic of Puerto Rico if either of
11 his parents becomes a citizen of the Republic of Puerto Rico
12 pursuant to subsections (a), (b), and (c).

13 (e) Every person not born in Puerto Rico but married to
14 a citizen of the Republic of Puerto Rico before or after proc-
15 lamation of independence shall become a citizen of the Re-
16 public upon residing in Puerto Rico for six months and taking
17 the oath of allegiance.

18 (f) All other persons not specified in subsections (a), (b),
19 (c), (d), and (e) but residing in Puerto Rico shall be granted
20 citizenship in accordance with the Constitution and laws of
21 the Republic.

22 (g)(1) Every person who is a citizen of the United States
23 and a citizen of the Republic of Puerto Rico in accordance
24 with subsections (a), (b), (c), (d), (e), and (f) shall retain his
25 United States citizenship and all rights, privileges, benefits

1 and obligations pertaining thereto in an equal footing with all
2 other United States citizens: *Provided*, That while residing in
3 Puerto Rico that person shall not be subject under United
4 States laws to compulsory military registration and service or
5 to any other condition or obligation contrary to the sover-
6 eignty of the Republic of Puerto Rico.

7 (2) Every person specified in subsection (g)(1) shall
8 retain his Puerto Rican citizenship and all rights, privileges
9 and benefits pertaining thereto in an equal footing with all
10 other Puerto Rican citizens, and shall retain all of his obliga-
11 tions as a Puerto Rican citizen, except that while residing in
12 the United States that person shall not be subject under
13 Puerto Rican laws to compulsory military registration and
14 service or to any other condition or obligation contrary to the
15 sovereignty of the United States.

16 (h) Every citizen of the United States who becomes a
17 citizen of the Republic of Puerto Rico in accordance with
18 subsections (a), (b), (c), (d), (e), and (f), can elect: (1) to relin-
19 quish his United States citizenship in accordance with United
20 States laws; or (2) to relinquish his Puerto Rican citizenship
21 in accordance with the laws of the Republic.

22 (i) United States citizens residing in Puerto Rico, but
23 not citizens thereof shall be entitled to the fundamental rights
24 and freedoms accorded to all persons in Puerto Rico but shall
25 not be eligible for political office and shall not be entitled to

1 vote. They shall also be entitled to be naturalized as citizens
2 of the Republic in accordance with nondiscriminatory laws of
3 the Republic.

4 (j) Citizens of the Republic of Puerto Rico residing in
5 the United States but not citizens thereof shall be entitled to
6 the fundamental rights and freedoms accorded to all persons
7 in the United States but shall not be eligible for political
8 office and shall not be entitled to vote in the United States.
9 They shall also be entitled to be naturalized as citizens of the
10 United States in accordance with nondiscriminatory laws of
11 the United States.

12 (k) Citizens of the Republic of Puerto Rico who are not
13 United States citizens may, for a period of twenty-five years
14 after proclamation of independence, enter into, lawfully
15 engage in occupations, and establish residence as immigrants
16 in the United States. These immigrants may be subject to
17 nondiscriminatory limitations as provided for by laws and
18 regulations of the United States.

19 (l) Every resident of the United States born in Puerto
20 Rico but not a citizen thereof, and his sons and daughters,
21 may enter into, lawfully engage in occupations, and establish
22 residence as immigrants in Puerto Rico subject to nondis-
23 criminatory laws and regulations of the Republic.

24 (m) Every person lawfully admitted for permanent resi-
25 dence within the United States and who is a resident of

1 Puerto Rico on proclamation of independence shall continue
2 as resident and shall be entitled to be naturalized as citizen of
3 the Republic of Puerto Rico in accordance with nondiscrim-
4 inatory laws of the Republic.

5 **SEC. 5.2. DEFENSE.**

6 (a) The United States shall collaborate with the Republic
7 of Puerto Rico toward the ultimate goal of disarmament,
8 peace, and international relations based on the principles of
9 equality, mutual respect and interdependence. Furthermore,
10 the United States recognizes the right of the People of
11 Puerto Rico to strive toward the total demilitarization of its
12 territory, with the purpose of gearing all its efforts and re-
13 sources to the goals of economic and social development.

14 (b) The Republic of Puerto Rico shall be closed to any
15 and all military forces of foreign nations. In furtherance of
16 this policy, and to expedite the orderly and gradual transfer
17 of properties presently under the control of the United States
18 for military purposes in Puerto Rico, the Governments of the
19 United States and the Republic of Puerto Rico shall sub-
20 scribe a separate agreement for a reasonable and mutually
21 convenient period of transition.

22 (c) Negotiations leading to the eventual agreement pro-
23 vided in paragraph (b) shall begin in a special task force des-
24 igned for such purposes by the President of the United
25 States and the Constitutional Convention of Puerto Rico pur-

1 suant to section 2.5 of this title. Should this special task,
2 force be unable to reach an agreement prior to the proclama-
3 tion of independence, the negotiations shall continue between
4 representatives appointed by the United States and the Re-
5 public of Puerto Rico, until such time as an agreement may
6 be reached.

7 (d) The Republic of Puerto Rico shall be a nuclear free
8 zone. The United States and the Republic of Puerto Rico
9 shall adhere and fully comply with the provisions of the
10 Treaty for the Proscription of Nuclear Weapons in Latin
11 America of 1967 (Treaty of Tlatelolco).

12 (e) The Government of the Republic of Puerto Rico
13 shall, as soon as may be practicable, seek integration into the
14 Inter-American defense system by subscribing the provisions
15 of the Treaty of Mutual Defense of 1948 (Treaty of Rio de
16 Janeiro).

17 **SEC. 5.3. TRADE RELATIONS.**

18 (a) Until proclamation of independence: (1) no trade bar-
19 riers or quotas of any kind shall be imposed on merchandise
20 and articles going into Puerto Rico from the United States or
21 coming into the United States from Puerto Rico; and (2)
22 trade relations shall be as currently provided by law.

23 (b) during the twenty years following the proclamation
24 of independence, the United States shall not impose trade
25 barriers or quotas of any kind on merchandise and articles

1 coming into the United States from the Republic of Puerto
2 Rico.

3 **SEC. 5.4. TAXATION.**

4 (a) The tax credit currently allowed under section 936
5 of the United States Internal Revenue Code shall remain in
6 full effect upon proclamation of independence and during the
7 fifteen years thereafter with respect to income derived by
8 corporations that begin to fulfill or continue to fulfill the cur-
9 rent requirements for such credit.

