Public Law 97-357
97th Congress

An Act
To authorize appropriations for certain insular areas of the United States, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—GUAM

Sec. 101. Section 7 of the Organic Act of Guam (64 Stat. 384, 387), as amended, is revised to read as follows:

"Sec. 7. (a) The people of Guam shall have the right of initiative and referendum, to be exercised under conditions and procedures specified in the laws of Guam.

"(b) Any Governor, Lieutenant Governor, or member of the legislature of Guam may be removed from office by a referendum election in which at least two-thirds of the number of persons voting for such official in the last preceding general election at which such official was elected vote in favor of recall and in which those so voting constitute a majority of all those participating in such referendum election. The referendum election shall be initiated by the legislature of Guam following (a) a two-thirds vote of the members of the legislature in favor of a referendum, or (b) petition for such a referendum to the legislature by registered voters equal in number to at least 50 per centum of the whole number of votes cast at the last general election at which such official was elected preceding the filing of the petition.

Sec. 102. Section 1(a)(1) of Public Law 95-348 (92 Stat. 487) is amended by deleting "involved." and inserting in lieu thereof "involved, and $6,052,000 for fiscal year 1983, such sums to remain available until expended."

Sec. 103. Section 205 of Public Law 95-134 (91 Stat. 1159, 1162), as amended by subsection 1(d) of Public Law 95-348 (92 Stat. 487, 488), is further amended by deleting "Medical Center of the Marianas:" and inserting in lieu thereof "Medical Center of the Marianas, to renovate, maintain, and operate the Guam Memorial Hospital, and to construct, maintain, and operate a health care facility in the northern part of Guam."

Sec. 104. The Organic Act of Guam (64 Stat. 384), as amended, is further amended—

(a) by deleting the first sentence of the sixth paragraph of section 6, as amended (82 Stat. 842, 843), and substituting the following: "The Governor shall prepare, publish, and submit to the Congress and the Secretary of the Interior a comprehensive annual financial report in conformance with the standards of the National Council on Governmental Accounting within one hundred and twenty days after the close of the fiscal year. The comprehensive annual financial report shall include statistical data as set forth in the standards of the National Council on Governmental Accounting relating to the physical, economic,
social, and political characteristics of the government, and any other information required by the Congress. The Governor shall transmit the comprehensive annual financial report to the Inspector General of the Department of the Interior who shall audit it and report his findings to the Congress. The Governor shall also make such other reports at such other times as may be required by the Congress or under applicable Federal law. He shall also submit to the Congress, the Secretary of the Interior, and the cognizant Federal auditors a written statement of actions taken or contemplated on Federal audit recommendations within sixty days after the issuance date of the audit report.

(b) by deleting section 9-A (82 Stat. 842, 845), as amended (91 Stat. 1159, 1161), in its entirety, and inserting in lieu thereof the following new section 9-A:

"Sec. 9-A. (a) The following functions, powers, and duties heretofore vested in the government comptroller for Guam are hereby transferred to the Inspector General, Department of the Interior, for the purpose of establishing an organization which will maintain a satisfactory level of independent audit oversight of the government of Guam:

"(1) The authority to audit all accounts pertaining to the revenue and receipts of the government of Guam, and of funds derived from bond issues, and the authority to audit, in accordance with law and administrative regulations, all expenditures of funds and property pertaining to the government of Guam including those pertaining to trust funds held by the government of Guam.

"(2) The authority to report to the Secretary of the Interior and the Governor of Guam all failures to collect amounts due the government, and expenditures of funds or uses of property which are irregular or not pursuant to law.

"(b) The authority granted in paragraph (a) shall extend to all activities of the government of Guam, and shall be in addition to the authority conferred upon the Inspector General by the Inspector General Act of 1978 (92 Stat. 1101), as amended.

"(c) In order to carry out the provisions of this section, the personnel, assets, liabilities, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds employed, held, used, arising from, available or to be made available, of the office of the government comptroller for Guam related to its audit function are hereby transferred to the Office of Inspector General, Department of the Interior."

TITLE II—TRUST TERRITORY OF THE PACIFIC ISLANDS

Sec. 201. In section 402(a) of Public Law 96–597 (94 Stat. 3478) strike "by October 1, 1982," and insert in lieu thereof: "by a date not later than ninety days following termination of the trusteeship agreement governing the administration of the Trust Territory of the Pacific Islands.";

Sec. 202. (1) The Act of June 13, 1975 (89 Stat. 212), is amended by inserting the following language before the last sentence: "The corpus, income of, or distributions from such trust, or distributions to the beneficiaries of such trust shall not be subject to any form of United States Federal, State, or local taxation."
(2) The corpus, income of, or distributions from the Ujelang Trust Fund numbered 2 (established by the High Commissioner of the Trust Territory of the Pacific Islands), or distributions to the beneficiaries of such trust fund shall not be subject to any form of United States Federal, State, or local taxation.

