

TO AUTHORIZE THE NATIONAL PARK SERVICE TO PAY FOR SERVICES RENDERED BY SUBCONTRACTORS UNDER A GENERAL SERVICES ADMINISTRATION INDEFINITE DELIVER/INDEFINITE QUANTITY CONTRACT ISSUED FOR WORK TO BE COMPLETED AT THE GRAND CANYON NATIONAL PARK

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SEPTEMBER 6, 2006.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

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

## R E P O R T

[To accompany H.R. 3961]

[Including cost estimate of the Congressional Budget Office]

The Committee on Resources, to whom was referred the bill (H.R. 3961) to authorize the National Park Service to pay for services rendered by subcontractors under a General Services Administration Indefinite Deliver/Indefinite Quantity Contract issued for work to be completed at the Grand Canyon National Park, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

### PURPOSE OF THE BILL

The purpose of H.R. 3961 is to authorize the National Park Service to pay for services rendered by subcontractors under a General Services Administration Indefinite Deliver/Indefinite Quantity Contract issued for work to be completed at the Grand Canyon National Park.

### BACKGROUND AND NEED FOR LEGISLATION

During 2002 and 2003, the National Park Service (NPS) issued approximately 43 task orders to Pacific General, Inc. (PGI), a California-based construction firm, under an Indefinite Deliver/Indefinite Quantity (IDIQ) contract for work to be performed at the Grand Canyon National Park (GCNP).

PGI subcontractors performed work on numerous projects at GCNP, including new entrance stations at North Rim and Desert View, rehabilitated cabins at North Rim, improvements to the Colorado River Bridge at Phantom Ranch and a new South Rim waste-

water treatment plant. These projects have benefitted thousands of tourists who visit the Park each year. Although PGI certified that payments were being sent to subcontractors and suppliers, complaints were received from many subcontractors that they had not received payment. The NPS had paid over \$10 million to PGI, of which \$1.3 million was owed, but unpaid to subcontractors. In addition, the NPS never verified that PGI was indeed bonded.

Today, PGI is out of business and 38 small companies based in Arizona, California, Nevada, Utah and Washington still have not been paid and many are close to bankruptcy. The NPS does not have the authority to pay the subcontractors directly for their work. H.R. 3961 authorizes the Secretary of the Interior to pay subcontractors for work performed at the Park under the PGI IDIQ contract between 2002 and 2003.

#### COMMITTEE ACTION

H.R. 3961 was introduced on September 29, 2005, by Congressman Rick Renzi (R-AZ). The bill was referred to the Committee on Resources, and within the Committee to the Subcommittee on National Parks. On March 30, 2006, the Subcommittee held a hearing on the bill. On July 19, 2006, the Full Resources Committee met to consider the bill, at which time the Subcommittee on National Parks was discharged from further consideration of the bill by unanimous consent. No amendments were offered and the bill was ordered favorably reported to the House of Representatives by unanimous consent.

#### CONSTITUTIONAL AUTHORITY STATEMENT

Article I, section 8, clause 3 and Article IV, section 3, clause 2 of the Constitution of the United States grant 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. However, clause 3(d)(3)(B) of that rule provides that this requirement does not apply when the Committee has included in its report a timely submitted cost estimate of the bill prepared by the Director of the Congressional Budget Office under section 402 of the Congressional Budget Act of 1974.

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, credit authority, or an increase or decrease in revenues or tax expenditures. According to the Congressional Budget Office, enactment of H.R. 3961 would result in direct spending of \$1 million in 2007, but that amount would be offset by less spending over the 2008–2010 period, and the net impact on direct spending over 2007–2010 would thus be “insignificant.”

3. General Performance Goals and Objectives. The 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 received the following cost estimate for this bill from the Director of the Congressional Budget Office:

*H.R. 3961—A bill to authorize the National Park Service to pay for services rendered by subcontractors under a General Services Administration Indefinite Deliver/Indefinite Quantity Contract issued for work to be completed at the Grand Canyon National Park*

Summary: H.R. 3961 would require the National Park Service (NPS) to make payments to certain subcontractors who performed work at the Grand Canyon National Park but were not paid by the prime contractor. CBO estimates that implementing the bill would increase direct spending by about \$1 million in 2007, but that amount would be offset by less spending over the 2008–2010 period, and the net impact of the bill on direct spending over the 2007–2010 period would be insignificant.

The legislation contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments.

Estimated cost to the Federal Government: The estimated budgetary impact of H.R. 3961 is shown in the following table. The costs of this legislation fall within budget function 300 (natural resources and environment).

	By fiscal year, in millions of dollars—				
	2007	2008	2009	2010	2011
CHANGES IN DIRECT SPENDING					
Estimated budget authority .....	1	*	*	*	0
Estimated outlays .....	1	*	*	*	0

Note: \* = less than \$500,000.

Basis of estimate: H.R. 3961 would require the NPS to use collections from the Grand Canyon National Park's entrance fees to pay subcontractors associated with Pacific General, Inc. (PGI), a California-based firm for construction work performed in 2002 and 2003. The NPS has paid \$10 million to PGI through a General Services Administration contract for numerous Grand Canyon National Park construction projects, and \$1.3 million of that amount was owed, but not paid to the firm's subcontractors. PGI has since gone out of business.

Entrance fees collected by the NPS are recorded in the budget as offsetting receipts and are available without further appropriation. For this estimate, CBO assumes that H.R. 3961 will be enacted near the start of fiscal year 2007. CBO expects that requiring the NPS to pay PGI's subcontractors would cost \$1.3 million in 2007. CBO estimates that spending of park entrance fees would be reduced by \$1.3 million over the 2008–2010 period. Thus, the bill's net impact on spending over the 2007–2010 period would not be significant.

Intergovernmental and private-sector impact: The legislation contains no intergovernmental or private-sector mandates as defined

in UMRA and would impose no costs on state, local, or tribal governments.

Estimate prepared by: Federal costs: Matthew Pickford; Impact on state, local, and tribal governments: Marjorie Miller; Impact on the private sector: Amy Petz.

Estimate approved by: Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.

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

If enacted, this bill would make no changes to existing law.

