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TERRITORIES AND FREELY ASSOCIATED STATES

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Mr. MURKOWSKI, from the Committee on Energy and Natural Resources, submitted the following

REPORT

[To accompany S. 210]

The Committee on Energy and Natural Resources, to which was referred the bill (S. 210) to amend the Organic Act of Guam, the Revised Organic Act of the Virgin Islands, and the Compact of Free Association Act, and for other purposes, having considered the same, reports favorably thereon with an amendment and recommends that the bill, as amended, do pass.

The amendment is as follows:

Strike out all after the enacting clause and insert in lieu thereof the following:

SECTION 1. MARSHALL ISLANDS AGRICULTURAL AND FOOD PROGRAMS.

Section 103(h)(2) of the Compact of Free Association Act of 1985 (48 U.S.C. 1903(h)(2)) is amended by striking "ten" and inserting "fifteen" and by adding at the end of subparagraph (B) the following: "The President shall ensure that the amount of commodities provided under these programs reflects the changes in the population that have occurred since the effective date of the Compact.".

SEC. 2. AMENDMENT TO THE ORGANIC ACT OF GUAM.

Section 8 of the Organic Act of Guam (48 U.S.C. 1422b), as amended, is further amended by adding at the end thereof the following new subsection:

"(e) An absence from Guam of the Governor or the Lieutenant Governor, while on official business, shall not be a 'temporary absence' for the purposes of this section."

SEC. 3. TERRITORIAL LAND GRANT COLLEGES.

(a) LAND GRANT STATUS.—Section 506(a) of the Education Amendments of 1972 (Public Law 92–318, as amended; 7 U.S.C. 301 note) is amended by striking "the College of Micronesia," and inserting "the College of the Marshall Islands, the College of Micronesia-FSM, the Palau Community College,".

(b) ENDOWMENT.—The amount of the land grant trust fund attributable to the $3,000,000 appropriation for Micronesia authorized by the Education Amendments of 1972 (Public Law 92–318, as amended; 7 U.S.C. 301 note) shall, upon enactment of this Act, be divided equally among the Republic of the Marshall Islands, the Fed-

erated States of Micronesia, and the Republic of Palau for the benefit of the College of the Marshall Islands, the College of Micronesia-FSM, and the Palau Community College.

(c) TREATMENT.—Section 1361(c) of the Education Amendments of 1980 (Public Law 96–374, as amended; 7 U.S.C. 301 note) is amended by striking "and the Trust Territory of the Pacific Islands (other than the Northern Mariana Islands)" and inserting "the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau". The proportion of any allocation of funds to the Trust Territory of the Pacific Islands under any Act in accordance with section 1361(c) of Public Law 96–374 prior to the enactment of this Act shall hereafter remain the same with the amount of such funds divided as may be agreed among the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau.

SEC. 4. OPPORTUNITY FOR THE GOVERNMENT OF GUAM TO ACQUIRE EXCESS REAL PROPERTY IN GUAM.

(a) TRANSFER OF EXCESS REAL PROPERTY.—(1) Except as provided in subsection (d), before screening excess real property located on Guam for further Federal utilization under section 202 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 471, et seq.) (hereinafter the "Property Act"), the Administrator shall notify the Government of Guam that the property is available for transfer pursuant to this section.

(2) If the Government of Guam, within 180 days after receiving notification under paragraph (1), notifies the Administrator that the Government of Guam intends to acquire the property under this section, the Administrator shall transfer such property in accordance with subsection (b). Otherwise, the property shall be disposed of in accordance with the Property Act.

(b) CONDITIONS OF TRANSFER.—(1) Any transfer of excess real property to the government of Guam for other than a public purpose shall be for consideration equal to the fair market value.

(2) Any transfer of excess real property to the government of Guam for a public purpose shall be without further consideration.

(3) All transfers of excess real property to the government of Guam shall be subject to such restrictive covenants as the Administrator, in consultation with the Secretary of Defense, in the case of property reported excess by a military department, determines in their sole discretion to be necessary to ensure that (A) the use of the property is compatible with continued military activities on Guam, (B) the use of the property is consistent with the environmental condition of the property; (C) access is available to the United States to conduct any additional environmental remediation or monitoring that may be required; (D) to the extent the property was transferred for a public purpose, that the property is so utilized; and (E) to the extent the property has been leased by another Federal agency for a minimum of two (2) years under a lease entered into prior to May 1, 1997, that the transfer to the government of Guam be subject to the terms and conditions of those leasehold interests.

(4) All transfers of excess real property to the Government of Guam are subject to all otherwise applicable Federal laws.

(c) DEFINITIONS.—For the purposes of this section:

(1) the term "Administrator" means—

(A) the Administrator of General Services; or

(B) the head of any Federal agency with the authority to dispose of excess real property on Guam.

(2) The term "base closure law" means the Defense Authorization Amendments and Base Closure and Realignment Act of 1988 (Public Law 100–526), the Defense Base Closure and Realignment Act of 1990 (Public Law 101–510), or similar base closure authority.

(3) The term "excess real property" means excess property (as that term is defined in section 3 of the Property Act) that is real property and was acquired by the United States prior to enactment of this section.

(4) The term "Guam National Wildlife Refuge" includes those lands within the refuge overlay under the jurisdiction of the Department of Defense, identified as DoD lands in figure 3, on page 74, and as submerged lands in figure 7, on page 78 of the "Final Environmental Assessment for the Proposed Guam National Wildlife Refuge, Territory of Guam, July 1993" to the extent that the federal government holds title to such lands.

(5) The term "public purpose" means those public benefit purposes for which the United States may dispose of property pursuant to section 203 of the Property Act, as implemented by the Federal Property Management Regulations (41

C.F.R. 101–47) or other public benefit uses provided under the Guam Excess Lands Act (P.L. 103–339, 108 Stat. 3116).

(d) EXEMPTIONS.—Notwithstanding that such property may be excess real property, the provisions of this section shall not apply:

(1) to real property on Guam that is declared excess by the Department of Defense for the purpose of transferring that property to the Coast Guard; or

(2) to real property on Guam that is declared excess by the managing Federal agency for the purpose of transferring that property to the Federal Agency which has occupied the property for a minimum of two (2) years at the time the property is declared excess and which was occupying such property prior to May 1, 1997.

(3) to real property on Guam that is located within the Guam National Wildlife Refuge, which shall be transferred according to the following procedure:

(A) the Administrator shall notify the government of Guam and the Fish and Wildlife Service that such property has been declared excess. The government of Guam and the Fish and Wildlife Service shall have 180 days to engage in discussions toward an agreement providing for the future ownership and management of such real property.

(B) If the parties reach an agreement under paragraph (A) within 180 days after notification of the declaration of excess, the real property shall be transferred and managed in accordance with such agreement: *Provided,* That such agreement shall be transmitted to the Committee on Energy and Natural Resources of the United States Senate and the appropriate committees of the United States House of Representatives not less than 60 days prior to such transfer and any such transfer shall be subject to the other provisions of this section.

(C) If the parties do not reach an agreement under paragraph (A) within 180 days after notification of the declaration of excess, the Administrator shall provide a report to Congress on the status of the discussions, together with his recommendations on the likelihood of resolution of differences and the comments of the Fish and Wildlife Service and the government of Guam. If the subject property is under the jurisdiction of a military department, the military department may transfer administrative control over the property to the General Services Administration.

(D) If the parties come to agreement prior to Congressional action, the real property shall be transferred and managed in accordance with such agreement: Provided, That such agreement shall be transmitted to the Committee on Energy and Natural Resources of the United States Senate and the appropriate committees of the United States House of Representatives not less than 60 days prior to such transfer and any such transfer shall be subject to the other provisions of this section.

(E) Absent an agreement on the future ownership and use of the property, such property may not be transferred to another federal agency or out of federal ownership except pursuant to an Act of Congress specifically identifying such property.

(4) to real property on Guam that is declared excess as a result of a base closure law, except that with respect to property identified for disposal prior to the date of enactment of this section, such lands shall be subject to subsection (b) of this section.

(e) DUAL CLASSIFICATION PROPERTY.—If a parcel of real property on Guam that is declared excess as a result of a base closure law also falls within the boundary of the Guam National Wildlife Refuge, such parcel of property shall be disposed of in accordance with the base closure law.

(f) AUTHORITY TO ISSUE REGULATIONS.—The Administrator of General Services, after consultation with the Secretary of Defense and the Secretary of Interior, may issue such regulations as he deems necessary to carry out this section.

SEC. 5. CLARIFICATION OF ALLOTMENT FOR TERRITORIES.

Section 901(a)(2) of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3791(a)(2)) is amended to read as follows:

"(2) 'State' means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, American Samoa, Guam, and the Commonwealth of the Northern Mariana Islands;".

SEC. 6. AMENDMENTS TO THE REVISED ORGANIC ACT OF THE VIRGIN ISLANDS.

(a) TEMPORARY ABSENCE OF OFFICIALS.—Section 14 of the Revised Organic Act of the Virgin Islands (48 U.S.C. 1595) is amended by adding at the end of the following new subsection:

"(g) An absence from the Virgin Islands of the Governor or the Lieutenant Governor, while on official business, shall not be a 'temporary absence' for purposes of this section.".

(b) PRIORITY OF BONDS.—Section 3 of Public Law 94–392 (90 Stat. 1193, 1195) is amended—

(1) by striking "priority for payment" and inserting "a parity lien with every other issue of bonds or other obligations issued for payment"; and

(2) by striking "in the order of the date of issue".

(c) APPLICATION.—The amendments made by subsection (b) shall apply to obligations issued on or after the date of enactment of this section.

(d) SHORT TERM BORROWING.—Section 1 of Public Law 94–392 (90 Stat. 1193) is amended by adding the following new subsection at the end thereof:

"(d) The legislature of the government of the Virgin Islands may cause to be issued notes in anticipation of the collection of the taxes and revenues for the current fiscal year. Such notes shall mature and be paid within one year from the date they are issued. No extension of such notes shall by valid and no additional notes shall be issued under this section until all notes issued during a preceeding year shall have been paid."

SEC. 7. COMMISSION ON THE ECONOMIC FUTURE OF THE VIRGIN ISLANDS.

(a) ESTABLISHMENT AND MEMBERSHIP.—

(1) There is hereby established a Commission on the Economic Future of the Virgin Islands (the "Commission"). The Commission shall consist of six members appointed by the President, two of whom shall be selected from nominations made by the Governor of the Virgin Islands. The President shall designate one of the members of the Commission to be Chairman.

(2) In addition to the six members appointed under paragraph (1), the Secretary of the Interior shall be an ex-officio member of the Commission.

(3) Members of the Commission appointed by the President shall be persons who by virtue of their background and experience are particularly suited to contribute to achievement of the purposes of the Commission.

(4) Members of the Commission shall serve without compensation, but shall be reimbursed for travel, subsistence and other necessary expenses incurred by them in the performance of their duties.

(5) Any vacancy in the Commission shall be filled in the same manner as the original appointment was made.

(b) PURPOSE AND REPORT.—

(1) The purpose of the Commission is to make recommendations to the President and Congress on the policies and actions necessary to provide for a secure and self-sustaining future for the local economy of the Virgin Islands through 2020 and on the role of the Federal Government. In developing recommendations, the Commission shall—

(A) solicit and analyze information on projected private sector development and shifting tourism trends based on alternative forecasts of economic, political and social conditions in the Caribbean;

(B) analyze capital infrastructure, education, social, health, and environmental needs in light of these alternative forecasts; and

(C) assemble relevant demographic, economic, and revenue and expenditure data from over the past twenty-five years.

(2) The recommendations of the Commission shall be transmitted in a report to the President, the Committee on Energy and Natural Resources of the United States Senate and the Committee on Resources of the United States House of Representatives no later than June 30, 1999. The report shall set forth the basis for the recommendations and include an analysis of the capability of the Virgin Islands to meet projected needs based on reasonable alternative economic, political and social conditions in the Caribbean, including the possible effect of expansion in the near future of Cuba in trade, tourism and development.

(c) POWERS.—

(1) The Commission may—

(A) hold such hearings, sit and act at such times and places, take such testimony and receive such evidence as it may deem advisable;

(B) use the United States mail in the same manner and upon the same conditions as departments and agencies of the United States; and

(C) within available funds, incur such expenses and enter into contracts or agreements for studies and surveys with public and private organizations and transfer funds to Federal agencies to carry out the Commission's functions.

