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107TH CONGRESS, 2d Session } HOUSE OF REPRESENTATIVES { REPORT 107–741

INCREASING THE WAIVER REQUIREMENT FOR CERTAIN LOCAL MATCHING REQUIREMENTS FOR GRANTS PROVIDED TO AMERICAN SAMOA, GUAM, THE VIRGIN ISLANDS, OR THE COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS, AND FOR OTHER PURPOSES

OCTOBER 11, 2002.—Ordered to be printed

Mr. HANSEN, from the Committee on Resources, submitted the following

REPORT

[To accompany H.R. 2826]

The Committee on Resources, to whom was referred the bill (H.R. 2826) to increase the waiver requirement for certain local matching requirements for grants provided to American Samoa, Guam, the Virgin Islands, or the Commonwealth of the Northern Mariana Islands, and for other purposes, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

The amendment is as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. WAIVER OF LOCAL MATCHING REQUIREMENTS.

(a) WAIVER OF CERTAIN MATCHING REQUIREMENTS.—Section 501 of the Act entitled "An Act to authorize certain appropriations for the territories of the United States, to amend certain Acts relating thereto, and for other purposes", approved October 15, 1977 (48 U.S.C. 1469a; 91 Stat. 1164) is amended—

(1) in the last sentence of subsection (d), by striking "by law"; and

(2) by adding at the end the following new subsection:

"(e) Notwithstanding any other provision of law, in the case of American Samoa, Guam, the Virgin Islands, and the Northern Mariana Islands, each department or agency of the United States shall waive any requirement for local matching funds (including in-kind contributions) that the insular area would otherwise be required to provide for any grant as follows:

"(1) For a grant requiring matching funds (including in-kind contributions) of $500,000 or less, the entire matching requirement shall be waived.

"(2) For a grant requiring matching funds (including in-kind contributions) of more than $500,000, $500,000 of the matching requirement shall be waived.".

(b) CONFORMING AMENDMENT.—Section 601 of the Act entitled "An Act to authorize appropriations for certain insular areas of the United States, and for other purposes", approved March 12, 1980 (48 U.S.C. 1469a note; 94 Stat. 90), is amended by striking ", and adding the following sentence" and all that follows through "Islands.'".

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(c) STUDY.—Not later than 2 years after the date of the enactment of this Act, the Secretary of the Interior shall complete and submit to the Committee on Resources of the House of Representatives and the Committee on Energy and Natural Resources of the Senate the results of a study of the implementation of the amendments made by subsection (a).

PURPOSE OF THE BILL

The purpose of H.R. 2826 is to increase the waiver for certain local matching requirements for grants provided to American Samoa, Guam, the Virgin Islands, and the Commonwealth of the Northern Mariana Islands, and for other purposes.

BACKGROUND AND NEED FOR LEGISLATION

Federal law currently allows federal departments or agencies to waive the first $200,000 matching requirement for grants to the U.S. Territories of American Samoa, Guam, the Virgin Islands, and the Commonwealth of the Northern Mariana Islands (CNMI). The waiver of a matching requirement was first enacted in 1980 (Public Law 96–205) because accessing federal grants was difficult for territorial governments. At the time, the waiver was set at $100,000 and was extended only to American Samoa and the CNMI. Later amendments in 1983 and 1984 to the underlying law increased the waived amount to $200,000 (Public Law 98–213, Sec. 6) and added Guam and the Virgin Islands (Public Law 98–454, title VI, Sec. 601(b)).

It has been nearly twenty years since Congress has revisited this law. While territorial economies have improved, each government continues to be challenged with rising unemployment, decreased government revenues, and limited new capital for diversification.

H.R. 2826 will help broaden U.S. Territories' access to federal grants by increasing the amount federal agencies shall waive to $500,000. The bill also seeks to end the inconsistent manner in which 48 U.S.C. section 1469(a) is applied by clarifying that the matching waiver applies to all federal agencies and departments making grants to the U.S. Territories, not just the Department of the Interior.

COMMITTEE ACTION

H.R. 2826 was introduced on August 2, 2001 by Delegate Robert A. Underwood (D–GU). The bill was referred to the Committee on Resources. On September 12, 2002, the Full Resources Committee met to consider the bill. An amendment in the nature of a substitute was offered by Delegate Underwood. The amendment clarified that the local matching waiver applies to the first $500,000 of any grant in excess of $500,000. For grants less than $500,000, the local matching requirement shall be waived in its entirety. The amendment also requires the Department of the Interior to provide a report to Congress on the effect of the updated waiver requirement. The amendment was adopted by unanimous consent. The bill, as amended, was then ordered favorably reported to the House of Representatives by unanimous consent.

