

UNITED STATES-PUERTO RICO POLITICAL STATUS ACT

SEPTEMBER 18, 1996.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. SOLOMON, from the Committee on Rules,
submitted the following

REPORT

[To accompany H.R. 3024]

[Including cost estimate of the Congressional Budget Office]

The Committee on Rules, to whom was referred the bill (H.R. 3024) to provide a process leading to full self-government for Puerto Rico, having considered the same, report thereon with an amendment and recommend that the amendment be adopted.

The amendment is as follows:

Amend section 6 to read as follows:

**SEC. 6. CONGRESSIONAL PROCEDURES FOR CONSIDERATION
OF LEGISLATION.**

(a) **IN GENERAL.**—The majority leader of the House of Representatives (or his designee) and the majority leader of the Senate (or his designee) shall each introduce legislation (by request) providing for the transition plan under section 4(b) and the implementation recommendation under section 4(c) not later than 5 legislative days after the date of receipt by Congress of the submission by the President under that section, as the case may be.

(b) **REFERRAL.**—The legislation shall be referred on the date of introduction to the appropriate committee or committees in accordance with rules of the respective Houses. The legislation shall be reported not later than the 120th calendar day after the date of its introduction. If any such committee fails to report the bill within that period, that committee shall be automatically discharged from consideration of the legislation, and the legislation shall be placed on the appropriate calendar.

(c) **CONSIDERATION.**—

(1) After the 14th legislative day after the date on which the last committee of the House of Representatives or the Senate, as the case may be, has reported or been discharged from further consideration of such legislation, it is in order after the legislation has been on the calendar for 14 legislative days for any Member of that House in favor of the legislation to move to proceed to the consideration of the legislation (after consultation with the presiding officer of that House as to scheduling) to move to proceed to its consideration at any time after the third legislative day on which the Member announces to the respective House concerned the Member's intention to do so. All points of order against the motion to proceed and against consideration of that motion are waived. The motion is highly privileged in the House of Representatives and is privileged in the Senate and is not debatable. The motion is not subject to amendment, or to a motion to postpone, or to a motion to proceed to the consideration of other business. A motion to reconsider the vote by which the motion is agreed to or disagreed to shall not be in order. If a motion to proceed to the consideration of the legislation is agreed to, the respective House shall immediately proceed to consideration of the legislation without intervening motion (except one motion to adjourn), order, or other business.

(2)(A) In the House of Representatives, during consideration of the legislation in the Committee of the Whole, the first reading of the legislation shall be dispensed with. General debate shall be confined to the legislation, and shall not exceed 4 hours equally divided and controlled by a proponent and an opponent of the legislation. After general debate, the legislation shall be considered as read for amendment under the five-minute rule. Consideration of the legislation for amendment shall not exceed 4 hours excluding time for recorded votes and quorum calls. At the conclusion of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted. The previous question shall be considered as ordered on the legislation and amendments thereto to final passage without intervening motion, except one motion to recommit with or without instructions. A motion to reconsider the vote on passage of the legislation shall not be in order.

(B) In the Senate, debate on the legislation, and all amendments thereto and debatable motions and appeals in connection therewith, shall be limited to not more than 25 hours. The time shall be equally divided between, and controlled by, the majority leader and the minority leader or their designees. No amendment that is not germane to the provisions of such legislation shall be received. A motion to further limit debate is not debatable.

(3) Appeals from the decisions of the Chair relating to the application of the rules of the Senate or the House of Representatives, as the case may be, to the procedure relating to the legislation described in subsection (a) shall be decided without debate.

(d) CONSIDERATION BY OTHER HOUSE.—(1) If, before the passage by one House of the legislation described in subsection (a) that was introduced in that House, that House receives from the other House the legislation described in subsection (a)—

(A) the legislation of the other House shall not be referred to a committee and may not be considered in the House that receives it otherwise than on final passage under subparagraph (B)(ii) or (iii); and

(B)(i) the procedure in the House that receives such legislation with respect to such legislation that was introduced in that House shall be the same as if no legislation had been received from the other House; but

(ii) in the case of legislation received from the other House that is identical to the legislation as engrossed by the receiving House, the vote on final passage shall be on the legislation of the other House; or

(iii) after passage of the legislation, the legislation of the other House shall be considered as amended with the text of the legislation just passed and shall be considered as passed, and that House shall be considered to have insisted on its amendment and requested a conference with the other House.

(2) Upon disposition of the legislation described in subsection (a) that is received by one House from the other House, it shall no longer be in order to consider such legislation that was introduced in the receiving House.

