

103^D CONGRESS
1ST SESSION

H. R. 154

To provide for the self-determined political, social, and economic development of the insular areas, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 5, 1993

Mr. DE LUGO introduced the following bill; which was referred to the Committee on Natural Resources

A BILL

To provide for the self-determined political, social, and economic development of the insular areas, 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 **TITLE I—FINDINGS, PURPOSES,**
4 **POLICY**

5 **SEC. 101. SHORT TITLE.**

6 This Act may be cited as the “Insular Areas Policy
7 Act”.

8 **SEC. 102. FINDINGS.**

9 The Congress finds that—

1 (1) the United States does not have a clearly
2 defined policy regarding the United States insular
3 areas: the territories of American Samoa, Guam,
4 and the Virgin Islands and the Commonwealths of
5 the Northern Mariana Islands and Puerto Rico;

6 (2) the Federal Government has often failed to
7 consider the implications for, effects on, and poten-
8 tial of the insular areas in the formulation and con-
9 duct of domestic and foreign policy to the detriment
10 of both the insular areas and the attainment of the
11 objectives of Federal policy;

12 (3) Federal policies and programs are often in-
13 appropriately applied to the insular areas and should
14 be adapted to the unique circumstances of these
15 areas;

16 (4) the Americans of the United States insular
17 areas lack power in the Federal decision-making
18 process;

19 (5) the needy in the United States insular areas
20 are inequitably treated in some Federal programs
21 and public services for the residents of the insular
22 areas often compare unfavorably with services en-
23 joyed by the residents of the several States, yet the
24 areas face substantial social problems;

1 (6) the economic development of the insular
2 areas has not attained its full potential due to limi-
3 tations imposed by such factors as location, natural
4 resources, infrastructure, population, availability of
5 capital, and unintentionally imposed Federal con-
6 straints and, in some cases, is precariously based;

7 (7) the present Federal organizational arrange-
8 ments for making policy with regards to, liaison
9 with, providing assistance to, and administering pro-
10 grams in the insular areas are not adequate for—

11 (A) developing and implementing policies
12 with respect to insular areas, including adapt-
13 ing policies to the special requirements of each
14 area and modifying the application of Federal
15 programs, laws, and regulations accordingly;

16 (B) coordinating the delivery of Federal
17 programs in and assistance to these areas;

18 (C) fostering the social, economic, and po-
19 litical development of the insular areas; and

20 (D) being responsive to the Congress in
21 the discharge of its constitutional responsibil-
22 ities with regard to the insular areas; and

23 (8) the objectives of the trusteeship agreement
24 for the Territory of the Pacific Islands have not
25 been fulfilled.

1 **SEC. 103. PURPOSES.**

2 The purposes of this Act are to—

3 (1) provide for the development and implemen-
4 tation of Federal policy regarding the insular areas
5 of or associated with the United States; and

6 (2) establish a Federal executive organization to
7 serve as a liaison between the executive branch and
8 the governments of the insular areas; coordinate
9 Federal actions in a manner which recognizes the
10 special needs in and of the insular areas, provide the
11 assistance necessary in the insular areas to achieve
12 the objectives of Federal policy and foster the social,
13 economic, and political development of the areas;
14 and ensure that the Congress receives the informa-
15 tion necessary to discharge its constitutional respon-
16 sibilities regarding the insular areas.

17 **SEC. 104. POLICY.**

18 Pursuant to its authority and responsibility under the
19 Constitution regarding the insular areas, the Congress
20 states that it is the policy of the Federal Government to
21 promote, to the fullest extent possible, the self-determined
22 political, social, and economic development of the insular
23 areas, consistent with local cultural values and the status
24 of the areas, to the levels enjoyed by the several States
25 and to recognize the areas' unique character in the exten-
26 sion of Federal laws, programs, and regulations.

1 **TITLE II—COUNCIL ON INSULAR**
2 **AFFAIRS**

3 **SEC. 201. COUNCIL.**

4 (a) There is hereby established a Council on Insular
5 Affairs composed of (1) an official designated by the heads
6 of all executive departments and agencies, the Director of
7 the Office of Management and Budget, and the United
8 States Trade Representative; and (2) the President's prin-
9 cipal assistants for National Security Affairs and Domes-
10 tic Policy, who shall serve as co-chairmen.