Sec. 203. The Act of March 21, 1972 (86 Stat. 87), relating to the Trust Territory of the Pacific Islands is amended—

(a) by amending section 5 (86 Stat. 88), to read: "The chief executives of the governments of the Marshall Islands, the Federated States of Micronesia, Palau, and the Northern Mariana Islands shall prepare, publish, and submit to the Congress and the Secretary of the Interior a comprehensive annual financial report in conformance with the standards of the National Council on Governmental Accounting within one hundred and twenty days after the close of the fiscal year. The comprehensive annual financial report shall include statistical data as set forth in the standards of the National Council on Governmental Accounting relating to the physical, economic, social, and political characteristics of the government, and any other information required by the Congress. The chief executives shall transmit the comprehensive annual financial report to the Inspector General of the Department of the Interior who shall audit it and report his findings to the Congress. The chief executives shall also make such other reports at such other times as may be required by the Congress or under applicable Federal laws. The chief executives shall submit to the Congress, the Secretary of the Interior, the High Commissioner of the Trust Territory of the Pacific Islands, and the cognizant Federal auditors a written statement of actions taken or contemplated on Federal audit recommendations within sixty days after the issuance date of the audit report. This section is not subject to termination under section 502(a)(3) of the Covenant to Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States of America (90 Stat. 263, 268).";

(b) by deleting section 4 of the Act of June 30, 1954 (68 Stat. 330), as amended (87 Stat. 354; 91 Stat. 1162; 94 Stat. 85), in its entirety, and inserting in lieu thereof the following new section 4:

"Sec. 4. (a) The following functions, powers, and duties heretofore vested in the government comptroller for Guam with respect to the government of the Trust Territory of the Pacific Islands and the government of the Northern Mariana Islands are hereby transferred to the Inspector General, Department of the Interior, for the purpose of establishing an organization which will maintain a satisfactory level of independent audit oversight of the governments of the Marshall Islands, the Federated States of Micronesia, Palau, and the Northern Mariana Islands:

"(1) The authority to audit all accounts pertaining to the revenue and receipts of the governments of the Marshall Islands, the Federated States of Micronesia, Palau, and the Northern Mariana Islands, and of funds derived from bond issues, and the authority to audit, in accordance with law and administrative regulations, all expenditures of funds and property pertaining to the aforementioned governments including those pertaining to trust funds held by such governments.

"(2) The authority to report to the Secretary of the Interior, the High Commissioner of the Trust Territory of the Pacific Islands, Secretary of the Interior and others.

Tax exclusions.

48 USC 1692.

Functions transferred to Inspector General.
(a) The authority granted in paragraph (a) shall extend to all activities of the governments of the Marshall Islands, the Federated States of Micronesia, Palau, and the Northern Mariana Islands, and shall be in addition to the authority conferred upon the Inspector General by the Inspector General Act of 1978 (92 Stat. 1101), as amended. This section is not subject to termination under section 502(a)(3) of the Covenant to Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States of America (90 Stat. 263, 268).

(b) The authority granted in paragraph (a) shall extend to all activities of the governments of the Marshall Islands, the Federated States of Micronesia, Palau, and the Northern Mariana Islands, and shall be in addition to the authority conferred upon the Inspector General by the Inspector General Act of 1978 (92 Stat. 1101), as amended. This section is not subject to termination under section 502(a)(3) of the Covenant to Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States of America (90 Stat. 263, 268).

(c) In order to carry out the provisions of this section, the personnel, assets, liabilities, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds employed, held, used, arising from, available or to be made available, of the office of the government comptroller for Guam related to its audit function, with respect to the government of the Trust Territory of the Pacific Islands and the government of the Northern Mariana Islands are hereby transferred to the Office of Inspector General, Department of the Interior.

(d) Section 201(a) of Public Law 96-205 (94 Stat. 85), is hereby repealed in its entirety.

(e) Nothing in this section shall be construed as requiring the Governor of the Northern Mariana Islands to submit any statement or report to the High Commissioner of the Trust Territory of the Pacific Islands.

SEC. 204. That the Northern Mariana Islands shall not be considered a foreign country for purposes of subsection (k) of section 2680 of title 28, United States Code, with respect to claims which accrued no more than two years prior to the effective date of this Act.