(e) Upon receiving from the other House a message in which that House insists upon its amendment to the legislation and requests a conference with the House of Representatives or the Senate, as the case may be, on the disagreeing votes thereon, the House receiving the request shall be considered to have disagreed to the amendment of the other House and agreed to the conference requested by that House.

(f) DEFINITION.—For the purposes of this section, the term “legislative day” means a day on which the House of Representatives or the Senate, as appropriate, is in session.

(g) EXERCISE OF RULEMAKING POWER.—The provisions of this section are enacted by the Congress—

(1) as an exercise of the rulemaking power of the Senate and the House of Representatives and, as such, shall be considered as part of the rules of each House and shall supersede other rules only to the extent that they are inconsistent therewith; and

(2) with full recognition of the constitutional right of either House to change the rules (so far as they relate to the procedures of that House) at any time, in the

same manner, and to the same extent as in the case of any other rule of that House.

PURPOSE OF THE LEGISLATION

The purpose of H.R. 3024, the United States-Puerto Rico Political Status Act, is to provide a congressionally recognized process for the people of Puerto Rico to make a determination with respect to certain options for achieving full self-government.

SUMMARY OF THE LEGISLATION

H.R. 3024 requires a referendum to be held by December 31, 1998, on Puerto Rico's path to self-government either through U.S. statehood or through sovereign independence or free association. It requires the President to submit to the Congress for approval legislation for: (1) a transition plan of at least ten years which leads to full self-government for Puerto Rico; and (2) a recommendation for the implementation of such self-government consistent with Puerto Rico's approval. It sets forth specified requirements with respect to the referendum and congressional procedures for consideration of legislation.

COMMITTEE CONSIDERATION

H.R. 3024 was introduced by Rep. Don Young, Chairman of the Committee on Resources, on March 6, 1996. It was referred to the Committee on Resources and in addition to the Committee on Rules for a period to be subsequently determined by the Speaker.

On June 12, 1996, the Subcommittee on Native American and Insular Affairs of the Committee on Resources met to mark-up 3024. The Subcommittee ordered reported the legislation with an amendment in the nature of a substitute, and forwarded the bill to the Committee on Resources. On June 26, 1996, the Committee on Resources met to mark-up H.R. 3024. The Committee favorably reported H.R. 3024, as amended, to the full House of Representatives.

On July 26, 1996, upon the filing of the report of the Committee on Resources, the referral granted to the Committee on Rules was limited to a period not to exceed September 18, 1996. H.R. 3024 was referred to the Committee on Rules because the Committee has jurisdiction over Section 6 of the legislation (Congressional Procedures for Consideration of Legislation), and the matters contained in Section 6 are solely within the jurisdiction of the Committee on Rules.

On Tuesday, September 17, 1996, the Committee on Rules held a hearing on H.R. 3024 and received testimony from the Hon. Don Young (AK), the Hon. Carlos Romero-Barcelo (PR), the Hon. Dan Burton (IN), the Hon. Luis Gutierrez (IL), the Hon. Toby Roth (WI), the Hon. Nydia Velazquez (NY), and the Hon. Jose Serrano (NY). Written testimony was submitted from the Hon. George Miller (CA), the Hon. Eni F.H. Faleomavaega (AS) and the Hon. Dana Rohrabacher (CA).

On Wednesday, September 18, 1996, the Committee met to mark-up H.R. 3024. The Committee ordered reported H.R. 3024 by

a nonrecord vote. During the mark-up, one amendment was agreed to.

BACKGROUND ON THE LEGISLATION

The report of the Committee on Resources (H. Rept. 104-713, Part 1) discusses the political history of Puerto Rico and to some extent previous efforts to define the island's political status. While reference to the report of the Committee on Resources does not imply that the Committee on Rules endorses the positions taken in that report, it does recognize that the matters discussed at length in that report constitute matters within the jurisdiction of that committee and hence outside the scope of the Rules Committee.

However, on the issue of political status, it should be noted that Puerto Rico has held three plebiscites. In 1952, when Puerto Rico approved a local constitution and the Commonwealth of Puerto Rico was formed, a plebiscite was held in which the commonwealth received 76.5% and statehood received 23.5%, with many independence supporters boycotting the election. The 1967 plebiscite found 60.41% supporting commonwealth, 38.99% supporting statehood and 0.6% supporting independence. After continued Congressional inaction on the status issue, the island held a locally governed plebiscite in 1993 in which 48.4% supported commonwealth, 46.2% supported statehood and 4.4% supported independence.

