

Since this river serves as a primary source of groundwater for the region, the resulting pollution of the stream not only affects the reservation, but also travels downstream, creating public health hazards for families and communities both within and well beyond the reservation's borders.

Alarming, Jicarilla Apache youth are now experiencing higher than normal incidences of internal organ diseases affecting the liver, kidneys, and stomach, ailments suspected to be related to the contaminated water.

Because of the lack of sufficient water resources, the Jicarilla Tribe is not only facing considerable public health concerns, but it has also had to put a break on other important community improvement efforts, including the construction of much-needed housing and the replacement of deteriorating public schools.

For all of these reasons, the Tribal Council has been forced to declare a state of emergency for the reservation and has appropriated over \$4.5 million of its own funds to begin the process of rehabilitating the water system.

Following a disastrous 6-day water outage last October, the Jicarilla investigated and discovered the full extent of the deplorable condition of the water system. Acting immediately to address the problem, the tribe promptly contacted the Bureau of Indian Affairs, the Indian Health Service, the Environmental Protection Agency, and other entities for help in relieving their situation. Yet, due to the budget constraints and other impediments, these agencies were unable to provide financial assistance or take any other substantial action to address the problem.

In particular, the Bureau of Indian Affairs, having found itself to be poorly suited for the operation and maintenance of a tribal water system, has discontinued its policy of operating its own tribal water systems in favor of transferring ownership directly to the tribes. Unfortunately, however, the dangerous condition of the Jicarilla water system precludes its transfer to the tribe until it has been rehabilitated.

Fortunately, the Bureau of Reclamation is appropriately suited to assist the Jicarilla Apache and the BIA in assessing the feasibility of the rehabilitation of the tribe's water system.

In consultation with the Jicarilla Apache Tribe, the Bureau of Reclamation has indicated both its willingness and ability to complete the feasibility study should it be authorized to do so as required by law.

Recognizing this as the most promising solution for addressing the serious water safety problems plaguing the Jicarilla, I and my fellow cosponsors introduced this bill to allow this important process to move forward. I hope the rest of our colleagues will join us in passing this bill to remedy this distressing situation.

Mr. GEORGE MILLER of California. Mr. Speaker, will the gentleman yield?

Mr. UDALL of New Mexico. I yield to the gentleman from California.

Mr. GEORGE MILLER of California. Mr. Speaker, I thank the gentleman for yielding to me. I simply rise in support of the legislation that he and other Members of the delegation have supported and brought to the floor and commend them for their efforts on behalf of the Apache Reservation, due to the fact that the Environmental Protection Agency has found these very serious violations.

I think in fact that this legislation does do what is necessary, and that is, to redeem the trust responsibility of the Federal Government to ensure that this Federal water system supplies the tribe with water that is safe and adequate to meet the health, economic, and environmental needs of the Jicarilla Apaches. I want to thank the gentleman for bringing this matter to the floor and urge support of this legislation.

Mr. Speaker, H.R. 3051 directs the Secretary of Interior to conduct a feasibility study to determine the most feasible method of developing a safe and adequate municipal, rural, and industrial water supply for the residents of the Jicarilla Apache Reservation in New Mexico. The study is to be conducted by the Bureau of Reclamation and in consultation and cooperation with the tribe. Further, the bill provides a report be submitted to Congress 1 year after funds are appropriated to carry out the study and authorizes \$200,000 to implement the provisions of the legislation.

The Jicarilla Apache Reservation was established in 1887 by executive order and is located at the foot of the San Juan Mountains in north-central New Mexico. The reservation consists of 742,315 acres and ranges in elevation from 6,500 to 9,000 feet.

The existing municipal water system was built by the Bureau of Indian Affairs (BIA) which continues to own the system. It is dilapidated and cannot safely and adequately address the current or future needs of the tribe. The system has been cited by the Environmental Protection Agency (EPA) for violations of Safe Drinking Water Act standards. It poses a severe health threat to the community and impedes economic development by the tribe. In addition, the system has been unable to meet the minimum Federal water requirements necessary for discharging wastewater into a public watercourse and has been operating without a Federal discharge permit.

Over the last several years the tribe has spent over \$4.5 million in tribal funds for repair and replacement of portions of the system. This patchwork process will not address the overall problems with the system as it needs to be overhauled or replaced. The Federal Government has a trust responsibility to ensure that the Federal water system it supplies to the tribe is safe and adequate to meet the health, economic and environmental needs of tribal members.

I want to commend our colleague, Mr. TOM UDALL from New Mexico, for his hard work in getting this bill before us today. It is an important first step toward ensuring future health and economic progress for the Jicarilla Apache Tribe. I urge my colleagues to support the bill.

Mr. UDALL of New Mexico. Mr. Speaker, I also, just to finally summa-

rize here, want to thank very much the gentleman from Utah (Mr. HANSEN), chairman of the Subcommittee on National Parks and Public Lands, for his hard work on this and for his being able to address this very quickly.

Mr. Speaker, I yield back the balance of my time.

Mr. HANSEN. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. LAHOOD). The question is on the motion offered by the gentleman from Utah (Mr. HANSEN) that the House suspend the rules and pass the bill, H.R. 3051, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

TRIBAL SELF-GOVERNANCE AMENDMENTS OF 1999

Mr. HANSEN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1167) to amend the Indian Self-Determination and Education Assistance Act to provide for further self-governance by Indian tribes, and for other purposes, as amended.

The Clerk read as follows:

H.R. 1167

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

SECTION 1. SHORT TITLE.

This Act may be cited as the "Tribal Self-Governance Amendments of 1999".

SEC. 2. FINDINGS.

Congress finds that—

(1) the tribal right of self-government flows from the inherent sovereignty of Indian tribes and nations;

(2) the United States recognizes a special government-to-government relationship with Indian tribes, including the right of the Indian tribes to self-governance, as reflected in the Constitution, treaties, Federal statutes, and the course of dealings of the United States with Indian tribes;

(3) although progress has been made, the Federal bureaucracy, with its centralized rules and regulations, has eroded tribal self-governance and dominates tribal affairs;

(4) the Tribal Self-Governance Demonstration Project, established under title III of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450f note) was designed to improve and perpetuate the government-to-government relationship between Indian tribes and the United States and to strengthen tribal control over Federal funding and program management;

(5) although the Federal Government has made considerable strides in improving Indian health care, it has failed to fully meet its trust responsibilities and to satisfy its obligations to the Indian tribes under treaties and other laws; and

(6) Congress has reviewed the results of the Tribal Self-Governance Demonstration Project and finds that transferring full control and funding to tribal governments, upon tribal request, over decision making for Federal programs, services, functions, and activities (or portions thereof)—

(A) is an appropriate and effective means of implementing the Federal policy of government-to-government relations with Indian tribes; and

(B) strengthens the Federal policy of Indian self-determination.

SEC. 3. DECLARATION OF POLICY.

It is the policy of Congress to—

(1) permanently establish and implement tribal self-governance within the Department of Health and Human Services;

(2) call for full cooperation from the Department of Health and Human Services and its constituent agencies in the implementation of tribal self-governance—

(A) to enable the United States to maintain and improve its unique and continuing relationship with, and responsibility to, Indian tribes;

(B) to permit each Indian tribe to choose the extent of its participation in self-governance in accordance with the provisions of the Indian Self-Determination and Education Assistance Act relating to the provision of Federal services to Indian tribes;

(C) to ensure the continuation of the trust responsibility of the United States to Indian tribes and Indian individuals;

(D) to affirm and enable the United States to fulfill its obligations to the Indian tribes under treaties and other laws;

(E) to strengthen the government-to-government relationship between the United States and Indian tribes through direct and meaningful consultation with all tribes;

(F) to permit an orderly transition from Federal domination of programs and services to provide Indian tribes with meaningful authority, control, funding, and discretion to plan, conduct, redesign, and administer programs, services, functions, and activities (or portions thereof) that meet the needs of the individual tribal communities;

(G) to provide for a measurable parallel reduction in the Federal bureaucracy as programs, services, functions, and activities (or portions thereof) are assumed by Indian tribes;

(H) to encourage the Secretary to identify all programs, services, functions, and activities (or portions thereof) of the Department of Health and Human Services that may be managed by an Indian tribe under this Act and to assist Indian tribes in assuming responsibility for such programs, services, functions, and activities (or portions thereof); and

(I) to provide Indian tribes with the earliest opportunity to administer programs, services, functions, and activities (or portions thereof) from throughout the Department of Health and Human Services.

