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Draft

Title VIII -- United States Financial Assistance

Section 701 [801]. The United States shall provide direct financial support to the Government of the Commonwealth of the Mariana Islands for local government operations and programs and for capital improvement projects and economic development until such time as the ~~people-of-the~~ Commonwealth ~~have~~ [has] achieved a standard of living comparable to that ~~of-other-Americans~~ [within other parts of the United States] and until the Government of the Commonwealth can meet the financial responsibilities of self-government from its own resources.

Section 702 [802]. Such direct financial assistance shall consist of guaranteed levels of economic support for periods of not less than six years so as to permit orderly planning for government operations and economic development by the Commonwealth Government.

Section 703 [803]. ~~There-is-hereby-authorized-and appropriated-for-a-period-of-six-years-after-the-effective date-of-this-Section~~ [The enactment into law of this Commonwealth Agreement pursuant to Section ___ herein shall constitute an authorization for and appropriation of] the following guaranteed annual levels of direct grant assistance to the Commonwealth of the Mariana Islands [for each of the six fiscal years after the effective date of this Section]:

(a) \$ _____ million for budgetary support for government operations;

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(b) \$ _____ million for capital improvements; and

(c) \$ _____ million for an economic development loan fund.

[Section 804. The enactment into law of this Commonwealth Agreement pursuant to Section ___ herein shall constitute an authorization for and appropriation of a pro rata share of each of the three guaranteed levels of direct grant assistance in Section 803 for that portion of the fiscal year remaining after the effective date of Section 803.]

[Section 805. The amounts authorized and appropriated by Section 803 shall be increased for each of the six years by the percentage difference between the average of the price index for the 12 months preceding the beginning of the fiscal year published [monthly?] by the [1st choice - Commonwealth Government; 2nd choice - Government of Guam; 3rd choice - Bureau of Labor Statistics]; and the price index for the fiscal year preceding the first complete fiscal year in which this Title of the Agreement becomes effective.]

[Section 806. The appropriations in Section 803 are based upon an assumed growth rate in [gross national product] for the Commonwealth of the Mariana Islands of [%] for each of the six fiscal years applicable. For each of those six fiscal years in which the growth rate, as reported by the [government body of the Commonwealth] is less than [%], the enactment of this Commonwealth Agreement shall constitute an authorization for and appropriation of \$ _____ for long-term, low-interest-rate loans to the residents of the Commonwealth.]

Section 704 [807]. ~~Within each of the categories set forth in Section 703 above, the Commonwealth Government shall be free to expend such moneys for the benefit of all the people of the Commonwealth as the Commonwealth may by law prescribe; provided that~~ [T]he Commonwealth Government will submit to the President of the United States or his appointed representative an annual report on the administration

of the funds transferred to the Commonwealth pursuant to ~~this~~ Section [803] and such reports shall be transmitted by the President to the United States Congress.

Section 705 [808]. (a) Not later than two years prior to the expiration of any multi-year period for which a commitment of guaranteed annual levels of financial assistance has been made, appropriate representatives of the United States Government as may be designated by the President and duly authorized officials of the Commonwealth of the Marianas shall meet to discuss the annual levels of guaranteed assistance required for the next proceeding multi-year period.

(b) The parties shall negotiate in good faith to reach agreement on the level of such required financial assistance as may be necessary:

(1) to raise the average level of per capita income in the Commonwealth of the Mariana Islands so as eventually to eliminate any substantial disparities between the standard of living in the Commonwealth and that prevailing ~~in~~ ~~other-parts~~ of [within] the United States;

(2) to move the Commonwealth progressively toward economic self-sufficiency⁷[;] ~~taking-into-consideration~~ ~~the-needs-of-the-people-and-also-their-capacity-to-shoulder~~ ~~an-increasing-local-tax-burden-and-otherwise-to-supplement~~ ~~and-expand-their-sources-of-revenue-other-than-direct-financial~~ ~~assistance-from-the-United-States;~~

(3) to build toward an adequate physical, economic and social infrastructure, to provide necessary public services and programs, and to encourage and promote the ~~future~~ economic development of the Commonwealth.

[(c) In these negotiations the parties shall take into consideration the needs of the people and also their capacity to shoulder an increasing local tax burden and otherwise to supplement and expand their sources of revenue other than direct financial assistance from the United States.]

Section 706 [809]. There are hereby authorized to be appropriated annually by the Congress of the United States such additional sums as may be necessary and appropriate to carry out the provisions and purposes of this Commonwealth Agreement.

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