

Translated

**Popular Democratic Party
Governing Board
Resolution JG-2010-003
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Section 4 (Page 2)

“The Governing Board states that the definition of Commonwealth to be proposed in any future plebiscite must be based on the outline, judicial framework, and 17 specific areas of autonomous growth presented in the document “Pact of the Future: The new Manual for Political Education and Training of the Popular Democratic Party”, approved unanimously by this Governing Board on September 1, 2009. This definition must also be based on United Nations Resolution 2625 (XXV) of October 24, 2009, which establishes and recognizes four valid alternatives for the political relationships between peoples, which are: annexation to another country, independence, free association between two peoples, or any other political condition freely decided by both parties in a common agreement, the last of which the Popular Democratic Party proposes for the future development of the Commonwealth.”

Translated

Call for the Transformation of Puerto Rico

Political Education and Training Manual of the Popular Democratic Party

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Pages 32-39

VI. The Pact of the Future and the New Economic Model

Starting Point: The 1998 Definition

On October 15, 1998, the Popular Democratic Party approved what has since been the institutional position for the autonomous development of the Commonwealth. The definition reads as follows:

“The People of Puerto Rico, in an exercise of their sovereignty, as derived from their natural right to self-government and their free will as ultimate foundations of their political authority - reaffirm the validity of the Commonwealth established in 1952 as an autonomous political body, neither colonial nor territorial, in permanent union with the United States of America, under an agreement that cannot be unilaterally dissolved, and proposes its autonomous development.

This relationship will guarantee the autonomous development of Puerto Rico, based on the democratic principle of government by consent of the governed, while recognizing that Puerto Rico is a Nation with its own history, idiosyncrasy, culture, and Spanish language”

This definition also includes other elements such as the protection of the Puerto Rican identity, the permanence of American citizenship, the existence of Puerto Rican citizenship, and the reaffirmation of the four pillars of the Commonwealth: common citizenship, currency, defense and market. It also describes a range of actions regarding the rights of citizens, promotion of economic development and the allocation of federal funds, and furthermore, furthers the delimitation of federal and local jurisdictions, as determined by the People of Puerto Rico.

This definition is important in that it clarifies the nature of our future relations and the Pact of the Future to which we aspire. That is: that the future of the Commonwealth is derived from the power of the people to govern themselves, and, for this reason, the People of Puerto Rico retain all the powers not delegated to the United States. The definition specifies which powers are delegated to federal jurisdiction. It also recognizes the procedures for the establishment of shared powers by both parties.

This definition, once it has been ratified by the People at the polls, should serve as a starting point in a process of dialogue and negotiation with the United States Government. This is the institutional position of the Popular Democratic Party and it is the definition defended by the party. However, this definition must be further expanded.

Where are we headed

Though the 1998 definition has been ratified and expanded by various Assemblies of the PDP, as well as by Resolutions of its Governing Board, the truth is that the text is already 11 years old and, while the principles have been reaffirmed, a concrete plan must be clearly expressed on the development of the Commonwealth, on the final objective and goals of the autonomous development of the Commonwealth, and on how the autonomous development of the Commonwealth affects the lives of every Puerto Rican.

These questions must be answered in a clear manner, so that the people better understand our collective purpose, the importance of this demand for autonomy, and the true opportunities we have before Congress and the White House to make any demand a reality.

To this end, in 2006, the Popular Democratic Party commissioned two studies by prestigious United States law firms on the viability of Congress adopting and approving a proposal on the growth of the Commonwealth. The first study was prepared by the Cooper & Kirk firm in Washington. It analyzed the possibility of establishing a political relationship of "Mutual Consent" between Puerto Rico and the United States. The study supports the theory that, under a future pact, any change in the relationship must be done with the mutual consent of the parties, and not unilaterally.

The second study was prepared by attorney Michael Reisman, professor at Yale University, and Robert Sloane, professor at Boston University Law School. Their writing analyzed the political background of Puerto Rico and examined possible alternatives for the growth of the Commonwealth, ranging from generic amendments to the existing relationship, to wider degrees of autonomy, using as an example the islands in the Pacific that have signed autonomous agreements similar to the Commonwealth with the United States.

Both studies concluded that the Commonwealth status can develop in various ways, and that there is no constitutional or judicial impediment that may limit any future agreement, as long as it has the approval of the will of the people of Puerto Rico and Congress. In other words, any change is possible if the parties have the political will to enter into it.

The need for a Bilateral Pact

As previously stated, for the past 57 years, the political, judicial and economic relations of Puerto Rico and the United States have been carried out in accordance with the Constitution of Puerto Rico, the Federal Relations Act, congressional legislation, and by the decisions or interpretations of the local and federal courts.

Due to the absence of a single document that specifically delineates the jurisdictions and spheres of authority of both governments, a series of controversies has arisen over various judicial questions, which have led judicial bodies in both jurisdictions to intervene. At times, they have conceded powers to the government of the Commonwealth, and others to the federal government.

