

110TH CONGRESS  
1ST SESSION

# S. 2232

To direct the Secretary of Commerce to establish a demonstration program to adapt the lessons of providing foreign aid to underdeveloped economies to the provision of Federal economic development assistance to certain similarly situated individuals, and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

OCTOBER 25, 2007

Mr. STEVENS (for himself, Mr. INOUE, Ms. MURKOWSKI, and Mr. AKAKA) introduced the following bill; which was read twice and referred to the Committee on Indian Affairs

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## A BILL

To direct the Secretary of Commerce to establish a demonstration program to adapt the lessons of providing foreign aid to underdeveloped economies to the provision of Federal economic development assistance to certain similarly situated individuals, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Foreign Aid Lessons  
5       for Domestic Economic Assistance Act of 2007”.

6       **SEC. 2. PURPOSES.**

7       The purposes of this Act are—

1           (1) to adapt the lessons of foreign aid to under-  
2       developed economies, such as the experience of the  
3       Millennium Challenge Corporation, to the provision  
4       of Federal economic development assistance to simi-  
5       larly situated remote Native American communities;

6           (2) to provide Federal economic development  
7       assistance for Native American communities through  
8       the Native American Challenge Demonstration  
9       Project;

10          (3) to administer Federal economic development  
11       assistance in a manner that—

12               (A) promotes economic growth and the  
13       elimination of poverty;

14               (B) strengthens good governance, entrepre-  
15       neurship, and investment in Native American  
16       communities; and

17               (C) builds the capacity of Native people to  
18       deal with rapid change and uncertainty due to  
19       climate change;

20          (4) to improve the effectiveness of Federal eco-  
21       nomic development assistance by encouraging the in-  
22       tegration and coordination of the assistance in Na-  
23       tive American communities;

24          (5) to promote sustainable economic growth and  
25       poverty reduction policies in Native American com-

1 communities in a manner that promotes self-determina-  
2 tion and self-sufficiency among remote Native Amer-  
3 ican communities while preserving the cultural val-  
4 ues of those communities; and

5 (6) to establish a demonstration project that, if  
6 successful, may be broadly applied to other Native  
7 American communities in the United States.

8 **SEC. 3. DEFINITIONS.**

9 In this Act:

10 (1) COMPACT.—The term “compact” means a  
11 binding agreement with the United States entered  
12 into pursuant to this Act.

13 (2) ECONOMIC DEVELOPMENT STRATEGY.—The  
14 term “economic development strategy” means a  
15 strategy—

16 (A) written by an eligible entity and de-  
17 signed to achieve sustainable economic growth  
18 and reduce poverty over a defined period; and

19 (B) developed in consultation with public  
20 and private sector entities, as appropriate to  
21 the geographic area and intended beneficiaries  
22 of the compact.

23 (3) ELIGIBLE ENTITY.—The term “eligible en-  
24 tity” means—

1 (A) in the State of Alaska, a consortium of  
2 not more than 2 regional Alaska Native non-  
3 profit organizations, to be determined by the  
4 Secretary, in consultation with the Secretary of  
5 the Interior and the Alaska Federation of Na-  
6 tives, with priority given to organizations serv-  
7 ing regions with high poverty levels;

8 (B) in the State of Hawaii, a consortia of  
9 local Native Hawaiian community organiza-  
10 tions, to be determined by the Secretary, in  
11 consultation with the Secretary of the Interior  
12 and the Office of Hawaiian Affairs; and

13 (C) in the 48 contiguous States, not more  
14 than 3 organizations, to be determined by the  
15 Secretary, in consultation with the Secretary of  
16 the Interior, which may be Indian tribes, con-  
17 sortia of Indian tribes, or nongovernmental en-  
18 tities authorized by 1 or more Indian tribes.

19 (4) INDIAN TRIBE.—The term “Indian tribe”  
20 has the meaning given the term in section 4 of the  
21 Indian Self-Determination and Education Assistance  
22 Act (25 U.S.C. 450b).

23 (5) SECRETARY.—The term “Secretary” means  
24 the Secretary of Commerce.

1 **SEC. 4. MILLENNIUM CHALLENGE DEMONSTRATION**  
2 **PROJECT.**

3 (a) **ESTABLISHMENT.**—The Secretary shall establish  
4 and implement in the Department of Commerce a dem-  
5 onstration project, to be known as the “Native American  
6 Millennium Challenge Demonstration Project” (referred  
7 to in this section as the “demonstration project”).