10 (b) On the tenth year after proclamation of independ-
11 ence, a Joint Commission on Taxation shall be appointed in
12 equal numbers by the President of the United States and the
13 head of state of the Republic of Puerto Rico to study and
14 report on changes to be made, if any, to the tax credit al-
15 lowed under subsection (a) at the expiration of the fifteen-
16 year period. If no agreement is reached with respect to such
17 changes, then all earning repatriations received by residents
18 of the United States shall be subject to taxation by the
19 United States, beginning on the sixteenth year after the proc-
20 lamation of independence, at a rate that shall increase on a
21 straight-line basis by 10 percent of the regular United States
22 corporate tax rate each year until it reaches 100 percent of
23 said regular rate in the twenty-fifth year after the proclama-
24 tion of independence, provided that a tax credit will be al-
25 lowed on such earning repatriations pursuant to subsection

1 (e). If the regular corporate tax rate of the United States is
2 changed before said twenty-fifth year, the difference between
3 the rate to which the earning repatriations are subject during
4 the year of said change and the new regular rate shall be
5 divided, if the latter is higher, by the number of years re-
6 maining from the year which follows the year of said change
7 until said twenty-fifth year, and the result of such division
8 shall constitute the extent to which the rate applicable to the
9 dividends shall increase every year from the year which fol-
10 lows the year of said change until said twenty-fifth year. If
11 the new regular United States corporate tax rate is lower
12 than the rate to which the earning repatriations are subject
13 during the year of said change, then the new lower rate shall
14 immediately apply to such repatriations. No other change
15 shall occur before the expiration of said twenty-fifth year
16 with respect to income derived by companies subject to this
17 subsection.

18 (c) With respect to income not subject to subsections (a)
19 or (b), the profits of an enterprise of either nation shall be
20 taxable only on the nation of residence of said enterprise,
21 unless the enterprise carries on business in the other nation
22 through a permanent establishment situated therein. If the
23 enterprise carries on business as aforesaid, the profits of the
24 enterprise may be taxed in the other nation but only so much
25 of them as is attributable to that permanent establishment.

1 (d) Each nation shall have taxing jurisdiction over
2 income earned by individuals who are residents of either
3 nation from sources within its territorial jurisdiction, property
4 situated therein, including transfers of such property by gift
5 or at death, and products consumed therein.

6 (e) Where a resident of either nation derives income
7 from the other nation, the amount of tax payable in that
8 other nation in respect to that income pursuant subsections
9 (c) and (d), and the amount of tax payable in the Republic of
10 Puerto Rico that does not exceed for any specific year the
11 amount of tax payable in the United States for that same
12 year pursuant to subsection (b), shall be allowed as a credit
13 against the tax payable in respect to that income in the
14 nation of residence of the taxpayer. A withholding tax on
15 dividends shall be considered a tax on income for these pur-
16 poses. If the United States amend its laws concerning the
17 provision of tax sparing credits or if the United States
18 reaches an agreement on the provision of a tax sparing credit
19 with any other nation, Puerto Rico shall ipso facto be grant-
20 ed the most favorable degree of tax sparing credit allowed
21 under such amended laws or under such agreement or agree-
22 ments.

23 (f) The determination under this section of the residence
24 of any taxpayer, the source of any income, the situs of any
25 property or any other necessary definitions shall be made ac-

1 cording to the terms of a joint treaty for the avoidance of
2 double taxation to be entered into by both nations promptly
3 upon the proclamation of the Republic of Puerto Rico. Nego-
4 tiations leading to such treaty shall be initiated by a special
5 task force designated pursuant to section 2.5 of this title.
6 Until such treaty is executed, such determination shall be
7 made according to the current tax laws of the United States
8 and the Commonwealth of Puerto Rico.

9 **SEC. 5.5 CURRENCY AND FINANCE.**

10 (a) After proclamation of independence, the Republic of
11 Puerto Rico shall have all powers concerning the issuance
12 and control of currency and all powers concerning monetary
13 and financial matters, provided that during the ten years fol-
14 lowing the proclamation of independence both United States
15 currency and Puerto Rican currency shall be accepted as
16 legal tender in all transactions in Puerto Rico.

17 (b) The current value of all stock bought by Puerto
18 Rican banks in the Federal Reserve System, Federal Deposit
19 Insurance Corporation and the Federal Home Loan Bank
20 System will be transferred to the Republic of Puerto Rico,
21 including the proportion held by United States national,
22 Spanish and Canadian banks that correspond to the level of
23 their activities of its branches operating in Puerto Rico
24 during the year immediately prior to the proclamation of
25 independence.

1 (c) The monetary authority of the Republic of Puerto
2 Rico shall establish an integrated system of insurance for de-
3 posits in Puerto Rico's financial institutions similar to the
4 Federal Deposit Insurance Corporation. Negotiations will be
5 undertaken with United States monetary authorities to obtain
6 their assistance in the design and establishment of the insur-
7 ance system, and to determine the extent of financial support
8 to be provided for the system by United States insurance
9 organizations in which Puerto Rico's financial institutions
10 currently participate.

11 (d)(1) The guarantees provided by the Government of
12 the United States to investors in the secondary market for
13 loans, particularly mortgage loans guaranteed by the Govern-
14 ment National Mortgage Association (G.N.M.A.), the Federal
15 National Mortgage Association (F.N.M.A.), the Federal
16 Home Loan Mortgage Corporation (F.H.L.M.) and other
17 United States Government instrumentalities, shall be main-
18 tained for Puerto Rico-originated loans until maturity.

19 (2) Negotiations shall be carried out to ensure that after
20 proclamation of independence Puerto Rico-originated loans,
21 particularly housing mortgage loans, can continue to be guar-
22 anteed by G.N.M.A., F.N.M.A., F.H.L.M. and other United
23 States Government instrumentalities and can continue to be
24 sold to investors in the United States secondary markets.

1 **SEC. 5.6. PUBLIC DEBT.**

2 (a) The debts, liabilities, and obligations of the Common-
3 wealth of Puerto Rico, its municipalities and instrumental-
4 ities, valid and outstanding upon proclamation of independ-
5 ence, shall be assumed by the Republic of Puerto Rico.

6 (b) After proclamation of independence the United
7 States shall maintain full income tax exemption, as currently
8 provided by law, on interest payments derived from debts of
9 the Commonwealth of Puerto Rico assumed by the Republic,
10 as specified in subsection (a).

11 (c) During the twenty-five years following the proclama-
12 tion of independence, the United States shall extend full
13 income tax exemption, as currently provided by law, to inter-
14 est payments derived from debts of the Republic of Puerto
15 Rico.

16 **SEC. 5.7. INDIVIDUAL RIGHTS TO ECONOMIC BENEFITS AND**
17 **GRANTS TO THE REPUBLIC OF PUERTO RICO.**

18 (a) All vested rights and benefits which accrue to resi-
19 dents of the Commonwealth of Puerto Rico under the laws of
20 the United States from past services or contributions, such as
21 rights and benefits for veterans or relatives of veterans of the
22 Armed Forces of the United States, retired Government em-
23 ployees, or beneficiaries of old age, disability of survivors'
24 insurance benefits under the Social Security Act, shall not be
25 interrupted after the proclamation of independence but will
26 continue until such time as said rights and benefits are com-

1 pletely extinguished according to the applicable laws of the
2 United States. All services which must be rendered as part of
3 these rights and benefits shall be made available through the
4 Government of the Republic of Puerto Rico in accordance
5 with agreements reached by the two nations.