SEC. 205. The Secretary shall conduct, upon request of the affected regional governments and through the Director of the National Park Service, a comprehensive inventory and study of the most unique and significant natural, historical, cultural and recreational resources of the Trust Territory of the Pacific Islands (specifically composed of the Mariana, Caroline and Marshall Islands). Areas or sites exhibiting such qualities shall be described and evaluated with the objective of the preservation of their values and their careful use and appreciation by the public, along with a determination of their potential for attracting tourism. Alternative methodologies for such preservation and use shall be developed for each area or site (including continued assistance from the National Park Service); current or impending damage or threats to the resources of such areas or sites shall be identified and evaluated; and authorities needed to properly protect and allow for public use and appreciation shall be identified and discussed. Such inventory and study shall be conducted in full cooperation and consultation with affected governmental officials and the interested public. The inventory and study shall also identify areas or sites which qualify to be listed on the Registry of Natural Landmarks and the National Register of Historic Places. A full report on such inventory and study shall be transmitted to the respectively involved governments, the Committee on Interior and Insular Affairs of the United States House of Representatives and the Committee on Energy and Natural Resources of the United Islands, the chief executives of the governments of the Marshall Islands, the Federated States of Micronesia, Palau, and the Northern Mariana Islands all failures to collect amounts due the governments, and expenditures of funds or uses of property which are irregular or not pursuant to law.

Islands, the chief executives of the governments of the Marshall Islands, the Federated States of Micronesia, Palau, and the Northern Mariana Islands all failures to collect amounts due the governments, and expenditures of funds or uses of property which are irregular or not pursuant to law.
States Senate no later than two complete calendar years after the
effective date of this Act.

TITLE III—VIRGIN ISLANDS

SEC. 301. (a) Effective October 1, 1982, there is authorized to be
appropriated to the Secretary of the Interior $150,000 to be paid as a
grant to the government of the Virgin Islands for use by the College
of the Virgin Islands to study and plan for the creation of an
institution for Caribbean educational, cultural, and technical
interchange.

(b) The Secretary may place such stipulations as he deems appro­
propriate on the use of funds appropriated pursuant to subsection (a) of
this section.

(c) Grant funds appropriated pursuant to subsection (a) but not
obligated or expended during the fiscal year in which they are
appropriated shall remain available for obligation or expenditure in
subsequent fiscal years.

SEC. 302. Section 405 of Public Law 96-205 (94 Stat. 84, 89) is
amended by adding at the end thereof the following new sentence:
"The officials of the Customs and Postal Services of the United
States are directed to assist the appropriate officials of the United
States Virgin Islands in the collection of these taxes."

SEC. 303. There are authorized to be appropriated to the Secretary
of the Interior, not to exceed $10,000,000 for grants to the govern­
ment of the Virgin Islands for improvements in the generation and
distribution of water and power, to remain available until expended.

SEC. 304. There are authorized to be appropriated to the Secretary
of the Interior $3,000,000 for grants to the government of the Virgin
Islands for construction of two juvenile pretrial detention facilities,
one on the island of Saint Thomas, and one on the island of Saint
Croix, to remain available until expended.

SEC. 305. Sections 8 (d) and (e) of the Revised Organic Act of the
Virgin Islands (68 Stat. 500; 48 U.S.C. 1574 (d) and (e)) are repealed.

SEC. 306. Section 4(d) of the Organic Act of the Virgin Islands of
June 22, 1936 (49 Stat. 1808; 48 U.S.C. 1405c(d)) is amended by
substituting the word "legislature" for the words "legislative assem­
bly" wherever they appear.

SEC. 307. The following provisions of the Organic Act of the Virgin
Islands of June 22, 1936, as amended, are repealed: Section 2 (49
Stat. 1807; 48 U.S.C. 1405a); section 3 (49 Stat. 1807; 48 U.S.C. 1405b);
section 5 (49 Stat. 1805; 48 U.S.C. 1405d); section 6 (49 Stat. 1805; 48
U.S.C. 1405e); section 7 (49 Stat. 1806; 48 U.S.C. 1405f); section 8 (49
Stat. 1807; 48 U.S.C. 1405g); section 11 (49 Stat. 1808; 48 U.S.C.
1405j); section 12 (49 Stat. 1809; 48 U.S.C. 1405k); section 13 (49 Stat.
1810; 48 U.S.C. 1405l); section 14 (49 Stat. 1810; 48 U.S.C. 1405m);
section 15 (49 Stat. 1810; 48 U.S.C. 1405n); section 16 (49 Stat. 1810;
48 U.S.C. 1405o); section 17 (49 Stat. 1811; 48 U.S.C. 1405p); section
19 (49 Stat. 1811; 48 U.S.C. 1405r); section 22 (49 Stat. 1812; 48 U.S.C.
1405u); section 23 (49 Stat. 1813; 48 U.S.C. 1405v); section 24 (49 Stat.
1813; 48 U.S.C. 1405w); section 25 (49 Stat. 1813; 48 U.S.C. 1405x);
section 27 (49 Stat. 1813; 48 U.S.C. 1405z); section 28 (49 Stat. 1814;
48 U.S.C. 1406); section 29 (49 Stat. 1814; 48 U.S.C. 1406a); section 30
(49 Stat. 1814; 48 U.S.C. 1406b); section 31 (49 Stat. 1814; 48 U.S.C.
1406c); section 32 (49 Stat. 1814; 48 U.S.C. 1406d); section 33 (49 Stat.
1815; 48 U.S.C. 1406e); section 34 (49 Stat. 1816; 48 U.S.C. 1406g); and
Repeals.