(2) Within funds available for the Commission, the Secretary of the Interior shall provide such office space, furnishings, equipment, staff, and fiscal and administrative services as the Commission may require.

(3) The President, upon request of the Commission, may direct the head of any Federal agency or department to assist the Commission and if so directed such head shall—

(A) furnish the Commission to the extent permitted by law and within available appropriations such information as may be necessary for carrying out the functions of the Commission and as may be available to or procurable by such department or agency; and

(B) detail to temporary duty with the Commission on a reimbursable basis such personnel within his administrative jurisdiction as the Commission may need or believe to be useful for carrying out its functions, each such detail to be without loss of seniority, pay or other employee status.

(d) CHAIRMAN.—Subject to general policies that the Commission may adopt, the Chairman of the Commission shall be the chief executive officer of the Commission and shall exercise its executive and administrative powers. The Chairman may take such provisions as he may deem appropriate authorizing the performance of his executive and administrative functions by the staff of the Commission.

(e) FUNDING.—There is hereby authorized to be appropriated to the Secretary of the Interior such sums as may be necessary, but not to exceed an average of $300,000 per year, in fiscal years 1997, 1998 and 1999 for the work of the Commission.

(f) TERMINATION.—The Commission shall terminate three months after the transmission of the report and recommendations under subsection (b)(2).

SEC. 8. COMPACT IMPACT REPORTS.

Paragraph 104(e)(2) of Public Law 99–239 (99 Stat. 1770, 1788) is amended by deleting "President shall report to the Congress with respect to the impact of the Compact on the United States territories and commonwealths and on the State of Hawaii." and inserting in lieu thereof, "Governor of any of the United States territories or commonwealths or the State of Hawaii may report to the Secretary of the Interior by February 1 of each year with respect to the impacts of the compacts of free association on the Governor's respective jurisdiction. The Secretary of the Interior shall review and forward any such reports to the Congress with the comments of the Administration. The Secretary of the Interior shall, either directly or, subject to available technical assistance funds, through a grant to the affected jurisdiction, provide for a census of Micronesians at intervals no greater than five years from each decenial United States census using generally acceptable statistical methodologies for each of the impact jurisdictions where the Governor requests such assistance, except that the total expenditures to carry out this sentence may not exceed $300,000 in any year."

SEC. 9. ELIGIBILITY FOR HOUSING ASSISTANCE.

(a) Section 214(a) of the Housing Community Development Act of 1980 (42 U.S.C. 1436(a)) is amended—

(1) by striking "or" at the end of paragraph (5);

(2) by striking the period at the end of paragraph (6) and inserting "; or"; and

(3) by adding at the end the following new paragraph:

"(7) an alien who is lawfully resident in the United States and its territories and possessions under section 141 of the Compacts of Free Association between the Government of the United States and the Governments of the Marshall Islands, the Federated States of Micronesia (48 U.S.C. 1901 note) and Palau (48 U.S.C. 1931 note) while the applicable section is in effect: *Provided,* That, within Guam and the Commonwealth of the Northern Mariana Islands any such alien shall not be entitled to a preference in receiving assistance under this Act over any United States citizen or national resident therein who is otherwise eligible for such assistance.".

SEC. 10. AMERICAN SAMOA STUDY COMMISSION.

(a) SHORT TITLE.—This section may be cited as "The American Samoa Development Act of 1997".

(b) ESTABLISHMENT AND MEMBERSHIP.—

(1) There is hereby established a Commission on the Economic Future of American Samoa (the "Commission"). The Commission shall consists of six members appointed by the President, three of whom shall be selected from nominations made by the Governor of American Samoa, and the Secretary of the Interior ex officio. The President shall designate one of the appointed members of the Commission to be Chairman.

(2) Members of the Commission appointed by the President shall be persons who by virtue of their background and experience are particularly suited to contribute to achievement of the purposes of the Commission.

(3) Members of the Commission shall serve without compensation, but shall be reimbursed for travel, subsistence and other necessary expenses incurred by them in the performance of their duties.

(4) Any vacancy in the Commission shall be filled in the same manner as the original appointment was made.

(c) PURPOSE AND REPORT.—

(1) The purpose of the Commission is to make recommendations to the President and Congress on the policies and actions necessary to provide for a secure and self-sustaining future for the local economy of American Samoa through 2020 and on the role of the Federal Government. In developing recommendations, the Commission shall—

(A) solicit and analyze information on projected private sector development, including, but not limited to, tourism, manufacturing and industry, agriculture, and transportation and shifting trends based on alternative forecasts of economic, political and social conditions in the Pacific;

(B) analyze capital infrastructure, education, social, health, and environmental needs in light of these alternative forecasts;

(C) assemble relevant demographic, economic, and revenue and expenditure data from over the past twenty-five years;

(D) review the application of federal laws and programs and the effects of such laws and programs on the local economy and make such recommendations for changes in the application as the Commission deems advisable;

(E) consider the impact of federal trade and other international agreements, including, but not limited to those related to marine resources, on American Samoa and make such recommendations as may be necessary to minimize or eliminate any adverse effects on the local economy.

(2) The recommendations of the Commission shall be transmitted in a report to the President, the Committee on Energy and Natural Resources of the United States Senate and the Committee on Resources of the United States House of Representatives no later than June 30, 1999. The report shall set forth the basis for the recommendations and include an analysis of the capability of American Samoa to meet projected needs based on reasonable alternative economic, political and social conditions in the Pacific Basin. The report shall also include projections of the need for direct or indirect federal assistance for operations and infrastructure over the next decade and what additional assistance will be necessary to develop the local economy to a level sufficient to minimize or eliminate the need for direct federal operational assistance. As part of the report, the Commission shall also include an overview of the history of American Samoa and its relationship to the United States from 1872 with emphasis on those events or actions that affect future economic development and shall include, as an appendix to its report, copies of the relevant historical documents, including, but not limited to, the Convention of 1899 (commonly referred to as the Tripartite Treaty) and the documents of cession of 1900 and 1904.

(d) POWERS.—

(1) The Commission may—

(A) hold such hearings, sit and act at such times and places, take such testimony and receive such evidence as it may deem advisable: *Provided,* That the Commission shall conduct public meetings in Tutuila, Ofu, Olosega, and Tau;

(B) use the United States mail in the same manner and upon the same conditions as departments and agencies of the United States; and

(C) within available funds, incur such expenses and enter into contracts or agreements for studies and surveys with public and private organizations and transfer funds to Federal agencies to carry out the Commission's functions.

(2) Within funds available for the Commission, the Secretary of the Interior shall provide such office space, furnishings, equipment, staff, and fiscal and administrative services as the Commission may require.

(3) The President, upon request of the Commission, may direct the head of any Federal agency or department to assist the Commission and if so directed such head shall—

(A) furnish the Commission to the extent permitted by law and within available appropriations such information as may be necessary for carrying

out the functions of the Commission and as may be available to or procurable by such department or agency; and

(B) detail to temporary duty with the Commission on a reimbursable basis such personnel within his administrative jurisdiction as the Commission may need or believe to be useful for carrying out its functions, each such detail to be without loss of seniority, pay or other employee status.

(e) CHAIRMAN.—Subject to general policies that the Commission may adopt, the Chairman of the Commission shall be the chief executive officer of the Commission and shall exercise its executive and administrative powers. The Chairman may make such provisions as he may deem appropriate authorizing the performance of his executive and administrative functions by the staff of the Commission.

(f) FUNDING.—There are hereby authorized to be appropriated to the Secretary of the Interior such sums as may be necessary, but not to exceed an average of $300,000 per year, in fiscal years 1997, 1998 and 1999 for the work of the Commission.

(g) TERMINATION.—The Commission shall terminate three months after the transmission of the report and recommendations under subsection (c)(2).

SEC 11. FEDERAL PROGRAMS COORDINATION IN THE FREELY ASSOCIATED STATES AND PROVISIONS FOR BIKINI.

(a) Section 108 of Public Law 101–219 (103 Stat. 1870, 1872) is amended by deleting "shall station" and inserting in lieu thereof "shall, subject to appropriations, station".

(b) Section 501 of Public Law 95–134 is amended by deleting "the Trust Territory of the Pacific Islands," and inserting in lieu thereof "the Republic of the Marshall Islands, the Federated States of Micronesia, the Republic of Palau,".

(c) Under the heading "COMPACT OF FREE ASSOCIATION" in Title I—DEPARTMENT OF THE INTERIOR of Public Law 100–446 (102 Stat. 1774, 1798) delete "$2,000,000 in any year from income for projects on Kili or Ejit:" and insert in lieu thereof "$2,500,000 in any year from income for projects on Kili or Ejit: *Provided further,* That commencing on October 1, 1998 and every year thereafter, this dollar amount shall be changed to reflect any fluctuation occurring during the previous twelve months in the Consumer Price Index, as determined by the Secretary of Labor:".

PURPOSE OF THE MEASURE

As introduced, S. 210 provides a five year extension to the supplemental food assistance program for Enewetak and adjusts the program to reflect population changes; modifies the authorization for the Memorial Park in Saipan; provides for administrative separation of the land grant institutions within the freely associated states; amends the 1950 Organic Act of Guam with respect to disposal of excess property; modifies the definition of State to list each of the territories under the 1968 Crime Control Act; amends the Revised Organic Act of the Virgin Islands with respect to the authority of the Governor when absent from the territory on official business and permits the issuance of parity rather than priority bonds; creates economic study commissions for the Virgin Islands and American Samoa; requires HHS to provide assistance for direct radiation related medical surveillance and treatment programs as provided under section 177(b) of the Compact of Free Association; clarifies the status of residents of the freely associated states for housing assistance; and provides the consent of the United States to certain amendments to the Hawaiian Homes Commission Act.

BACKGROUND AND NEED

S. 210 is an omnibus measure that includes provisions dealing with the territories of American Samoa, the Virgin Islands, Guam, and the Commonwealth of the Northern Mariana Islands. It also contains provisions dealing with the State of Hawaii as well as the

freely associated states of the Republic of Palau, the Federated States of Micronesia, and the Republic of the Marshall Islands. The discussion of the various provisions of the legislation is grouped by jurisdiction.

AMERICAN SAMOA

Background

The Samoan Islands had been the scene of conflict between the United States, Germany, and Great Britain during the latter half of the 19th century. By the treaty of Berlin in 1899, Great Britain and Germany renounced any interest in the Tutuila and Manu'a islands. In 1900 the matai (chiefs) of Tutuila formally ceded the islands of Tutuila and Aunu'u to the United States. In 1904, the king and matai of Manu'a ceded the islands of Ta'u, Ofu, Olosega, and Rose Atoll to the United States. The cessions were retroactively ratified in 1929. Under the terms of cession, the United States is committed to protect the traditional culture and land tenure system. In 1925, the United States claimed sovereignty over Swains Island and assigned jurisdiction to Samoa.

American Samoa is the only territory where the Congress has never extended citizenship and where the residents are US Nationals (although many have acquired citizenship through military service or otherwise). The territory consists mainly of five volcanic islands and two coral atolls located approximately 2,300 miles southwest of Hawaii and about 2,700 miles northeast of Australia with about 76 square miles of land area (most of which is unusable on the slopes of the volcanic islands) and a territorial sea of more than 150,000 square miles. The resident population is about 55,000, with a median age of 21. The territory has an elective governor and a bicameral legislature (the Fono), the Senate of which is composed of 18 members chosen by Samoan custom, and exercises local self-government under a constitution promulgated by Secretarial Order. American Samoa has a non-voting delegate in the House of Representatives. There is no Federal court jurisdiction in American Samoa and the justices of the High Court are appointed by the Secretary of the Interior.

American Samoa is the only territory still dependent on annual direct Federal grants for basic operations of government and has experienced increasing fiscal difficulties over the past decade. Local revenues were only $57 million for FY 1994, while direct Federal grants for operations have averaged slightly over $22 million with total federal expenditures in FY 1994 of $111 million ($67 million in grants and other payments, $3 million in wages, $31 million in direct payments for individuals, and $11 million in procurement contracts). The local labor force of about 13,000 is equally divided between government, two tuna canneries, and minor local retail businesses.

Provisions of legislation

Section 11 of S. 210, as introduced, provides for a seven member economic study commission to examine the potential for increased economic development in American Samoa. The study is designed to be short term and to focus on alternatives that are consistent

with the protection of Samoan culture and land-tenure system. While tourism has often been mentioned as a possibility, attention also needs to be given to the problems of air service (sporadic) and the reliability of the supporting infrastructure. The commission is directed to make projections of the need for future federal assistance for operations and infrastructure over the next decade. The uncertainty of the amount and timing of Federal assistance complicates local planning. The Committee addressed that problem in part by redirecting the unneeded entitlement for the Northern Marianas to multi-year infrastructure needs throughout the territories. The bulk of the funding is likely to be in American Samoa. The changes were enacted as part of the FY'96 Interior appropriations measure.