Over the years numerous pieces of legislation have been introduced in Congress to provide the people of Puerto Rico a fair process of self-determination to deal with the issue of status. The most notable legislative initiative in recent history in the House was H.R. 4765, the Puerto Rico Self-Determination Act, introduced during the 101st Congress. The bill sponsored by Delegate Ron de Lugo of the Virgin Islands was considered and approved by both the Committee on Interior and Insular Affairs and the Committee on Rules. In an effort to pass this legislation in the closing days of the 101st Congress a coalition among Puerto Rico's political parties was formed to support the legislation resulting in its passage by the House under suspension of the rules in October of 1990.

In the Senate, S. 712, the Puerto Rico Status Referendum Act was introduced by Senator Bennett Johnston in the 101st Congress which called for a referendum in 1991, comprehensively defined the three status options, and was self-implementing. However, the concept of self-implementing legislation met with opposition in the House. In response, the Committee on Interior and Insular Affairs and the Committee on Rules included expedited procedures in H.R. 4765 to provide the people of Puerto Rico a commitment that Congress would vote on the results of their referendum. The Subcommittee on Rules of the House held a hearing and markup of the bill late in 1990, incorporating these expedited procedures. While neither S. 712 or H.R. 4765 became law, the expedited procedures contained in H.R. 4765 are identical to those contained in H.R. 3024 as introduced.

However, upon further review, the Committee on Rules finds those procedures to be inconsistent with the stated goals of the legislation. Consequently, the committee has amended H.R. 3024 with a new Section 6, which more clearly reaches the stated goal and rationale behind including the expedited procedures in the bill, as

well as being consistent with the rules of the House governing normal procedure.

ANALYSIS OF THE LEGISLATION

Section 1 of H.R. 3024, as introduced, designates the bill as the “United States-Puerto Rico Political Status Act” and contains the Table of Contents.

Section 2 of H.R. 3024 contains the findings of Congress with respect to Puerto Rico’s political status and self-determination.

Section 3 of H.R. 3024 contains a statement of policy respecting the current level of self-government in Puerto Rico, the desire of the United States and Puerto Rico to enable the people of the territory to achieve full self-government, and the commitment of the United States to encouraging the mutual development and implementation of procedures to determine the political status of Puerto Rico.

Section 4 of H.R. 3024 provides for a referendum, to be held no later than December 31, 1998, on the political status of the island, in which voters could indicate their preference for independence, free association, or statehood status. Only under the statehood option would U.S. citizenship for Puerto Ricans be guaranteed. This section also provides for the President to submit to Congress, within 180 days of receipt of the results of the referendum, a legislative transition plan of a minimum of 10 years that would lead to full self-government for Puerto Rico. Not later than 180 days after enactment of transition legislation providing for the political status option that voters chose in the 1998 referendum, another referendum would be held in which voters could indicate their approval of the transition plan. Approval must be by a majority of valid votes cast. On receiving the results of the referendum, the President is required to announce the date of implementation of full self-government for Puerto Rico.

Section 5 of H.R. 3024 provides the legal framework for the conduct of referenda. The laws of both Puerto Rico (including those dealing with voter eligibility) and the United States with respect to the election of the Resident Commissioner shall apply to the referenda. If the Puerto Rican electorate fails to approve of a fully self-governing option, the President, in consultation with Puerto Rican leaders and other interested parties, may make recommendations to Congress within 180 days of receipt of the results of the referendum. Puerto Rico would remain an unincorporated territory of the United States if the vote is inconclusive.

Section 6 of H.R. 3024 was amended by the Rules Committee. This section, as amended, specifies the expedited procedures in the House of Representatives and the Senate for the consideration of legislation introduced to implement a transition plan specified in Section 4(b) and an implementation plan specified to Section 4(c) of H.R. 3024.

Subsection (a) of Section 6, as proposed to be amended, requires the majority leaders in both the House of Representatives and the Senate to introduce legislation to implement the transition plan and implementation plan, as the case may be, no later than 5 legislative days after the President submits such legislation to Congress.

Subsection (b) of Section 6 requires such legislation to be immediately referred to the committee or committees of jurisdiction. If the committee or committees to which such legislation is referred fail to report the legislation within 120 calendar days of session after its introduction, the committee or committees would be automatically discharged from further consideration of the legislation, and the legislation would automatically be placed on the appropriate legislative calendar.

Subsection (c) of Section 6 makes in order, as a highly privileged matter in the House and a privileged matter in the Senate, a motion to proceed to the consideration of the legislation qualified under these expedited procedures. The motion must be made by a Member favoring the legislation, but not until: (1) the legislation has been on the calendar for 14 legislative days; (2) the Member consults with the presiding officer of the respective House as to scheduling; and (3) after the third legislative day after the Member gives notice to the respective House. All points of order against the motion and against consideration of the motion would be waived. If the motion to proceed to the consideration of the legislation is agreed to, the House of Representatives or the Senate, as the case may be, shall proceed to its immediate consideration without intervening motion (except one motion to adjourn) or other business.

