

MEMORANDUM OF AGREEMENT

between the United States Department of the Interior
and the United States Department of Commerce,
Economic Development Administration
for
Cooperation in Economic Development in the
Territories of the United States

The Office of Territorial and International Affairs, Department of the Interior, and the Economic Development Administration, Department of Commerce, agree to cooperate in administering their agencies' programs to support economic development in the U.S. territories in the Pacific Ocean and in the U.S. Virgin Islands.

I. Background

An intensive Domestic Policy Review of current policy conducted in consultation with territorial leaders and Members of Congress provided President Carter with the basis for developing a "framework for a comprehensive Federal territorial policy towards Guam, the United States Virgin Islands, American Samoa and the Northern Mariana Islands." In a directive dated February 14, 1980, the President outlined a number of policy goals toward the territories which include:

- providing opportunity for and a stimulus to their economic growth;
- rationalizing the existing Federal territorial financial relationship and improving local financial management;
- enhancing territorial treatment under Federal programs; and
- elevating the Federal organization for dealing with territorial matters."

The President's territorial policy, announced on February 14, also provides that:

"I have ... directed the Secretary of the Interior to devise methods of encouraging private sector development in the territories by providing technical training and public and private financing assistance ... in this effort the Secretary of the Interior will coordinate the involvement of all relevant agencies, particularly the Economic Development Administration of the Department of Commerce, which I expect to play a major role in fostering the growth of the private sector in the territories."

II. Purpose of this Agreement

The purpose of this Agreement is to implement the President's directive for a coordinated approach by the Economic Development Administration

(EDA) and the U.S. Department of the Interior (DOI) in the development of an appropriate policy and systematic application of their particular programs to strengthen the economic development of the territories of the United States. EDA and DOI recognize the importance of coordinating their efforts with the local units of government and will work in conjunction with the governors of the territories, or their designees, on any matters which may impact within their geographic boundaries.

III. General Areas of Agreement

The signatory parties, hereinafter referred to as EDA (Economic Development Administration, Department of Commerce) and TIA (Office of Territorial and International Affairs, Department of the Interior), agree to:

1. coordinate, to the maximum possible extent, their economic development support to the U.S. territories with the Pacific Basin Development Council;
2. provide for the participation of the governors of the territories or their designees, in the decision-making process and application of programs;
3. establish a policy review committee comprised of members of EDA's Office of Program Operations (OPO), hereby designated EDA's coordinating office for purposes of this Agreement, and DOI's Office of Territorial and International Affairs. This committee will meet at least quarterly to oversee the implementation of this Agreement;
4. assist the territories in developing strategies best suited to their economic development needs which will incorporate, to the extent possible, programs and projects submitted by the individual territories to the Pacific Basin Development Conference in February 1980 (Attachment A);
5. ensure that their respective field personnel (i.e., EDA's Seattle and Philadelphia Regional Office staff, and TIA's designated field personnel) coordinate and share their activities relevant to the implementation of this Agreement;
6. to assist Territories to prepare complete applications and expedite the processing of those applications; and
7. foster private sector participation in promoting economic development in the Territories.

IV. Definition of Agency Role in the Agreement

EDA

EDA is able to make available to the Territories its full range of program tools to assist them in their economic development efforts. These tools include but are not limited to:

1. Planning grants;
2. Technical assistance grants;
3. Public Works grants;
4. Development Finance Program loans, both direct and guaranteed; and
5. Revolving Loan Fund grants.

These program funds can be used by the territories for development projects that:

1. will result in retention or expansion of jobs;
2. will support or complement vital industrial or commercial facilities;
3. will raise income levels; and
4. are consistent with each Territory's Overall Economic Development Plan (OEDP).

Requests for EDA project assistance will be processed at the regional level, in particular by the Seattle and Philadelphia Regional Offices, and at EDA Headquarters in Washington, D.C., as necessary.

EDA will promptly notify TIA of any grant or project application submitted by a territory and will notify TIA of grant or project approvals. This may be accomplished by providing a copy of the grant or project application or the grant or project approval document.

TIA

1. provide overall leadership in the implementation of the President's directive of February 1980;
2. assist EDA in its efforts with other Federal agencies to promote economic development in the territories;
3. make any and all appropriate information related to economic development in the territories available to EDA;
4. keep EDA informed of planning, program and project activities in the territories as well as their requests for economic development assistance from other Federal agencies; and
5. advise EDA of any analyses of territorial economies and of interagency cooperation in support of economic development.

V. General

As outlined in Section III General Areas of Agreement, paragraph 3, the Offices of Program Operations and Territorial and International Affairs will meet on a quarterly basis. At the quarterly meeting that most nearly coincides with the beginning of the fourth quarter of the fiscal year, territorial strategies and budgetary allocations for future fiscal year funding will be discussed. This information will be shared with the respective territorial governors or designees for comments to be incorporated, if advisable, into the final strategies.

VI. Definitions

For purposes of this Agreement, the term:

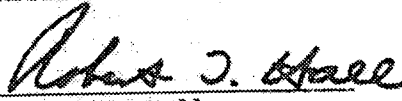
- Territory or territories means American Samoa, Guam, the United States Virgin Islands and the Northern Mariana Islands, individually or two or more of the above;
- plan or planning means an Overall Economic Development Plan or any other plan developed by a territory that includes planning for projects or programs with an economic development impact;
- project application means any application submitted by a territory for Federal financial assistance which meets the criteria set forth in Section IV;
- project award means the approval and funding, either in part or wholly by EDA or DOI (TIA), of any application submitted by the territories, collectively or individually.

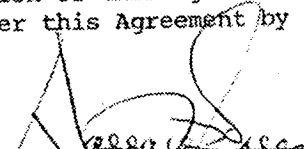
VII. Amendments

This Agreement may be amended or revised upon mutual agreement in writing between the Assistant Secretary of Commerce for Economic Development and the Assistant Secretary of Interior for Territorial and International Affairs.

VIII. Duration of Agreement

This Agreement will be effective commencing upon the last day of signature and for a one-year period of time, renewable each year after unless determined in writing that termination of this Agreement is in the best interest of the parties covered under this Agreement by the respective Assistant Secretaries.


 Robert T. Hall
 Assistant Secretary
 for Economic Development


 Wallace O. Green
 Assistant Secretary Designate
 Territorial & International Affairs

JUL 7 1980

 Date

August 29, 1980

 Date