VIRGIN ISLANDS

Background

The United States purchased the Virgin Islands from Denmark in 1917 for $25 million. There are three main islands (St. Thomas, St. Croix, and St. John) and 50 smaller islands and islets. Total land area is about 135 square miles. Congress passed Organic legislation in 1936 and then a Revised Organic Act in 1954. The Organic legislation defines the powers of the local government. Congress has authorized the Virgin Islands to adopt a local constitution to replace the local government provisions of federal organic legislation, but the Virgin Islands have failed in several attempts to adopt one. The Elective Governor Act was passed in 1968 and in 1972 provision was made for a non-voting delegate in the House. In the late 1950's and 1960's, the Virgin Islands had over employment resulting in a large migration from the English speaking Eastern Caribbean. The population grew from about 30,000 to over 80,000. The population is now about 100,000 of whom 83% are U.S. citizens. Unemployment in 1992 was 3.7%. Total local revenues for FY 1994, including the $42 million in rebates under the Rum Fund, were $381 million. In addition to the manufacture of rum and tourism for a private sector base, the Virgin Islands is the site of the Amerada Hess refinery.

Provisions of legislation

Section 6(a) of S. 210 would amend the 1968 Act providing for an elective governor for the Virgin Islands to provide that the Governor would retain his authority when he is off-island on "official business". The current provisions provide that the Lieutenant Governor succeeds to all powers "[i]n case of the temporary disability or temporary absence of the Governor". That is a fairly standard provision with an interesting lineage to guarantee that there was someone present to handle affairs of state while the sovereign was out of the country. Historically, due to limitations on communications, a prolonged absence could have serious, and sometimes permanent consequences. Several sovereigns found a new government in place before they managed to return and many found that the temporary regent had charted a somewhat different course.

The United States, at the Federal level, has never provided for an interruption in authority due to "temporary absence" of the

President. Article II provides for the Vice-President to discharge the powers of the President only in "Case of the Removal of the President from Office, or of his Death, Resignation, or Inability to Discharge the Powers and Duties of the said Office." Many State Constitutions, however, do provide for the Lieutenant Governor to exercise all authority whenever the Governor is temporarily absent. Depending on the Lieutenant Governor, this may have the effect of limiting the Governor's travels. During territorial administration, these provisions were normal incidents of organic legislation since the Governor and the Lieutenant Governor were appointed federal officers ultimately responsible to a Cabinet Official. The 1954 Revised Organic Act authorized the Secretary of the Interior to designate the Government Secretary or the head of an executive department of the territorial government to act as Governor, when necessary. Distances, transportation, and communications all made these provisions reasonable at the time.

While States can alter such provisions without Federal consent, the Virgin Islands is subject to the provisions of the 1968 amendments to the Revised Organic Act until such time as they adopt a local constitution. The Governor has requested that the present limitation be defined to not include any temporary absence when he is off-island on "official business".

Section 6 (b) and (c) provide authority to issue parity bonds. The Virgin Islands has only that authority conferred by Congress to incur indebtedness. In 1976, Congress amended the Revised Organic Act of the Virgin Islands to permit the government to issue bonds in anticipation of the revenues received under the "Rum Fund" (P.L. 94–392, 90 Stat. 1193), but provided that any such bond would have priority for payment according to the date of issue (sec. 3). The Rum Fund is the advance payment made by the Department of the Interior of an amount equal to the amount of excise taxes collected on rum manufactured in the Virgin Islands and imported into the United States. The provision was enacted as section 28(b) of the Revised Organic Act in 1954 and is now codified to 7652(b)(3) to the Internal Revenue Code. The Virgin Islands estimates that if Congress were to provide them with the authority to issue parity bonds (where each issue has the same standing) they can avoid paying a premium for subsequent issues as well as having to over collateralize later issues. States have the ability to determine the nature of any bond issue, but the Virgin Islands is limited by the requirements of the Revised Organic Act. During the 104th Congress, a bill reported by the Committee, S. 1804, also included a transition rule to permit the Virgin Islands to refinance their existing debt. That provision is not included in S. 210.

Section 7 of S. 210 establishes a commission on the economic future of the Virgin Islands. Recent trade enactments, such as the Caribbean Basin Initiative and NAFTA, have begun to erode the competitive advantage the Virgin Islands has had over other areas in the Caribbean. In addition, competition in the tourism industry as well as the effect of several hurricanes have eroded the tourism base for the territory. The purpose of the commission is to assess what the economic alternatives are for the Virgin Islands and begin to plan for a broader based economy.

GUAM

Background

The southernmost of the Mariana Islands, Guam was discovered by Magellan and was a major port for the Spanish for the galleon trade from Acapulco to Manila. Guam was acquired from Spain at the end of the Spanish-American War and has a land area of 209 square miles. It was occupied by the Japanese during World War II and recently celebrated the 50th anniversary of the Liberation. Local self-government was provided by the 1950 Organic Act which also extended citizenship to the residents. Legislation in 1968 provided for a popularly elected Governor and in 1972 for a non-voting delegate in the House. The population is about 150,000, with a labor force of 49,000 and an unemployment rate in 1992 of 2%. Local taxes and fees for 1994 were about $679 million. The Department of Defense (DOD) controls about ⅓ of the land area, which on a small island creates a variety of problems.

Provisions of legislation

As introduced, section 4 of S. 210 amends the Guam Organic Act to provide a process for the disposal of federal excess lands. Section 4 provides that whenever any federal agency no longer requires any land, the Governor of Guam will have 180 days to determine whether Guam has a use for the land prior to it being made available to any other Federal agency. The section excludes those lands within the Federal wildlife refuge overlay from the application of this section. Those lands could be transferred to another Federal agency or out of Federal ownership only by Act of Congress. Most excess Federal lands on Guam that have been transferred back to Guam have been transferred by various Acts of Congress rather than through the normal GSA process.

When the Guam Organic Act was passed in 1950, Congress transferred to the government of Guam all Navy properties that had been used for civil administration of Guam and all "other property, real and personal, owned by the United States in Guam, not reserved by the President of the United States within 90 days after August 1, 1950." Executive Order 10178 of October 30, 1950 reserved more than ⅓ of Guam (42,000 acres specifically as well as a variety of other sites including the Adelup reservoir and various parts of the road system). Congress has from time to time transferred various parcels to Guam, the most recent being 3,200 acres of excess DOD property in the 103d Congress (P.L. 103–339). That legislation, the Guam Excess Lands Act, also provided a broad definition of public benefit use to recognize the particular needs of the government of Guam.

DOD owns 44,800 acres on Guam (24,500 acres by the Navy and 20,300 acres by the Air Force), about ⅓ of the total land area. As part of a review of land requirements under the Guam Land Use Plan (GLUP), DOD identified about 8,000 acres that were releasable. When combined with the 3,200 acres covered by PL 103–339, DOD holdings would be reduced to 33,400 acres. Section 4 would provide a process for the orderly disposal of excess federal lands in Guam to avoid the need for Congress to continually consider specific transfers. S. 210 does not require the disposal of any lands.

FEDERATED STATES OF MICRONESIA

Background

The Federated States of Micronesia (FSM) is a sovereign foreign nation in free association with the United States. Relations between the US and the FSM is governed by a Compact of Free Association that was approved in the FSM in the United Nations observed plebiscite and approved by the United States by P.L. 99–239 in 1986. The Compact went into effect by Presidential Proclamation 5564 of November 3, 1986. In general, the FSM possesses full internal self-government and full control over all aspects of its foreign policy except to the extent that it conflicts with plenary defense rights exercised by the United States. For the purposes of the limited Federal assistance provided under the Compact, such assistance is provided as if on a domestic basis through a government to government agreement. While the political relationship is of indefinite duration, various provisions, including financial support, must be renegotiated after fifteen years. Citizens of the FSM are free to enter into the United States for work or study, but such entry does not qualify them for citizenship. The United States has agreed to provide diplomatic and consular assistance as needed and US currency and postal facilities are used in the FSM.

The FSM extends 1,800 miles across an archipelago of the Caroline Islands. The four States that comprise the FSM are Pohnpei (the capital), Chuuk (Truk), Yap, and Kosrae. The population is about 100,000. Spain claimed sovereignty over the area until 1899 when they were sold to Germany after the US declined to purchase them as part of the settlement of the Spanish-American War. German administration ended in 1914 when Japanese naval squadrons seized the Marshalls, Carolines, and Marianas (except for Guam). The area was seized by the United States during World War II with major actions at Ulithi and Truk (now Chuuk). In 1947, the area (together with Palau, the Marshall Islands, and the Marianas) was placed under the United Nations Trusteeship system as the Trust Territory of the Pacific Islands with the United States as Administering Authority. Internal politics eventually led to separate political status for the Marianas (now the Commonwealth of the Northern Marianas—a territory of the United States), the Marshalls (now the Republic of the Marshalls—in free association), Palau (now the Republic of Palau—in free association) and the four States of the FSM. The total operating budget of the FSM is about $157 million, of which about $100 million comes from US grants and other assistance.

Provisions of legislation

Section 3 of the bill makes a technical amendment to treat the colleges in the freely associated states as separate land grant institutions. During the period of the Trusteeship, the College of Micronesia was made a land grant institution. Since there were no Federal lands to endow the College, Congress provided a $3 million endowment. During the Trusteeship, the main campus was located on Ponape (now Pohnpei) with an occupational center in Palau and a nursing school in Saipan in the Northern Marianas. The nursing school has since moved to Majuro in the Marshall Islands. With the

political dissolution of the Trust Territory, each of the governments of the freely associated states retained their institutions, which now operate under an umbrella. For the purpose of dealing with federal agencies, however, a particular request from the center in Palau must be handled through the umbrella organization. This section enables each institution to operate independently and will divide the endowment.

Section 9 of the legislation would clarify the Federal housing assistance eligibility of residents of the freely associated states who are lawfully admitted into the United States. With relatively few exceptions, most of the programs extended to the freely associated states have worked well, and agencies have understood that the freely associated states are the successor entities to the Trust Territory of the Pacific Islands. Most problems with interpretation have been resolved administratively. Unfortunately, the Department of Housing and Urban Development (HUD) has adopted an interpretation of the Housing and Community Development Act of 1980 that has the effect of excluding residents of the freely associated states who are lawfully admitted into the United States under the provisions of the Compacts of Free Association from eligibility for housing assistance for which they were eligible as residents of the Trust Territory. The Housing Act included within its definitions the Trust Territory of the Pacific Islands, the residents of which were neither citizens nor nationals of the United States. Residents of the Trust Territory were treated as eligible prior to 1986, when the Compacts came into effect, and subsequently, as citizens of the FSM, Marshalls, or Palau, until last year. Although the Act did not specify the residents of the Trust Territory within the exceptions for alien eligibility to participate in the program, the inclusion of the Trust Territory seemed to be sufficient indication that Congress intended the residents to be eligible and no problems arose for 9 years after Compact implementation.

HUD concluded last year that since the 1980 Act did not contemplate the 1986 Compacts and since the Compacts do not specifically mention the 1980 Act, Congress must have intended discriminatory treatment. That interpretation is inconsistent with section 172(a) of the Compact that provides: "Every citizen of the [FSM] who is not a resident of the United States shall enjoy the rights and remedies under the laws of the United States enjoyed by an non-resident alien." The Compact explicitly grants authority to citizens of the freely associated states to enter the United States for work or study, with the clear intent of cementing a close relationship. There does not appear to be any policy objection to the inclusion of residents of the freely associated states and the issue is solely whether Congress will clarify eligibility.