Sec. 308. The following statutes are repealed:

(a) That portion of section 1 of the Naval Service Appropriations Act, 1922, of July 12, 1921 (42 Stat. 123; 48 U.S.C. 1393), which reads: "That no person owing allegiance to any country other than the United States of America shall be able to hold office as a member of the colonial councils of the Virgin Islands of the United States nor to hold any public office under the government of said islands: Provided further,"


(c) Section 2 of the Act of July 1, 1932 (47 Stat. 565; 48 U.S.C. 1392b).


Sec. 309. The Revised Organic Act of the Virgin Islands (68 Stat. 497), as amended, is further amended—

(a) by amending the fourth paragraph of section 11 (68 Stat. 503), as amended (82 Stat. 837, 838), to read: "The Governor shall prepare, publish, and submit to the Congress and the Secretary of the Interior a comprehensive annual financial report in conformance with the standards of the National Council on Governmental Accounting within one hundred and twenty days after the close of the fiscal year. The comprehensive annual financial report shall include statistical data as set forth in the standards of the National Council on Governmental Accounting relating to the physical, economic, social, and political characteristics of the government, and any other information required by the Congress. The Governor shall transmit the comprehensive annual financial report to the Inspector General of the Department of the Interior who shall audit it and report his findings to the Congress. The Governor shall also make such other reports at such other times as may be required by the Congress or under applicable Federal law. He shall also submit to the Congress, the Secretary of the Interior, and the cognizant Federal auditors a written statement of actions taken or contemplated on Federal audit recommendations within sixty days after the issuance date of the audit report. He shall have the power to issue executive orders and regulations not in conflict with any applicable law. He may recommend bills to the legislature and give expression to his views on any matter before that body."; and

(b) by deleting section 17 (68 Stat. 505), as amended (72 Stat. 1094; 76 Stat. 43; 82 Stat. 840; 91 Stat. 1162), in its entirety, and inserting in lieu thereof the following new section 17:

"Sec. 17. (a) The following functions, powers, and duties heretofore vested in the government comptroller for the Virgin Islands are hereby transferred to the Inspector General, Department of the Interior, for the purpose of establishing an organization which will
maintain a satisfactory level of independent audit oversight of the government of the Virgin Islands:

"(1) The authority to audit all accounts pertaining to the revenue and receipts of the government of the Virgin Islands, and of funds derived from bond issues, and the authority to audit, in accordance with law and administrative regulations, all expenditures of funds and property pertaining to the government of the Virgin Islands including those pertaining to trust funds held by the government of the Virgin Islands.

"(2) The authority to report to the Secretary of the Interior and the Governor of the Virgin Islands all failures to collect amounts due the government, and expenditures of funds or uses of property which are irregular or not pursuant to law.

"(b) The authority granted in paragraph (a) shall extend to all activities of the government of the Virgin Islands, and shall be in addition to the authority conferred upon the Inspector General by the Inspector General Act of 1978 (92 Stat. 1101), as amended.

"(c) In order to carry out the provisions of this section, the personnel, assets, liabilities, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds employed, held, used, arising from, available or to be made available, of the office of the government comptroller for the Virgin Islands related to its audit function are hereby transferred to the Office of Inspector General, Department of the Interior."

### TITLE IV—AMERICAN SAMOA

**Sec. 401.** Effective January 1, 1983, section 5 of Public Law 95-556 (92 Stat. 2078) is amended by striking out the colon and all that follows and inserting a period in lieu thereof.