6 (b) Notwithstanding the provisions in subsection (a), all
7 contributions made by employees and employers in Puerto
8 Rico to the Social Security System with respect to persons
9 who, upon the proclamation of independence, are residents of
10 the Republic of Puerto Rico and are not yet eligible for old
11 age, disability, or survivors' insurance benefits under the
12 system, shall be transferred to the Government of the Repub-
13 lic of Puerto Rico once said Government establishes its own
14 social security system. The Government of the Republic of
15 Puerto Rico may not use these funds for any purpose other
16 than the establishment and operation of a social security
17 system. Upon the transfer described herein, the obligations of
18 the United States Government under the Social Security Act
19 with respect to such residents of the Republic of Puerto Rico
20 shall cease.

21 (c) All other Federal transfer payments to individuals
22 and to the Government of the Commonwealth of Puerto Rico
23 shall be maintained in the form of annual block grants to be
24 used discretionally by the Government of the Republic of
25 Puerto Rico—

1 (1) During the ten fiscal years following the pro-
2 clamation of independence, the annual block grants shall
3 amount to the annual aggregate funding of all pro-
4 grams which currently extend to the Commonwealth of
5 Puerto Rico, or of all programs which shall have been
6 extended to the Commonwealth of Puerto Rico during
7 the fiscal year immediately prior to the proclamation of
8 independence, whichever shall be greater.

9 (2) The annual block grants shall decrease there-
10 after on a straight-line basis, at the rate of ten percent
11 each year, beginning on the eleventh fiscal year after
12 the proclamation of independence. At any time during
13 the aforementioned transition period the terms of this
14 subsection may be modified by agreement between the
15 United States and the Republic of Puerto Rico.

16 **SUBTITLE 6—RELATIONS BETWEEN THE UNITED**

17 **STATES AND THE REPUBLIC OF PUERTO RICO**

18 **SEC. 6.1. TREATY OF FRIENDSHIP AND COOPERATION.**

19 To insure that all provisions of this title which shall
20 have effect after the proclamation of independence will in
21 effect be binding, the United States and the Republic of
22 Puerto Rico shall embody said provisions in a treaty of
23 friendship and cooperation.

TITLE IV—COMMONWEALTH**SUBPART 1. STATEMENT OF PURPOSES**

1 In 1952 the Congress of the United States, fully recog-
2 nizing the principle of government by consent, and the
3 People of Puerto Rico, in the exercise of their right to self-
4 determination, entered upon a compact which established a
5 Commonwealth relationship between Puerto Rico and the
6 United States.

7 Under the compact the People of Puerto Rico adopted
8 in their own sovereign right their own Constitution and
9 formed an autonomous political community in permanent
10 union with the United States of America based on the irre-
11 versible bond of American citizenship.

12 In 1953 the General Assembly of the United Nations
13 recognized the creation of the Commonwealth and removed
14 Puerto Rico from the list of non-self-governing territories.
15 This association has enabled the People of Puerto Rico to
16 advance their economic and social development and to pre-
17 serve their distinct historical heritage and cultural person-
18 ality.

19 As inherent in all political relationships freely entered
20 upon, it was based on the understanding that it would evolve
21 and develop within its particular political nature upon mutu-
22 ally agreeable terms.

1 It is the purpose of this Act to provide for the enhance-
2 ment of the Commonwealth relationship by enlarging the
3 scope of self-government of the Puerto Rican people upon the
4 approval of a proposition to that effect by a majority of the
5 eligible voters of the Commonwealth of Puerto Rico.

6 **SUBPART 2. REFERENDUM PROPOSITION:**

7 **COMMONWEALTH**

8 The referendum proposition regarding Commonwealth,
9 to be presented to, and voted upon, by the People of Puerto
10 Rico shall be as follows:

11 “The Commonwealth association with the United
12 States shall be enhanced to enable the People of
13 Puerto Rico to accelerate their economic and social de-
14 velopment and attain maximum cultural and political
15 autonomy within permanent union with the United
16 States based on the irreversible bond of American citi-
17 zenship, a common defense, a common market, and a
18 common currency.”

19 The proposition will appear in the ballot, in Spanish, as
20 follows:

21 “El Estado Libre Asociado se fortalecerá para
22 acelerar el desarrollo económico y social y alcanzar la
23 máxima autonomía cultural y política del pueblo de
24 Puerto Rico en su unión permanente con los Estados
25 Unidos sobre los pilares de común defensa, común mer-

1 cado, común moneda, y el vínculo indisoluble de la ciu-
2 dadanía americana.”

3 **SUBPART 3. PRINCIPLES OF COMMONWEALTH**

4 Section 1 of the Puerto Rico Federal Relations Act, 39
5 Stat. 954, as amended, 48 U.S.C. section 731, shall be re-
6 pealed, and replaced by the following:

7 “(1) The provisions of this Act shall apply to the
8 Commonwealth of Puerto Rico, an autonomous body
9 politic joined in permanent union with the United
10 States on the basis of common citizenship, common de-
11 fense, common market and common currency.

12 (2) The policy of the United States shall be to en-
13 hance the Commonwealth relationship enjoyed by the
14 Commonwealth of Puerto Rico and the United States
15 to enable the People of Puerto Rico to accelerate their
16 economic and social development and attain maximum
17 cultural and political autonomy within permanent union
18 with the United States, to secure more equitable par-
19 ticipation for the People of the Commonwealth of
20 Puerto Rico in all Federal programs that provide
21 grants or services to citizens of the United States as
22 individuals, to secure increased participation by the
23 People of Puerto Rico in United States governmental
24 decisions affecting them, to safeguard the distinct cul-
25 tural identity of the People of Puerto Rico, and to pro-

1 tect the bilateral nature of the relationship between the
2 Commonwealth of Puerto Rico and the United States.

3 **SUBPART 4. IMPLEMENTATION OF FEDERAL**
4 **POLICY**

5 Section 9 of the Federal Relations Act, 39 Stat. 954, as
6 amended, 48 U.S.C. section 734, is amended by inserting at
7 the beginning thereof the term “(a)” and by adding at the end
8 thereof the following:

9 “(b) A Federal statutory law, or provision of such law,
10 is locally inapplicable unless it is consistent with the policy
11 established under subpart 3 and unless such Federal statuto-
12 ry law has proper regard for the economic, cultural, ecologi-
13 cal, geographic, demographic and other local conditions of
14 the Commonwealth of Puerto Rico. This subsection shall not
15 apply to:

16 (i) any Federal statutory law in which the Con-
17 gress makes a specific finding that there is an overrid-
18 ing national interest that such law should apply to the
19 Commonwealth of Puerto Rico, or

20 (ii) any Federal statutory law, or provision thereof,
21 establishing directly or indirectly grants and/or serv-
22 ices to civilizen of the United States as individuals, or

23 (iii) any Federal statutory law or provision thereof
24 relating to citizenship, or

1 (iv) any Federal statutory law or provision thereof
2 pertaining to the foreign relations, defense or national
3 security of the United States that requires uniform ap-
4 plicability throughout the United States, including the
5 Commonwealth of Puerto Rico, to achieve its intended
6 purposes.

