

EXECUTIVE ORDER

ON THE TRANSITION OF PUERTO RICO TO SOVEREIGNTY & INDEPENDENCE

By the authority vested in me as President by the Constitution and the laws of the United States of America and recognizing the strategic and economic imperatives of prioritizing American interests in today's world, it is hereby ordered as follows:

Section 1. Policy.

Puerto Rico is a territorial possession, not constitutionally part of the United States. For too long, our Country has carried the economic burden of supporting an unjust and inefficient territorial system. No President has ever addressed this problem. Puerto Rico, despite its unique history and culture, has remained dependent on federal aid, draining American resources. As part of our America First agenda, it is both smart and necessary to immediately dispose of the territory and move Puerto Rico toward full sovereignty—ending this reliance on federal funds and allowing the island to determine its own future. This would represent significant savings of billions of dollars. The current Commonwealth status, as well as Statehood, are options that go against this goal and are therefore not in America's best interest.

During Joe Biden's presidency alone (FY21-FY24), the federal government sent over \$86 billion to the Puerto Rico Commonwealth Government. In FY25 alone, the U.S. is set to send \$15.35 billion to Puerto Rico for its territorial budget and, in addition, up to \$8.6 billion in disaster aid. The total federal funds sent to the Puerto Rico Commonwealth Government over the next 50 years would be approximately \$1.37 trillion dollars. The American people should not be forced to send trillions of dollars to an inefficient and corrupt system that doesn't work, neither for Puerto Rico nor the United States. The hard working people of both countries deserve better. In the last decade (2014-2024), the United States has obligated \$380.8 billion in U.S. taxpayer federal funds to the Puerto Rico Commonwealth Government.

Statehood for Puerto Rico would impose a greater unsustainable financial burden on the United States. USAspending.gov reports FY24 federal expenditures at \$40.36 billion annually, and projections from the 2014 Government Accountability Office (GAO) report and The Wall Street Journal estimate an additional \$10 billion per year of federal spending under statehood, raising total annual spending to \$50.36 billion. Over 50 years, this would amount to \$2.518 trillion, straining U.S. taxpayers and diverting resources from national and America First priorities.

Such a cost reinforces the necessity of an alternative path for Puerto Rico's future - and that path is Puerto Rico's independence. It's time to end this wasteful territorial dependency and let Puerto Rico assume ultimate responsibility for its own future.

This Executive Order establishes a one-time, 20-year Puerto Rico Transition Fund, replacing \$1.37 trillion in projected federal spending over 50 years. This fund would save the U.S. \$617.8 billion while supporting Puerto Rico's path to sovereignty, democracy, economic development, and self-sufficiency. This plan ends wasteful spending by eliminating indefinite territorial aid and chronic dependency, provides a clear exit strategy, and redirects federal resources toward national priorities like defense, infrastructure, and domestic programs.

Section 2. Recognition of Sovereignty.

Effective immediately, the United States will recognize the Republic of Puerto Rico as an independent and sovereign nation. This decision leverages the President's authority over foreign policy to redefine its international commitments and relationships and enter into the corresponding treaty agreements in a manner that benefits American interests and the purposes of this Executive Order.

Section 3. Establishment of the Executive Transition Commission for Puerto Rico Independence.

(a) A new Executive Commission to promote an orderly transition period towards Puerto Rico sovereignty (henceforth, the Executive Transition Commission or ETC) is hereby established to oversee an orderly transition of sovereign powers to the Republic of Puerto Rico. The Commission shall exercise its functions until it fulfills the purposes of the present Executive Order and transfers, no later than December 31, 2026, all its operations and powers to the new sovereign and independent political body of Puerto Rico.