Subsection (c) of Section 6 further stipulates that in the House of Representatives, the legislation would be considered in the Committee of the Whole and would be debatable for four hours equally divided between a proponent and an opponent. The legislation would be subject to a four hour amendment process (excluding recorded votes and quorum calls). After the committee rises, the previous question would be considered as ordered to final passage without intervening motion, except one motion to recommit with or without instructions. In the Senate, the legislation, including debate on all amendments, motions and appeals, would be considered for not more than 25 hours, equally divided between the majority leader and the minority leader or their designees. Only germane amendments would be in order and a motion to limit further debate would not be debatable.

Subsection (d) of Section 6 provides that, if one House receives the legislation as passed by the other House, the legislation would be held at the desk and not be referred to a committee. If the legislation received from the other House is identical to the legislation engrossed by the receiving House, the vote on final passage would be on the legislation of the other House. If the legislation is not identical, the vote on final passage would be on the legislation of the receiving House, and the text of the legislation passed by the other House would be amended with the text of the legislation passed by the receiving House and returned to the other House, as amended, with a request for a conference between the two Houses.

Subsection (e) of Section 6 outlines procedures in the event that one House receives a request for a conference from the other House. After three legislative days following the receipt of such a request, it would be in order for any Member to move to disagree to the amendment of the other House and agree to the conference.

Subsection (f) of Section 6 defines the term “legislative day” in both the House and the Senate to mean a day on which such House is in session.

Subsection (g) of Section 6 provides that the provisions of Section 6 of H.R. 3024 are enacted as an exercise of the constitutional rule-making authority of the House and the Senate with full recognition of the right of either House to change its rules at anytime.

Section 7 provides Federal funding for conducting the referenda and voter education that would be made to the State Elections Commission of Puerto Rico. Fifty percent of the funds are earmarked for the cost of the referendum and the other 50 percent are earmarked for voter education expenses.

MATTERS REQUIRED UNDER THE RULES OF THE HOUSE

Committee vote

Clause 2(1)(2)(B) of House rule XI requires that the results of each rollcall vote on an amendment or motion to report, together with the names of those voting for and against, be printed in the report. During consideration of H.R. 3024, no rollcall votes were taken.

Committee cost estimate

Clause 2(1)(3)(B) of rule XI requires each committee report that accompanies a measure providing new budget authority, new spending authority, or new credit authority or changing revenues or tax expenditures to contain a cost estimate, as required by section 308(a)(1) of the Congressional Budget Act of 1974, as amended and, when practicable with respect to estimates of new budget authority, a comparison of the total estimated funding level for the relevant program (or programs) to the appropriate levels under current law.

Clause 7(a) of rule XIII requires committees to include their own cost estimates in certain committee reports, which include, when practicable, a comparison of the total estimated funding level for the relevant program (or programs) with the appropriate levels under current law.

The Committee adopts as its own the cost estimate prepared by the Director of the Congressional Budget Office, pursuant to section 403 of the Congressional Budget Act of 1974.

Congressional Budget Office estimates

Clause 2(1)(3)(C) of rule XI requires each Committee to include a cost estimate prepared by the Director of the Congressional Budget Office, pursuant to section 403 of the Congressional Budget Act of 1974, if the cost estimate is timely submitted. The following is the CBO cost estimate as required:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, September 18, 1996.

Hon. GERALD B.H. SOLOMON,
*Chairman, Committee on Rules,
House of Representatives, Washington, DC.*

DEAR MR. CHAIRMAN: The Congressional Budget Office has reviewed H.R. 3024, the United States-Puerto Rico Political Status Act, as ordered reported by the House Committee on Rules on September 18, 1996. CBO estimates that H.R. 3024 would result in no significant cost to the federal government. Enacting H.R. 3024 would not affect direct spending or receipts; therefore, pay-as-you-go procedures would not apply.

Bill Purpose.—H.R. 3024 would establish a process for determining and implementing a permanent political status for Puerto Rico. The process would include three states:

(1) Puerto Rico would hold a referendum by December 31, 1998, whereby voters would choose between a separate sovereignty from the United States—resulting in either independence or free association—and statehood.

(2) Within 180 days after the referendum, the President would submit legislation to the Congress that provides for a transition period of at least 10 years. In a second referendum, voters would then approve or disapprove the enacted transition plan.