7 (c) In addition to judicial determinations of the inappli-
8 cability of Federal laws under subsection (b), the Governor of
9 the Commonwealth of Puerto Rico may certify from time to
10 time to the Speaker of the House of Representatives, the
11 President of the Senate, and the President of the United
12 States, that a Federal statutory law or provision thereof,
13 other than one excluded from the operation of subsection (b),
14 is inconsistent with a Puerto Rican statute and the policy
15 established under subsection (b). Unless within sixty days of
16 the receipt of such certification, a statute is enacted embody-
17 ing the finding required under subsection (b)(i), the President
18 shall issue a proclamation that such Federal statutory law or
19 provision thereof identified in the Governor's certification is
20 not applicable in Puerto Rico.

21 (d)(i) The Commonwealth of Puerto Rico may continue
22 to enter in its own name into international cultural, commer-
23 cial, educational and sports agreements, and other agree-
24 ments of like nature.

1 (ii) In addition, the Governor of the Commonwealth of
2 Puerto Rico may take any official action to promote the
3 international interests of Puerto Rico that requires the con-
4 sent of the United States Government and is not expressly
5 prohibited by law. The Governor of the Commonwealth of
6 Puerto Rico shall provide written notice to the President of
7 the United States of any official action he contemplates
8 taking pursuant to the authorization of this part of this sub-
9 section and not pursuant to any other authorization of con-
10 sent. The President may, within thirty days of his receipt of
11 such notice, sign and transmit to the Governor of the Com-
12 monwealth of Puerto Rico a document expressing his deter-
13 mination that the contemplated official action would imperil
14 the foreign relations or national defense of the United States,
15 in which case the authorization hereby granted shall be with-
16 drawn as regards such contemplated official action.

17 (e) All departments and agencies of the Government of
18 the United States shall be guided by the policy stated in sub-
19 part 3 when carrying out their duties under Federal statutory
20 laws and Federal regulations applicable in or affecting the
21 Commonwealth of Puerto Rico. Every such department or
22 agency shall, before taking any major Federal action applica-
23 ble in or affecting the Commonwealth of Puerto Rico, sepa-
24 rately evaluate the consistency of such action with such
25 policy and shall state, in a document accompanying the major

1 Federal action, the extent, nature, and result of its consider-
2 ation.

3 (f) Any rule, as defined in 5 U.S.C. section 551(4),
4 issued by an agency, as defined in 5 U.S.C. section 551(1),
5 shall apply in the Commonwealth of Puerto Rico only to the
6 extent that it is consistent with the policy set forth in subsec-
7 tion (b). After the effective date of this amendment, when any
8 such rule, other than a rule issued after notice and hearing
9 required by statute, that does not in terms provide that it is
10 inapplicable in the Commonwealth of Puerto Rico is pub-
11 lished in the Federal Register, the Governor of the Common-
12 wealth of Puerto Rico may submit to the agency within thirty
13 days in writing (or such longer period as the agency may
14 have prescribed as the period between publication of the rule
15 and its effectiveness) the Governor's determination that such
16 rule is inconsistent with the policy stated in subsection (b).
17 Thereupon, the agency shall reconsider the question of con-
18 sistency of the rule with the policy stated in subsection (b)
19 and shall, within forty-five days of its receipt of the Gover-
20 nor's determination, publish in the Federal Register its find-
21 ing either that there is an overriding national interest that
22 the rule be applicable in the Commonwealth of Puerto Rico,
23 in which case the rule, whether or not previously applicable
24 in the Commonwealth of Puerto Rico, shall thereafter be so
25 applicable, or that the rule is not compatible with such policy,

1 in which event such rule, whether or not previously applica-
2 ble in the Commonwealth of Puerto Rico, shall not be so
3 applicable. Unless the agency for good cause finds that a rule
4 that is the subject of such determination by the Governor of
5 Puerto Rico as is described in this subsection shall be appli-
6 cable to the Commonwealth of Puerto Rico pending its con-
7 sideration of such determination, and publishes such finding
8 in the Federal Register, such rule, whether or not previously
9 applicable in the Commonwealth of Puerto Rico, shall not be
10 so applicable pending such consideration. An agency's deci-
11 sion to make a rule applicable or inapplicable in Puerto Rico
12 shall be subject to judicial review.

13 (g) The laws, rules and regulations of the United States
14 applicable in the Commonwealth of Puerto Rico when the
15 new Federal policy is established in accordance with subpart
16 3 shall continue in effect except to the extent repealed or
17 modified by this Act, or inconsistent with it, and except as
18 hereafter modified, suspended or repealed in accordance with
19 law.

20 **SUBPART 5. AVIATION**

21 Section 1102 of the Federal Aviation Act is amended by
22 adding a new section (e) to read as follows:

23 “(e)(i) The Government of the Commonwealth of Puerto
24 Rico shall have authority to negotiate on its own behalf bilat-
25 eral air transportation agreements governing the operation of

1 air services by United States and foreign air carriers between
2 the Commonwealth and foreign points. Such agreements may
3 also include authorization of service by United States and
4 foreign air carriers to use any point in the Commonwealth as
5 an intermediate or beyond point on routes between points in
6 the United States and foreign nations for which the carrier
7 holds certificate or foreign air carrier operating authority
8 from the Department of Transportation. Such agreements
9 may authorize such carriers to engage in common carriage of
10 persons and property between such authorized points in the
11 United States and the Commonwealth, notwithstanding the
12 provisions of sections 416(6)(7) and 1108 of this Act.

13 “(ii) Operating rights contained in Commonwealth bilat-
14 eral air transportation agreements shall be subject to the
15 grant of necessary operating authority by the Department of
16 Transportation and the Administrator. The responsibilities of
17 the Department and the Administrator under subsection (a) of
18 this section shall extend to such bilateral agreements.

19 “(iii) Operating authority issued by the Department of
20 Transportation in implementation of bilateral agreements ne-
21 gotiated by the Government of the Commonwealth of Puerto
22 Rico shall be subject to the President’s right of disapproval
23 as contained in section 801(a) of this Act.

24 “(iv) The officials of the Federal Aviation Administra-
25 tion of the United States are directed to assist and cooperate

1 with the appropriate officials of the Commonwealth of Puerto
2 Rico in the implementation of any air transportation agree-
3 ment entered into pursuant to the authority herein estab-
4 lished.”.