8 (b) **AUTHORIZATION OF ASSISTANCE.**—In carrying  
9 out the demonstration project, the Secretary may provide  
10 assistance to any eligible entity that enters into a compact  
11 with the United States pursuant to this Act.

12 (c) **FORM OF ASSISTANCE.**—Assistance under the  
13 demonstration project—

14 (1) shall be provided in the form of funding  
15 agreements established under the applicable com-  
16 pact;

17 (2) may not be provided in the form of loans;  
18 and

19 (3) may not be used for gaming activities cov-  
20 ered by the Indian Gaming Regulatory Act (25  
21 U.S.C. 2701 et seq.).

22 (d) **COORDINATION.**—

23 (1) **IN GENERAL.**—The provision of assistance  
24 under the demonstration project shall be coordi-  
25 nated, to the maximum extent practicable, with  
26 other Federal economic development assistance pro-

grams for Native Americans carried out by the Federal agencies and departments described in paragraph (2).

(2) AGENCIES AND DEPARTMENTS.—The Federal agencies and departments referred to in paragraph (1) are—

(A) the Department of Agriculture;

(B) the Department of Commerce;

(C) the Department of Energy;

(D) the Department of Health and Human Services;

(E) the Department of Housing and Urban Development;

(F) the Department of the Interior;

(G) the Small Business Administration;

and

(H) such other Federal agencies and instrumentalities as the Secretary determines to be appropriate.

(3) INTEGRATED FUNDING.—On execution of a compact with an eligible entity, the Secretary, in cooperation with other Secretaries as appropriate, shall authorize the eligible entity to coordinate the federally funded economic development assistance programs provided for the area served by the eligible

1       entity in a manner that integrates the program serv-  
2       ices into a single, coordinated program.

3       (e) PROGRAMS AFFECTED.—The programs that may  
4       be integrated under the demonstration project include any  
5       program under which an Indian tribe is eligible for receipt  
6       of funds under a statutory or administrative formula for  
7       economic development purposes.

8       (f) WAIVER AUTHORITY.—On receipt of an executed  
9       compact, the Secretary shall consult with the eligible enti-  
10      ty that is a party to the compact and the Secretary of  
11      each Federal agency or department that provides funds  
12      to be used to implement the compact to identify any waiv-  
13      er of statutory requirements or applicable regulations,  
14      policies, or procedures necessary to enable the eligible enti-  
15      ty to implement the compact.

16   **SEC. 5. CHALLENGE COMPACTS.**

17      (a) COMPACTS.—

18           (1) IN GENERAL.—The Secretary shall develop  
19           and recommend procedures for consideration of pro-  
20           posals for compacts submitted by eligible entities.

21           (2) ASSISTANCE.—The Secretary may provide  
22           assistance to an eligible entity only if the eligible en-  
23           tity enters into a compact with the United States, to  
24           be known as a “Native American Challenge Com-  
25           pact”, that establishes a multiyear plan for achieving

1 development objectives in furtherance of the pur-  
2 poses of this Act.

3 (b) APPLICATIONS.—The Secretary shall develop and  
4 recommend procedures for considering applications for  
5 compacts submitted by eligible entities.

6 (c) CRITERIA FOR SELECTION OF ELIGIBLE ENTI-  
7 TIES.—The Secretary shall develop an application process  
8 and criteria for selecting eligible entities to enter into com-  
9 pacts under this Act, taking into consideration—

10 (1) the purposes of this Act;

11 (2) the economic development strategy of the el-  
12 igible entity;

13 (3) the remoteness of the reservation or com-  
14 munity to be served by the eligible entity;

15 (4) the general economic status of the eligible  
16 entity;

17 (5) poverty rates; and

18 (6) the service capacity of the eligible entity.

19 (d) ASSISTANCE FOR DEVELOPMENT OF COM-  
20 PACTS.—To the extent that funds are appropriated in ad-  
21 vance to carry out this section, the Secretary may enter  
22 into contracts with, or make grants to, any eligible entity  
23 for the purposes of facilitating the development and imple-  
24 mentation of a compact between the United States and  
25 the eligible entity.



1 (e) DURATION AND EXTENSION.—

2 (1) DURATION.—The term of an initial compact  
3 under this section shall not exceed 5 years.

4 (2) SUBSEQUENT COMPACTS.—An eligible enti-  
5 ty and the United States may enter into 1 or more  
6 subsequent compacts in accordance with this Act.

7 (3) EXTENSIONS.—If a compact is approaching  
8 expiration or has expired, the eligible entity that is  
9 a party to the compact and the United States may  
10 renegotiate or extend the compact for such number  
11 of terms as the parties may agree, with each term  
12 not to exceed 10 years.