REPUBLIC OF THE MARSHALL ISLANDS

Background

The Marshall Islands are comprised of 31 atolls and major islands. Majuro, the capital, lies some 2,300 miles southwest of Hawaii and nearly 2,000 miles southeast of Guam. The Marshalls were part of Spain's claims in Micronesia, the League of Nation's Mandate, and the Trust Territory of the Pacific Islands, discussed

in the background on the FSM. Major action during World War II occurred at Kwajalein and Enewetak. The Republic is a sovereign foreign nation in free association with the United States under a Compact of Free Association. The Marshalls' 1993 operating budget was $106 million of which $53 million came from Federal transfer payments. Within the Marshall Islands, Bikini and Enewetak were the sites of nuclear weapons testing. The 1954 Bravo test resulted in the exposure of populations at Rongelap and Utirik to fallout. The United States has provided a variety of programs and assistance to the populations of the four affected atolls (Bikini and Enewetak whose populations were relocated and Rongelap and Utirik whose populations were exposed to fallout from the 1954 test). Section 177 of the Compact provides for an espousal of the claims of the residents of the Marshalls in exchange for a $150 million settlement from the United States. In addition, the implementing legislation, at the insistence of this Committee, included an open-ended authorization for further ex gratia assistance to the four affected atolls.

Provisions of legislation

Section 1 of S. 210 extends the current supplemental food program for Enewetak for an additional five years and requires that the level of assistance reflect any changes in population. The population of Enewetak at the time of the relocation for the nuclear testing program was about 150. The population now is about 1,800. During the testing program 43 nuclear weapons were detonated at Enewetak, including the first thermonuclear device. President Johnson announced that Enewetak would be cleaned up and the population resettled. Over $200 million was expended during the 1970's during a scrape of the islands to remove all radioactive material. Most of the contaminated soil was encapsulated in a slurry mix in a crater on Runit island. In 1980, the population returned to Enewetak. As a result of the scrape, the soil necessary to support vegetation was removed and the normal food products of taro, pandanus, breadfruit, and coconuts could not be grown. The Congress enacted legislation to provide a supplemental food program until the islands within Enewetak were capable of providing sufficient food. Since FY'86, the program has been funded at $1.1 million. Inflation and population increases have eroded the effectiveness of the program.

One of the results from the work done by Lawrence Livermore at Bikini is that there was no reason for the environmental degradation resulting from a scrape of the soil. Applications of potassium would have prevented the uptake of cesium into the food chain. While Bikini now has a healthy supply of vegetation, Enewetak still has stunted growth due to the lack of soil and nutrients. The current authorization for the supplemental food program has expired and this section continues the program for an additional five years.

Section 8 of the legislation as introduced mandates radiation related health assistance to the Republic of the Marshall Islands from the Department of Health and Human Services in support of federal responsibilities under the Compact of Free Association.

The United States tested 43 nuclear weapons at Enewetak and 23 at Bikini. The populations were relocated to other atolls and islands. The 1954 Bravo test at Bikini was the second test of a thermonuclear device and had twice the yield expected. As a result of wind conditions, populations at Rongelap and Utirik were exposed to fallout. The United States has provided a series of compensation, health care, and assistance programs over the years to the communities of each of the four atolls, including the establishment of individual trust funds. In 1975, Congress established a Bikini trust fund of $3 million (PL 94–34) which was supplemented in 1978 by an additional $3 million plus a separate $6 million for the population of Bikini living on Kili Island (PL 95–348). In 1982, a resettlement trust fund of $20.6 million was established (PL 97–257) which was increased by an additional $90 million over the period 1989–1993 (PL 100–466). At Enewetak, the U.S. directly handled the clean-up and resettlement through the Department of Defense, spending well over $200 million during the 1970's.

As a part of the Compact of Free Association that led to the termination of the United Nations Trusteeship with respect to the Marshall Islands, the government of the Marshall Islands espoused the claims of its citizens in exchange for a payment of $150 million to be placed in a Fund that over a fifteen year period would result in payments of $75 million to the population of Bikini, $48.75 million to Enewetak, $37.5 million to Rongelap, and $22.5 million to Utirik. In addition, the Fund would provide $45.75 million to a Tribunal to resolve claims relating to the testing program over the fifteen year program (with 75% of the proceeds from the Fund available thereafter) as well as funding for health and supplemental food programs. (cf. Subsidiary Agreement on implementation of section 177 of the Compact).

In 1977, Congress established a compensation program for the inhabitants of Rongelap and Utirik that directly compensated individuals who developed certain illnesses without requiring proof of any nexus to the testing program (PL 95–134). This was in addition to prior compensatory payments. The statute also authorized a program of continuing specialized care for those individuals directly exposed to fallout from the 1954 test and provided $100,000 directly to each of the four communities. In 1980, the US established a general health care program for the four atolls (PL 96–205), which is distinct from the specialized care for the directly affected individuals. The specialized care program (referred to in the amendment) is being provided by DOE through Brookhaven, while the four atoll program is provided through the Marshalls government with funds made available from proceeds of the 177 Fund. At the hearing on S. 210, the Administration stated that this section was premature and should await a decision on the overall health care needs in the Marshalls and what the specific role of individual agencies should be. The Department of Health and Human Services is already providing certain levels of assistance and could adjust that level as needs arise without further legislation.

COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS

Background

The Commonwealth of the Northern Marina Islands (CNMI) is a three hundred mile archipelago consisting of fourteen islands stretching north of Guam. The largest inhabited islands are Saipan, Rota, and Tinian. Magellan landed at Saipan in 1521 and the area was controlled by Spain until the end of the Spanish American War, Guam, the southernmost of the Marianas, was ceded to the United States in 1899 and the balance sold to Germany. Japan seized the area during World War I and became the mandatory power under a League of Nations Mandate. Guam was invaded by Japanese forces from Saipan in 1941. The Marianas were secured after heavy fighting in 1944 and the bases on Tinian were used for the invasion of Okinawa and for raids on Japan, including the nuclear missions on Hiroshima and Nagasaki.

In 1976, Congress approved a Covenant to Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States (PL 94–241). The Covenant had been approved in a United Nations observed plebiscite in the Northern Mariana Islands and formed the basis for the termination of the United Nations Trusteeship with respect to the Northern Mariana Islands. The CNMI became a territory of the United States and its residents became United States citizens.

The Covenant also provided for the lease of certain lands by the Department of Defense and the dedication of a portion of those lands for a Memorial Park to be maintained through income from the lease payments.

Provisions of the legislation

As introduced, section 2 of the legislation repeals certain provisions of Federal law dealing with the American War Memorial Park. The United States leased several parcels of land as part of the Covenant in 1976, including a large portion of Tinian for military training and possible military infrastructure. Part of the leased lands on Saipan included 177 acres at Tanapag Harbor, immediately adjacent to what is now the Hyatt hotel, of which 133 acres would be available to the CNMI without cost for an American War Memorial Park and the $2 million lease payment for the land was set aside to assist in the development of the park. In 1978, section 5 of PL 95–348 directed the Secretary of the Interior, through the National Park Service, to take over the park and develop it. Subsection (f) provided that the CNMI could take over the park at its option. With the Memorial Park fully established and developed, the suggestion was made during the visit to the Marianas by several Members of the Committee that subsection (f) should be repealed and the National Park Service left in charge during the remainder of the lease.

Section 5 clarifies the allotment to the territories under the Anti-Drug Abuse Act. The Anti-Drug Abuse Act of 1986 provided for minimum state allocations for all the territories. The Act was amended in 1989 to include Guam, the CNMI, and American Samoa as a single state with Guam receiving 50%, American Samoa 33%, and the CNMI 17% of the funding. In FY'90, Guam

managed to regain its status with Puerto Rico as a single state, leaving American Samoa with 66% of a single state share and CNMI with 33%. As a result of the allocation and reduced funding for the program, funding for the CNMI has gone from the FY'88 grant of $502,000 to $96,000 in FY'89. The federal law enforcement initiative has noted drugs as an increasing problem in the CNMI in its reports. Section 5 restores a minimum state allocation for all the territories.

HAWAII

Background

Section 10 of S. 210, as introduced, provides the consent of the United States to certain amendments to the Hawaiian Homes Commission Act made by the State of Hawaii. The Committee has reported similar legislation (H.J. Res. 32) to the Senate and a full background and explanation is set forth in the report to accompany that legislation (cf S. Rept. 105–19, H. Rept. 105–16).

LEGISLATIVE HISTORY

S. 210 was introduced on January 28, 1997 by Senators Murkowski and Akaka. The Committee conducted a hearing on February 6, 1997. H.J. Res. 32 was introduced on January 21, 1997 and referred to the Committee on Resources of the House while S.J. Res. 10 was introduced on January 22, 1997 and referred to the Committee on Energy and Natural Resources. Both measures contained language to consent to amendments to the Hawaiian Homes Commission Act that was similar to the text of section 10 of S. 210. H.J. Res. 32 was reported without amendment, passed the House of Representatives on March 11, 1997, and was referred to the Committee on Energy and Natural Resources. At the business meeting on May 14, 1997, the Committee on Energy and Natural Resources ordered H.J. Res. 32 favorably reported without amendment. At the business meeting on May 21, 1997, the Committee on Energy and Natural Resources ordered S. 210, as amended, favorably reported.

COMMITTEE RECOMMENDATIONS AND TABULATION OF VOTES

The Committee on Energy and Natural Resources, in open business session on May 21, 1997, by a unanimous vote of a quorum present, recommends that the Senate pass S. 210, if amended as described herein.

The rollcall vote on reporting the measure was 20 yeas, 0 nays, as follows:

YEAS	NAYS
Mr. Murkowski	
Mr. Domenici [1]	
Mr. Nickles [1]	
Mr. Craig	
Mr. Campbell [1]	
Mr. Thomas	
Mr. Kyl [1]	
Mr. Grams	
Mr. Smith	
Mr. Gorton	
Mr. Burns [1]	
Mr. Bumpers	
Mr. Ford [1]	
Mr. Bingaman [1]	
Mr. Akaka	
Mr. Dorgan	
Mr. Graham [1]	
Mr. Wyden	
Mr. Johnson [1]	
Ms. Landrieu	

[1] Indicates voted by proxy.

EXPLANATION OF AMENDMENTS AND SECTION-BY-SECTION ANALYSIS

During consideration of S. 210, the Committee adopted an amendment in the nature of a substitute. The amendment adopted by the Committee deletes two sections from S. 210 as introduced. The amendment deletes the original language of section 10 that would provide the consent of the United States to certain amendments to the Hawaiian Homes Commission Act made by the State of Hawaii. The language was deleted because the Committee favorably reported H.J. Res. 32, legislation that also provides the consent of the United States to those amendments, on May 14, 1997, and the Committee believes that Senate consideration of that measure would expedite the enactment of the necessary consent. The amendment also deletes the original language of section 8 that required the Secretary of Health and Human Services to provide for assistance, on a non-reimbursable basis, for direct radiation rleated medical surveillance and treatment in the Republic of the Marshall Islands under section 177(b) of the Compact of Free Association. The Administration opposed the language as premature, and the Committee agrees that such a provision would be best considered once the Department of the Interior, the Department of Energy, other Federal agencies, and the National Laboratories have reviewed the various Federal programs and assistance being provided under the Compact. The Committee notes that assistance is

already being provided by various agencies, including the Department of Health and Human Services, pursuant to authorizations and directives contained in the Compact and implementing legislation. For example, existing law supports general health care, specifically requires treatment for those individuals directly affected by radiation, and authorizes funding to address any health needs resulting from exceptional circumstances or for any ex gratia needs of the populations of the four atolls directly affected by the nuclear testing program (section 105(c)(2) of P.L. 99–239).

Section 1 of the Committee amendment extends the Department of Agriculture's surplus food program in the Republic of Marshall Islands for an additional five years. The current authorization expired in October 1996 although support has continued through appropriation acts. The program provides support for the populations of the atolls directly affected by the Untied States nuclear testing program until the atolls are capable of producing food supplies sufficient to support the populations of those atolls. The amendment recognizes the growth in population since the Compacts of Free Association were approved and provides that the amount of commodities reflects the changes in population.

Section 2 of the Committee amendment provides that the Governor of Guam will continue to exercise the authority of his office while absent from Guam on official business.

Section 3 of the Committee amendment provides for the administrative separation of the three educational institutions in the freely associated states into separate land grant institutions and the division of the existing endowment between the institutions. The purpose of the amendment is to permit each of the institutions to function on its won in dealing with federal agencies without having to rely on an umbrella organization. At the request of the Administration, the Committee has included language that provides that the three institutions will still be considered as a single entity for the purpose of allocation of Hatch Act and Smith-Lever funding. While the Administration proposed that such funding be divided equally among the institutions, the Committee has left the division to the three entities. The Committee made the change in recognition of the different enrollments and nature of the institutions to ensure that the funds are allocated based on curriculum, need, and purpose for the funds.