11 (b) The Council shall meet at such times as either
12 of the co-chairmen may request, but not less often than
13 once a year, to oversee the development and implementa-
14 tion of the policy set forth in title I of this Act, its coordi-
15 nation with other aspects of the foreign and domestic pol-
16 icy of the United States, make such recommendations to
17 the President, executive departments and agencies, or the
18 Congress as may be necessary for these purposes, and con-
19 sider the annual report to the Congress required by section
20 205 of this Act.

21 **SEC. 202. STAFF.**

22 (a)(1) The Council shall be assisted by a staff located
23 within the Executive Office of the President, which shall
24 advise the President and the Council on the development
25 and implementation of the policy set forth in title I of this

1 Act and its coordination with other aspects of the domestic
2 and foreign policy of the United States; serve as a liaison
3 between the governments of the insular areas and the ex-
4 ecutive branch; coordinate Federal actions in a manner
5 which recognizes the special needs in and of the insular
6 areas and, provide the assistance necessary to achieve the
7 objectives of Federal policy; and ensure that the Congress
8 receives the information necessary to discharge its respon-
9 sibilities regarding the insular areas.

10 (2) The location of the Council's staff in the Execu-
11 tive Office of the President shall not be construed as af-
12 fecting access by the Congress or committees of either
13 House to information, documents, and studies in the pos-
14 session of, conducted by, or at the direction of personnel
15 involved in carrying out the provisions of this Act.

16 (b) The staff shall be headed by a Director who shall
17 be a person who is familiar with and sensitive to the politi-
18 cal, social, cultural and economic needs and aspirations
19 of the insular areas. The Director shall be appointed by
20 the President to serve at his pleasure and shall be com-
21 pensated at the rate now or hereafter provided for Level
22 III of the Executive Schedule by section 5314 of title 5,
23 United States Code.

24 (c) The Director shall be assisted by two Assistant
25 Directors, one of whom shall assist the Director with re-

1 gard to matters affecting Puerto Rico and the other of
2 whom shall assist the Director with regard to matters af-
3 fecting American Samoa, Guam, the Northern Mariana Is-
4 lands, the Territory of the Pacific Islands, and the Virgin
5 Islands. The Assistant Directors shall be appointed by and
6 serve at the pleasure of the President upon the rec-
7 ommendation of the Director and shall be compensated
8 at the rate now or hereafter provided for Level IV of the
9 Executive Schedule by section 5315 of title 5, United
10 States Code.

11 (d) The Director shall also be assisted, in administer-
12 ing the responsibilities of the Council, by a Deputy Direc-
13 tor and, in reviewing the applicability of laws, rules, regu-
14 lations, and proposals to the insular areas, by a Counsel.
15 The Deputy Director and the Counsel shall be appointed
16 by and serve at the pleasure of the President upon the
17 recommendation of the Director and shall be compensated
18 at the rate now or hereafter provided for Level V of the
19 Executive Schedule by section 5316 of title 5, United
20 States Code.

21 (e) The total employment of the Council shall include
22 not more than 25 persons in addition to the persons serv-
23 ing pursuant to subsections (b), (c), and (d).

1 **SEC. 203. AUTHORITY.**

2 The Council, directly or through its Director, shall
3 exercise on behalf of the President—

4 (1) the responsibilities of the Assistant Sec-
5 retary of the Interior, Territorial and International
6 Affairs under Orders of the Secretary of the Interior
7 3046 (February 14, 1980) and 3142 (October 15,
8 1990), and all statutory or other authority for ad-
9 ministration of insular affairs, except that the Sec-
10 retary of the Interior shall, subject to policy guid-
11 ance provided by the Council, continue to be respon-
12 sible for the administration of grants to territorial
13 governments through the Office of Insular Assist-
14 ance established pursuant to section 208 of this Act
15 and the audit responsibility regarding Federal funds
16 transferred to the Office of the Inspector General,
17 Department of the Interior pursuant to Public Law
18 97-357 (96 Stat. 1705) shall continue to be exer-
19 cised by the Inspector General; except that, if the
20 President deems it advisable, the audit responsibility
21 of the Inspector General regarding insular receipts
22 and expenditures shall be further transferred to
23 auditors in the insular areas if the Director deter-
24 mines that the insular government concerned has es-
25 tablished an independent and adequately funded
26 local audit capability;

1 (2) the responsibility for American Samoa pres-
2 ently exercised by the Secretary of the Interior pur-
3 suant to Executive Order No. 10264 of June 29,
4 1951;

