

111TH CONGRESS  
1ST SESSION

# H. R. 2507

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 HOUSE OF REPRESENTATIVES

MAY 19, 2009

Mr. YOUNG of Alaska (for himself and Mr. ABERCROMBIE) introduced the following bill; which was referred to the Committee on Natural Resources

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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 “Native American Chal-  
5 lenge Demonstration Project Act of 2009”.

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; and

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

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

21          (5) to promote sustainable economic growth and  
22 poverty reduction policies in Native American com-  
23 munities in a manner that promotes self-determina-  
24 tion and self-sufficiency among remote Native Amer-

1        ican communities while preserving the cultural val-  
2        ues of those communities;

3            (6) to enhance the capacity of Alaska Native  
4        communities to meet the challenges posed by climate  
5        change and the effects of climate change on those  
6        communities; and

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

10 **SEC. 3. DEFINITIONS.**

11        In this Act:

12            (1) COMMITMENT TO DEVELOPMENT.—The  
13        term “commitment to development” means a com-  
14        mitment to poverty reduction and economic growth,  
15        as demonstrated through activities for—

16            (A) entrepreneurship and job creation;

17            (B) an increase in worker productivity and  
18        innovation; or

19            (C) the promotion of market forces and the  
20        private sector.

21            (2) COMPACT.—The term “compact” means a  
22        binding agreement with the United States entered  
23        into pursuant to this Act.

1           (3) ECONOMIC DEVELOPMENT STRATEGY.—The  
2 term “economic development strategy” means a  
3 strategy—

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

7           (B) developed in consultation with public  
8 and private sector entities, as appropriate to  
9 the geographical area and intended beneficiaries  
10 of the compact.

11          (4) ELIGIBLE ENTITY.—The term “eligible en-  
12 tity” means—

13           (A) in the State of Alaska, not more than  
14 2 regional Alaska Native nonprofit organiza-  
15 tions, to be determined by the Secretary, in  
16 consultation with the Secretary of the Interior  
17 and the Alaska Federation of Natives, with pri-  
18 ority given to organizations serving regions with  
19 high poverty levels;

20           (B) in the State of Hawaii, a consortia of  
21 local Native Hawaiian community organiza-  
22 tions, to be determined by the Secretary, in  
23 consultation with the Secretary of the Interior  
24 and the Office of Hawaiian Affairs; and

1 (C) in the 48 contiguous States, not more  
2 than 3 organizations, to be determined by the  
3 Secretary, in consultation with the Secretary of  
4 the Interior, which may be Indian tribes, con-  
5 sortia of Indian tribes, or nongovernmental en-  
6 tities authorized by 1 or more Indian tribes.

7 (5) INDIAN TRIBE.—The term “Indian tribe”  
8 has the meaning given the term in section 4 of the  
9 Indian Self-Determination and Education Assistance  
10 Act (25 U.S.C. 450b).

11 (6) SECRETARY.—The term “Secretary” means  
12 the Secretary of Commerce.

13 **SEC. 4. NATIVE AMERICAN MILLENNIUM CHALLENGE DEM-**  
14 **ONSTRATION PROJECT.**

15 (a) ESTABLISHMENT.—The Secretary shall establish  
16 and implement in the Department of Commerce a dem-  
17 onstration project, to be known as the “Native American  
18 Millennium Challenge Demonstration Project” (referred  
19 to in this section as the “demonstration project”).

20 (b) AUTHORIZATION OF ASSISTANCE.—In carrying  
21 out the demonstration project, the Secretary may provide  
22 assistance to any eligible entity that enters into a compact  
23 with the United States pursuant to this Act.

24 (c) FORM OF ASSISTANCE.—Assistance under the  
25 demonstration project—

1           (1) shall be provided in the form of funding  
2           agreements established under the applicable com-  
3           pact;

4           (2) may not be provided in the form of loans;  
5           and

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

9           (d) COORDINATION.—

10           (1) IN GENERAL.—To improve the effectiveness  
11           of Federal economic development assistance by en-  
12           couraging the integration and coordination of that  
13           assistance in Indian communities, except as specifi-  
14           cally prohibited by any other provision of law (in-  
15           cluding regulations), the provision of assistance  
16           under this section may be coordinated with Federal  
17           economic development assistance provided for Indi-  
18           ans by—

19                   (A) the Department of Agriculture;

20                   (B) the Department of Commerce;

21                   (C) the Department of Energy;

22                   (D) the Department of Health and Human  
23           Services;

24                   (E) the Department of Housing and Urban  
25           Development;

1 (F) the Department of the Interior;  
2 (G) the Small Business Administration;  
3 and  
4 (H) such other Federal agencies and in-  
5 strumentalities as the Secretary determines to  
6 be appropriate.

7 (2) INTEGRATED FUNDING.—On execution of a  
8 compact with an eligible entity, the Secretary, in co-  
9 operation with the heads of other Federal depart-  
10 ments and agencies and in accordance with para-  
11 graph (1), may authorize the eligible entity to co-  
12 ordinate the federally funded economic development  
13 assistance programs of the eligible entity in a man-  
14 ner that integrates the program services into a sin-  
15 gle, coordinated program.