5 **SUBPART 6. DEVELOPMENT OF TOURISM**

6 Section 4a(l) of the Coastal Barrier Resources Act of
7 1982, 16 U.S.C. section 3503(a)(l), is amended by adding to
8 the end of the subsection: “Notwithstanding the foregoing, no
9 area within the Commonwealth of Puerto Rico shall be in-
10 cluded within the Coastal Barrier Resources System.”.

11 **SUBPART 7. INTERNATIONAL TRADE**

12 (a) Section 2 of the Act of April 12, 1900, 48 U.S.C.
13 739, is amended by inserting the following subsection.

14 “1. To the extent consistent with the interna-
15 tional obligations of the United States, the Common-
16 wealth of Puerto Rico is authorized to impose tariff
17 duties on foreign origin products imported into Puerto
18 Rico. Such tariff duties shall be in addition to the gen-
19 eral tariff duties applicable to products imported into
20 the customs territory of the United States.”.

21 (b) Section 1102 of the Omnibus Trade and Competi-
22 tiveness Act of 1988, 19 U.S.C. 2902, is amended by adding
23 a new subsection (e) as follows:

24 “(e) During the negotiation of any trade agreement af-
25 fecting Puerto Rico under subsections (a), (b), and (c), the

1 President shall seek the participation of the Commonwealth
2 of Puerto Rico in the negotiation process, and shall consult
3 with the Governor of the Commonwealth of Puerto Rico con-
4 cerning the potential impact of any proposed tariff rate
5 change on the economy of Puerto Rico.

6 The Government of the United States shall seek to
7 obtain favorable treatment from foreign countries for exports
8 from the Commonwealth of Puerto Rico and shall encourage
9 other countries to consider Puerto Rico as a developing area
10 for purposes of their respective General Systems of Trade
11 Preferences, and any such regional systems of trade prefer-
12 ences.”.

13 **SUBPART 8. MARITIME**

14 (a) Section 9 of the Puerto Rican Federal Relations Act,
15 48 U.S.C. section 744, is amended to add at the end of the
16 provision: “except that those provisions of the Shipping Act,
17 1916, administered by the Federal Maritime Commission
18 shall not be applicable to the trade between Puerto Rico and
19 the States of the United States. The Commonwealth of
20 Puerto Rico is authorized to establish its own maritime com-
21 mission which, when established in accordance with Puerto
22 Rico law shall exercise exclusive jurisdiction over service,
23 rates, fares, and practices governing the trade between
24 Puerto Rico and the states of the United States.”

1 (b) Section 1 of the Shipping Act, 1916, as amended, 46
2 U.S.C. App. section 801, is amended by inserting after the
3 second “possession of the United States” and at the end of
4 the provision, the following phrase: “not including the Com-
5 monwealth of Puerto Rico.”.

6 SUBPART 9. JURISDICTION OVER MARITIME

7 RESOURCES

8 (a) Amend section 3(21) of the Magnuson Fishery Con-
9 servation and Management Act, as amended, 16 U.S.C.
10 1802(21) to read as follows:

11 “(21) The term ‘State’ means each of the several
12 States, the District of Columbia, American Samoa, the
13 Virgin Islands, Guam, and any other territory or possession
14 of the United States, but does not include the commonwealth
15 of Puerto Rico.”.

16 (b) Amend the first sentence of section 2(6) of the Mag-
17 nuson Fishery Conservation and Management Act, as amend-
18 ed, 16 U.S.C. 1802(6) to read as follows: “The term ‘exclu-
19 sive economic zone’ means the zone established by Proclama-
20 tion Numbered 5030, dated March 10, 1983, except that
21 such zone shall not include zones contiguous to the territorial
22 sea of the Commonwealth of Puerto Rico, provided that the
23 Commonwealth of Puerto Rico shall take no action that
24 would purport to restrict or charge fees to vessels of the
25 United States for the right to fish for highly migratory spe-

1 cies of fish within any fishing jurisdiction the ‘Commonwealth
2 of Puerto Rico may establish beyond its territorial waters.’”.

3 **SUBPART 10. INTELLECTUAL PROPERTY**

4 (a) Section 101 of title 17 of the United States Code is
5 amended as follows:

6 (1) By inserting the following new definitions in
7 alphabetical order:

8 “The ‘design of a useful article,’ hereinafter
9 referred to in this Title as a ‘design,’ consists of
10 those aspects or elements of the article, including
11 its two dimensional or three dimensional features
12 of shape and surface, which make up the appear-
13 ance of the article, and shall include a ‘typeface’
14 as herein defined.

15 “A design is ‘of Puerto Rican origin’ (a) if
16 more than 50 percent of its development costs
17 have been incurred within the Commonwealth of
18 Puerto Rico, irrespective of whether such design
19 is fixed in a useful article in the Commonwealth
20 of Puerto Rico; or (B) if it is first fixed in the
21 Commonwealth of Puerto Rico in a useful article
22 intended to be distributed to the public for com-
23 mercial purposes.

24 “A ‘typeface’ consists of a set of letters,
25 numbers, or other symbolic characters, whose

1 forms are related by repeating design elements
2 consistently applied in a national system, to the
3 extent that the repeating design elements in the
4 combination employed in a notational system are
5 (A) original, (B) distinct, and (C) incorporated in a
6 useful article whose normal use is in composing
7 text or other cognizable combination of charac-
8 ters.”.

9 (2) By adding, after the semicolon in the second
10 sentence of the definition of “Pictorial, graphic, and
11 sculptural works,” the following: “except where a
12 design of Puerto Rican origin is involved,”.

13 (b) Section 102 of title 17 of the United States Code is
14 amended by adding a new subsection 102 (a)(8) as follows:

15 “(8) designs of useful articles, where such designs
16 are of Puerto Rican origin.”.

17 (c) Section 113 of title 17 of the United States Code is
18 amended by adding a new subsection (d) as follows:

19 “(d) In the case of a design of Puerto Rican origin, the
20 scope of exclusive rights in a copyrighted work does not
21 extend to a design that is (i) staple or commonplace, such as
22 a standard geometric figure, familiar symbol, emblem, or
23 motif, or other shape, pattern, or configuration which has
24 become common, prevalent, or ordinary; (ii) different from a
25 design excluded by (i) hereof only in insignificant details or in

1 elements which are variants commonly used in the relevant
2 trades; (iii) dictated primarily by a utilitarian function of the
3 article in which it is fixed, (iv) composed of three-dimensional
4 features of shape and surface with respect to men's,
5 women's, and children's apparel; or (v) fixed in a semiconduc-
6 tor chip product that is protected under chapter 9 of this title.
7 Notwithstanding the foregoing, the scope of exclusive rights
8 shall not be limited by the employment in the design of sub-
9 ject matter excluded under (i) through (iii) hereof, if the
10 design is a substantial revision, adaptation, or rearrangement
11 of said subject matter: *Provided, however,* That such exclu-
12 sive rights shall be available for a design employing subject
13 matter protected under chapters 1 through 8 of this title or
14 title 35 of the United States Code, only if such protected
15 subject matter is employed with the consent of the proprietor
16 thereof. Such protection shall be independent of any subsist-
17 ing protection in subject matter employed in the design, and
18 shall not be construed as securing any rights to subject
19 matter excluded from protection or as extending any subsist-
20 ing protection."