One of the lessons we have learned with regard to the need to expand the powers of the Commonwealth, is that the powers under each jurisdiction must be agreed on in a way in which they cannot be unilaterally altered or violated by Congress or the federal courts.

For this, it is imperative that the Popular Party present a new model for this relationship to be written, adopted, and ratified; one that defines in a clear and precise manner the jurisdictional spheres of the government of the Commonwealth and the Government of the United States in Puerto Rico.

This document will be the *Pact of the Future* and will be based on 5 specific principles and conditions:

1. First, the People of Puerto Rico shall invoke the power established in Resolution 23 of the Constitutional Assembly which recognizes the capacity of the People of Puerto Rico to request changes or modifications to the relationship. This request will be made through a concurrent resolution of the Legislative Assembly of Puerto Rico.
2. It will recognize the authority of the People of Puerto Rico to enter into an agreement with the United States, in the understanding that the People of Puerto Rico, under their sovereignty as a Commonwealth, enter into the negotiation process on an equal footing and with the goodwill of the United States.
3. The People of Puerto Rico will enter the negotiation process once the electorate has issued a mandate at the polls and a Constitutional Assembly on Status or a Negotiating Committee is established, composed primarily of representatives in favor of a developed Commonwealth.
4. The *Pact of the Future*, once ratified by the people, will be adopted, accepted and validated by the Legislative Assembly of Puerto Rico and the Congress of the United States of America through a joint or concurrent resolution, as the case may be.
5. The *Pact of the Future*, as agreed and ratified, cannot be changed unilaterally and can only be modified with the mutual consent of both parties.

Development of the Commonwealth

What for?

- To strengthen the relationship between Puerto Rico and the United States so as to provide additional tools for the development of wealth and employment, through an Association Agreement of a non-territorial, non-colonial Commonwealth, based on the principle of popular sovereignty.
- To defend our nationality, identity and culture.
- To ensure the continuance of the benefits of our current relationship with the United States, including American citizenship, fiscal autonomy, free travel to the United States, common currency, common market, acquired benefits such as Social Security, and benefits acquired through specific capacities (federal jobs, veterans, etc).
- To acquire new tools to enable a project to provide social justice for Puerto Rico in the 21st century. The PDP has the historic mission of confronting the material, cultural and spiritual poverty of our people; we hope to develop a first-class education system, that promotes entrepreneurship, invention and creativity, we are committed to the development of a mentally and physically healthy society, from newborns to the elderly; and we will fight so that the values of hard work and self-reliance substitute for the economic and sociological dependency of our society.
- To recognize and expand the jurisdiction of the Commonwealth over its territorial waters from 10.5 nautical miles to 200 miles, including the resources submerged under these waters.
- To allow for the transfer of all federal land in the islands to the People of Puerto Rico, with the exception of those reserved for matters of defense.
- To reach a new economic agreement with the United States that promotes a self-sustaining government and self-sustaining individuals.
- To acquire the power to establish commercial and fiscal treaties with other countries to improve our economy and promote job creation.
- To be granted the power to participate on our own behalf in international and regional organizations concerning political, economic, and social matters.
- To be exempt from the cabotage Laws so that we may fully develop the Rafael Cordero Santiago Megaport, with a view towards having it become an essential component in our economy with new jobs and entrepreneurial opportunities.
- To establish, once and for all, that Puerto Rico is ruled by Puerto Ricans.
- To have the democratic will of Puerto Ricans respected.

- To develop a socioeconomic project for the country.

The Pact of the Future and the New Economic Model

The ***Pact of the Future*** that the Popular Democratic Party will present and defend has a specific objective: to use judicial and political tools to create a new economic model for our country. Consequentially, the autonomous growth of the Commonwealth is aimed at developing and transforming the economy of Puerto Rico.

In other words, the objective can best be summarized as ***“economic development with autonomous growth.”*** The new discourse of the Popular Democratic Party should be focused, not on the past or on the interpretations of history, but on planning for the future. The Pact of the Future will include as an indispensable part of the document a new economic model for Puerto Rico

The judicial framework, new powers and the new economic model

The Pact of the Future will be titled “Bilateral Pact on the Political and Economic Relationship between Puerto Rico and the United States of America”, and will be based on the following 16 areas:

1. The Pact of the Future will explicitly recognize the authority of the People of Puerto Rico to govern themselves in accordance with the will of the people.
2. It will recognize the nationality and cultural identity of the People of Puerto Rico.
3. The content of the Pact of the Future will be determined through a process of delegating specific powers by the People of Puerto Rico. Said Pact must define in a clear and specific manner the jurisdictional spheres of both parties, including those pertaining to the Government of Puerto Rico, those pertaining to the United States, and those which will be held in a joint manner.
4. By virtue of its nature and content, this Pact of the Future will be based on Resolution 2625 (XXV) of October 24, 1970, which establishes four valid alternatives with regards to the internationally valid relationships between states. These are: the annexation of one country to another, independence, free association between two countries, or any other political condition freely chosen by a people. These four options constitute legitimate alternatives for self-determination.
5. It recognizes American citizenship as an acquired right by Puerto Ricans and guarantees the permanence of said American citizenship, as it exists today, to be obtained at birth and transferred to descendents. By recognizing that American citizenship is an acquired right, it cannot be revoked unilaterally. All American citizens in Puerto Rico will enjoy the same privileges, rights and immunities granted under the Constitution of the United States and the Constitution of the Commonwealth of Puerto Rico.