5 (3) the responsibility for Guam presently exer-
6 cised by the Secretary of the Interior pursuant to
7 the Organic Act of Guam, as amended (64 Stat.
8 384);

9 (4) the responsibility for the Northern Mariana
10 Islands presently exercised by the Secretary of the
11 Interior pursuant to Executive Order No. 12572 of
12 November 3, 1986;

13 (5) the responsibility for Puerto Rico assigned
14 to the Office of the President pursuant to the
15 Memorandum of the President concerning the Com-
16 monwealth of Puerto Rico of November 30, 1992;

17 (6) the responsibility for the Territory of the
18 Pacific Islands presently exercised by the Secretary
19 of the Interior pursuant to Executive Order 11021
20 of May 8, 1962; and

21 (7) the responsibility for the Virgin Islands
22 presently exercised by the Secretary of the Interior
23 pursuant to the Revised Organic Act of the Virgin
24 Islands, as amended (69 Stat. 497).

1 **SEC. 204. RESPONSIBILITIES.**

2 The Director shall have the responsibility to—

3 (1) provide the Congress, the President, the
4 Council, and Federal agencies with such information
5 and advice as may be necessary to structure Federal
6 programs, laws, or regulations affecting any of the
7 insular areas to the political, social, cultural, and
8 economic conditions of such areas so as to further
9 the objectives of such programs, laws, or regulations
10 and the policy set forth in title I of this Act and to
11 prevent or reduce any adverse effect upon such area;

12 (2) inform the local governments of the insular
13 areas of Federal actions which would affect such
14 area and solicit the comments and recommendations
15 of such local governments and provide those com-
16 ments and recommendations together with his analy-
17 sis and advice to the head of the department or
18 agency proposing such action or the Council or the
19 President, as may be appropriate;

20 (3) in consultation with the local governments
21 of the insular areas, prepare such information and
22 justification as may be necessary to—

23 (A) assist the President in the preparation
24 of his program, including the annual submission
25 on the budget concerning the allocation of

1 funds to and among the various agencies with
2 responsibilities in any of the insular areas;

3 (B) advise agencies on the appropriateness
4 of activities by such agencies in or concerning
5 the insular areas; and

6 (C) propose and support recommendations
7 for such extensions of, exemptions from, and
8 modifications to such laws, rules and regula-
9 tions as may facilitate the political, social, and
10 economic development of each insular area, con-
11 sistent with the policy set forth in title I of this
12 Act;

13 (4) coordinate the provision of such technical
14 and other assistance and advice as the local govern-
15 ments of the insular areas may require; and

16 (5) perform such specific activities as may be
17 authorized in the insular areas and such other ac-
18 tivities as may be necessary to carry out responsibil-
19 ities of the Council.

20 **SEC. 205. REPORTS TO CONGRESS.**

21 (a) The Council shall transmit a report on the state
22 of the insular areas to the Committee on Natural Re-
23 sources of the House of Representatives and the Commit-
24 tee on Energy and Natural Resources of the Senate not
25 later than February 15 of each year. The report shall indi-

1 cate the social, economic, and political conditions of the
2 insular areas through the preceding fiscal year. The report
3 shall detail changes in those conditions which occurred
4 during the fiscal year as well as foreseeable future develop-
5 ments and recommended actions to address those condi-
6 tions and developments.

7 (b) Matters on which the report shall provide infor-
8 mation for each insular area shall include, but not be
9 limited to—

10 (1) the insular area's Federal relationship;

11 (2) the applicability or inapplicability of Federal
12 statutory and administrative actions and their im-
13 pacts;

14 (3) the effectiveness and delivery of Federal
15 programs;

16 (4) differences between the treatment of the in-
17 sular areas and their citizens under any Federal pol-
18 icy or program relative to the treatment of the
19 States and their citizens;

20 (5) the activities and accomplishments of agen-
21 cies pertaining to the insular areas;

22 (6) the adequacy of essential public infrastruc-
23 ture;

24 (7) general economic conditions;

1 (8) private sector activities and development
2 and investment potential;

3 (9) existing employment and job opportunities
4 and training;

5 (10) the fiscal positions of the insular areas;

6 (11) Federal fiscal and economic policies as
7 they impact the insular areas;

8 (12) amounts and uses of Federal direct and
9 indirect assistance;

10 (13) the capability of the local governments to
11 administer and manage various programs and meet
12 needs and the efforts of Federal agencies to improve
13 that capability;

14 (14) international obligations or undertakings
15 regarding the insular areas; and

16 (15) compliance with legislative mandates.