21 (d) Chapter 3 of title 17 of the United States Code is
22 amended by the addition of a new section 306 as follows:

1 **“§ 306. Designs of Puerto Rican origin**

2 (a) The provisions of section 302 through 305 of this
3 chapter shall not apply to copyrights in designs of Puerto
4 Rican origin.

5 (b) Copyright in a design of Puerto Rican origin subsists
6 from its creation and endures for a period of ten years.

7 (c) A term of copyright provided by this section shall run
8 to the end of the calendar year in which in would otherwise
9 expire.”.

10 (e) Section 407 of title 17 of the United States Code is
11 amended by adding the following language before the semi-
12 colon in section 401(b)(1): “, or, in the case of a design of
13 Puerto Rican origin, the symbol D (the letter D in a circle),
14 or the words “Design Copyright,’ or the abbreviation ‘Des.
15 Copr.’.”.

16 (f) Section 407 of title 17 of the United States Code is
17 amended by striking the period the end of section 407 (c) and
18 adding the following language: “, or the work is a design of
19 Puerto Rican origin.”.

20 (g) Section 901 (a) of title 17 of the United States Code
21 is amended by adding a new subsection (10) as follows:

22 “(10) a mask work is ‘of Puerto Rican origin’ (a)
23 if more than 50 percent of its development costs have
24 been incurred within the Commonwealth of Puerto
25 Rico, irrespective of whether such mask work is fixed
26 in a computer chip in the Commonwealth of Puerto

1 Rico; or (B) if it is first fixed in the Commonwealth of
2 Puerto Rico in a computer chip intended to be distrib-
3 uted to the public for commercial purposes.”.

4 (h) Section 906 of title 17 of the United States Code is
5 amended by adding at the end thereof the following:

6 “(c) The limitations on exclusive rights provided under
7 subsections (a) and (b) of this section shall not apply to mask
8 works of Puerto Rican origin.”.

9 (i) The foregoing sections (a) through (h) shall apply
10 after the date of enactment to all acts of manufacture or dis-
11 tribution that occur in the United States after such date, to
12 all acts of importation into the United States that occur after
13 such date, and to all violations of the exclusive rights of the
14 copyright’s owner under of title 17, United States Code that
15 occur after such date.

16 **SUBPART 11. FEDERAL PROGRAMS**

17 (a) **CONSOLIDATION OF GRANT-IN-AID PROGRAMS.—**
18 The Puerto Rico Federal Relations Act is amended by insert-
19 ing a new section 59, as follows:

20 **SECTION 59.**

21 In order to minimize the burden caused by existing ap-
22 plication and reporting procedures for grant-in-aid programs
23 available to the Commonwealth of Puerto Rico it is hereby
24 declared to be the policy of the Congress, notwithstanding
25 any provision of law to the contrary, that:

1 “(a) At the request of the Governor of the Common-
2 wealth, any department or agency of the Government of the
3 United States which administers any Act of Congress which
4 specifically provides for making grants to the Commonwealth
5 under which payments received may be used by the Com-
6 monwealth only for certain specified purposes (other than
7 direct payments to classes of individuals, including, but not
8 limited to, Aid to Families with Dependent Children, title
9 IV-A of the Social Security Act, 42 U.S.C. 601; Medicaid,
10 title XIX of the Social Security Act, 42 U.S.C. 2396; Sup-
11 plemental Security Income, title XVI of the Social Security
12 Act, 42 U.S.C. 1381; Foster Care, title IV-E of the Social
13 Security Act, 42 U.S.C. 670; and Nutrition Assistance Pro-
14 gram, 7 U.S.C. 2028) shall, acting through appropriate ad-
15 ministrative authorities of such department of agency, consol-
16 idate any or all grants made to the Commonwealth for any
17 fiscal year or years.

18 “(b) Any consolidated grant for the Commonwealth
19 shall not be less than the sum of all grants which the Com-
20 monwealth would otherwise be entitled to receive for such
21 year.

22 “(c) The funds received under a consolidated grant shall
23 be expended in furtherance of the programs and purposes au-
24 thorized for any of the grants which are being consolidated,
25 which are authorized under any of the Acts administered by

1 the department or agency making the grant, and which
2 would be applicable to grants for such programs and purposes
3 in the absence of the consolidation, but the Commonwealth
4 shall determine the proportion of the funds granted which
5 shall be allocated to such programs and purposes.

6 “(d) Each department or agency making grants-in-aid
7 shall, by regulations published in the Federal Register, pro-
8 vide the method by which the Commonwealth may submit: (i)
9 a single application for a consolidated grant for any fiscal
10 year period, but not more than one such application for a
11 consolidated grant shall be required by any department or
12 agency unless notice of such requirement is transmitted to
13 the appropriate committees of the United States Congress to-
14 gether with a complete explanation of the necessity for re-
15 quiring such additional applications, and (ii) a single report to
16 such department or agency with respect to each such consoli-
17 dated grant: *Provided*, That nothing in this paragraph shall
18 preclude such department or agency from providing adequate
19 procedures for accounting, auditing, evaluating, and review-
20 ing any programs or activities receiving benefits from any
21 consolidated grant. The administering authority of any de-
22 partment or agency, in its discretion, may (i) waive any re-
23 quirement for matching funds otherwise required by law to be
24 provided by the Commonwealth and (ii) waive the require-

1 ment that the Commonwealth submit an application or report
2 in writing with respect to any consolidated grant.

3 (b) **EQUITABLE TREATMENT IN SOCIAL PROGRAMS.**—

4 The Puerto Rican Federal Relations Act is amended by in-
5 serting a new section 60 as follows:

6 “SECTION 60.

7 “(a) It is the policy of the United States that the alloca-
8 tions to the Commonwealth of Puerto Rico of the following
9 programs shall achieve full parity with the States of the
10 Union as soon as possible but in no event later than the fifth
11 anniversary of the date of enactment hereof with allocations
12 to States of the Union in the following programs or their
13 successor thereof: Nutrition Assistance Program (NAP); Aid
14 to Families with Dependent Children (AFDC); and Medicaid;
15 and in no event later than the ninth anniversary of the date
16 of enactment hereof with allocations to States of the Union
17 for the Supplemental Security Income (SSI) program, or its
18 successor.”.