6. It will grant the new Commonwealth the ability to reach commercial and economic treaties with countries allied to the United States.
7. It will repeal the cabotage laws, which currently require the exclusive use of the United States Merchant Marine. Puerto Rico will be able to export or import products using foreign ships that maintain economic treaties with the United States. It will also establish that every ship that imports or exports products to and from Puerto Rico must pass through a review and inspection process of a similar standard to that which has been established by both the Governments of Puerto Rico and the United States. The abrogation of this law will result in an annual reduction in the costs of goods of \$500 million.
8. Puerto Rico may request, on its own behalf, to become a part of regional, international and global organizations that cover topics such as the economy, health, safety, human rights, culture, or any other issue that improves the quality of life of Puerto Ricans.
9. All matters pertaining to defense will continue to be exercised by the United States Government.
10. Puerto Rico shall have the ability to enter into any commercial and economic treaty to which the United States is party at the time of the Pact, be it on Puerto Rico's own behalf or through a Participation Protocol similar to that which was established in the Convention Between the United States and Spain for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income, together with Related Protocol, as was established between the United States and Spain on February 22, 1990. This treaty allows for the creation of an exclusive Participation Protocol for Puerto Rico.
11. It establishes the common principles of the political relationship between both states: common citizenship, common currency, common defense, and common market. It also emphasizes the fiscal autonomy of the Commonwealth.
12. It establishes equal treatment and participation for Puerto Rico in all federal programs applicable to American citizens who are residents in the United States, and also ensures equal treatment in economic cooperation programs to which the United States is a party with allied countries. Direct financial assistance to citizens corresponding to acquired rights will remain unaltered, while annually allocated resources corresponding to economic stimulus and aid programs will be directed towards the development of economic self-sufficiency and the creation of jobs.
13. It recognizes and expands the jurisdiction of the Commonwealth over the territorial waters from 10.5 nautical miles to 200 miles, including the resources submerged under these waters, which will fall under shared jurisdiction with the United States. This includes matters of environmental protection, fishing restrictions, public safety, and the regulation of port areas. The Pact will also ratify the current state of law regarding the supremacy of Commonwealth law over federal law on matters related to maritime issues

as was decided in *Lastra vs NY & P.R.S.S. Co*, 2f.2d. 812 (1st Cir. 1924). In this case, the First Circuit Federal Court of Appeals resolved that the Constitution of the United States is not in force *ex proprio vigore* in Puerto Rico with regards to maritime law, and that, should Congress decide to have federal maritime law apply to Puerto Rico, it must express that in legislation. The Supreme Court of Puerto Rico has recognized that Puerto Rico has been conceded ample legislative powers with regards to navigable waters, because its laws have greater rigor and hierarchy than federal ones. Federal Judge Salvador Cassellas supports this in his 1966 article "*Federal and Commonwealth Jurisdiction in the Field of Maritime Law.*" The Pact aims to expand the jurisdiction and legal hierarchy that Puerto Rico currently enjoys in its 10.5 nautical miles to 200 nautical miles.

14. The Pact will allow for the transfer of all federal lands to the People of Puerto Rico, with the exception of those reserved for matters of defense.
15. The Pact recognizes the jurisdiction of the Federal District Court with regards to matters and controversies under the United States Constitution that are applicable to Puerto Rico, as well as with regard to controversies that involve federal programs or funds. Both English and Spanish will be used in the proceedings of said Federal Court. Matters pertaining to the Constitution of Puerto Rico, local laws, including Electoral Law, will fall under the exclusive jurisdiction of the Courts of Puerto Rico.
16. The Pact will create a mechanism to address controversies that may arise with regards to the Pact itself, in which both parties will have representation.

Summary of the Pact of the Future

The ***Pact of the Future*** that we present to the people is not a change in status, but rather the natural development of the Commonwealth in accordance to the political and economic realities of the 21st Century.

This pact improves and expands the current Commonwealth, surpasses and is different from current compacts of free association and, additionally, encompasses the aspirations of the People of Puerto Rico into a single document, in hopes of allowing for a new economic model based on new autonomous judicial and political powers for Puerto Rico. The ***Pact of the Future*** will be a unique relationship between two peoples.