Section 4 of the Committee amendment amends the Organic Act of Guam to provide for greater consideration of the needs of Guam in the disposal of federal lands and to avoid the constraints of existing law which have necessitated Congress directly transferring parcels of land in the past. At the present time, Federal property is first made available to other Federal agencies prior to being made available to the government of Guam, and then only for limited public purposes. Section 4 would provide generally that when a Federal agency determines that it no longer has a need for certain lands, those lands should be made available to Guam prior to being covered to other purposes by other Federal agencies. The Committee appreciates the scarcity of land on Guam and the sacrifices that the residents of Guam have made in accommodating defense needs. Those requirements have resulted in the acquisition since World War II of over one-third of the available land area, in-

cluding some of the most important agricultural areas on Guam, for military purposes. The Committee believes that as federal requirements change and land is no longer needed for the purposes for which it was acquired, the federal disposal process should look first to the needs of Guam for such land for public purposes before looking to disposal to private interests or for other federal activities.

The Committee notes that this amendment does not require that any land be transferred. It simply alters the existing priorities in federal legislation. If the government of Guam does not need the land for a public purpose, then the land will be disposed of as provided by current law. If the government of Guam indicates a need for such land and the administration desires a different disposition, then the Committee expects that the agency currently holding such land will retain it until the Administration has transmitted legislation and Congress has considered the relative merits of the transfer. This approach is consistent with the plenary authority of Congress with respect to territories and over the disposal and management of federal lands and would provide both federal agencies and the government of Guam an opportunity to present their views on the appropriate disposition of the lands.

The Committee The Committee has adopted a series of amendments requested by the administration, with minor exceptions. in part the amendments would clarify that transfers of land between Defense agencies are not included in the legislation. That is consistent with the intent of the section since those lands would still be used for military purposes. The amendments also deal with lands reviewed under the Base Closure and Realignment Commission. The administration requested that any transfer be subject to certain conditions as determined by the Administrator and the Secretary of Defense. The Committee has agreed to that language but wants to make clear that the phrase "in their sole discretion" relates only to the nature of the conditions and should not be interpreted to be a waiver of applicable laws.

The Committee notes that this section only changes the relative priority under which the needs of Guam are considered in the disposal of federal lands. This section does not waive or eliminate any procedural or substantive laws that would otherwise be applicable to such a transfer, nor does it impose any new requirements. In all likelihood, there will be different laws applicable to different parcels depending on the circumstances. Accordingly, the Committee did not include language suggested by the Administration on specific laws that would need to be complied with, but retained the general requirement to comply with any applicable laws.

The Committee intends that the same broad interpretation be given to public purpose consistent with the actions taken by the Congress with respect to previous land transfers to Guam and accordingly has referenced the Guam Excess Lands Act in the definition of public purpose. While the Committee has retained the requirement that any land transferred for private uses be disposed of a fair market value, the Committee has provided for transfer for public purposes to be without further consideration in keeping with past practices on Guam, most recently in the Guam Excess Lands Act. The Administration had provided additional language of public

purposes, but the Committee believes that each of those purposes would be permissible under the public benefit use provisions of the Guam Excess Lands Act and deleted the language as redundant.

The administration had proposed that the definition of the Guam Wildlife Refuge include submerged lands identified on a map. The Committee is aware that there remains some dispute as to whether those submerged lands are in fact owned by the Federal Government and has included language to make it clear that only those lands to which the Federal Government holds title would be included. That language is not intended to express a view one way or the other with respect to ownership, but is designed to exclude any lands no longer owned by the Federal Government, if any.

The administration had proposed that if a dispute arose over transfer of lands within the Refuge overlay that was not resolved within 180 days, the Fish and Wildlife Service was to report to Congress and that if Congress took no action within two years from that date, the land was to be disposed of as provided under current law. The amendment modifies the administration's request by requiring the Administrator of GSA to report to Congress and include the views of both Guam and the Fish and Wildlife Service. In addition, the amendment deletes the two year limitation. As noted above, Congress has the plenary authority and responsibility for both the territories and the disposal of Federal property and the Committee believes that Congress should resolve the equities between the two parties.

The administration also requested that lands included under any base closure law be excluded from the coverage of this legislation. The Committee does not intend to affect decisions that have already been made under the current round of base closure reviews nor to assume what the provisions may be in any future review. Accordingly, the amendment excludes lands included under any base closure laws, but has made any transfers to Guam contemplated under the current base closure process subject to the provisions of subsection (b). That addition deals only with the consideration for a transfer to Guam and the conditions attached to the transfer, including limitations that the land be used for public purposes as that term is defined in this section.

Section 5 amends that Omnibus Crime Control and Safe Streets Act to restore equal funding treatment to each of the territories as was included in the original statute.

Section 6 makes a series of amendments of the Revised Organic Act of the Virgin Islands. Subsection (a) provides that the Governor will retain his authority when he is off-island on official business. Subsections (b) and (c) provide prospectively for the Virgin Islands to issue parity rather than priority bonds. Subsection (d) provides short term borrowing authority in anticipation of the collection of taxes and revenues.

Section 7 creates a commission to consider the economic future of the Virgin Islands. The Committee is concerned with the potential economic effect on the Virgin Islands of changes in tax and trade legislation as well as the potential for changes in investment and tourism in the Caribbean in the near future. The administration stated a general objection to the creation of any commissions although it did support the objectives of the commission. During

the last Congress, the administration suggested that the objectives could be met administratively without the need for a commission. That has not happened and the Committee has decided to recommend enactment of legislation for the commission in the expectation that it need not be funded if an alternative can be agreed upon. The Committee emphasizes that it intends a minimal expenditure for the activities of the commission, if established, and included funding for FY '97 only to permit the commission to begin work prior to the beginning of the next fiscal year. Total costs should be restrained to under $600,000 and the Committee is not inclined to consider any extension of the life of the commission.

Section 8 adopts a proposal by the administration to transfer responsibility for preparation of reports on the impacts of the Compacts of Free Association to the territories and the State of Hawaii. The amendment requires the Secretary of the Interior to provide census information. The Committee agrees that the local affected jurisdictions are in the best position to make a determination as to the actual effect of the Compacts and that the administration should provide Congress with its comments on any reports. While Hawaii is not an eligible jurisdiction for technical assistance funding generally, it will be eligible for any grant assistance provided under this amendment.

Section 9 adopts clarifying amendments to conform the interpretation of the 1980 Housing Community Development Act to the change in status of the jurisdictions of the former Trust Territory of the Pacific Islands. Other housing program criteria notwithstanding, the section 9 proviso stating that United States citizens and nationals shall have preference over freely associated states citizens is intended to mean that whenever an eligible United States citizen or national applies for housing assistance, the housing needs of that citizen or national shall be satisfied before any housing assistance is granted under an application of any person from a freely associated state.

Section 10 provides for an economic development study for American Samoa. Several Members of the Committee visited American Samoa shortly after the hearing and it appears that a serious study of economic development options is necessary. In revising the funding stream under the entitlement for the Northern Marianas last Congress, the Committee understood that significant amounts of money would be available for infrastructure needs in Samoa over the next several years. This study may help to identify areas where the funding can contribute to a local economy capable of supporting basic operations of government. At the present time, American Samoa is the only territory still dependent on annual grants for operations. The uncertainty with respect to timing and amounts that such dependence causes does not result in fiscal responsibility and the Committee believes that increased attention needs to be given to providing a sustainable economic base in Samoa.

Section 11 makes three changes in existing law dealing with the freely associated States.

Subsection (a) was requested by the administration and clarifies that the requirement to station personnel in each of the freely associated states is subject to the availability of funds. The Committee remains concerned that the Secretary of the Interior is responsible

for management of all federal assistance in Micronesia and has not stationed personnel in each of the three jurisdictions even though the Compacts were passed more than a decade ago.

Subsection (b), also requested by the administration, clarifies that the grant consolidation provisions of PL 95–134 apply to each of the freely associated states as they did to those entities under the Trusteeship.

Subsection (c) increases the limit on expenditures by Bikini for projects on Kili and Ejit from $2 million to $2.5 million per year and indexes the amount to inflation in subsequent years. The change was requested by the Bikini Counsel and the Committee agrees that the change is warranted to reflect the change in real value of the expenditures.

Cost and Budgetary Considerations

An estimate of the cost of this measure has been requested from the Congressional Budget Office, but has not been received as of the date of filing of this report. When the estimate is received, the Chairman will have it printed in the Congressional Record for the advice of the Senate. Some of the provisions, such as additional food assistance could have additional costs, although minor, if fully implemented and may simply represent a reallocation of funding rather than additional expenditures. Existing authorizations are already available for most provisions that could involve the expenditure of federal funds. Many of the provisions are administrative in nature and would not involve any additional costs. The changes to the land grant status of the Micronesian institutions would relieve those institutions of some regulatory burdens in having to act through an umbrella organization.

Regulatory Impact Evaluation

In compliance with paragraph 11(b) of rule XXVI of the Standing Rules of the Senate, the Committee makes the following evaluation of the regulatory impact which would be incurred in carrying out S. 210. The bill is not a regulatory measure in the sense of imposing Government-established standards or significant economic responsibilities on private individuals and businesses.

No personal information would be collected in administering the program. Therefore, there would be no impact on personal privacy.

Little, if any, additional paperwork would result from the enactment of S. 210, as ordered reported.

Executive Communications

At the hearing on S. 210 on February 6, 1997, the Director of the Office of Insular Affairs for the Department of the Interior presented the formal views of the Administration on the provisions of S. 210. A copy of his testimony is set forth below.

Statement of Allen P. Stayman, Director, Office of Insular Affairs, Department of the Interior

Mr. Chairman and members of the Senate Committee on Energy and Natural Resources, I am pleased to be here today to discuss

the provisions of S. 210. Additionally, I have comments on several other island issues that you may wish to consider for inclusion in the bill.

S. 210 contains eleven provisions designed to address a number of island issues.

Marshall Islands Agricultural and Food Programs

Section 1 of the bill would amend section 103(h)(2) of Public Law 99–239, dealing with the United States Department of Agriculture surplus food program in the Marshall Islands. It would authorize extension of the program for an additional five years and ensure that the program's benefits are distributed on the basis of population.

As you are aware, the United States' nuclear testing program was conducted at Enewetak and Bikini Atolls from 1946 to 1958. One of the tests significantly affected the atolls of Rongelap and Utirik, also. Because of the special responsibilities of the United States for the welfare of the peoples of the four atolls, Public Law 99–239 called for continuation of the food and agricultural programs for five years, until 1991; they were later extended through October 20, 1996. This extension, for a third five-year period, would ensure that the United States continues to provide excess commodities to the peoples of these atolls through October 20, 2001.

We discussed this re-authorization provision during the hearing last June. While the Senate took action on this Enewetak provision, the House did not. Since that time, the situation has become much more pressing. The specific authorization ceased on October 20, 1996. Food continues to be delivered only by virtue of the fiscal year 1997 appropriation.

The Administration strongly supports section 1, and early action by the Congress.

American Memorial Park

Section 2 of S. 210 would repeal subsection (f) of section 5 of Public Law 95–348.

Subsection (f) provides that the administration of, and all improvements relating to, the American Memorial Park on Saipan be transferred to the Government of the Northern Mariana Islands upon request of the Governor pursuant to the Commonwealth of the Northern Mariana Islands (CNMI) law. The Federal government has devoted considerable resources to improving the American Memorial Park. Most recently, to help celebrate the fiftieth anniversary of the end of World War II, $3 million was provided for the construction of a memorial to those Americans who gave their lives on Saipan and Tinian. This new memorial increases Federal interest in the park and underscores the need for an administrative arrangement that will ensure proper operation and maintenance of the memorial. CNMI Governor, Froilan Tenorio, deserves recognition for his support and assistance in completing the new memorial in time for fiftieth anniversary events. The Park is now administered in accordance with National Park Service (NPS) laws and regulations. But, even if the CNMI government assumed administration of the park, its administration would continue to be governed in accordance with NPS laws and regulations. The United

States National Park Service is doing an excellent job. It has established a successful working partnership with local authorities for park operations and development. I believe that the current administrative arrangement is working well and should be maintained to best ensure continued applicability of National Park Service laws and regulations, and that park development is consistent with the goals of the park. The possibility of a change in the park's current, successful administration creates uncertainty about the park's future and the extent of the Department's commitment to the park. Repeal of subsection (f) removes these uncertainties and secures the Federal commitment to the park's future.

Accordingly, the Administration supports enactment of section 2.

