

DATE: August 10, 2016

TO: **prtaskforce@mail.house.gov**  
RE: Response to Request for Suggestions  
Task Force on PROMESA

Dear Members of the PROMESA TASK FORCE,

We recommend adopting two principles that are defined in the PROMESA Act for your deliberations, namely status neutrality and fiscal responsibility. We reject any special IRS Tax Evasion codes, especially Section 936 which are not allowed to the several states and is not STATUS NEUTRAL.

**FIRST PRINCIPLE: STATUS NEUTRALITY**

The Task Force will adopt the principle in Section 402 of the PROMESA Act with respect to the status of Puerto Rico:

**Section 402**

"Nothing in this Act shall be interpreted to restrict Puerto Rico's right to determine its future political status, including by conducting the plebiscite as authorized by Public Law 113-76."

Concretely, the Task Force will only consider options to improve Puerto Rico's economy **that are strictly status-neutral**. The Task Force will take extra measures to avoid creating any perception that its recommendations and discussions are meant to favor any of the formulas that might be included in a future plebiscite.

**SECOND PRINCIPLE: FISCAL RESPONSIBILITY**

**Section 107**

The Task Force will adopt the fiscal principle embodied in section 107 of the PROMESA Act, which requires the Government of Puerto Rico to pay for the Board's expenses.

Concretely, the Task Force will only consider and adopt options that do not increase federal deficits and do not represent a fiscal bailout for Puerto Rico.

The Task Force will analyze recommendations to expand federal spending programs only if they are fully funded by the Government of Puerto Rico, or funded by reducing existing federal program levels.

This fiscal responsibility rule would be applied to the options to expand any federal programs to Puerto Rico, like Medicare, Medicaid, Earned Income Tax Credits, and others.