SEC. 4. TRIBAL SELF-GOVERNANCE.

The Indian Self-Determination and Education Assistance Act (25 U.S.C. 450 et seq.) is amended by adding at the end the following new titles:

“TITLE V—TRIBAL SELF-GOVERNANCE**“SEC. 501. ESTABLISHMENT.**

“The Secretary of Health and Human Services shall establish and carry out a program within the Indian Health Service of the Department of Health and Human Services to be known as the ‘Tribal Self-Governance Program’ in accordance with this title.

“SEC. 502. DEFINITIONS.

“(a) **IN GENERAL.**—For purposes of this title—

“(1) the term ‘construction project’ means an organized noncontinuous undertaking to complete a specific set of predetermined objectives for the planning, environmental determination, design, construction, repair, improvement, or expansion of buildings or facilities, as described in a construction project agreement. The term ‘construction project’ does not mean construction program administration and activities described in paragraphs (1) through (3) of section 4(m), which may otherwise be included in a funding agreement under this title;

“(2) the term ‘construction project agreement’ means a negotiated agreement between the Secretary and an Indian tribe which at a minimum—

“(A) establishes project phase start and completion dates;

“(B) defines a specific scope of work and standards by which it will be accomplished;

“(C) identifies the responsibilities of the Indian tribe and the Secretary;

“(D) addresses environmental considerations;

“(E) identifies the owner and operations/maintenance entity of the proposed work;

“(F) provides a budget;

“(G) provides a payment process; and

“(H) establishes the duration of the agreement based on the time necessary to complete the specified scope of work, which may be 1 or more years;

“(3) the term ‘inherent Federal functions’ means those Federal functions which cannot legally be delegated to Indian tribes;

“(4) the term ‘inter-tribal consortium’ means a coalition of two or more separate Indian tribes that join together for the purpose of participating in self-governance, including, but not limited to, a tribal organization;

“(5) the term ‘gross mismanagement’ means a significant, clear, and convincing violation of compact, funding agreement, or regulatory, or statutory requirements applicable to Federal funds transferred to a tribe by a compact or funding agreement that results in a significant reduction of funds available for the programs, services, functions, or activities (or portions thereof) assumed by an Indian tribe;

“(6) the term ‘tribal shares’ means an Indian tribe’s portion of all funds and resources that support secretarial programs, services, functions, and activities (or portions thereof) that are not required by the Secretary for performance of inherent Federal functions;

“(7) the term ‘Secretary’ means the Secretary of Health and Human Services; and

“(8) the term ‘self-governance’ means the program established pursuant to section 501.

“(b) **INDIAN TRIBE.**—Where an Indian tribe has authorized another Indian tribe, an inter-tribal consortium, or a tribal organization to plan for or carry out programs, services, functions, or activities (or portions thereof) on its behalf under this title, the authorized Indian tribe, inter-tribal consortium, or tribal organization shall have the rights and responsibilities of the authorizing Indian tribe (except as otherwise provided in the authorizing resolution or in this title). In such event, the term ‘Indian tribe’ as used in this title shall include such other authorized Indian tribe, inter-tribal consortium, or tribal organization.

“SEC. 503. SELECTION OF PARTICIPATING INDIAN TRIBES.

“(a) **CONTINUING PARTICIPATION.**—Each Indian tribe that is participating in the Tribal Self-Governance Demonstration Project under title III on the date of enactment of this title may elect to participate in self-governance under this title under existing authority as reflected in tribal resolutions.

“(b) **ADDITIONAL PARTICIPANTS.**—

“(1) In addition to those Indian tribes participating in self-governance under subsection (a), each year an additional 50 Indian tribes that meet the eligibility criteria specified in subsection (c) shall be entitled to participate in self-governance.

“(2)(A) An Indian tribe that has withdrawn from participation in an inter-tribal consortium or tribal organization, in whole or in part, shall be entitled to participate in self-governance provided the Indian tribe meets the eligibility criteria specified in subsection (c).

“(B) If an Indian tribe has withdrawn from participation in an inter-tribal consortium or tribal organization, it shall be entitled to its tribal share of funds supporting those programs, services, functions, and activities (or portions thereof) that it will be carrying out under its compact and funding agreement.

“(C) In no event shall the withdrawal of an Indian tribe from an inter-tribal consortium or tribal organization affect the eligibility of the inter-tribal consortium or tribal organization to participate in self-governance.

“(c) **APPLICANT POOL.**—The qualified applicant pool for self-governance shall consist of each Indian tribe that—

“(1) successfully completes the planning phase described in subsection (d);

“(2) has requested participation in self-governance by resolution or other official action by the governing body (or bodies) of the Indian tribe or tribes to be served; and

“(3) has demonstrated, for the previous 3 fiscal years, financial stability and financial management capability.

Evidence that during such years the Indian tribe had no uncorrected significant and material audit exceptions in the required annual audit of the Indian tribe’s self-determination contracts or self-governance funding agreements shall be conclusive evidence of the required stability and capability for the purposes of this subsection.

“(d) **PLANNING PHASE.**—Each Indian tribe seeking participation in self-governance shall complete a planning phase. The planning phase shall be conducted to the satisfaction of the Indian tribe and shall include—

“(1) legal and budgetary research; and

“(2) internal tribal government planning and organizational preparation relating to the administration of health care programs.

“(e) **GRANTS.**—Subject to the availability of appropriations, any Indian tribe meeting the requirements of paragraphs (2) and (3) of subsection (c) shall be eligible for grants—

“(1) to plan for participation in self-governance; and

“(2) to negotiate the terms of participation by the Indian tribe or tribal organization in self-governance, as set forth in a compact and a funding agreement.

“(f) **RECEIPT OF GRANT NOT REQUIRED.**—Receipt of a grant under subsection (e) shall not be a requirement of participation in self-governance.

“SEC. 504. COMPACTS.

“(a) **COMPACT REQUIRED.**—The Secretary shall negotiate and enter into a written compact with each Indian tribe participating in self-governance in a manner consistent with the Federal Government’s trust responsibility, treaty obligations, and the government-to-government relationship between Indian tribes and the United States.

“(b) **CONTENTS.**—Each compact required under subsection (a) shall set forth the general terms of the government-to-government relationship between the Indian tribe and the Secretary, including such terms as the parties intend shall control year after year. Such compacts may only be amended by mutual agreement of the parties.

“(c) **EXISTING COMPACTS.**—An Indian tribe participating in the Tribal Self-Governance Demonstration Project under title III on the date of enactment of this title shall have the option at any time thereafter to—

“(1) retain its Tribal Self-Governance Demonstration Project compact (in whole or in part) to the extent the provisions of such compact are not directly contrary to any express provision of this title, or

“(2) negotiate in lieu thereof (in whole or in part) a new compact in conformity with this title.

“(d) **TERM AND EFFECTIVE DATE.**—The effective date of a compact shall be the date of the approval and execution by the Indian tribe or another date agreed upon by the parties, and shall remain in effect for so long as permitted by Federal law or until terminated by mutual written agreement, retrocession, or reassumption.

“SEC. 505. FUNDING AGREEMENTS.

“(a) **FUNDING AGREEMENT REQUIRED.**—The Secretary shall negotiate and enter into a written funding agreement with each Indian tribe participating in self-governance in a manner consistent with the Federal Government’s trust responsibility, treaty obligations, and the government-to-government relationship between Indian tribes and the United States.