Territorial Land Grant Colleges—technical amendment

Section 3 is intended to give separate land grant status to the College of Micronesia's three successor colleges, the College of the Marshall Islands the College of Micronesia—FSM, and the Palau Community College. During the hearing before this committee last June, I was asked to provide draft language that would accomplish the separation desired in the freely associated states (FAS). Your bill follows the drafting service in most major respects.

Section 3 has substantial programmatic and funding implications of the United States Department of Agriculture (USDA) in its administration of land-grant programs. By virtue of the language in section 1361(c) of Public Law 96–374, the Trust Territory of the Pacific Islands received certain Smith-Lever Act and Hatch Act funds in like manner to the United States Virgin Islands and Guam. Accordingly, section 3(c) of the bill would give such funds to the Trust Territory's three successor freely associated states, but, as drafted, it would create two new recipients of funds. In order to avoid creating two new shares and disturbing the current allocation of Smith-Lever and Hatch Act funds, the Administration recommends that the Trust Territory share be divided into three equal portions. Draft legislative language dividing the Trust Territory share appears in the attachment to my written statement.

The Administration has no objection to the enactment of section 3 if it is amended as set forth in the Attachment to my written statement. The Boards of Regents of all four institutions have endorsed the separate land grant status. While the colleges are on record favoring separation, neither the colleges nor the governments of the freely associated states have considered or approved the amendment we propose. We recommend that the specific language contained in section 3 and the proposed amendment be referred to the freely associated states for consideration.

Guam lands

Section 4, in essence, would provide Guam with the right of first refusal on all Federal excess lands on Guam outside the wildlife refuge overlay of military land. Should military land within the refuge overlay become excess to military needs, that land would be transferred to Guam, another Federal agency, or a third party only by act of Congress.

The Administration approves generally of this two-track approach embodied in section (4) of the bill, with modifications.

Guam is a small island, approximately 30 miles long, seven miles wide, and 220 square miles in area. About one-third of the island, or 44,800 acres, is owned by the United States and managed by a military department. In addition to the military, the United States Fish and Wildlife Service is a major Federal land manager on Guam. It manages a 23,274 acre wildlife refuge, of which about 22,502 acres is an overlay on lands managed by the military. About 772 acres at Ritidian Point (401 acres of which are submerged) are managed by the Service for the Federal government.

It is often asserted that landowners on Guam whose lands were acquired by the United States after World War II had the understanding that their lands would be returned once such lands were no longer needed for military purposes. Such individuals usually asserted that they relied on such representations in lieu of greater efforts to receive what they believed to be adequate compensations for their property. In enacting the Guam Land Claims legislation, 48 U.S.C. 1424c, in 1977, Congress was mindful of such claims and sought to provide a remedy by affording an opportunity to seek additional compensation for the leasehold and fee takings. Settlement of these claims resulted in payments in excess of $40 million. Nevertheless, there continues to be strong community reaction when excess military lands are transferred to another Federal agency instead of to Guam. This issue continues to create tension in Federal-Guam relations.

The Congress and the Administration recognized this unique situation on Guam when, four years ago, the Federal government authorized the transfer of some 3,200 acres of former military land to Guam in Public Law 103–339. Section 4 of S. 210 would continue this general policy of returning excess Federal land, not within the 23,274 acres being used for refuge purposes, to Guam. The Congress, itself, may determine the disposition of lands that may become excess in the wildlife refuge overlay. With congressional scrutiny, consideration may be given to meeting the Federal government's habitat conservation and endangered species protection responsibilities while recognizing the concerns of Guam.

While, in general, the Administration approves of the two-track approach embodied in section 4 of S. 210, the Administration strongly believes that the following issues must be included or addressed to properly implement this two-track approach.

(1) Provide a precise definition of refuge land as follows: "The Guam National Wildlife Refuge includes those lands within the refuge overlay under the jurisdiction of the Department of Defense, identified as DOD lands in figure 3, on page 74, and as submerged lands in figure 7, on page 78 of the "Final Environmental Assessment for the Proposed Guam National Wildlife Refuge, Territory of Guam, July 1993.".

(2) Provide that, with regard to refuge lands, Guam and the Fish and Wildlife Service would be required to seek an agreement providing for the future ownership and management of refuge lands that may become excess to the needs of the military. If such an agreement were reached within 180 days after notice that the land is excess, the agreement would be implemented without action by the Congress. If, on the other hand, no agreement were reached within 180 days, there would be a report to the Congress on the

status of the discussions. If, within two years after receipt of the report delivered to the Congress, the Congress takes no action and agreement is not otherwise reached regarding the land under discussion, the land would be transferred, as it currently is, pursuant to the Federal Property and Administrative Services Act of 1949.

(3) Clarify that all transfers must comply with all applicable Federal laws, including but not limited to the Endangered Species Act (16 U.S.C. 1531, et seq.) and the National Environmental Policy Act (42 U.S.C. 4321, et seq.).

(4) Provide that if land is transferred to Guam for non-public purposes, it shall be for fair market value; and that land transferred for public purposes may be for less than fair market value (which may include up to a 100 percent discount).

(5) Provide a definition for "public purposes" based on the definition contained in section 204 of the Federal Property and Administrative Services Act of 1949, with appropriate consideration given to inclusion of a public land trust in Guam as a public purpose, provided that careful attention must be given to uses of the land and earnings by the trust.

(6) Clarify that this section shall not apply to lands that are excess as a result of the Defense Authorization Amendments and Base Closure and Realignment Act of 1988 (Public Law 100–526, the Defense Base Closure and Realignment Act of 1990 (Public Law 101–510), or similar base closure laws.

(7) Clarify that the section on Guam lands shall not apply to transfers of land among military services, and between the military services and the United States Coast Guard.

(8) Clarify that the Department of Defense may impose use restrictions on excess military land on Guam conveyed under this section.

(9) Provide that Federal agencies that are utilizing real property on Guam under the management of another Federal agency at the time the property is declared excess shall have the right of refusal with regard to such real property.

With amendments that incorporate these nine principles, the Administration would support enactment of section 4 of S. 210. Of course, the Administration expects that enactment of section 4 of S. 210 (with the amendments reflecting the above principles) would settle the matter of disposition of Federal lands on Guam, and that this subject would not be revisited in the negotiations on Commonwealth status.

Should the Committee find it helpful, we would be pleased to provide the Committee with a drafting service to address these principles.

Clarification of allotment for territories

Section 5 would give single state treatment to American Samoa and to the Northern Mariana Islands with regard to funding Office of Justice Assistance programs. At present, the two insular areas share a state-share of funding, while the other insular areas of Guam, the Virgin Islands, and Puerto Rico each receive a full state share. Section 5 would ensure that American Samoa and the Northern Mariana Islands receive the same state-like treatment as their sister territories.

The Administration supports the enactment of section 5.

Amendments to the Revised Organic Act of the Virgin Islands

Subsection (a) of section 6 of S. 210 deals with the transfer of the authority of the Governor of the Virgin Islands when the Governor is absent from the Virgin Islands. It would amend the Revised Organic Act to Construe the term "temporary absence" so as to not include the Governor's physical absence from the territory while on official government business.

When the Revised Organic Act was enacted, transportation and communications were far more limited than today. Therefore, it was necessary for a governor, when traveling, to delegate authority to the lieutenant governor. Today, however, with instant, worldwide communications, an elected official can fully execute the duties of office even while not physically present in the territory. In light of today's technology, the proposed amendment is appropriate.

The Administration supports enactment of subsection (a) of section 6.

Subsections (b) and (c) of section 6 deal with the bonding authority of the Virgin Islands when its bonds are secured by the cover over of Federal excise taxes on rum. The provisions would allow the Virgin Islands to issue parity debt, rather than priority debt. Current law gives greater protection to earlier issuances of debt over later issuances, with the result that later debt is subject to increased interest and fees. We understand that most local jurisdictions issue parity debt instruments. The bonding provisions of section 6 would place the Virgin Islands on a footing similar to other communities.

The Administration has no objection to the enactment of subsections (b) and (c) of section 6.

Commissions on the Economic Futures of the Virgin Islands and American Samoa

Section 7 and 11 of S. 210 would establish separate six-member commissions to evaluate economic options for the futures of the Virgin Islands and American Samoa. The Virgin Islands need to be prepared for possible competition in tourism and other industries in which they face competition from elsewhere in the Caribbean region. In the case of American Samoa, the concern is that, under Public Law 140–188, the ten-year phase-out of Internal Revenue Code section 936 will undermine the viability of the territory's economy, which is based on tuna canning.

The Administration supports the objective of sections 7 and 11, which is to analyze and plan for the future economic needs of the Virgin Islands and American Samoa. The thrust of Administration policy on good government is generally against the creation of new commissions, and accordingly, we cannot support these sections.

We suggest, as an alternative, that interested members of Congress, the Governors of the territories, and we sit down together to consider other viable alternative options for meeting the objectives of sections 7 and 11, and to discuss needs for financial assistance.

Public Health Service physicians

Section 8 would require the Secretary of Health and Human Services to provide assistance, without reimbursement, to the Government of the Marshall Islands for direct radiation related medical surveillance and treatment programs. The Administration believes that section 8, is premature. We will consult with the Department of Health and Human Services and the Department of Energy regarding this issue, and will report back to the Committee.

Eligibility for housing assistance

Section 9 of S. 210 would grant section 8 housing eligibility for citizens of the freely associated states living in the United States or its territories. Under the compacts of free association, citizens of the freely associated states (FAS) have the right to live and work in the United States and its territories, and may participate in those Federal programs for which they are eligible. At the inception of the compacts, and for ten years thereafter, FAS citizens in the United States participated in section 8 housing. In 1995, however, FAS citizens were declared ineligible. This ineligibility resulted from restrictions imposed on HUD's provision of assistance to aliens by section 214 of the House and Community Development Act of 1980, as amended, and as implemented by HUD's final rule, which became effective on June 19, 1995. This event solved a problem in Guam, where FAS citizens were often placed at the head of the line of those waiting for housing. Section 9 of S. 210 would grant eligibility for the section 8 housing program to FAS citizens, although they would not be given priority for housing over United States citizens in Guam or the Northern Mariana Islands.

The Administration believes this to be a fair remedy for a difficult situation, and supports enactment of section 9. The Administration will work with Committee staff on technical refinements to this section.

Consent to Hawaiian Homes Commission Act amendments

Section 10 would approve two laws of the state of Hawaii relating to the Hawaiian Homes Commission Act. Such approval is required before these Hawaii laws may take effect. Act 339 of the Session laws of Hawaii (1993) established the Hawaiian Hurricane Relief fund and authorizes the Department of Hawaiian Home Lands to obtain homeowners' insurance coverage for Hawaiian Home Lands lessees. Act 37 of the Session Laws of Hawaii (1994) allows Hawaiian Home Lands homestead lessees to designate as a successor to the lease a grandchild who is at least twenty-five percent Native Hawaiian.

The Administration recommends approval of these Hawaiian amendments and supports enactment of section 10 of S. 210.

ADDITIONAL INSULAR ISSUES

Federal Program personnel

Current law calls for the stationing of one professional staff person from the Department of the Interior in each of the freely associated states (FAS) of the Marshall Islands, the Federated States of Micronesia, and Palau. In 1995, the Department of the Interior

streamlined its structure for addressing insular issues, including the elimination of two of these three Federal program coordinator positions in the FAS. The Department plans to employ one staff person who would be stationed at the United States Embassy in the Federated States of Micronesia and travel to the Marshall Islands and Palau as needed.

The Administration supports inclusion of the attached draft provision on Federal programs personnel (see Attachment) in S. 210. It will aid in meeting our policy and staffing objectives.

Impact of the compacts reports

Currently, the Department of the Interior is charged with submitting to the Congress reports on the impacts of the compacts of free association on the United States territories and Hawaii. The territories and Hawaii generate many of the statistics upon which the report is based. Thus, the Department of the Interior relies on the islands for statistical information. Sometimes it is difficult to obtain the necessary information. Other times the territories disapprove of the positions taken by the Department. Often there are disagreements on statistical methodology. In addition, the Department has no direct responsibility with regard to Hawaiian affairs. The report procedure is contentious and inefficient.

Accordingly, we recommend making the submission of the impact of the compacts reports optional for concerned governors of the territories or the State of Hawaii, an shifting report preparation from the President to the respective governor. As potential recipients of impact funds, the territories and Hawaii are in the best position to estimate the impacts within their respective jurisdictions. The Department of the Interior would receive the reports and would forward any such reports to the Congress with the views of the Department. Under such a scenario, each party would be satisfied that its position was fairly presented, and the Congress would receive all relevant information on which to base a decision. Our proposal for draft legislation is attached.