(3) At least two years prior to the end of the transition period, the President would submit legislation to the Congress to implement the selected form of self-government. A third referendum would then be held to approve or disapprove the enacted plan.

The bill would help fund the referenda by earmarking existing federal excise taxes on foreign rum. Under current law, the federal government collects and then transfers these taxes to the government of Puerto Rico. Under H.R. 3024, the President could elect to make some or all of the funds available to the Puerto Rico State Election Commission as grants for conducting the referenda and voter education.

Federal Budgetary Impact.—We estimate that H.R. 3024 would result in no significant cost to the federal government. Some minor costs could be incurred to formulate and approve the subsequent legislation required by the bill if the voters of Puerto Rico select self-government. Other than such minor costs, H.R. 3024 would only reallocate, upon request by the President, a portion of funds derived from federal excise taxes already paid to the government of Puerto Rico. The total amount of those funds would not change.

A change in the political status of Puerto Rico could have a significant budgetary impact on the federal government. The potential impact could include changes in spending on federal assistance programs, such as Supplemental Security Income (SSI) and Medicaid, plus changes in receipts from federal income taxes, which residents of Puerto Rico currently do not pay. Any such changes, however, would be contingent on the outcome of the referenda and future actions of the Congress and the President. It is unlikely that any change could occur before fiscal year 2010. Because the potential budgetary impact of a change in Puerto Rico's status would depend on future legislation, enacting H.R. 3024 would have no direct

budgetary impact (other than the minor discretionary costs cited above).

Impact on State, Local, and Tribal Governments.—H.R. 3024 contains intergovernmental mandates as defined in the Unfunded Mandates Reform Act of 1995 (Public Law 104–4), but the direct cost of these mandates would not exceed the \$50 million threshold established by that act. This bill would require the Puerto Rican government to hold a referendum no later than December 31, 1998. This bill would then require a second referendum in fiscal year 2000 and, possibly, another about 10 years later.

CBO estimates that the government of Puerto Rico would incur costs of \$5 million to \$10 million for each referendum required by H.R. 3024. Given the timetable established by the bill, we expect that one referendum would be held in fiscal year 1999 and a second in fiscal year 2000. This estimate is based on the cost of recent elections in Puerto Rico. It includes the cost of voter education as well as the cost of holding elections.

Should the process established by this bill result in a change in the political status of Puerto Rico, this would have a significant fiscal impact on the government of that island. Any such change would be the result of future legislation.

Private-Sector Mandates.—This bill would impose no new private-sector mandates as defined in Public Law 104–4.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contacts are John R. Righter (for federal costs) and Majorie Miller (for the state and local impact).

Sincerely,

JAMES L. BLUM
(For June E. O'Neill, Director).

Inflation impact statement

Clause 2(1)(4) of rule XI requires each committee report on a bill or joint resolution of a public character to include an analytical statement describing what impact enactment of the measure would have on prices and costs in the operation of the national economy. The Committee has determined that H.R. 3024 has no inflationary impact on the nation's economy.

Oversight findings

Clause 2(1)(3)(A) of rule XI requires each committee report to contain oversight findings and recommendations required pursuant to clause 2(b)(1) of rule X. The Committee has no oversight findings.

Oversight findings and recommendations of the Committee on Government Reform and Oversight

Clause 2(1)(3)(D) of rule XI requires each committee report to contain a summary of the oversight findings and recommendations made by the Government Reform and Oversight Committee pursuant to clause 4(c)(2) of rule X, whenever such findings have been timely submitted. The Committee on Rules has received no such findings or recommendations from the Committee on Government Reform and Oversight.

Changes in existing law made by the bill, as reported

Clause 3 of rule XIII of the Rules of the House of Representatives requires the report of each committee on a bill or joint resolution to contain a comparative print relating to that measure showing changes in existing law. This rule does not apply to H.R. 3024 because the bill, as amended, does not repeal or amend existing law.

Changes in the Rules of the House of Representatives made by the bill, as reported

Clause 4(d) of rule XI of the Rules of the House of Representatives requires reports from the Committee on Rules to contain a comparative print indicating changes in the Rules of the House of Representatives made by the bill or resolution. This rule does not apply to H.R. 3024 because the bill does not directly amend the rules of the House.

Views of committee members

Clause 2(1)(5) of rule XI requires each committee to afford a three day opportunity for members of the committee to file additional, minority, or dissenting views and to indicate the views in its report. Although neither requirement applies to the Committee, the Committee always makes the maximum effort to provide its members with such an opportunity. With regard to H.R. 3024, no views were submitted.