“(b) **CONTENTS.**—Each funding agreement required under subsection (a) shall, as determined

by the Indian tribe, authorize the Indian tribe to plan, conduct, consolidate, administer, and receive full tribal share funding, including tribal shares of Indian Health Service competitive grants (excluding congressionally earmarked competitive grants), for all programs, services, functions, and activities (or portions thereof), that are carried out for the benefit of Indians because of their status as Indians without regard to the agency or office of the Indian Health Service within which the program, service, function, or activity (or portion thereof) is performed. Such programs, services, functions, or activities (or portions thereof) include all programs, services, functions, activities (or portions thereof) where Indian tribes or Indians are primary or significant beneficiaries, administered by the Department of Health and Human Services through the Indian Health Service and grants (which may be added to a funding agreement after award of such grants) and all local, field, service unit, area, regional, and central headquarters or national office functions administered under the authority of—

“(1) the Act of November 2, 1921 (25 U.S.C. 13);
“(2) the Act of April 16, 1934 (25 U.S.C. 452 et seq.);

“(3) the Act of August 5, 1954 (68 Stat. 674);

“(4) the Indian Health Care Improvement Act (25 U.S.C. 1601 et seq.);

“(5) the Indian Alcohol and Substance Abuse Prevention and Treatment Act of 1986 (25 U.S.C. 2401 et seq.);

“(6) any other Act of Congress authorizing agencies of the Department of Health and Human Services to administer, carry out, or provide financial assistance to such programs, functions, or activities (or portions thereof) described in this section; or

“(7) any other Act of Congress authorizing such programs, functions, or activities (or portions thereof) under which appropriations are made to agencies other than agencies within the Department of Health and Human Services when the Secretary administers such programs, functions, or activities (or portions thereof).

“(c) INCLUSION IN COMPACT OR FUNDING AGREEMENT.—Indian tribes or Indians need not be identified in the authorizing statute for a program or element of a program to be eligible for inclusion in a compact or funding agreement under this title.

“(d) FUNDING AGREEMENT TERMS.—Each funding agreement shall set forth terms that generally identify the programs, services, functions, and activities (or portions thereof) to be performed or administered, the general budget category assigned, the funds to be provided, including those to be provided on a recurring basis, the time and method of transfer of the funds, the responsibilities of the Secretary, and any other provisions to which the Indian tribe and the Secretary agree.

“(e) SUBSEQUENT FUNDING AGREEMENTS.—Absent notification from an Indian tribe that is withdrawing or retroceding the operation of one or more programs, services, functions, or activities (or portions thereof) identified in a funding agreement, or unless otherwise agreed to by the parties, each funding agreement shall remain in full force and effect until a subsequent funding agreement is executed, and the terms of the subsequent funding agreement shall be retroactive to the end of the term of the preceding funding agreement.

“(f) EXISTING FUNDING AGREEMENTS.—Each Indian tribe participating in the Tribal Self-Governance Demonstration Project established under title III on the date of enactment of this title shall have the option at any time thereafter to—

“(1) retain its Tribal Self-Governance Demonstration Project funding agreement (in whole or in part) to the extent the provisions of such funding agreement are not directly contrary to any express provision of this title; or

“(2) adopt in lieu thereof (in whole or in part) a new funding agreement in conformity with this title.

“(g) STABLE BASE FUNDING.—At the option of an Indian tribe, a funding agreement may provide for a stable base budget specifying the recurring funds (including, for purposes of this provision, funds available under section 106(a) of the Act) to be transferred to such Indian tribe, for such period as may be specified in the funding agreement, subject to annual adjustment only to reflect changes in congressional appropriations by sub-sub activity excluding earmarks.

“SEC. 506. GENERAL PROVISIONS.

“(a) APPLICABILITY.—The provisions of this section shall apply to compacts and funding agreements negotiated under this title and an Indian tribe may, at its option, include provisions that reflect such requirements in a compact or funding agreement.

“(b) CONFLICTS OF INTEREST.—Indian tribes participating in self-governance under this title shall ensure that internal measures are in place to address conflicts of interest in the administration of self-governance programs, services, functions, or activities (or portions thereof).

“(c) AUDITS.—

“(1) SINGLE AGENCY AUDIT ACT.—The provisions of chapter 75 of title 31, United States Code, requiring a single agency audit report shall apply to funding agreements under this title.

“(2) COST PRINCIPLES.—An Indian tribe shall apply cost principles under the applicable Office of Management and Budget Circular, except as modified by section 106 or other provisions of law, or by any exemptions to applicable Office of Management and Budget Circulars subsequently granted by Office of Management and Budget. No other audit or accounting standards shall be required by the Secretary. Any claim by the Federal Government against the Indian tribe relating to funds received under a funding agreement based on any audit under this subsection shall be subject to the provisions of section 106(f).

“(d) RECORDS.—

“(1) IN GENERAL.—Unless an Indian tribe specifies otherwise in the compact or funding agreement, records of the Indian tribe shall not be considered Federal records for purposes of chapter 5 of title 5, United States Code.

“(2) RECORDKEEPING SYSTEM.—The Indian tribe shall maintain a recordkeeping system, and, after 30 days advance notice, provide the Secretary with reasonable access to such records to enable the Department of Health and Human Services to meet its minimum legal recordkeeping system requirements under sections 3101 through 3106 of title 44, United States Code.

“(e) REDESIGN AND CONSOLIDATION.—An Indian tribe may redesign or consolidate programs, services, functions, and activities (or portions thereof) included in a funding agreement under section 505 and reallocate or redirect funds for such programs, services, functions, and activities (or portions thereof) in any manner which the Indian tribe deems to be in the best interest of the health and welfare of the Indian community being served, only if the redesign or consolidation does not have the effect of denying eligibility for services to population groups otherwise eligible to be served under Federal law.

“(f) RETROCESSION.—An Indian tribe may retrocede, fully or partially, to the Secretary programs, services, functions, or activities (or portions thereof) included in the compact or funding agreement. Unless the Indian tribe rescinds the request for retrocession, such retrocession will become effective within the time frame specified by the parties in the compact or funding agreement. In the absence of such a specification, such retrocession shall become effective on—

“(1) the earlier of—

“(A) one year from the date of submission of such request; or

“(B) the date on which the funding agreement expires; or

“(2) such date as may be mutually agreed by the Secretary and the Indian tribe.

“(g) WITHDRAWAL.—

“(1) PROCESS.—An Indian tribe may fully or partially withdraw from a participating inter-tribal consortium or tribal organization its share of any program, function, service, or activity (or portions thereof) included in a compact or funding agreement. Such withdrawal shall become effective within the time frame specified in the resolution which authorizes transfer to the participating tribal organization or inter-tribal consortium. In the absence of a specific time frame set forth in the resolution, such withdrawal shall become effective on—

“(A) the earlier of—

“(i) one year from the date of submission of such request; or

“(ii) the date on which the funding agreement expires; or

“(B) such date as may be mutually agreed upon by the Secretary, the withdrawing Indian tribe, and the participating tribal organization or inter-tribal consortium that has signed the compact or funding agreement on behalf of the withdrawing Indian tribe, inter-tribal consortium, or tribal organization.

“(2) DISTRIBUTION OF FUNDS.—When an Indian tribe or tribal organization eligible to enter into a self-determination contract under title I or a compact or funding agreement under this title fully or partially withdraws from a participating inter-tribal consortium or tribal organization, the withdrawing Indian tribe or tribal organization shall be entitled to its tribal share of funds supporting those programs, services, functions, or activities (or portions thereof) which it will be carrying out under its own self-determination contract or compact and funding agreement (calculated on the same basis as the funds were initially allocated in the funding agreement of the inter-tribal consortium or tribal organization), and such funds shall be transferred from the funding agreement of the inter-tribal consortium or tribal organization, provided that the provisions of sections 102 and 105(i), as appropriate, shall apply to such withdrawing Indian tribe.

“(3) REGAINING MATURE CONTRACT STATUS.—If an Indian tribe elects to operate all or some programs, services, functions, or activities (or portions thereof) carried out under a compact or funding agreement under this title through a self-determination contract under title I, at the option of the Indian tribe, the resulting self-determination contract shall be a mature self-determination contract.

