

# IT'S TIME TO THINK ABOUT SOMETHING DIFFERENT!

One could ask the question: Which of the three crises to hit Puerto Rico in the last several years was the most devastating? But why bother?

The fiscal collapse from the intentional self-destructing accumulation of debt; the failure to maintain the critical infrastructure of the island and prepare for the inevitable natural disasters; and the exposed depravity of the governing elite in pillaging the Commonwealth, all combined to cause our situation to devolve into the insurmountable catastrophe we face today. Corruption, greed, incompetence, and lack of love and concern for our islands, have worked in concert to destroy our hopes for any relief in the near term and rendered our expectations for our children's futures bleak.

The situation is horrible. We could focus on hand wringing, revenge, and blame tossing, but that's not going to solve the problems, and it's not going to restore us to glory. We must instead encourage the courts to investigate and prosecute the bad actors, vote (or protest) out the politicians who are responsible for the mess, but most importantly, find or create solutions.

For decades, business owners and knowledgeable outside contractors have not trusted the government. Efforts to revive our economy have failed time after time due to the lack of certainty the various administrations have fostered. Internally generated initiatives simultaneously have lacked vision, competency, and integrity, which has led to one failure to launch after another. The same-old unimaginative tactics of tax giveaways are temporary and ubiquitous in the global market, and the results are both ineffective and unsustainable in the medium to long term.

Given the abject failure of every recent initiative for economic development attempting to utilize the obsolete methods of a discredited past, it's time to try something truly innovating. Attempting the same solutions over and over without ever achieving a difference is considered insane, so why not try something radically different – it might turn out to be rational. That's where innovation actually occurs. How about if we create a couple of small laboratories of economic and political experimentation? Do we really have anything to lose at this point? While there is no silver bullet that will solve all the problems at once, multiple smaller initiatives may add up and can provide synergy for significant growth.

## **Initiative 1: The Decolonization of Vieques, Roosevelt Roads (RR), & Possibly Culebra**

Economic development is currently stillborn in PR for several reasons:

- Demonstrated PR Government instability, incompetency, corruption, and lack of vision;
- Commonwealth bankruptcy and the FOMB, or oversight board, have almost totally eliminated promised reconstruction funding, significant investment options in infrastructure, and government & NGO sponsored initiatives;
- US colonial policies and laws, for which we have NO voting rights, from the Jones Act to the orders issued by every one of the myriad federal agencies constituting hundreds of thousands of pages;
- Shrinking local markets due to lower birth rates and emigration;

- Poor existing infrastructure for both living and working – schools, healthcare, security, utilities, transportation, etc.; and
- Fear and reluctance of quality investors and developers to enter the perceived swamp.

How can any nation or state overcome this order of magnitude of degeneration in a period of 1, 5, or even 10 years? IT CAN'T and IT WON'T! So, what is something that we CAN do to change the game?

*We can eject an escape pod, launch a lifeboat, sever the umbilical cord, and set free a small area to decolonize and **form an independent country.***

Whoa! Before naysaying and closing our minds, remember, we are brainstorming and trying to think “out of the box”, as they tritely say. So, let’s not kill the idea until we investigate it more fully and determine its worthiness.

Rather than discuss the process, procedures, and politics that will be required, let’s postpone these salient issues to first determine whether or not this concept is something that could make the positive difference we seek. Just what exactly are we talking about?

Through the decolonization of Vieques (and possibly Culebra, if so desired) combined with the entire former Navy base at Roosevelt Roads, a new country can be created that shares limited borders, culture, language, history, and mutual economic dependence with Puerto Rico. As such, decolonization of Vieques can serve as a lifeline and a catalyst to the entire economically depressed eastern region of PR.

As a sovereign nation that includes the annexation of the former base, Vieques can effectively develop Roosevelt Roads in ways impossible for Puerto Rico. There are many reasons why this would be beneficial for PR:

1. Under the control of any Puerto Rican entity, savvy and ethical developers are NOT soon going to entrust their fortunes to the chaotic Commonwealth. Likewise, municipalities are frozen out of the mix because they are subordinate to the Central Government.
2. The recent news about environmental issues at RR is physically and politically toxic.
3. PR has no money of its own, no way to acquire more, and no rational plan for the former base or the rest of the island, but Vieques is “connected”.
4. **Without** the many unneeded controls and constraints of the EPA, OSHA, IRS, DEA, TSA, HSA, FDA, FAA, FCC, FBI, CIA, HUD, ADA, SEC, DOT, and the hundreds of other regulating bureaucratic organizations, Vieques would have an enormous competitive advantage. While these agencies offer many excellent rules, regulations, and guidelines, very few are appropriate or necessary for a small country. It is the intent to make a new government function as a **partner** with quality businesses, as opposed to as an adversary.
5. In addition to the benefits for residents of an independent Vieques, there would be many jobs and opportunities for the residents of the Ceiba, Naguabo, and Fajardo areas. **Furthermore, existing US businesses planning to leave PR could relocate to the Port of Vieques (RR) and retain their workers and gain tax advantages.** Most of the business development activities envisioned for Vieques would take place on the former base. The majority of the employees would necessarily live in the surrounding municipalities –

shopping and paying taxes in PR. Additional industry, commerce, and population growth would return to Ceiba, a close and valued business partner on the PR side of the border.