13 (f) ELEMENTS.—In furtherance of the economic de-  
14 velopment strategy of the applicable eligible entity, each  
15 compact shall contain—

16 (1) a description of the specific objectives for  
17 the sustainable economic development and reduction  
18 of poverty that the eligible entity and the United  
19 States expect to achieve during the term of the com-  
20 pact;

21 (2) a description of the respective roles and re-  
22 sponsibilities of the eligible entity and the United  
23 States in the achievement of those objectives;

1           (3) a list and description of regular benchmarks  
 2           to measure progress toward achieving those objec-  
 3           tives;

4           (4) an identification of the intended bene-  
 5           ficiaries, disaggregated by income level, gender, and  
 6           age, to the maximum extent practicable; and

7           (5) a multiyear financial plan to guide the im-  
 8           plementation of the compact, including the estimated  
 9           level of funding and other contributions by the  
 10          United States and the eligible entity, proposed  
 11          mechanisms to execute the plan, and periodic assess-  
 12          ments to determine whether the requirements of  
 13          paragraphs (1) through (4) are being met.

14          (g) SUSPENSION AND TERMINATION OF ASSIST-  
 15          ANCE.—

16               (1) IN GENERAL.—The Secretary may suspend  
 17               or terminate assistance, in whole or in part, for an  
 18               eligible entity that has entered into a compact with  
 19               the United States if the Secretary determines that—

20                       (A) the eligible entity has failed to meet  
 21                       the responsibilities of the eligible entity under  
 22                       the compact; or

23                       (B) the eligible entity has engaged in a  
 24                       pattern of actions that is inconsistent with the  
 25                       purposes of this Act.

1           (2) REINSTATEMENT.—The Secretary may re-  
2       instate assistance for an eligible entity only if the  
3       Secretary determines that the eligible entity has  
4       demonstrated a commitment to correcting each con-  
5       dition for which assistance was suspended or termi-  
6       nated under paragraph (1).

7   **SEC. 6. PROGRAM ASSESSMENTS AND REPORTS.**

8       (a) REPORTS OF ELIGIBLE ENTITIES.—Not later  
9       than March 15, 2008, and annually thereafter, each eligi-  
10      ble entity shall prepare and submit to the Secretary a writ-  
11      ten report describing the assistance provided to the eligible  
12      entity under this Act during the preceding fiscal year.

13      (b) REPORT CONTENTS.—A report required under  
14      subsection (a) shall include—

15           (1) a description of the amount of obligations  
16           and expenditures for assistance provided during the  
17           preceding fiscal year;

18           (2) a description of the programs and activities  
19           conducted by the eligible entity in furtherance of the  
20           economic development strategy of the eligible entity  
21           and the purposes of this Act;

22           (3) an assessment of the effectiveness of the as-  
23           sistance provided and progress made by the eligible  
24           entity toward achieving the economic development

1 strategy of the eligible entity and the purposes of  
2 this Act; and

3 (4) such other information as the eligible entity  
4 considers to be relevant, taking into consideration  
5 the purposes of this Act.

6 (c) SUBMISSION TO CONGRESS.—Not later than May  
7 15, 2008, and annually thereafter, the Secretary shall sub-  
8 mit the reports required under subsection (a), with such  
9 other information as the Secretary considers to be rel-  
10 evant, to—

11 (1) the Committees on Energy and Commerce  
12 and Natural Resources of the House of Representa-  
13 tives; and

14 (2) the Committees on Indian Affairs, Com-  
15 merce, Science, and Transportation, and Energy and  
16 Natural Resources of the Senate.

17 **SEC. 7. AUTHORIZATION OF APPROPRIATIONS.**

18 (a) AUTHORIZATION.—

19 (1) IN GENERAL.—There is authorized to be  
20 appropriated to carry out this Act \$20,000,000 for  
21 each of fiscal years 2008 through 2012, to remain  
22 available until expended.

23 (2) UNAPPROPRIATED AMOUNTS.—Any funds  
24 authorized but not appropriated for any fiscal year  
25 under paragraph (1) may be appropriated for a sub-

1       sequent fiscal year, subject to the condition that the  
2       cumulative amount authorized to be appropriated for  
3       any of fiscal years 2008 through 2012 shall not ex-  
4       ceed \$100,000,000.

5       (b) ADMINISTRATIVE FUNDS.—Of the funds made  
6       available to carry out this Act, not more than 5 percent  
7       may be used by the Secretary for the administrative ex-  
8       penses of carrying out this and oversight of programs  
9       under this Act.

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