“(h) NONDUPLICATION.—For the period for which, and to the extent to which, funding is provided under this title or under the compact or funding agreement, the Indian tribe shall not be entitled to contract with the Secretary for such funds under section 102, except that such Indian tribe shall be eligible for new programs on the same basis as other Indian tribes.

“SEC. 507. PROVISIONS RELATING TO THE SECRETARY.

“(a) MANDATORY PROVISIONS.—

“(1) HEALTH STATUS REPORTS.—Compacts or funding agreements negotiated between the Secretary and an Indian tribe shall include a provision that requires the Indian tribe to report on health status and service delivery—

“(A) to the extent such data is not otherwise available to the Secretary and specific funds for this purpose are provided by the Secretary under the funding agreement; and

“(B) if such reporting shall impose minimal burdens on the participating Indian tribe and such requirements are promulgated under section 517.

“(2) REASSUMPTION.—(A) Compacts and funding agreements negotiated between the Secretary and an Indian tribe shall include a provision authorizing the Secretary to reassume operation of a program, service, function, or activity (or portions thereof) and associated funding if there is a specific finding relative to that program,

service, function, or activity (or portion thereof) of—

“(i) imminent endangerment of the public health caused by an act or omission of the Indian tribe, and the imminent endangerment arises out of a failure to carry out the compact or funding agreement; or

“(ii) gross mismanagement with respect to funds transferred to a tribe by a compact or funding agreement, as determined by the Secretary in consultation with the Inspector General, as appropriate.

“(B) The Secretary shall not reassume operation of a program, service, function, or activity (or portions thereof) unless (i) the Secretary has first provided written notice and a hearing on the record to the Indian tribe; and (ii) the Indian tribe has not taken corrective action to remedy the imminent endangerment to public health or gross mismanagement.

“(C) Notwithstanding subparagraph (B), the Secretary may, upon written notification to the tribe, immediately reassume operation of a program, service, function, or activity (or portion thereof) and associated funding if (i) the Secretary makes a finding of imminent substantial and irreparable endangerment of the public health caused by an act or omission of the Indian tribe; and (ii) the endangerment arises out of a failure to carry out the compact or funding agreement. If the Secretary reassumes operation of a program, service, function, or activity (or portion thereof) under this subparagraph, the Secretary shall provide the tribe with a hearing on the record not later than 10 days after such reassumption.

“(D) In any hearing or appeal involving a decision to reassume operation of a program, service, function, or activity (or portion thereof), the Secretary shall have the burden of proof of demonstrating by clear and convincing evidence the validity of the grounds for the reassumption.

“(b) FINAL OFFER.—In the event the Secretary and a participating Indian tribe are unable to agree, in whole or in part, on the terms of a compact or funding agreement (including funding levels), the Indian tribe may submit a final offer to the Secretary. Not more than 45 days after such submission, or within a longer time agreed upon by the Indian tribe, the Secretary shall review and make a determination with respect to such offer. In the absence of a timely rejection of the offer, in whole or in part, made in compliance with subsection (c), the offer shall be deemed agreed to by the Secretary.

“(c) REJECTION OF FINAL OFFERS.—If the Secretary rejects an offer made under subsection (b) (or one or more provisions or funding levels in such offer), the Secretary shall provide—

“(1) a timely written notification to the Indian tribe that contains a specific finding that clearly demonstrates, or that is supported by a controlling legal authority, that—

“(A) the amount of funds proposed in the final offer exceeds the applicable funding level to which the Indian tribe is entitled under this title;

“(B) the program, function, service, or activity (or portion thereof) that is the subject of the final offer is an inherent Federal function that cannot legally be delegated to an Indian tribe;

“(C) the Indian tribe cannot carry out the program, function, service, or activity (or portion thereof) in a manner that would not result in significant danger or risk to the public health; or

“(D) the tribe is not eligible to participate in self-governance under section 503;

“(2) technical assistance to overcome the objections stated in the notification required by paragraph (1);

“(3) the Indian tribe with a hearing on the record with the right to engage in full discovery relevant to any issue raised in the matter and the opportunity for appeal on the objections raised, provided that the Indian tribe may, in lieu of filing such appeal, directly proceed to initiate an action in a Federal district court pursuant to section 110(a); and

“(4) the Indian tribe with the option of entering into the severable portions of a final proposed compact or funding agreement, or provision thereof, (including lesser funding amount, if any), that the Secretary did not reject, subject to any additional alterations necessary to conform the compact or funding agreement to the severed provisions. If an Indian tribe exercises the option specified herein, it shall retain the right to appeal the Secretary's rejection under this section, and paragraphs (1), (2), and (3) shall only apply to that portion of the proposed final compact, funding agreement or provision thereof that was rejected by the Secretary.

“(d) BURDEN OF PROOF.—With respect to any hearing or appeal or civil action conducted pursuant to this section, the Secretary shall have the burden of demonstrating by clear and convincing evidence the validity of the grounds for rejecting the offer (or a provision thereof) made under subsection (b).

“(e) GOOD FAITH.—In the negotiation of compacts and funding agreements the Secretary shall at all times negotiate in good faith to maximize implementation of the self-governance policy. The Secretary shall carry out this title in a manner that maximizes the policy of tribal self-governance, consistent with section 3.

“(f) SAVINGS.—To the extent that programs, functions, services, or activities (or portions thereof) carried out by Indian tribes under this title reduce the administrative or other responsibilities of the Secretary with respect to the operation of Indian programs and result in savings that have not otherwise been included in the amount of tribal shares and other funds determined under section 508(c), the Secretary shall make such savings available to the Indian tribes, inter-tribal consortia, or tribal organizations for the provision of additional services to program beneficiaries in a manner equitable to directly served, contracted, and compacted programs.

“(g) TRUST RESPONSIBILITY.—The Secretary is prohibited from waiving, modifying, or diminishing in any way the trust responsibility of the United States with respect to Indian tribes and individual Indians that exists under treaties, Executive orders, other laws, or court decisions.

“(h) DECISIONMAKER.—A decision that constitutes final agency action and relates to an appeal within the Department of Health and Human Services conducted under subsection (c) shall be made either—

“(1) by an official of the Department who holds a position at a higher organizational level within the Department than the level of the departmental agency in which the decision that is the subject of the appeal was made; or

“(2) by an administrative judge.

“SEC. 508. TRANSFER OF FUNDS.

“(a) IN GENERAL.—Pursuant to the terms of any compact or funding agreement entered into under this title, the Secretary shall transfer to the Indian tribe all funds provided for in the funding agreement, pursuant to subsection (c), and provide funding for periods covered by joint resolution adopted by Congress making continuing appropriations, to the extent permitted by such resolutions. In any instance where a funding agreement requires an annual transfer of funding to be made at the beginning of a fiscal year, or requires semiannual or other periodic transfers of funding to be made commencing at the beginning of a fiscal year, the first such transfer shall be made not later than 10 days after the apportionment of such funds by the Office of Management and Budget to the Department, unless the funding agreement provides otherwise.

“(b) MULTIYEAR FUNDING.—The Secretary is hereby authorized to employ, upon tribal request, multiyear funding agreements, and references in this title to funding agreements shall include such multiyear agreements.

“(c) AMOUNT OF FUNDING.—The Secretary shall provide funds under a funding agreement

under this title in an amount equal to the amount that the Indian tribe would have been entitled to receive under self-determination contracts under this Act, including amounts for direct program costs specified under section 106(a)(1) and amounts for contract support costs specified under sections 106(a)(2), (a)(3), (a)(5), and (a)(6), including any funds that are specifically or functionally related to the provision by the Secretary of services and benefits to the Indian tribe or its members, all without regard to the organizational level within the Department where such functions are carried out.