(b) The Executive Transition Commission (ETC) shall be responsible for:

- Acting as a provisional government.
- Administering an annual block grant of federal funds allocated for implementing economic growth and development programs in Puerto Rico during the transition period.
- Coordinating the gradual withdrawal of federal agencies from Puerto Rico over the transition period, ensuring their functions are effectively transferred to local agencies.
- Ensuring that all matters previously under federal jurisdiction are seamlessly transitioned to the appropriate Puerto Rican authorities.

(c) The Executive Transition Commission will operate as part of the White House staff, in coordination with Congress on matters that require legislation. It will have an Administrator appointed by the President who will be responsible for the oversight, administrative and legislative functions of the Government of Puerto Rico in furtherance of the objectives of this Order. Additionally, the Administrator will use all the federal funds allocated for the orderly transition of the Island towards independence and socioeconomic self-sustainability. Neither the federal nor the territorial judiciary shall have jurisdiction to modify or overturn the Commission's or the Administrator's determinations.

(d) _____ is hereby appointed Administrator of the Executive Transition Commission to oversee and ensure the smooth execution of this order following the common interests of the U.S. and Puerto Rico, and the objectives outlined herein. The Administrator shall be a Puerto Rican national domiciled in Puerto Rico and shall not be or have been a member of the Government of Puerto Rico.

(e) All relevant federal agencies shall coordinate and collaborate with the Administrator of the Executive Transition Commission to ensure the effective implementation of the objectives of this Order. Agencies shall provide technical and administrative assistance to facilitate the orderly transfer of functions and responsibilities to Puerto Rican authorities.

(f) The Administrator of the Executive Transition Commission shall be able to hire the necessary staff and implement the measures required to fulfill the purposes of this Order. The allocated funds shall ensure the

efficient operation of the Commission and the execution of its responsibilities without budgetary constraints that could compromise the orderly transition to Puerto Rico's independence.

(g) The territorial government cannot obstruct or interfere with the Commission's duties and goals.

(h) Temporary Governance Under ETC Supervision:

1. All existing territorial government structures, agencies, and institutions shall continue operating under the direct supervision of the Executive Transition Commission (ETC) until Puerto Rico assumes full sovereignty.

2. The ETC Administrator shall have final authority over all government decisions, ensuring alignment with the objectives of this Order.

3. Any territorial government official who refuses to comply with ETC directives shall be immediately dismissed and replaced with personnel appointed by the ETC.

4. The transition period shall ensure the continuity of essential public services, including law enforcement, healthcare, and infrastructure maintenance until Puerto Rico's new national government is fully established.

Section 4. Financial Provisions.

(a) The United States will provide the Executive Commission with an annual block grant, detailed below, to support the establishment of a self-sustaining economy in Puerto Rico.

(b) The Puerto Rico Transition Fund: This Executive Order proposes a one-time, 20-year financial support package to a Puerto Rico Transition Fund to facilitate Puerto Rico's successful transition to independence, replacing the projected \$1.37 trillion in federal spending over 50 years with a \$720 billion fund (\$36 billion annually). This plan results in \$617.8 billion in savings for the U.S. while providing Puerto Rico with the necessary resources for economic self-sufficiency.

Rather than perpetuating indefinite territorial dependence, this approach eliminates wasteful spending, establishes a clear exit strategy, and redirects federal resources toward national priorities and domestic programs. This solution ensures Puerto Rico's successful transition to sovereignty while upholding an America First policy.

(c) Evaluations and Additional Assistance: Upon completion of the phased reduction period, the Government of the United States may provide direct financial assistance to the sovereign Government of Puerto Rico for an additional period. Such assistance shall be contingent upon annual assessments of the island's economic progress and compliance with the agreements established during the transition.

(d) The Executive Transition Commission will establish specific arrangements for the continuation or phaseout of Federal programs within the transition period.