The Administration supports inclusion in S. 210 of the draft provision improving the impact of the compacts reporting process (see Attachment).

Minimum wage in the Northern Mariana Islands

The CNMI minimum wage law has a long and involved history. In 1995, the CNMI legislature passed, and the Governor, signed a law raising the CNMI minimum wage in stages to reach the then Federal level of $4.25 per hour in the year 2000. Since then, the legislature first delayed, then canceled, the increase from $2.75 to $3.05 per hour scheduled for January 1996. Later, the legislature raised the overall minimum to $3.05, except for the foreign labor dominated garment and construction industries, which account for the bulk of those affected by minimum wage rates, who received only a 15 cent per hour raise to $2.90 per hour. All future scheduled annual increases were cancelled.

The CNMI has also embarked on a public relations campaign costing well over $1 million to promote its position.

There have been numerous articles in the CNMI press accusing the Federal government and the Department of the Interior of try-

ing to wreck the CNMI economy by imposing the Federal minimum wage. In spite of this publicity campaign, and after careful reflection and analysis of recently obtained economic data, officials in the Departments of Labor and Interior are firmly convinced that a gradual increase in the CNMI wage rate and eventual full application of the Fair Labor Standards Act would benefit the CNMI economy. In fact, application of the Federal minimum wage is essential to permit its citizens to enjoy the American standard of living, which was the goal of the Covenant.

With the phenomenal economic growth of the 1980's, the CNMI was well on its way to meeting that goal. Mean household income, measured by the census, increased from $22,341 in 1979 (1980 census data) to $34,713 in 1989 (1990 census). Then, a funny thing happened on the way to prosperity. Mean household income declined to $30,301 in 1994. At the same time, many social and economic problems continued to grow: tap water quality worsened, beaches became polluted, dump fires got out of control, and crime rates rose, including publicized and unsolved cases of murder and rape.

Coincidentally, all of these problems worsened while other economic growth indicators continued to expand dramatically. Tourist arrivals increased over 50 percent, from 438,454 in 1990 to 676,161 in 1996; garment exports increased from $163 million to $419 million in the same period; and government revenue went up 70 percent from $111 million to $190 million.

There are two classical arguments against raising minimum wages: that an increase in wages increases unemployment and that it makes industries less competitive. These arguments have nothing, absolutely nothing, to do with the CNMI economy today. The CNMI has a dual economy and a dual society. Wages below the United States minimum wage are paid almost exclusively to nonresident alien workers, who constitute most of the private sector work force. Nearly all local residents earn more than the Federal minimum wage, most working for the government.

In 1995, according to the census of that year, 3,347 of the 6,006 employed persons born in the CNMI were employed by government; 24,254 of the 24,840 Asia-born workers were employed in the private sector. The apparel industry employed, 6,710 of these Asian workers, 5,560 of whom were from mainland China. (Employment of Chinese in the apparel industry has increased substantially since the 1995 census.) Census data also reveal an anomaly regarding unemployment; although overall unemployment in the CNMI was 7.1 percent, the rate among the native population was double that at 14.2 percent, while the unemployment rate among the 27,779 Asian born workers was 4.5 percent. Clearly, workers are being imported to take jobs that would otherwise go to local residents. Even some alien workers are unemployed—including 7.9 percent of Chinese workers.

Instead of causing unemployment, an increase in the minimum wage would open up job opportunities for local residents, who now have little incentive to work in the private sector. Employers could reduce their recruiting of alien workers, even sending some of them home, thus lowering the stress on infrastructure and government services. Meanwhile, those alien workers who remain would earn

more, spend more in the local economy, and pay more taxes to the local government.

What of the claim from some quarters that raising the minimum wage would make the CNMI industries of tourism and garment manufacturing less competitive and less viable? The CNMI's tourist industry in virtually a carbon copy of the Guam tourist industry, with the same market the same attractions and even the same hotel chains, ownership and management. The difference is that Guam is subject to the federal minimum wage and federal immigration control, while the CNMI has greater access to low-wage alien workers and thus has more incentive to employ them in preference to local residents. When the CNMI tourism industry was new and under development, there was an argument for a competitive advantage over Guam, but that time is now past and, most significantly, the industry itself does not oppose a higher minimum wage.

The garment industry, on the other hand, has been the most vociferous, in fact the only, opponent to the application of the Federal minimum wage. That industry has pressed the view that CNMI-assembled garments could not compete with those from low-wage Asian countries or Mexico, if wages were increased. CNMI garments do not compete with Asian garments simply because all major Asian producers are constrained by quotas; without the quotas, there would be no CNMI garment industry. CNMI garments, which carry the "made in the USA" label, compete directly with other garments made in the 50 states but the CNMI garments are produced with duty-free foreign materials, and foreign labor that is almost entirely from mainland China.

Each time the CNMI minimum wage has been increased, the CNMI garment industry has increased, not decreased, sales. In 1995, when the CNMI made licenses available to new garment companies, it was deluged with applications, all made on the assumption of annual minimum wage increases up to the $4.25 per hour, as required by the local CNMI wage law at that time, but later repealed.

At present, the CNMI garment industry contributes little to the CNMI economy beyond a 3.5 percent "use tax". The industry is exempt from gross receipt taxes and receives a rebate of more than half of its income tax payments. There is concern that the industry may be a net drain on the economy. By paying higher wages to its workers, the garment industry could become a benefit to the CNMI and its people.

While we continue to have many concerns about labor, immigration, and law enforcement issues in the CNMI, we consider full application of the Fair Labor Standards Act to be a significant step in dealing with these problems. It would increase private sector employment opportunities for U.S. citizens; increase incomes, spending, and revenues; and it would decrease the need for imported workers, particularly in the lowest paid occupations most vulnerable to abuse. Let me make it clear that we have no illusions that United States citizens would fill many sewing jobs in garment plants or that enough local residents would be available to serve the growing tourist industry. The CNMI will be dependent on alien guest workers for many years to come. Our proposal is designed to

open up the better private sector jobs to local residents, to curb abuses among the lower paid foreign workers, and to turn the alien workers into a positive influence on the economy.

Mr. Chairman, when you and Senator Akaka visited the CNMI last year, you saw and heard many of the problems facing the CNMI. For two years, the Administration has been reporting to the Congress on the status of the joint efforts by the CNMI and Federal agencies to resolve the range of labor, immigration and law enforcement problems occurring in the CNMI. On two previous occasions before this committee during the past two years, I have presented the Administration's recommendation that the CNMI minimum wage be set on a course that eventually will reach the Federal minimum wage. In 1996, I stated that Administration's recommendation, which was "that the Congress finalize enactment of * * * the minimum wage in Federal law including the annual 30-cent increases in the minimum contained (until very recently) in CNMI law." In 1995, in presenting the Administration's minimum wage recommendation, I said, "The proposed legislation is crucial to resolution of CNMI immigration and labor problems in the long-term."

As you may recall, at last year's hearing, you agreed to postpone action on minimum wage pending receipt of the CNMI's report on wage rates. The study was to have been completed by January 1997. January has come and gone, without a study. The Administration believes that now is the proper time to act on minimum wage.

The Administration supports the attached minimum wage legislation (see Attachment) and applauds last year's effort by the Senate to take this important step.

Mr. Chairman, we commend your efforts and those of Senator Akaka and other on the Committee in seeking solutions to island problems. I look forward to continuing our cooperative working relationship.

[Attachment]

DRAFT LEGISLATION—RECOMMEND FOR INCLUSION IN S. 210

Territorial land grant colleges—technical amendment

In subsection (c) section 3 of S. 210—insert "(1)" after "(c)", and insert at the end the following language:

"(2) The proportion of any allocation of funds to the Trust Territory of the Pacific Islands under any Act in accordance with section 1361(c) of Public Law 96–374 prior to the enactment of this Act shall hereafter remain the same with the amount of such funds divided equally among the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau.".

Sec. . Federal programs personnel

Section 108 of Public Law 101–219 is amended by—

(1) striking the words "at least one professional staff person in each", and

(2) inserting the words "in the freely associated states one professional staff person to serve in".

Sec. . Submission of impact of the compact reports by Governors

Paragraph (2) of subsection (e) of section 104 of Public Law 99–239 is amended by—

(1) striking the words in the first sentence that begin with the word "President" through and including the period, and

(2) inserting the words "Governor of the United States territory, commonwealth or the State of Hawaii may report to the Secretary of the Interior by February 1 of each year, with respect to the impacts of the compacts of free association on the Governor's respective jurisdiction. The Secretary of the Interior shall review and forward any such reports to the Congress with the comments of the Administration.".

Sec. . Federal minimum wage

Effective thirty days after enactment of this Act, the minimum wage provisions of section 6 of the Fair Labor Standards Act of June 25, 1938 (52 Stat. 1062), as amended, shall apply to the Commonwealth of the Northern Mariana Islands, except:

(1) effective thirty days after enactment of this Act, the minimum wage rate applicable to the Commonwealth of the Northern Mariana Islands shall be $3.05 per hour;

(2) effective January 1, 1998 and every January 1 thereafter, the minimum wage rate shall be raised by thirty cents per hour or the amount necessary to raise the minimum wage rate to the wage rate set forth in section 6(a)(1) of the Fair Labor Standards Act, whichever is less; and

(3) once the minimum wage rate is equal to the wage rate set forth in section 6(a)(1) of the Fair Labor Standards Act, the minimum wage rate applicable to the Commonwealth of the Northern Mariana Islands shall thereafter be the wage rate set forth in section 6(a)(1) of the Fair Labor Standards Act.

CHANGES IN EXISTING LAW

In compliance with paragraph 12 of rule XXVI of the Standing Rules of the Senate, changes in existing law made by the bill S. 210, as ordered reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

[Public Law 99–239, 99th Congress]

JOINT RESOLUTION To approve the "Compact of Free Association", and for other purposes.

* * * * * * *

SEC. 103. AGREEMENTS WITH AND OTHER PROVISIONS RELATED TO THE MARSHALL ISLANDS.

* * * * * * *

(h) DOE RADIOLOGICAL HEALTH CARE PROGRAM; USDA AGRICULTURAL AND FOOD PROGRAMS.—

(1) MARSHALL ISLANDS PROGRAM.—Notwithstanding any other provision of law, upon the request of the Government of the Marshall Islands, the President (either through an appro-

priate department or agency of the United States or by contract with a United States firm) shall continue to provide special medical care and logistical support thereto for the remaining 174 members of the population of Rongelap and Utrik who were exposed to radiation resulting from the 1954 United States thermonuclear "Bravo" test, pursuant to Public Laws 95–134 and 96–206. Such medical care and its accompanying logistical support shall total $22,500,000 over the first 11 years of the Compact.

(2) AGRICULTURAL AND FOOD PROGRAMS.—Notwithstanding any other provision of law, upon the request of the Government of the Marshall Islands, for the first [ten] *fifteen* years after the effective date of the Compact, the President (either through an appropriate department or agency of the United States or by contract with a United States firm) shall provide technical and other assistance—

(A) without reimbursement, to continue the planting and agricultural maintenance program on Enewetak;

(B) without reimbursement, to continue the food programs of the Bikini and Enewetak people described in section 1(d) of Article II of the Subsidiary Agreement for the Implementation of Section 177 of the Compact and for continued waterborne transportation of agricultural products to Enewetak including operations and maintenance of the vessel used for such purposes. *The President shall ensure that the amount of commodities provided under these programs reflects the changes in the population that have occurred since the effective date of the Compact.*

(3) PAYMENTS.—Payments under this subsection shall be provided to such extent or in such amounts as are necessary for services and other assistance provided pursuant to this subsection. It is the sense of Congress that after the periods of time specified in paragraphs (1) and (2) of this subsection, consideration will be given to such additional funding for these programs as may be necessary.

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SEC. 104. INTERPRETATION OF AND UNITED STATES POLICY REGARDING COMPACT OF FREE ASSOCIATION.

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(e) IMPACT OF COMPACT ON U.S. AREAS.—

(1) STATEMENT OF CONGRESSIONAL INTENT.—In approving the Compact, it is not the intent of the Congress to cause any adverse consequences for the United States territories and commonwealths or the State of Hawaii.