19 **SUBPART 12. PROTECTION OF WORKERS**

20 (a) Amend section 3 of the Labor Management Act, as
21 amended, (29 U.S.C. 153(b)), by adding after the first sen-
22 tence: “; with the exception of cases arising under the juris-
23 diction of the Commonwealth of Puerto Rico which are
24 hereby exclusively delegated to the Labor Relations Board of
25 Puerto Rico. Decisions of the Labor Relations Board of

1 Puerto Rico may be appealed to the Federal Court of Ap-
2 peals for the First Circuit.”.

3 (b) The Puerto Rican Federal Relations Act is amended
4 by adding a new section 61, as follows:

5 “Puerto Rico shall maintain exclusive jurisdiction over
6 employee benefits, other than the benefits currently covered
7 under the Fair Labor Standards Act, the Employee Retire-
8 ment Income Security Act, and the Occupational Safety and
9 Health Act. Puerto Rico’s exclusive jurisdiction shall include,
10 but not be limited to Christmas bonuses, sick and vacation
11 pay, workman’s compensation, and any other benefits not
12 covered under the current aforementioned Federal legisla-
13 tion.”.

14 **SUBPART 13. PUERTO RICO PARTICIPATION IN**
15 **FEDERAL APPOINTMENTS**

16 Section 301 of title 3, is amended by inserting at the
17 beginning thereof the term “(a)” and by adding at the end
18 thereof the following:

19 “(b) The highest ranking Federal officer serving in the
20 Commonwealth of Puerto Rico for any Federal department
21 and agency, or division thereof, and any other appointment in
22 the Commonwealth of Puerto Rico subject to Senate confir-
23 mation, shall be appointed by the President from a list of
24 eligible candidates recommended by the Governor of the
25 Commonwealth of Puerto Rico.”.

1 **SUBPART 14. REPRESENTATION IN UNITED STATES**
2 **SENATE**

3 Section 36 of the Puerto Rican Federal Relations Act,
4 48 U.S.C. section 891–895, is amended as follows:

5 “**SUBCHAPTER V. RESIDENT COMMISSIONERS**
6 **SECTION 891. RESIDENT COMMISSIONERS; ELECTION.**

7 “The qualified electors of Puerto Rico shall choose a
8 Resident Commissioner to the United States Senate and a
9 Resident Commissioner to the United States House of Repre-
10 sentatives at each general election, whose terms of office
11 shall be four years from the 3rd of January following such
12 general election, and who shall be entitled to receive official
13 recognition as such commissioner by all of the departments of
14 the Government of the United States, upon presentation,
15 through the Department of States, of a certificate of election
16 of the Governor of Puerto Rico.

17 **“SECTION 892. QUALIFICATIONS OF COMMISSIONERS;**
18 **APPOINTMENT TO FILL VACANCY.**

19 “No person shall be eligible to election as a Resident
20 Commissioner who is not a bona fide citizen of the United
21 States and who is not more than twenty-five years of age,
22 and who does not read and write the English language. In
23 case of a vacancy in either office of Resident Commissioner
24 by death, resignation, or otherwise, the Governor by and
25 with the advice and consent of the Senate of the Common-
26 wealth of Puerto Rico shall appoint a Resident Commissioner

1 to fill the vacancy, who shall serve until the next general
2 election and until his successor is elected and qualified.

3 **“SECTION 893. SALARY OF COMMISSIONERS; ALLOWANCES,**
4 **FRANKING PRIVILEGE.**

5 “The Resident Commissioners shall receive a salary
6 payable monthly by the United States. The Resident Com-
7 missioners shall be allowed the same sum for stationary and
8 for the pay of necessary clerk hire as is allowed Members of
9 the Senate of the United States and Members of the House of
10 Representatives of the United States. The Resident Commis-
11 sioners shall be allowed the franking privilege granted Mem-
12 bers of Congress.

13 **“SECTION 894. SALARY AND TRAVELING EXPENSES; PAY-**
14 **MENT.**

15 “The salary and traveling expenses of the Resident
16 Commissioners from Puerto Rico to the United States shall
17 be paid in the same manner as the salaries of the Members of
18 the Senate and the House of Representatives are paid.

19 **“SECTION 895. OTHER PRIVILEGES.**

20 “The appropriate sections of title 2 of the United States
21 Codes and any other statutory law that relates to the privi-
22 leges afforded United States Senators shall be amended to
23 include the Resident Commissioner from the Commonwealth
24 of Puerto Rico to the United States Senate.”.

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SUBPART 15. JUDICIARY

Section 42 of the Puerto Rico Federal Relations Act, 48 U.S.C. section 864, is amended by deleting the last sentence and inserting the following paragraph:

“Notwithstanding any other provision of law:

“(1) The District Court shall not undertake to construe a theretofore unconstrued Puerto Rico statute or regulation or decide a theretofore undecided point of substantive Puerto Rico nonstatutory law without having given the Supreme Court of Puerto Rico the opportunity to construe such statute or regulation or to rule upon such point of Puerto Rico law.

“(2) The proceedings of the United States District Court for the District of Puerto Rico shall be conducted in the Spanish language upon the request of any party to the proceedings.

“(3) Any issue of law arising under the Puerto Rico Federal Relations Act in any action or controversy brought in federal court shall be certified to the District of Columbia Court of Appeals. In addition, the Commonwealth of Puerto Rico, its departments, agencies and instrumentalities, as well as officials and agents, in both their official and personal capacity, may transfer any action brought against them in the District Court for Puerto Rico to the District Court for the District of Columbia.”.

1 **SUBPART 16. PASSPORTS**

2 (a) Section 211a of title 22, is amended by adding after
3 the provision “by the chief or other executive officer of the
4 insular possessions of the United States,”; “and the Gover-
5 nor of the Commonwealth of Puerto Rico,”.

6 (b) The following new section shall be added to title 22
7 as section 211b:

8 **“SECTION 211b. UNITED STATES PASSPORT OFFICE IN PUERTO**
9 **RICO.**

10 “The Secretary of State shall establish a Passport
11 Office for the Caribbean located in San Juan, Puerto Rico
12 and shall authorize the Governor of the commonwealth to
13 administer such office as required by law.”.

14 (c) Section 212 of the Immigration and Nationality Act,
15 8 U.S.C. section 1182 is amended by adding a new subsec-
16 tion (m) as follows:

17 **“(m) COMMONWEALTH OF PUERTO RICO; WAIVER OF**
18 **REQUIREMENTS; NONIMMIGRANT VISITORS.—**

19 “(1) The requirement of paragraph 26(B) of sub-
20 section (a)—of this section shall be waived by the At-
21 torney General upon the request of the Government of
22 the Commonwealth of Puerto Rico, in the case of an
23 alien applying for admission as a nonimmigrant visitor
24 at the invitation of the Government of the Common-
25 wealth and solely for entry into and stay in the Com-
26 monwealth of Puerto Rico for a period not to exceed

1 thirty days. The District Office for Puerto Rico of the
2 Immigration and Nationality Service shall issue the
3 special temporary entry visit visas, as well as other
4 entry visas.