(e) The Executive Transition Commission shall negotiate agreements necessary to coordinate the U.S. Social Security system, as established by Title II of the Social Security Act, with a contributory system under a sovereign Puerto Rico. Such agreements shall ensure that (1) all individuals who have attained

benefit eligibility under Title II before Puerto Rico's independence retain their vested rights to benefits; (2) individuals who have contributed to the U.S. Social Security system shall receive appropriate credit for their contributions; and (3) U. S. citizens residing in Puerto Rico retain the option to continue participating in the U.S. Social Security system or, if also Puerto Rican citizens, to contribute to a newly established Puerto Rican system. The Executive Transition Commission shall assess the feasibility and timeline of any transition, ensuring an orderly and sustainable implementation of a Puerto Rican social security system, if so chosen.

(f) The benefits and entitlements of veterans shall be fully protected and guaranteed, ensuring their unrestricted access to the services, benefits, and programs established for their well-being. No provision of this Executive Order shall be interpreted in a manner that limits, restricts, or diminishes the rights granted to veterans under federal and state law. Furthermore, the Administrator shall take all necessary measures to ensure that these benefits remain in effect under the Republic of Puerto Rico, safeguarding the rights and privileges of those who have served the United States.

(g) The United States shall maintain an open and mutually beneficial trading relationship with a sovereign Puerto Rico. Thus, the President shall (1) seek favorable treatment from other countries for exports from Puerto Rico and (2) encourage other countries to maintain open trading relationships with Puerto Rico and to designate it as a beneficiary under any preferential trade arrangements.

Puerto Rico will be the most favored nation in its economic, financial and commercial relations with the United States. The President shall negotiate the terms of a trade agreement with Puerto Rico to establish a free trade area between Puerto Rico and the United States.

(h) After almost two decades of negative economic growth and increasing dependency on federal funds, along with the major damage caused by two hurricanes in 2017 and an earthquake in 2020, Puerto Rico's territorial government and public instrumentalities face an unpayable public debt. This debt constitutes a major burden and obstacle to promoting the Island's transition to sovereignty and a self-sustaining economy. The high cost and failure of the Financial Oversight and Management Board (FOMB) have further exacerbated the crisis, making the debt a major burden and obstacle to promoting the Island's transition to sovereignty and a self-sustaining economy.

Thus, in order to facilitate the transition process, the current debt of the Government of Puerto Rico and its public instrumentalities is hereby canceled. The Department of the Treasury will henceforth conclude all aspects of this matter.

(i) The Financial Oversight and Management Board (FOMB) shall have no jurisdiction over the actions of the Executive Transition Commission. The Administrator will defund and close down the FOMB, which has cost over \$2 billion while failing to effectively facilitate Puerto Rico's debt adjustment and economic development.

(j) U.S. property rights in Puerto Rico shall be adjusted to its new status as a sovereign nation.

(k) The Executive Transition Commission will assist Puerto Rico in the design and establishment of a deposit insurance system; will determine the extent of financial support to be provided for the system by U.S. insurance organizations in which Puerto Rico's financial institutions currently participate; and shall

make the necessary arrangements with respect to the use of the U.S. currency by Puerto Rico, if so requested.

(l) To ensure economic stability during and after the transition to sovereignty, the U.S. dollar shall remain the official currency of Puerto Rico.

Section 5. Constitutional Provisions.

(a) Having disposed of its territorial status and having recognized the full sovereignty of Puerto Rico, all the parts of the U. S. Constitution that had been determined applicable under its previous status, such as the Territorial or Commerce Clauses, will henceforth cease to apply.

(b) A Constituent Assembly will be organized by the sovereign People of Puerto Rico to revise its present Constitution or draft and adopt a new Constitution within one year of the transition period that reflects its new status as a sovereign and independent nation.

(c) A new Constitution shall clearly define the structure of a republican form of government, the protection of fundamental human rights for its citizens, and its alignment with the principles of sovereignty and democratic self-governance. The Constituent Assembly will also provide for the structuring of a new, independent and democratic electoral system, after which the present electoral system, marked by constant controversies, will immediately cease to exist.