17 (c) The report shall clearly state the program of the
18 President with regard to the matters specified in sub-
19 section (b) together with such specific proposals to accom-
20 plish the program as the Council deems appropriate.

21 (d) To facilitate the preparation of the report—

22 (1) each Federal agency with programs operat-
23 ing in or affecting the insular areas shall report to
24 the Director on such activities not later than No-
25 vember 15 of each year; and

1 (2) the Director shall submit a draft of the re-
2 port, developed after full consultation with the gov-
3 ernments of the insular areas, to the Council for re-
4 view not later than January 15 of each year.

5 **SEC. 206. USE OF FEDERAL AGENCIES.**

6 To the maximum extent practicable, the Director
7 shall use the personnel and services of other Federal agen-
8 cies in carrying out the responsibilities transferred to the
9 Council by this title and such responsibilities as may be
10 assigned to him. The head of each Federal agency is di-
11 rected to cooperate with the Director and to make such
12 personnel and services available as the Director may
13 request.

14 **SEC. 207. DELEGATION.**

15 The Council may from time to time make such provi-
16 sions as it deems appropriate authorizing the performance
17 of any of the functions transferred to it by the provisions
18 of this title by any of its staff, or, with the concurrence
19 of the head of any executive branch department or agency,
20 may assign specific functions to such department or agen-
21 cy subject to the supervision of the Director. The Director
22 shall notify the Committee on Natural Resources of the
23 House of Representatives and the Committee on Energy
24 and Natural Resources of the Senate not less than 60 days
25 prior to an assignment of responsibility to another depart-

1 ment or agency. Such notice shall indicate the reasons for
2 such assignment, the scope of such assignment, the dura-
3 tion of the assignment, the concurrence of the head of the
4 department or agency to which the function is assigned
5 in the assignment, and the continued supervision and re-
6 sponsibility of the Director.

7 **SEC. 208. OFFICE OF INSULAR ASSISTANCE.**

8 (a) The Office of Territorial and International Affairs
9 established pursuant to the Order of the Secretary of the
10 Interior 3046 is hereby abolished.

11 (b)(1) There is hereby established an Office of Insu-
12 lar Assistance within the Department of the Interior under
13 the direct supervision of the Deputy Secretary of the
14 Interior.

15 (2) The Office shall assume the responsibilities of the
16 Office of Territorial and International Affairs regarding
17 the administration of grants to territorial governments.

18 **SEC. 209. TRANSFERS.**

19 (a) The personnel employed in connection with, and
20 the assets, liabilities, contracts, property, facilities,
21 records, and unexpended balance of appropriations, and
22 other funds employed, held, used, arising from, available
23 to, or to be made available in connection with the func-
24 tions and offices, or portions thereof, referenced in by this
25 title, including all senior executive service positions, shall

1 be transferred to the Council for appropriate allocation by
2 the Director in accordance with any applicable laws and
3 regulations relating to transfer of functions. Unexpended
4 funds transferred pursuant to this section shall be used
5 only for the purposes for which the funds were originally
6 authorized and appropriated, except that such funds may
7 be used for the expenses associated with the transfer pur-
8 suant to this title.

9 (b) In order to facilitate the transfers effected by this
10 title, the Director of the Office of Management and Budg-
11 et, in consultation with the Director and the Committee
12 on Natural Resources of the House of Representatives and
13 the Committee on Energy and Natural Resources of the
14 Senate, is authorized and directed to make such deter-
15 minations as may be necessary with regard to functions,
16 offices, or portions thereof, dispositions of personnel, as-
17 sets, liabilities, grants, contracts, property, records, and
18 unexpended balances of appropriations, authorizations,
19 apportionments, allocations, and other funds held, used,
20 arising from, available to, or to be made available in con-
21 nection with such functions, offices, or portions thereof,
22 as may be necessary to resolve disputes between the Direc-
23 tor and the heads of the department or agency from which
24 the transfer was made which may arise in connection with
25 the transfers. This section does not vest in the Director

1 of the Office of Management and Budget any of the func-
2 tions, power of duties of the Council or its Director or
3 the department or agency. The authority and direction
4 given by this section to the Director of the Office of
5 Management and Budget shall terminate 60 days after
6 enactment.

7 **SEC. 210. AUTHORIZATION OF APPROPRIATIONS.**

8 There are authorized to be appropriated such sums
9 as may be necessary to carry out the purposes of this Act.

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