5 “(2) If adequate appropriated funds to carry out this
6 subsection are not otherwise available, the Director of the
7 Immigration and Nationality Service is authorized to accept
8 from the Government of the Commonwealth of Puerto Rico
9 such funds as may be tendered to cover all or any part of the
10 costs of administration and enforcement of this subsection.”.

11 **SUBPART 17. LAW ENFORCEMENT**

12 Section 287 of the Immigration and Nationality Act, 8
13 U.S.C. section 1357, is amended as follows:

14 “(a) Any officer or employee of the Service authorized
15 under regulations proscribed by the Attorney General, and
16 any officer or employee of and within the Commonwealth of
17 Puerto Rico authorized by the Governor of the Common-
18 wealth of Puerto Rico shall have the power without war-
19 rant.”.

20 **SUBPART 18. HISTORIC SITES AND CONSERVATION**

21 **LANDS**

22 Section 8 of the Puerto Rico Federal Relations Act, 48
23 U.S.C. section 749 is amended by redesignating it section 8A
24 and enacting a new Section 8B:

1 "SECTION 8b.

2 “(a)(i) Lands. Title to all lands, buildings, and interests
3 in lands, and other property now owned by the United States
4 and within the territorial limits of the Commonwealth of
5 Puerto Rico, and the harbor areas and navigable streams and
6 bodies of water and submerged lands underlying the same in
7 and around the island of Puerto Rico and the adjacent islands
8 and waters, owned by the United States, which may have
9 been acquired in Puerto Rico by the United States under the
10 cession of Spain in the treaty of peace entered into on De-
11 cember 10, 1898, and the lands owned by the United States,
12 and administered under the Caribbean National Forest, is
13 hereby conveyed to the people of Puerto Rico and placed
14 under the control of the Government of the Commonwealth
15 of Puerto Rico; *Provided*, That the United States and the
16 Commonwealth of Puerto Rico may negotiate to establish
17 mutually agreed terms and conditions for the continued use
18 and administration of such lands and properties.

19 (ii) The conveyance described in subsection (i) of this
20 section shall be effective thirty days after the enactment of
21 this section and the Legislature of the commonwealth of
22 Puerto Rico shall have the authority to legislate as it shall
23 deem advisable with respect to all such Crown Lands con-
24 veyed under this section.”.

1 **SUBPART 19. COMMUNITY VALUES**

2 The Puerto Rican Federal Relations Act is amended by
3 inserting a new section 61 as follows:

4 “SECTION 61.

5 “(a) DEFINITIONS.—

6 “(1) The term ‘antitrust laws’ has the same mean-
7 ing given such term in the first section of the Clayton
8 Act, 15 U.S.C. section 12, and shall also include sec-
9 tion 5 of the Federal Trade Commission Act, 15
10 U.S.C. section 45.

11 “(2) The term ‘person in the entertainment indus-
12 try’ means any organization, or an individual connected
13 with any organization, that produces, distributes, trans-
14 mits, or exhibits any form of audio or visual entertain-
15 ment.

16 “(3) The term ‘audio or visual entertainment’ in-
17 cludes:

18 “(i) video, audio, or mixed programs trans-
19 mitted via electromagnetic waves of any frequen-
20 cy, whether transmitted to all receivers of a given
21 type within transmission range, or to only select-
22 ed receivers on the basis of a subscription fee or
23 any other criteria;

24 “(ii) programs transmitted by cable systems
25 as defined in section 602(5)–(6) of the Cable Com-
26 munications Policy Act of 1984, 47 U.S.C. sec-

1 tion 522(5)–(6), except that reference in 47
2 U.S.C. section 522(6) to ‘video’ shall be read as
3 ‘video or audio’ and references in 47 U.S.C. sec-
4 tion 522(6) to ‘television’ shall be read as ‘televi-
5 sion or radio’; and

6 “(iii) motion pictures, which include enter-
7 tainment, using film, videotapes, videocassettes,
8 compact discs, or any other functionally substan-
9 tially equivalent medium, if admission is generally
10 charged for such entertainment, or if such enter-
11 tainment is generally made available to the public
12 on a rental or purchase basis for private viewing.

13 “The term ‘audio or visual entertainment’ does
14 not include printed or otherwise written material unless
15 such printed or otherwise written material is used in
16 any form of audio or visual entertainment described
17 above.

18 “(b) Upon declaration by the Governor of Puerto Rico
19 (the Governor) and publication of such declaration in the offi-
20 cial register of the Commonwealth of Puerto Rico, the anti-
21 trust laws shall not apply to any joint discussion, consider-
22 ation, review, action, or agreement by or among persons in
23 the entertainment industry for the purpose of, and limited to,
24 developing and disseminating voluntary guidelines designed
25 to alleviate the negative impact of violence, pornography, al-

1 alcohol and drugs in all audio or visual entertainment in Puerto
 2 Rico, or in any subset of audio or visual entertainment in
 3 Puerto Rico as the Governor may designate in any declara-
 4 tion under this section, provided that

5 “(1) no declaration by the Governor under this
 6 section shall operate to exempt from the antitrust laws
 7 any joint discussion, consideration, review, action, or
 8 agreement that results in a boycott of any person; and

9 “(2) no declaration by the Governor under this
 10 section shall operate to exempt from the antitrust laws
 11 any activities conducted more than 36 months after
 12 such declaration by the Governor. The Governor may
 13 limit the effect of any declaration to a shorter period if
 14 he or she does so in the declaration itself.

15 “(c) A declaration by the Governor under section 2 con-
 16 cerning any forms of audio or visual entertainment shall not
 17 limit his or her authority to make future declarations con-
 18 cerning those forms of audio or visual entertainment.”

19 **SUBPART 20. ASSUMPTION OF BUDGETARY RE-**
 20 **SPONSIBILITIES AND TRANSFER OF FEDERAL**
 21 **FUNCTIONS**

22 The Puerto Rican Federal Relations Act is amended by
 23 inserting a new section 63, as follows:

24 “The Commonwealth of Puerto Rico shall assume the
 25 expenses inherent in all governmental authority transferred

1 pursuant to this Act. The Government of the United States,
2 or any agency thereof; may from time to time delegate to the
3 Commonwealth of Puerto Rico the total or partial perform-
4 ance of functions vested in the United States, including the
5 administration of such Federal laws and programs on the
6 island, as may be mutually agreed.”.

7 **SUBPART 21.**

8 The enhancements to the Commonwealth relationship
9 adopted pursuant to this Act shall form part of the Compact
10 entered upon by the Congress and the People of Puerto Rico
11 in 1952. It may be amended in the same manner as entered
12 upon in order to provide for the continuing enhancement of
13 the Commonwealth relationship.