6. PR would receive the added windfall of **indirect access** to the small, but significant, Port of Vieques allowing export/import via international shippers, thus **obviating the restrictions of the Jones Act**. PR savings from by-passing the existing oppressive colonial arrangement could amount to anywhere from \$100,000,000 to \$1,000,000,000 per year. [Note: The politics of eliminating the Jones Act limitations for Puerto Rico are a bit like the third rail – untouchable. However, through decolonization, **the issue can be avoided**. The much larger Port of San Juan would remain the primary port on the island.]
7. The airport could also focus on international air cargo that SJU cannot.
8. Vieques would become a contemporary demonstration project, utilizing the successful process of decolonization established in the 1980's with the Marshall Islands and the Federated States of Micronesia, through a Compact of Free Association that other US territories (or portions thereof) could ultimately follow and improve upon.
9. As an independent country, Vieques (with the annexation of Roosevelt Roads) can bring a fresh approach, a clean balance sheet, and an opportunity to build a small-scale economic engine geographically attached to Puerto Rico.

New development often faces a chicken-and-egg dilemma: no credibility yields no investment, while no investment results in no credibility. So how does Vieques solve the financing issue without **new** funding from the US? The answer is “10:50:350”: similar to those arrangements agreed to in the previous “Compacts”.

10: A ten to fifteen-year US supported transition into an independent, decolonized nation.

50: An annual \$50,000,000 transfer payment to Vieques for 10 years; The US historically funds a net of \$20 billion to Puerto Rico every year, which averages out to about \$5,700 per person. With 9,200 Vieques residents, that's the equivalent of \$50M. The payment would go directly to Vieques, not San Juan.

350: The cleanup of the east end bombing range is slated to require at least 10 more years, cost more than another \$350M, and leave 15% of the island uninhabitable. The US Navy has approved \$250M funding already for Vieques.

\$50M per year would allow Vieques sufficient funds to operate the island while improving education, utilities, social services, and other infrastructure. Redirecting the \$350M would give independence credibility (to grantors and investors) and the necessary kick start for economic development at Roosevelt Roads and in Vieques.

What benefits would the US receive?

- **Credibility** – The US would reaffirm its claimed position that PR is truly not an oppressed colony by allowing a part of the “empire” that requests its sovereignty to negotiate independence. Puerto Rico is NOT currently in a viable position to function independently even if its citizens wanted it, which they don't at this point. To reduce the international criticism while addressing the very long-term problems of the Commonwealth, the US should

**assist** Vieques in becoming an independent nation and diffuse the criticism. On the other hand, obstructing or denying such a request by Vieques - no matter what the excuses - could dramatically compound the public relations disaster.

- Reduction of an annoyance – Vieques has been a very vocal critic of past local US military activities and the current related cleanup. The antagonism, emotional conflict, and distraction for all could be eliminated with a cash settlement for Vieques and a release from future liability for the US - Vieques would choose to become responsible for the cleanup. The 2% or so of the island directly affected by the possibilities of unexploded ordinance has been off-limits for decades and can continue to be until Vieques matures financially and can afford to perform incremental cleanup.
- Cost - As it becomes more obvious that the US is going to be required to financially assist PR for some time, economic development (and only economic development) reduces the magnitude of the problem. Don't give a bailout - provide the opportunity to earn it! The FOMB should see a huge benefit from the optics of letting the secession deal ride without demanding much – after all, it's their lifeboat, too.
- An ally – politically and economically.

While we may not have the in-house experience of governing a nation of 10,000 or so citizens at this point, we know to hire private consultants and contractors to help and guide us. We have developed sufficient understanding to begin the process, hire consultants to train our people, and up to ten years to refine it.

This is a classic win, win, win scenario. True, it is certainly complex. Once a **provisional** decision has been made by Congress, a transition would be implemented that could last a decade or more. During this phase, temporary rules would be enacted that would allow Vieques to enter into the required agreements with commercial entities and begin the economic development. Working together synergistically with PR to attract various businesses to this unique arrangement, Vieques could help further the goals and growth of our neighbors of eastern Puerto Rico.

Financially, this can bring long term gain to PR, and it can definitely be a source of excitement leading to new regional investment. Decolonization of Vieques is a huge step that doesn't solve all of the problems faced by the US, PR, or Vieques, but it introduces a paradigm shift in the economic activity of the region that can generate growth.

While the "loss" of Vieques and Roosevelt Roads might seem unthinkable and offend the egos of some, it can better be thought of as a clever tactical sacrifice to improve the economy (and the economic future) of Puerto Rico in a manner impossible without the decolonization of Vieques. In order to be possible, Viequenses, Culebrenses (if desired), and the governments of Puerto Rico and the US must agree, and that is no small task. Who knows? If all goes well, maybe through incremental annexation, much or all of Puerto Rico may decide to join the new country. If it should fail, hey, it's just us crazies in Vieques, no loss to the main island!

See the Vieques-Libre Corp [website](#) where many specific questions about citizenship, existing US benefits, healthcare, education, taxation... are asked and answered.

## **Initiative 2: What Do You Have In Mind?**

Please send your ideas, comments, and questions to: [discussion@vieques-libre.com](mailto:discussion@vieques-libre.com)