**Sec. 402.** Section 501 of Public Law 96-205 (94 Stat. 90) is hereby deleted in its entirety, and inserted in lieu thereof is the following new section 501:

"Sec. 501. (a) The Governor of American Samoa shall prepare, publish, and submit to the Congress and the Secretary of the Interior a comprehensive annual financial report in conformance with the standards of the National Council on Governmental Accounting within one hundred and twenty days after the close of the fiscal year. The comprehensive annual financial report shall include statistical data as set forth in the standards of the National Council of Governmental Accounting relating to the physical, economic, social, and political characteristics of the government, and any other information required by the Congress. The Governor shall transmit the comprehensive annual financial report to the Inspector General of the Department of the Interior who shall audit it and report his findings to the Congress. The Governor shall also make such other reports at such other times as may be required by the Congress or under applicable Federal law. He shall also submit to the Congress, the Secretary of the Interior, and the cognizant Federal auditors a written statement of actions taken or contemplated on Federal audit recommendations within sixty days after the issuance date of the audit report.

"(b) The following functions, powers, and duties heretofore vested in the government comptroller for American Samoa are hereby transferred to the Inspector General, Department of the Interior, for the purpose of establishing an organization which will maintain a
satisfactory level of independent audit oversight of the government of American Samoa:

"(1) The authority to audit all accounts pertaining to the revenue and receipts of the government of American Samoa, and of funds derived from bond issues, and the authority to audit, in accordance with law and administrative regulations, all expenditures of funds and property pertaining to the government of American Samoa including those pertaining to trust funds held by the government of American Samoa.

"(2) The authority to report to the Secretary of the Interior and the Governor of American Samoa all failures to collect amounts due the government, and expenditures of funds or uses or property which are irregular or not pursuant to law.

"(c) The authority granted in paragraph (b) shall extend to all activities of the government of American Samoa, and shall be in addition to the authority conferred upon the Inspector General by the Inspector General Act of 1978 (92 Stat. 1101), as amended.

"(d) In order to carry out the provisions of this section, the personnel, assets, liabilities, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds employed, held, used, arising from, available or to be made available, of the office of the government comptroller for American Samoa relating to its audit function are hereby transferred to the Office of Inspector General, Department of the Interior."

TITLE V—PUERTO RICO

Sec. 501. Section 202 of the Federal Water Pollution Control Act (Public Law 97-117) is amended by adding at the end thereof the following new subsection:

"(c) Notwithstanding any other provision of law, sums allotted to the Commonwealth of Puerto Rico under section 205 of this Act for fiscal year 1981 shall remain available for obligation for the fiscal year for which authorized and for the period of the next succeeding twenty-four months. Such sums and any unobligated funds available to Puerto Rico from allotments for fiscal years ending prior to October 1, 1981, shall be available for obligation by the Administrator of the Environmental Protection Agency only to fund the following systems: Aguadilla, Arecibo, Mayaguez, Carolina, and Camuy Hatillo. These funds may be used by the Commonwealth of Puerto Rico to fund the non-Federal share of the costs of such projects. To the extent that these funds are used to pay the non-Federal share, the Commonwealth of Puerto Rico shall repay to the Environmental Protection Agency such amounts on terms and conditions developed and approved by the Administrator in consultation with the Governor of the Commonwealth of Puerto Rico. Agreement on such terms and conditions, including the payment of interest to be determined by the Secretary of the Treasury, shall be reached prior to the use of these funds for the Commonwealth's non-Federal share. No Federal funds awarded under this provision shall be used to replace local governments funds previously expended on these projects.'

TITLE VI—MISCELLANEOUS

Sec. 601. Section 607 of Public Law 96-597 (94 Stat. 3477, 3483) is amended by deleting subsections (b), (c), and (d) and inserting in lieu thereof the following:
“(b) The Governors of Guam and the Virgin Islands shall, as a condition for a grant pursuant to subsection (a) of this section, submit a plan which is designed to eliminate the respective territory’s general fund deficit by the beginning of fiscal year 1987 to the Secretary of the Interior. Within sixty days after he has received such a plan, the Secretary of the Interior shall transmit the plan, together with his comments and recommendations to the Congress. The plan shall provide for—

“(1) implementation of an effective budgetary and accounting system;
“(2) realistic revenue and expenditure projections which will progressively reduce current year general fund deficits and result in a balanced general fund budget no later than the beginning of fiscal year 1987;
“(3) financing of accumulated general fund deficits; and
“(4) quarterly goals and timetables for implementing the plan. The plan shall also indicate that the Governor has the necessary authority to implement the plan.

“(c) Not later than thirty days after the close of each quarter which occurs after the plan has been transmitted to the Congress, the respective Governor shall submit a report to the Secretary of the Interior and the Congress describing in detail the success or failure of such territory in meeting the goals and timetables described in such plan.”.

Approved October 19, 1982.