16 (e) PROGRAMS AFFECTED.—The programs that may  
17 be integrated under the demonstration project include any  
18 program—

19 (1) under which an Indian tribe is eligible for  
20 receipt of funds under a statutory or administrative  
21 formula for economic development purposes; and

22 (2) for which there is no specific statutory or  
23 regulatory prohibition preventing agency or depart-  
24 mental participation.

1 (f) WAIVER AUTHORITY.—On receipt of an executed  
2 compact, the Secretary shall consult with the eligible enti-  
3 ty that is a party to the compact and the Secretary of  
4 each Federal agency or department that provides funds  
5 to be used to implement the compact to identify any waiv-  
6 er of statutory requirements or applicable regulations,  
7 policies, or procedures necessary to enable the eligible enti-  
8 ty to implement the compact.

9 **SEC. 5. NATIVE AMERICAN CHALLENGE COMPACTS.**

10 (a) COMPACTS.—

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

14 (2) ASSISTANCE.—The Secretary may provide  
15 assistance to an eligible entity only if the eligible en-  
16 tity enters into a compact with the United States, to  
17 be known as a “Native American Challenge Com-  
18 pact”, that establishes a multiyear plan for achieving  
19 development objectives in furtherance of the pur-  
20 poses of this Act.

21 (b) APPLICATIONS.—The Secretary shall develop and  
22 recommend procedures for considering applications for  
23 compacts submitted by eligible entities.

24 (c) CRITERIA FOR SELECTION OF ELIGIBLE ENTI-  
25 TIES.—The Secretary shall develop an application process



1 and criteria for selecting eligible entities to enter into com-  
2 pacts under this Act, taking into consideration—

3 (1) the purposes of this Act;

4 (2) the economic development strategy of the el-  
5 ible entity;

6 (3) the remoteness of the community to be  
7 served by the eligible entity;

8 (4) the general economic status of the commu-  
9 nity to be served by the eligible entity;

10 (5) the poverty rate of the community to be  
11 served by the eligible entity;

12 (6) the service capacity of the eligible entity;

13 and

14 (7) the commitment to development of the com-  
15 munity to be served by the eligible entity.

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

23 (e) DURATION AND EXTENSION.—

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

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

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

10          (f) ELEMENTS.—In furtherance of the economic de-  
11          velopment strategy of the applicable eligible entity, each  
12          compact shall contain—

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

18               (2) a description of the respective roles and re-  
19               sponsibilities of the eligible entity and the United  
20               States in the achievement of those objectives;

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

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

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

11 (g) SUSPENSION AND TERMINATION OF ASSIST-  
12 ANCE.—

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

17 (A) the eligible entity has failed to meet  
18 the responsibilities of the eligible entity under  
19 the compact; or

20 (B) the eligible entity has engaged in a  
21 pattern of actions that is inconsistent with the  
22 purposes of this Act.

23 (2) REINSTATEMENT.—The Secretary may re-  
24 instate assistance for an eligible entity only if the  
25 Secretary determines that the eligible entity has

1 demonstrated a commitment to correcting each con-  
2 dition for which assistance was suspended or termi-  
3 nated under paragraph (1).

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

5 (a) **REPORTS OF ELIGIBLE ENTITIES.**—Not later  
6 than March 15, 2010, and annually thereafter, each eligi-  
7 ble entity shall prepare and submit to the Secretary a writ-  
8 ten report describing the assistance provided to the eligible  
9 entity under this Act during the preceding fiscal year.

10 (b) **REPORT CONTENTS.**—A report required under  
11 subsection (a) shall include—

12 (1) a description of the amount of obligations  
13 and expenditures for assistance provided during the  
14 preceding fiscal year;

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

19 (3) an assessment of the effectiveness of the as-  
20 sistance provided and progress made by the eligible  
21 entity toward achieving the economic development  
22 strategy of the eligible entity and the purposes of  
23 this Act; and

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

4           (c) SUBMISSION TO CONGRESS.—Not later than May  
5 15, 2010, and annually thereafter, the Secretary shall sub-  
6 mit the reports required under subsection (a), with such  
7 other information as the Secretary considers to be rel-  
8 evant, to—

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

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

15 **SEC. 7. AUTHORIZATION OF APPROPRIATIONS.**

16          (a) AUTHORIZATION.—

17           (1) IN GENERAL.—There is authorized to be  
18           appropriated to carry out this Act \$20,000,000 for  
19           each of fiscal years 2010 through 2014, to remain  
20           available until expended.

21           (2) UNAPPROPRIATED AMOUNTS.—Any funds  
22           authorized but not appropriated for any fiscal year  
23           under paragraph (1) may be appropriated for a sub-  
24           sequent fiscal year, subject to the condition that the  
25           cumulative amount authorized to be appropriated for

1 any of fiscal years 2010 through 2014 shall not ex-  
2 ceed \$100,000,000.

3 (b) ADMINISTRATIVE AND PROGRAM OVERSIGHT EX-  
4 PENSES.—Of the funds made available to carry out this  
5 Act, not more than 5 percent may be used by the Sec-  
6 retary for—

7 (1) the administrative expenses of carrying out  
8 this Act; and

9 (2) oversight of programs under this Act.

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