COMMITTEE OVERSIGHT FINDINGS AND RECOMMENDATIONS

Regarding clause 2(b)(1) of rule X and clause 3(c)(1) of rule XIII of the Rules of the House of Representatives, the Committee on Resources' oversight findings and recommendations are reflected in the body of this report.

CONSTITUTIONAL AUTHORITY STATEMENT

Article IV, section 3 of the Constitution of the United States grants Congress the authority to enact this bill.

COMPLIANCE WITH HOUSE RULE XIII

1. Cost of Legislation. Clause 3(d)(2) of rule XIII of the Rules of the House of Representatives requires an estimate and a comparison by the Committee of the costs which would be incurred in carrying out this bill. The Committee on Resources believes that enactment of this bill will not have a significant effect on the federal budget.

2. Congressional Budget Act. As required by clause 3(c)(2) of rule XIII of the Rules of the House of Representatives and section 308(a) of the Congressional Budget Act of 1974, this bill does not contain any new budget authority, spending authority, credit authority, or an increase or decrease in revenues or tax expenditures.

3. General Performance Goals and Objectives. This bill does not authorize funding and therefore, clause 3(c)(4) of rule XIII of the Rules of the House of Representatives does not apply.

4. Congressional Budget Office Cost Estimate. Under clause 3(c)(3) of rule XIII of the Rules of the House of Representatives and section 403 of the Congressional Budget Act of 1974, the Committee has requested but not received a cost estimate for this bill from the Director of the Congressional Budget Office.

Compliance With Public Law 104–4

This bill contains no unfunded mandates.

PREEMPTION OF STATE, LOCAL OR TRIBAL LAW

This bill is not intended to preempt any State, local or tribal law.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as 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):

ACT OF OCTOBER 15, 1977

(Public Law 95–134)

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, 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, notwithstanding any provision of law to the contrary, that:

(a) * * *

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(d) Each department or agency making grant-in-aid shall, by regulations published in the Federal Register, provide the method by which any Insular Area may submit (i) a single application for a consolidated grant for any fiscal year period, but not more than one such application for a consolidated grant shall be required by any department or agency unless notice of such requirement is transmitted to the appropriate committees of the United States Congress together with a complete explanation of the necessity for requiring such additional applications and (ii) a single report to such department or agency with respect to each such consolidated grant: *Provided*, That nothing in this paragraph shall preclude such department or agency from providing adequate procedures for accounting, auditing, evaluating, and reviewing any programs or activities receiving benefits from any consolidated grant. The administering authority of any department or agency, in its discretion, may (i) waive any requirement for matching funds otherwise required [by law] to be provided by the Insular Area involved and (ii) waive the requirement that any Insular Area submit an application or report in writing with respect to any consolidated grant.

(e) Notwithstanding any other provision of law, in the case of American Samoa, Guam, the Virgin Islands, and the Northern Mariana Islands, each department or agency of the United States shall waive any requirement for local matching funds (including in-kind contributions) that the insular area would otherwise be required to provide for any grant as follows:

(1) For a grant requiring matching funds (including in-kind contributions) of $500,000 or less, the entire matching requirement shall be waived.

(2) For a grant requiring matching funds (including in-kind contributions) of more than $500,000, $500,000 of the matching requirement shall be waived.

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ACT OF MARCH 12, 1980

(Public Law 96–205)

AN ACT To authorize appropriations for certain insular areas of the United States, and for other purposes.

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TITLE VI—MISCELLANEOUS

SEC. 601. Title V of the Act of October 15, 1977, entitled "An Act to authorize certain appropriations for the territories of the United

States, to amend certain Acts relating thereto, and for other purposes" (91 Stat. 1159) shall be applied with respect to the Department of the Interior by substituting "shall" for "may" in the last sentence of subsection (d)**[**, and adding the following sentence at the end of subsection (d): "Notwithstanding any other provision of law, in the case of American Samoa and the Nothern Mariana Islands any department or agency shall waive any requirement for local matching funds under $200,000 (including in-kind contributions) required by law to be provided by American Samoa or the Northern Mariana Islands."**]**.

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