“(d) PROHIBITIONS.—The Secretary is expressly prohibited from—

“(1) failing or refusing to transfer to an Indian tribe its full share of any central, headquarters, regional, area, or service unit office or other funds due under this Act, except as required by Federal law;

“(2) withholding portions of such funds for transfer over a period of years; and

“(3) reducing the amount of funds required herein—

“(A) to make funding available for self-governance monitoring or administration by the Secretary;

“(B) in subsequent years, except pursuant to—

“(i) a reduction in appropriations from the previous fiscal year for the program or function to be included in a compact or funding agreement;

“(ii) a congressional directive in legislation or accompanying report;

“(iii) a tribal authorization;

“(iv) a change in the amount of pass-through funds subject to the terms of the funding agreement; or

“(v) completion of a project, activity, or program for which such funds were provided;

“(C) to pay for Federal functions, including Federal pay costs, Federal employee retirement benefits, automated data processing, technical assistance, and monitoring of activities under this Act; or

“(D) to pay for costs of Federal personnel displaced by self-determination contracts under this Act or self-governance;

except that such funds may be increased by the Secretary if necessary to carry out this Act or as provided in section 105(c)(2).

“(e) OTHER RESOURCES.—In the event an Indian tribe elects to carry out a compact or funding agreement with the use of Federal personnel, Federal supplies (including supplies available from Federal warehouse facilities), Federal supply sources (including lodging, airline transportation, and other means of transportation including the use of interagency motor pool vehicles) or other Federal resources (including supplies, services, and resources available to the Secretary under any procurement contracts in which the Department is eligible to participate), the Secretary is authorized to transfer such personnel, supplies, or resources to the Indian tribe.

“(f) REIMBURSEMENT TO INDIAN HEALTH SERVICE.—With respect to functions transferred by the Indian Health Service to an Indian tribe, the Indian Health Service is authorized to provide goods and services to the Indian tribe, on a reimbursable basis, including payment in advance with subsequent adjustment, and the reimbursements received therefrom, along with the funds received from the Indian tribe pursuant to this title, may be credited to the same or subsequent appropriation account which provided the funding, such amounts to remain available until expended.

“(g) PROMPT PAYMENT ACT.—Chapter 39 of title 31, United States Code, shall apply to the transfer of funds due under a compact or funding agreement authorized under this title.

“(h) INTEREST OR OTHER INCOME ON TRANSFERS.—An Indian tribe is entitled to retain interest earned on any funds paid under a compact or funding agreement to carry out governmental or health purposes and such interest

shall not diminish the amount of funds the Indian tribe is authorized to receive under its funding agreement in the year the interest is earned or in any subsequent fiscal year. Funds transferred under this Act shall be managed using the prudent investment standard.

“(i) **CARRYOVER OF FUNDS.**—All funds paid to an Indian tribe in accordance with a compact or funding agreement shall remain available until expended. In the event that an Indian tribe elects to carry over funding from one year to the next, such carryover shall not diminish the amount of funds the Indian tribe is authorized to receive under its funding agreement in that or any subsequent fiscal year.

“(j) **PROGRAM INCOME.**—All medicare, medicaid, or other program income earned by an Indian tribe shall be treated as supplemental funding to that negotiated in the funding agreement and the Indian tribe may retain all such income and expend such funds in the current year or in future years except to the extent that the Indian Health Care Improvement Act (25 U.S.C. 1601 et seq.) provides otherwise for medicare and medicaid receipts, and such funds shall not result in any offset or reduction in the amount of funds the Indian tribe is authorized to receive under its funding agreement in the year the program income is received or for any subsequent fiscal year.

“(k) **LIMITATION OF COSTS.**—An Indian tribe shall not be obligated to continue performance that requires an expenditure of funds in excess of the amount of funds transferred under a compact or funding agreement. If at any time the Indian tribe has reason to believe that the total amount provided for a specific activity in the compact or funding agreement is insufficient the Indian tribe shall provide reasonable notice of such insufficiency to the Secretary. If the Secretary does not increase the amount of funds transferred under the funding agreement, the Indian tribe may suspend performance of the activity until such time as additional funds are transferred.

“SEC. 509. CONSTRUCTION PROJECTS.

“(a) **IN GENERAL.**—Indian tribes participating in tribal self-governance may carry out construction projects under this title if they elect to assume all Federal responsibilities under the National Environmental Policy Act of 1969, the Historic Preservation Act, and related provisions of law that would apply if the Secretary were to undertake a construction project, by adopting a resolution (1) designating a certifying officer to represent the Indian tribe and to assume the status of a responsible Federal official under such laws, and (2) accepting the jurisdiction of the Federal court for the purpose of enforcement of the responsibilities of the responsible Federal official under such environmental laws.

“(b) **NEGOTIATIONS.**—Construction project proposals shall be negotiated pursuant to the statutory process in section 105(m) and resulting construction project agreements shall be incorporated into funding agreements as addenda.

“(c) **CODES AND STANDARDS.**—The Indian tribe and the Secretary shall agree upon and specify appropriate buildings codes and architectural/engineering standards (including health and safety) which shall be in conformity with nationally recognized standards for comparable projects.

“(d) **RESPONSIBILITY FOR COMPLETION.**—The Indian tribe shall assume responsibility for the successful completion of the construction project in accordance with the negotiated construction project agreement.

“(e) **FUNDING.**—Funding for construction projects carried out under this title shall be included in funding agreements as annual advance payments, with semiannual payments at the option of the Indian tribe. Annual advance and semiannual payment amounts shall be determined based on mutually agreeable project schedules reflecting work to be accomplished within the advance payment period, work ac-

complished and funds expended in previous payment periods, and the total prior payments. The Secretary shall include associated project contingency funds with each advance payment installment. The Indian tribe shall be responsible for the management of the contingency funds included in funding agreements.

“(f) **APPROVAL.**—The Secretary shall have at least one opportunity to approve project planning and design documents prepared by the Indian tribe in advance of construction of the facilities specified in the scope of work for each negotiated construction project agreement or amendment thereof which results in a significant change in the original scope of work. The Indian tribe shall provide the Secretary with project progress and financial reports not less than semiannually. The Secretary may conduct on-site project oversight visits semiannually or on an alternate schedule agreed to by the Secretary and the Indian tribe.

“(g) **WAGES.**—All laborers and mechanics employed by contractors and subcontractors in the construction, alteration, or repair, including painting or decorating of building or other facilities in connection with construction projects undertaken by self-governance Indian tribes under this Act, shall be paid wages at not less than those prevailing wages on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act of March 3, 1931 (46 Stat. 1494). With respect to construction, alteration, or repair work to which the Act of March 3, 1921, is applicable under the terms of this section, the Secretary of Labor shall have the authority and functions set forth in Reorganization Plan Numbered 14, of 1950, and section 2 of the Act of June 13, 1934 (48 Stat. 948).

“(h) **APPLICATION OF OTHER LAWS.**—Unless otherwise agreed to by the Indian tribe, no provision of the Office of Federal Procurement Policy Act, the Federal Acquisition Regulations issued pursuant thereto, or any other law or regulation pertaining to Federal procurement (including Executive orders) shall apply to any construction project conducted under this title.

“SEC. 510. FEDERAL PROCUREMENT LAWS AND REGULATIONS.

“Notwithstanding any other provision of law, unless expressly agreed to by the participating Indian tribe, the compacts and funding agreements entered into under this title shall not be subject to Federal contracting or cooperative agreement laws and regulations (including Executive orders and the regulations relating to procurement issued by the Secretary), except to the extent that such laws expressly apply to Indian tribes.

“SEC. 511. CIVIL ACTIONS.

“(a) **CONTRACT DEFINED.**—For the purposes of section 110, the term ‘contract’ shall include compacts and funding agreements entered into under this title.

“(b) **APPLICABILITY OF CERTAIN LAWS.**—Section 2103 of the Revised Statutes of the United States Code (25 U.S.C. 81) and section 16 of the Act of June 18, 1934 (25 U.S.C. 476), shall not apply to attorney and other professional contracts entered into by Indian tribes participating in self-governance under this title.

“(c) **REFERENCES.**—All references in the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450 et seq.) to section 1 of the Act of June 26, 1936 (25 U.S.C. 81) are hereby deemed to include section 1 of the Act of July 3, 1952 (25 U.S.C. 82a).

“SEC. 512. FACILITATION.