(2) ANNUAL REPORTS AND RECOMMENDATIONS.—One year after the date of enactment of this joint resolution and at one year intervals thereafter, the [President shall report to the Congress with respect to the impact of the Compact on the United States territories and commonwealths and on the State of Hawaii.] *Governor of any of the United States territories or commonwealths or the State of Hawaii may report to the Secretary of the Interior by February 1 of each year with respect to the impacts of the compacts of free association on the Gov-*

ernor's respective jurisdiction. The Secretary of the Interior shall review and forward any such reports to the Congress with the comments of the Administration. The Secretary of the Interior shall, either directly or, subject to available technical assistance funds, through a grant to the affected jurisdiction, provide for a census of Micronesians at intervals no greater than five years from each decenial United States census using generally acceptable statistical methodologies for each of the impact jurisdictions where the Governor requests such assistance, except that the total expenditures to carry out this sentence may not exceed $300,000 in any year.

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[Public Law—Chapter 512]—Aug. 1, 1950]

AN ACT To provide a civil government for Guam, and for other purposes.

* * * * * * *

SEC. 8. (a) In case of the temporary disability or temporary absence of the Governor, the Lieutenant Governor shall have the powers of the Governor.

* * * * * * *

(e) An absence from Guam of the Governor or the Lieutenant Governor, while on official business, shall not be a 'temporary absence' for the purposes of this section.

* * * * * * *

[Public Law 92–318]

AN ACT To amend the Higher Education Act of 1965, the Vocational Education Act of 1963, the General Education Provisions Act (creating a National Foundation for Postsecondary Education and a National Institute of Education), the Elementary and Secondary Education Act of 1965, Public Law 874, Eighty-first Congress, and related Acts, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Education Amendments of 1972".

* * * * * * *

SEC. 506. (a) The College of Virgin Islands, the Community College of American Samoa, [the College of Micronesia,] *the College of the Marshall Islands, the College of Micronesia-FSM, the Palau Community College,* the Northern Marianas College, and the University of Guam shall be considered land-grant colleges established for the benefit of agriculture and mechanic arts in accordance with the provisions of the Act of July 2, 1862, as amended * * *

* * * * * * *

[Public Law 96–374, 96th Congress]

AN ACT To amend and extend the Higher Education Act of 1965, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Education Amendments of 1980".

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PART G—NEW LAND GRANT COLLEGES

AMERICAN SAMOA AND MICRONESIA LAND GRANT COLLEGES

SEC. 1361. (a) Section 506 of the Education Amendments of 1972 is amended—

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(c) Any provisions of any Act of Congress relating to the operation of or provisions of assistance to a land grant college in Virgin Islands or Guam shall apply to the land grant college in American Samoa, the Northern Mariana Islands, [and the Trust Territory of the Pacific Islands (other than the Northern Mariana Islands)] *the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau* in the same manner and to the same extent.

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[Public Law 90–351]

AN ACT To assist State and local governments in reducing the incidence of crime, to increase the effectiveness, fairness, and coordination of law enforcement and criminal justice systems at all levels of government, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Omnibus Crime Control and Safe Streets Act of 1968".

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PART I—DEFINITIONS

DEFINITIONS

SEC. 901. (a) As used in this title—

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[(2) "State" means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, American Samoa, Guam, and the Northern Mariana Islands: *Provided,* That for the purpose of section 3756(a) of this title, American Samoa and the Commonwealth of the Northern Mariana Islands shall be considered as one state [1] and that for these purposes 67 per centum of the amounts allocated shall be allocated to American Samoa, and 33 per centum to the Commonwealth of the Northern Mariana Islands.]

(2) "State" means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, American Samoa, Guam, and the Commonwealth of the Northern Mariana Islands;

[Public Law 517, Chapter 558]

AN ACT To revise the Organic Act of the Virgin Islands of the United States.

Be enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Revised Organic Act of the Virgin Islands".

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SEC. 14. (a) In case of the temporary disability or temporary absence of the Governor, the Lieutenant Governor shall have the powers of the Governor.

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(g) An absence from the Virgin Islands of the Governor or the Lieutenant Governor, while on official business, shall not be a 'temporary absence' for purposes of this section.

[Public Law 94–392, 94th Congress]

AN ACT To authorize the government of the Virgin Islands to issue bonds in anticipation of revenue receipts and to authorize the guarantee of such bonds by the United States under specified conditions, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) in addition to the authority conferred by section 8(b) of the Revised Organic Act of the Virgin Islands (48 U.S.C. 1574(b)), the legislature of the government of the Virgin Islands is authorized to cause to be issued bonds or other obligations of such government in anticipation of revenues to be received under section 28(b) of such Act (26 U.S.C. 7652). The proceeds of such bonds or other obligations may be used for any purpose authorized by an act of the legislature. The legislature of the government of the Virgin Islands may initiate, by majority vote of the members, a binding referendum vote to approve or disapprove the amount of any such bond or other obligation and/or any purpose for which such bond or other obligation is authorized.

(b) The legislature of the government of the Virgin Islands may provide, in connection with any issue of bonds or other obligations authorized to be issued under subsection (a) the proceeds of which are to be used for public works or other capital projects, that a guarantee of such bonds or obligations by the United States should be applied for under section 2 of this Act.

(c) Except to the extent inconsistent with the provisions of this Act, the provisions of section 8(b)(ii) of the Revised Organic Act of the Virgin Islands (other than the limitation contained in the proviso to the first sentence of subparagraph (A) shall apply to bonds and other obligations authorized to be issued under subsection (a).

(d) The legislature of the government of the Virgin Islands may cause to be issued notes in anticipation of the collection of the taxes

and revenues for the current fiscal year. Such notes shall mature and be paid within one year from the date they are issued. No extension of such notes shall by valid and no additional notes shall be issued under this section until all notes issued during a preceeding year shall have been paid.

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SEC. 3. Each issue of bonds or other obligations issued under sub-section (a) of the first section of this Act shall have **[**priority for payment**]** *A parity lien with every other issue of bonds or other obligations issued for payment* of principal and interest out of revenues received under section 28(b) of the Revised Organic Act of the Virgin Islands [in the order of the date of issue], except that issues guaranteed under section 2 shall have priority, according to the date of issue, over issues not so guaranteed and the revenues received under section 28(b) of the Revised Organic Act of the Virgin Islands shall be pledged for the payment of such bonds or other obligations.

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[Public Law 96–399, 96th Congress]

AN ACT To amend and extend certain Federal laws relating to housing, community and neighborhood development and preservation, and related programs, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assemble, That this Act may bee cited as the "Housing and Community development Act of 1980".

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RESTRICTION ON USE OF ASSISTED HOUSING

SEC. 214. (a) Notwithstanding any other provision of law, the applicable Secretary may not make financial assistance available for the benefit of any alien unless that alien is a resident of the United States and is—

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(5) an alien who is lawfully present in the United States as a result of the Attorney General's withholding deportation pursuant to section 241(b)(3) of the Immigration and Nationality Act (8 U.S.C. 1253(h)); **[**or**]**

(6) an alien lawfully admitted for temporary or permanent residence under section 245A of the Immigration and Nationality Act**[**.**]***; or*

(7) an alien who is lawfully resident in the United States and its territories and possessions under section 141 of the Compacts of Free Association between the Government of the United States and the Governments of the Marshall Islands, the Federated States of Micronesia (48 U.S.C. 1901 note) and Palau (48 U.S.C. 1931 note) while the applicable section is in effect: Provided, That, within Guam and the Commonwealth of the Northern Mariana Islands any such alien shall not be entitled

to a preference in receiving assistance under this Act over any United States citizen or national resident therein who is otherwise eligible for such assistance.

[Public Law 101–219, 101st Congress]

JOINT RESOLUTION To authorize entry into force of the Compact of Free Association between the United States and the Government of Palau, and for other purposes.

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SEC. 108. FEDERAL PROGRAMS COORDINATION PERSONNEL.

The Secretary of the Interior [shall station] *shall, subject to appropriations, station* at least one professional staff person in each of the Offices of the United States Representatives in the Republic of Palau, the Federated States of Micronesia, and the Republic of the Marshall Islands to provide Federal program coordination and technical assistance to such governments as authorized under Public Laws 99–239 and 99–658. In meeting the purposes of this section the Secretary shall select qualified persons following consultations with the Interagency Group on Freely Associated State Affairs.

[Public Law 95–134, 95th Congress]

AN ACT To authorize certain appropriations for the territories of the United States, to amend certain Acts relating thereto, and for other purposes.

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TITLE V

SEC. 501. In order to minimize the burden caused by existing application and reporting procedures for certain grant-in-aid programs available to the Virgin Islands, Guam, American Samoa, [the Trust Territory of the Pacific Islands,] *the Republic of the Marshall Islands, the Federated States of Micronesia, the Republic of Palau,* and the Government of the Northern Mariana Islands (hereafter referred to as "Insular Areas") it is hereby declared to be the policy of the Congress that:

(a) Nothwithstanding any provision of law to the contrary, any department or agency of the Government of the United States which administers any Act of Congress which specifically provides for making grants to any Insular Area under which payments received may be used by such Insular Area only for certain specified purposes (other than direct payments to classes of individuals) may, acting through appropriate administrative authorities of such department or agency, consolidate any or all grants made to such area for any fiscal year or years.

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[Public Law 100–446, 100th Congress]

AN ACT Making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1989, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the Department of the Interior and related agencies for the fiscal year ending September 30, 1989, and for other purposes, namely:

TITLE I—DEPARTMENT OF THE INTERIOR

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COMPACT OF FREE ASSOCIATION

For economic assistance and necessary expenses for the Federated States of Micronesia and the Republic of the Marshall Islands as provided for in sections 122, 221, 223, 232, and 233 of the Compact of Free Association, $32,360,000, including $2,500,000 for the Enjebi Community Trust Fund, to remain available until expended as authorized by Public Law 99–239; *Provided,* That notwithstanding the provisions of Public Laws 99–500 and 99–591, the effective date of the Palau Compact for purposes of economic assistance pursuant to the Palau Compact of Free Association, Public Law 99–658, shall be the effective date of the Palau Compact as determined pursuant to section 101(d) of Public Law 99–658: *Provided further,* That in full satisfaction of the obligation of the Untied States to provide funds to assist in the resettlement and rehabilitation of Bikini Atoll by the People of Bikini, to which the full faith and credit of the United States is pledged pursuant to section 103(l) of Public Law 99–239, the United States shall deposit $90,000,000 into the Resettlement Trust Fund for the People of Bikini established pursuant to Public Law 97–257, and governed pursuant to terms of such trust instrument, such deposit to be installments of $5,000,000 on October 1, 1988; $22,000,000 on October 1, 1989; $21,000,000 on October 1, 1990; $21,000,000 on October 1, 1991; and $21,000,000 on October 1, 1992: *Provided further,* That the terms of such Resettlement Trust Fund are hereby modified to provide that corpus and income may be expended for rehabilitation and resettlement of Bikini Atoll, except that the Secretary may approve expenditures not to exceed ❲$2,000,000 in any year from income for projects in Kili or Ejit:❳ *$2,500,000 in any year from income for projects on Kili or Ejit: Provided further, That commencing on October 1, 1998 and every year thereafter, this dollar amount shall be changed to reflect any fluctuation occurring during the previous twelve months in the Consumer Price Index, as determined by the Secretary of labor: Provided further,* That one year prior to completion of the rehabilitation and resettlement program, the Secretary of the Interior shall report to Congress on future funding needs on Bikini Atoll. Unless otherwise determined by Congress, following completion of the rehabilitation and resettlement program, funds remaining in the Resettlement Trust Fund in excess of the amount identified by the Secretary as required for future funding needs shall be deposited in the United States Treasury as

miscellaneous receipts. Upon completion of those needs, the Resettlement Trust Fund shall be extinguished and all remaining funds shall be deposited in the United States Treasury as miscellaneous receipts. The payment and use of funds in accordance herewith is for the sole purpose of implementing and fulfilling the terms of the Section 177 Agreement referred to in section 462(d) of the Compact of Free Association between the United States and the Republic of the Marshall Islands, including Article VI, section 1, and Articles X and XII, thereof. Payments pursuant hereto shall be made only upon: One, voluntary dismissal with prejudice of Juda et al. v. the United States, No. 88–1206 (Fed. Cir.); and two, submission of written notice to the Untied States and the Republic of the Marshall Islands, executed by duly-authorized representatives acting on their behalf, that the People of Bikini accept the obligations and undertaking of the United States to make the payments prescribed by this Act, together with the other payments, rights, entitlements and benefits provided for under the Section 177 Agreement, as full satisfaction of all claims of the People of Bikini related in any way to the United States nuclear testing program in accordance with the terms of the Section 177 Agreement.

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