(d) The revised Constitution or a new Constitution shall be submitted for final approval by the People of Puerto Rico in a referendum organized and supervised by the Executive Transition Commission. Once approved, elections for the organization of the new Government of Puerto Rico will be promptly held.

(e) Upon completion of the transition period, Puerto Rico shall assume full sovereign authority over all government functions, institutions, and jurisdictional matters. The territorial government will cease to exist. The Resident Commissioner of Puerto Rico in Congress will be substituted by the respective designation of ambassadors and the exchange of diplomatic credentials between the Republic of Puerto Rico and the Republic of the United States of America.

(f) Puerto Rico shall recognize all orders and judgments rendered by U.S. or Commonwealth courts before independence. Upon the extinction of the transition period, the judicial power of the United States shall no longer extend to Puerto Rico. The Executive Transition Commission in consultation with the Supreme Court of Puerto Rico, will provide transition rules for pending judicial proceedings.

Section 6. Citizenship.

(a) All matters about Puerto Rican citizenship shall be regulated pursuant to the Constitution and laws of the new sovereign nation.

(b) All citizens of the United States by their birth in Puerto Rico as of December 31, 2026, shall retain their U.S. citizenship, with all rights, responsibilities, and privileges about said citizenship.

(c) Puerto Ricans who wish to renounce their U.S. citizenship and only hold Puerto Rican citizenship, will be offered a fast-track renunciation process to be completed and processed in the U.S. Embassy in San Juan, Puerto Rico.

(d) Birthright citizenship for individuals born in Puerto Rico after December 31, 2026, is hereby terminated.

(e) Dual citizenship shall be recognized, allowing individuals who are U. S. citizens in Puerto Rico to also hold Puerto Rican citizenship.

(f) Puerto Rican and U. S. citizens shall have the right to free transit between Puerto Rico and the United States without restrictions.

(g) Reciprocal Rights of Residence, Employment, and Property Ownership: The United States and the Republic of Puerto Rico shall establish a bilateral agreement ensuring reciprocal rights of entry, residence, employment, education, and property ownership for their respective citizens. Nationals of both states shall be permitted to reside, work, study, and acquire property in either jurisdiction without undue restrictions, subject to applicable laws and regulations governing immigration, labor, and property rights.

Section 7. Foreign Policy and Defense.

(a) The independent state of Puerto Rico shall enter into a treaty with the United States regarding foreign policy and defense based on the principle of sovereign equality.

(b) The Government of the Republic of Puerto Rico is deemed the successor of the Provisional Government of Puerto Rico.

(c) The Republic of Puerto Rico is deemed the successor of the Non-Incorporated Territory of Puerto Rico.

(d) The President will notify the Governments with which the United States is in diplomatic correspondence, the United Nations, and the Organization of American States, and all other applicable international organizations, that: (1) the United States has recognized the sovereign independence of Puerto Rico, and (2) all obligations and responsibilities of the U.S. Government which arise from any valid international instruments affecting Puerto Rico shall cease.

Section 8. Implementation.

The Executive Transition Commission, together with the designated Administrator, shall work in close collaboration with relevant federal and Puerto Rican agencies to ensure a smooth and efficient transition, minimize disruptions, and safeguard the interests of both nations.

Section 9. General Provisions.

(a) Nothing in this order shall be construed to impair or otherwise affect:

- The authority granted by law to an executive department or agency, or the head thereof; or
- The functions of the Director of the Office of Management and Budget relating to budgetary, administrative, or legislative proposals.

(b) This order shall be implemented in a manner consistent with applicable law and subject to the availability of appropriations.

(c) This order is not intended to, and does not, create any right or benefit, substantive or procedural, enforceable at law or in equity by any party against the United States, its departments, agencies, or entities, its officers, employees, or agents, or any other person.

(d) This order shall be in effect immediately.

DONALD J. TRUMP
THE WHITE HOUSE,
March __, 2025.