“(a) **SECRETARIAL INTERPRETATION.**—Except as otherwise provided by law, the Secretary shall interpret all Federal laws, Executive orders and regulations in a manner that will facilitate—

“(1) the inclusion of programs, services, functions, and activities (or portions thereof) and funds associated therewith, in the agreements entered into under this section;

“(2) the implementation of compacts and funding agreements entered into under this title; and

“(3) the achievement of tribal health goals and objectives.

“(b) REGULATION WAIVER.—

“(1) An Indian tribe may submit a written request to waive application of a regulation promulgated under this Act for a compact or funding agreement entered into with the Indian Health Service under this title, to the Secretary identifying the applicable Federal regulation under this Act sought to be waived and the basis for the request.

“(2) Not later than 90 days after receipt by the Secretary of a written request by an Indian tribe to waive application of a regulation under this Act for a compact or funding agreement entered into under this title, the Secretary shall either approve or deny the requested waiver in writing. A denial may be made only upon a specific finding by the Secretary that identified language in the regulation may not be waived because such waiver is prohibited by Federal law. A failure to approve or deny a waiver request not later than 90 days after receipt shall be deemed an approval of such request. The Secretary's decision shall be final for the Department.

“(c) **ACCESS TO FEDERAL PROPERTY.**—In connection with any compact or funding agreement executed pursuant to this title or an agreement negotiated under the Tribal Self-Governance Demonstration Project established under title III, as in effect before the enactment of the Tribal Self-Governance Amendments of 1999, upon the request of an Indian tribe, the Secretary—

“(1) shall permit an Indian tribe to use existing school buildings, hospitals, and other facilities and all equipment therein or appertaining thereto and other personal property owned by the Government within the Secretary's jurisdiction under such terms and conditions as may be agreed upon by the Secretary and the tribe for their use and maintenance;

“(2) may donate to an Indian tribe title to any personal or real property found to be excess to the needs of any agency of the Department, or the General Services Administration, except that—

“(A) subject to the provisions of subparagraph (B), title to property and equipment furnished by the Federal Government for use in the performance of the compact or funding agreement or purchased with funds under any compact or funding agreement shall, unless otherwise requested by the Indian tribe, vest in the appropriate Indian tribe;

“(B) if property described in subparagraph (A) has a value in excess of \$5,000 at the time of retrocession, withdrawal, or reassignment, at the option of the Secretary upon the retrocession, withdrawal, or reassignment, title to such property and equipment shall revert to the Department of Health and Human Services; and

“(C) all property referred to in subparagraph (A) shall remain eligible for replacement, maintenance, and improvement on the same basis as if title to such property were vested in the United States; and

“(3) shall acquire excess or surplus Government personal or real property for donation to an Indian tribe if the Secretary determines the property is appropriate for use by the Indian tribe for any purpose for which a compact or funding agreement is authorized under this title.

“(d) **MATCHING OR COST-PARTICIPATION REQUIREMENT.**—All funds provided under compacts, funding agreements, or grants made pursuant to this Act, shall be treated as non-Federal funds for purposes of meeting matching or cost participation requirements under any other Federal or non-Federal program.

“(e) **STATE FACILITATION.**—States are hereby authorized and encouraged to enact legislation, and to enter into agreements with Indian tribes to facilitate and supplement the initiatives, programs, and policies authorized by this title and

other Federal laws benefiting Indians and Indian tribes.

"(f) RULES OF CONSTRUCTION.—Each provision of this title and each provision of a compact or funding agreement shall be liberally construed for the benefit of the Indian tribe participating in self-governance and any ambiguity shall be resolved in favor of the Indian tribe.

"SEC. 513. BUDGET REQUEST.

"(a) IN GENERAL.—The President shall identify in the annual budget request submitted to the Congress under section 1105 of title 31, United States Code, all funds necessary to fully fund all funding agreements authorized under this title, including funds specifically identified to fund tribal base budgets. All funds so appropriated shall be apportioned to the Indian Health Service. Such funds shall be provided to the Office of Tribal Self-Governance which shall be responsible for distribution of all funds provided under section 505. Nothing in this provision shall be construed to authorize the Indian Health Service to reduce the amount of funds that a self-governance tribe is otherwise entitled to receive under its funding agreement or other applicable law, whether or not such funds are made available to the Office of Tribal Self-Governance under this section.

"(b) PRESENT FUNDING; SHORTFALLS.—In such budget request, the President shall identify the level of need presently funded and any shortfall in funding (including direct program and contract support costs) for each Indian tribe, either directly by the Secretary, under self-determination contracts, or under compacts and funding agreements authorized under this title.

"SEC. 514. REPORTS.

"(a) ANNUAL REPORT.—Not later than January 1 of each year after the date of the enactment of this title, the Secretary shall submit to the Committee on Resources of the House of Representatives and the Committee on Indian Affairs of the Senate a written report regarding the administration of this title. Such report shall include a detailed analysis of the level of need being presently funded or unfunded for each Indian tribe, either directly by the Secretary, under self-determination contracts under title I, or under compacts and funding agreements authorized under this Act. In compiling reports pursuant to this section, the Secretary may not impose any reporting requirements on participating Indian tribes or tribal organizations, not otherwise provided in this Act.

"(b) CONTENTS.—The report shall be compiled from information contained in funding agreements, annual audit reports, and Secretarial data regarding the disposition of Federal funds and shall—

"(1) identify the relative costs and benefits of self-governance;

"(2) identify, with particularity, all funds that are specifically or functionally related to the provision by the Secretary of services and benefits to self-governance Indian tribes and their members;

"(3) identify the funds transferred to each self-governance Indian tribe and the corresponding reduction in the Federal bureaucracy;

"(4) identify the funding formula for individual tribal shares of all headquarters funds, together with the comments of affected Indian tribes or tribal organizations, developed under subsection (c);

"(5) identify amounts expended in the preceding fiscal year to carry out inherent Federal functions, including an identification of those functions by type and location;

"(6) contain a description of the method or methods (or any revisions thereof) used to determine the individual tribal share of funds controlled by all components of the Indian Health Service (including funds assessed by any other Federal agency) for inclusion in self-governance compacts or funding agreements;

"(7) prior to being submitted to Congress, be distributed to the Indian tribes for comment,

such comment period to be for no less than 30 days; and

"(8) include the separate views and comments of the Indian tribes or tribal organizations.

"(c) REPORT ON FUND DISTRIBUTION METHOD.—Not later than 180 days after the date of enactment of this title, the Secretary shall, after consultation with Indian tribes, submit a written report to the Committee on Resources of the House of Representatives and the Committee on Indian Affairs of the Senate which describes the method or methods used to determine the individual tribal share of funds controlled by all components of the Indian Health Service (including funds assessed by any other Federal agency) for inclusion in self-governance compacts or funding agreements.

"SEC. 515. DISCLAIMERS.

"(a) NO FUNDING REDUCTION.—Nothing in this title shall be construed to limit or reduce in any way the funding for any program, project, or activity serving an Indian tribe under this or other applicable Federal law. Any Indian tribe that alleges that a compact or funding agreement is in violation of this section may apply the provisions of section 110.

"(b) FEDERAL TRUST AND TREATY RESPONSIBILITIES.—Nothing in this Act shall be construed to diminish in any way the trust responsibility of the United States to Indian tribes and individual Indians that exists under treaties, Executive orders, or other laws and court decisions.

"(c) TRIBAL EMPLOYMENT.—For purposes of section 2(2) of the Act of July 5, 1935 (49 Stat. 450, chapter 372) (commonly known as the National Labor Relations Act), an Indian tribe carrying out a self-determination contract, compact, annual funding agreement, grant, or cooperative agreement under this Act shall not be considered an employer.

"(d) OBLIGATIONS OF THE UNITED STATES.—The Indian Health Service under this Act shall neither bill nor charge those Indians who may have the economic means to pay for services, nor require any Indian tribe to do so.

"SEC. 516. APPLICATION OF OTHER SECTIONS OF THE ACT.

"(a) MANDATORY APPLICATION.—All provisions of sections 5(b), 6, 7, 102(c) and (d), 104, 105(k) and (l), 106(a) through (k), and 111 of this Act and section 314 of Public Law 101-512 (coverage under the Federal Tort Claims Act), to the extent not in conflict with this title, shall apply to compacts and funding agreements authorized by this title.

"(b) DISCRETIONARY APPLICATION.—At the request of a participating Indian tribe, any other provision of title I, to the extent such provision is not in conflict with this title, shall be made a part of a funding agreement or compact entered into under this title. The Secretary is obligated to include such provision at the option of the participating Indian tribe or tribes. If such provision is incorporated it shall have the same force and effect as if it were set out in full in this title. In the event an Indian tribe requests such incorporation at the negotiation stage of a compact or funding agreement, such incorporation shall be deemed effective immediately and shall control the negotiation and resulting compact and funding agreement.

"SEC. 517. REGULATIONS.

"(a) IN GENERAL.—

"(1) Not later than 90 days after the date of enactment of this title, the Secretary shall initiate procedures under subchapter III of chapter 5 of title 5, United States Code, to negotiate and promulgate such regulations as are necessary to carry out this title.

"(2) Proposed regulations to implement this title shall be published in the Federal Register by the Secretary no later than 1 year after the date of enactment of this title.

"(3) The authority to promulgate regulations under this title shall expire 21 months after the date of enactment of this title.

"(b) COMMITTEE.—A negotiated rulemaking committee established pursuant to section 565 of title 5, United States Code, to carry out this section shall have as its members only Federal and tribal government representatives, a majority of whom shall be nominated by and be representatives of Indian tribes with funding agreements under this Act, and the Committee shall confer with, and accommodate participation by, representatives of Indian tribes, inter-tribal consortia, tribal organizations, and individual tribal members.

"(c) ADAPTATION OF PROCEDURES.—The Secretary shall adapt the negotiated rulemaking procedures to the unique context of self-governance and the government-to-government relationship between the United States and Indian tribes.

"(d) EFFECT.—The lack of promulgated regulations shall not limit the effect of this title.

"(e) EFFECT OF CIRCULARS, POLICIES, MANUALS, GUIDANCES, AND RULES.—Unless expressly agreed to by the participating Indian tribe in the compact or funding agreement, the participating Indian tribe shall not be subject to any agency circular, policy, manual, guidance, or rule adopted by the Indian Health Service, except for the eligibility provisions of section 105(g).

"SEC. 518. APPEALS.

"In any appeal (including civil actions) involving decisions made by the Secretary under this title, the Secretary shall have the burden of proof of demonstrating by clear and convincing evidence—

"(1) the validity of the grounds for the decision made; and

"(2) the decision is fully consistent with provisions and policies of this title.

"SEC. 519. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated such sums as may be necessary to carry out this title.

"TITLE VI—TRIBAL SELF-GOVERNANCE—DEPARTMENT OF HEALTH AND HUMAN SERVICES

"SEC. 601. DEMONSTRATION PROJECT FEASIBILITY.

"(a) STUDY.—The Secretary shall conduct a study to determine the feasibility a Tribal Self-Governance Demonstration Project for appropriate programs, services, functions, and activities (or portions thereof) of the agency.

"(b) CONSIDERATIONS.—When conducting the study, the Secretary shall consider—

"(1) the probable effects on specific programs and program beneficiaries of such a demonstration project;

"(2) statutory, regulatory, or other impediments to implementation of such a demonstration project;

"(3) strategies for implementing such a demonstration project;

"(4) probable costs or savings associated with such a demonstration project;

"(5) methods to assure quality and accountability in such a demonstration project; and

"(6) such other issues that may be determined by the Secretary or developed through consultation pursuant to section 602.

"(c) REPORT.—Not later than 18 months after the enactment of this title, the Secretary shall submit a report to the Committee on Resources of the House of Representatives and the Committee on Indian Affairs of the Senate. The report shall contain—

"(1) the results of the study;

"(2) a list of programs, services, functions, and activities (or portions thereof) within the agency which it would be feasible to include in a Tribal Self-Governance Demonstration Project;

"(3) a list of programs, services, functions, and activities (or portions thereof) included in the list provided pursuant to paragraph (2) which could be included in a Tribal Self-Governance Demonstration Project without amending statutes, or waiving regulations that the Secretary may not waive;

"(4) a list of legislative actions required in order to include those programs, services, functions, and activities (or portions thereof) included in the list provided pursuant to paragraph (2) but not included in the list provided pursuant to paragraph (3) in a Tribal Self-Governance Demonstration Project; and

"(5) any separate views of tribes and other entities consulted pursuant to section 602 related to the information provided pursuant to paragraph (1) through (4).

"SEC. 602. CONSULTATION.

"(a) STUDY PROTOCOL.—

"(1) CONSULTATION WITH INDIAN TRIBES.—The Secretary shall consult with Indian tribes to determine a protocol for consultation under subsection (b) prior to consultation under such subsection with the other entities described in such subsection. The protocol shall require, at a minimum, that—

"(A) the government-to-government relationship with Indian tribes forms the basis for the consultation process;

"(B) the Indian tribes and the Secretary jointly conduct the consultations required by this section; and

"(C) the consultation process allow for separate and direct recommendations from the Indian tribes and other entities described in subsection (b).

"(2) OPPORTUNITY FOR PUBLIC COMMENT.—In determining the protocol described in paragraph (1), the Secretary shall publish the proposed protocol and allow a period of not less than 30 days for comment by entities described in subsection (b) and other interested individuals, and shall take comments received into account in determining the final protocol.

"(b) CONDUCTING STUDY.—In conducting the study under this title, the Secretary shall consult with Indian tribes, States, counties, municipalities, program beneficiaries, and interested public interest groups, and may consult with other entities as appropriate.

"SEC. 603. DEFINITIONS.

"(a) IN GENERAL.—For purposes of this title, the Secretary may use definitions provided in title V.

"(b) AGENCY.—For purposes of this title, the term 'agency' shall mean any agency or other organizational unit of the Department of Health and Human Services, other than the Indian Health Service.

"SEC. 604. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated for fiscal years 2000 and 2001 such sums as may be necessary to carry out this title. Such sums shall remain available until expended."

SEC. 5. AMENDMENTS CLARIFYING CIVIL PROCEEDINGS.

(a) BURDEN OF PROOF IN DISTRICT COURT ACTIONS.—Section 102(e)(1) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450f(e)(1)) is amended by inserting after "subsection (b)(3)" the following: "or any civil action conducted pursuant to section 110(a)".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to any proceedings commenced after October 25, 1994.

SEC. 6. SPEEDY ACQUISITION OF GOODS, SERVICES, OR SUPPLIES.

Section 105(k) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450j(k)) is amended—

(1) by striking "carrying out a contract" and all that follows through "shall be eligible" and inserting the following: "or Indian tribe shall be deemed an executive agency and a part of the Indian Health Service, and the employees of the tribal organization or the Indian tribe, as the case may be, shall be eligible"; and

(2) by adding at the end thereof the following: "At the request of an Indian tribe, the Secretary shall enter into an agreement for the acquisition, on behalf of the Indian tribe, of any goods, services, or supplies available to the Secretary from the General Services Administration or

other Federal agencies that are not directly available to the Indian tribe under this section or any other Federal law, including acquisitions from prime vendors. All such acquisitions shall be undertaken through the most efficient and speedy means practicable, including electronic ordering arrangements.

SEC. 7. PATIENT RECORDS.

Section 105 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450j) is amended by adding at the end the following new subsection:

"(o) At the option of a tribe or tribal organization, patient records may be deemed to be Federal records under the Federal Records Act of 1950 for the limited purposes of making such records eligible for storage by Federal Records Centers to the same extent and in the same manner as other Department of Health and Human Services patient records. Patient records that are deemed to be Federal records under the Federal Records Act of 1950 pursuant to this subsection shall not be considered Federal records for the purposes of chapter 5 of title 5, United States Code."

SEC. 8. REPEAL.

Title III of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450f note) is hereby repealed.

SEC. 9. SAVINGS PROVISION.

Funds appropriated for title III of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450f note) shall be available for use under title V of such Act.

SEC. 10. EFFECTIVE DATE.

Except as otherwise provided, the provisions of this Act shall take effect on the date of the enactment of this Act.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Utah (Mr. HANSEN) and the gentleman from California (Mr. GEORGE MILLER) each will control 20 minutes.

The Chair recognizes the gentleman from Utah (Mr. HANSEN).

Mr. HANSEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 1167, the proposed Tribal Self-Governance Amendments Act of 1999, would create a new title in the 1975 Indian Self-Determination Act.

The 1975 act allows Indian tribes to contract for or take over the administration and operation of certain Federal programs which provide services to Indian tribes. Subsequent amendments to the 1975 act created in Title III of the act, which provided for a Self-Governance Demonstration Project that allows for a large-scale tribal self-governance compacts and funding agreements on a demonstration basis.

The new title created by H.R. 1167 would make this contracting by tribes permanent for programs contracted for within the Indian Health Service. Thereby, Indian and Alaskan Native tribes would be able to contract for the operation, control, and redesign of various IHS services on a permanent basis. In short, what was a demonstration project would become a permanent IHS self-governance program.

Pursuant to H.R. 1167, tribes which have already contracted for IHS services would continue under the provisions of their contracts while an additional 50 new tribes would be selected each year to enter into contracts.

H.R. 1167 also allows for a feasibility study regarding the execution of tribal

self-governance compacts and funding agreements of Indian-related programs outside the IHS but within the Department of Health and Human Services on a demonstration project basis.

H.R. 1167 is an important piece of legislation which is the result of years of negotiation between the Congress, the administration, and many Indian tribes around the Nation.

We passed this same legislation last year, but it was not acted upon before a judgment.

I support this legislation and urge my colleagues to pass it today so that the other body will again have the opportunity to pass it and send it to the President.

Mr. Speaker, I reserve the balance of my time.

Mr. GEORGE MILLER of California. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the nature of self-governance is rooted in the inherent sovereignty of the American Indian and Alaska Native tribes. From the founding of this Nation, Indian tribes and Alaskan Native villages have been recognized as distinct, independent, political communities exercising powers of self-government, not by virtue of any delegation of powers from the Federal Government, but rather by virtue of their own innate sovereignty. The tribes' sovereignty predates the founding of the United States in its Constitution and forms the backdrop against which the United States has continually entered into relations with Indian tribes and native villages.

H.R. 1167 is modeled on the existing permanent self-governance legislation for the Interior Department programs contained in Title IV of the Indian Self-Determination and Education Assistance Act and reflects years of planning and negotiating among Indian tribes, the Alaska Native villages, and the Department of Health and Human Services.

This legislation continues the principle focus on self-governance programs to remove needless and sometimes harmful layers of Federal bureaucracy that dictate Indian affairs.

By giving tribes direct control over Federal programs run for their benefit and making them directly accountable to their members, Congress has enabled Indian tribes to run programs more efficiently and more innovatively than the Federal officials have in the past.

Allowing the tribes to run these programs furthers the congressional policy of strengthening and promoting tribal governments which began with passage of the First Self-Determination Act of 1975.

The Indian tribes and the administration agree that it is now time to take the next logical step toward the self-governance process and make self-governance programs permanent within the Department of Health and Human Services.

H.R. 1167 establishes a permanent self-government program within the

Department of Health and Human Services under which the American Indian and Alaska Native tribes may enter into compacts with the Secretary for direct operation control and redesigning of Indian health service activities.

Tribes entering into self-governance programs have to meet four eligibility requirements. First, the tribe must, in the case of the consortium, be federally recognized. Second, the tribe must document with official action of the tribal governing body a formal request to enter into negotiations with the Department of Interior. Third, the tribe must demonstrate financial stability and financial management capabilities as evidenced through the administration of the prior 638 contracts. Fourth, the tribe must successfully have completed a planning phase requiring the submission of final planning report that demonstrates that the tribe has conducted legal and budgetary research in internal government and organizational planning.

If we are to adhere and remain faithful to the principles that our founders set forth, the principles of good faith, consent, justice, humanity, we must continue to promote tribal self-governance as done in this legislation that I bring before the House today.

I want to thank the gentleman from Alaska (Mr. YOUNG), the chairman of the Committee on Resources, for his assistance and support of this bill and urge all of my colleagues to support the passage of this legislation.

Mr. Speaker, the nature of Self-Governance is rooted in the inherent sovereignty of American Indian and Alaska Native tribes. From the founding of this nation, Indian tribes and Alaska Native villages have been recognized as "distinct, independent, political communities" exercising powers of self-government, not by virtue of any delegation of powers from the federal government, but rather by virtue of their own innate sovereignty. The tribes' sovereignty predates the founding of the United States and its Constitution and forms the backdrop against which the United States has continually entered into relations with Indian tribes and Native villages.

The present model of tribal Self-Governance arose out of the federal policy of Indian Self-Determination. The modern Self-Determination era began as Congress and contemporary Administrations ended the dubious experiment of Termination which was intended to end the federal trust responsibility to Native Americans during the 1950s.

The centerpiece of the Termination policy, House Concurrent Resolution 108 in 1953, stated that "Indian tribes and individual members thereof, should be freed from Federal supervision and control and from all disabilities and limitations specially applicable to Indians." While the intent of this legislation was to free the Indians from federal rule, it also destroyed all protection and benefits received from the government. The same year, Congress enacted Public Law 28 which further eroded tribal sovereignty by transferring criminal jurisdiction from the federal government and the tribes to the various state governments.

As a policy, Termination was a disaster. Recognizing that Termination as a policy was

a disaster, President Kennedy campaigned in 1960 promising the Indian tribes no changes in treaty or contractual relationships without tribal consent, protection of Indian lands base, and assistance with credit and tribal economic development.

Indeed, Indian reservations were included in many of the "Great Society" programs of the late 1960s, bringing a much-needed infusion of federal dollars onto many reservations. In 1968, President Lyndon B. Johnson delivered a message to Congress which stated support for:

[A] policy of maximum choice for the American Indian: a policy expressed in programs of self-help, self-development, self-determination. . . . The greatest hope for Indian progress lies in the emergence of Indian leadership and initiative in solving Indian problems. Indians must have a voice in making the plans and decisions in programs which are important to their daily life.

In 1970, President Richard Nixon's "Special Message on Indian Affairs" also called for increased tribal self-determination as he stated:

This, then, must be goal of any new national policy toward the Indian people: to strengthen the Indian's sense of autonomy without threatening his sense of community. We must assure the Indian that he can assume control of his own life without being separated involuntarily from the tribal group. And we must make it clear that Indians can become independent of Federal control without being cut off from Federal concern and Federal support. . . .

Together, these messages sparked Congress to work on legislation that laid the foundation of modern federal Indian policy for the remainder of this century. And so, five years later, Congress enacted one of the most profound and powerful pieces of Indian legislation in this Nation's history.

In 1975, Congress passed the Indian Self-Determination and Education Assistance Act, Pub. L. 93-638. This legislation gave Indian tribes and Alaska Native villages the right to assume responsibility for the administration of federal programs which benefited Indians. In addition to assuming the authority to make operating and administrative decisions regarding the way these federal programs would be run, tribes that chose to enter into Indian Self-Determination Act contracts, which came to be known as "638 contracts" were given the right to receive the federal funds that the agencies—generally the Bureau of Indian Affairs (BIA) and the Indian Health Service (IHS)—would have ordinarily received for those programs. The Act did not, however, relieve the federal government of its trust responsibility to the tribes.

Congress enacted the Indian Self-Determination Act with the expectation that the direct responsibility for running these programs would enhance and strengthen tribal governments. As a means of supervise the tribes' activities, "638" contracts required volumes of paperwork to be filed. If a tribe wanted to operate more than one program, it would have to exercise an additional 638 contract which required a separate approval process. Though the Act was intended to decrease Federal involvement in the daily lives of reservation Indians, its specific performance and reporting requirements kept BIA as a pervasive force in Indian affairs.

At the time of its enactment, the 638 contract program did not allow tribes to move

funds between programs to adapt to changing and unforeseen circumstances during a funding period. Thus, the tribes' powers to design or adapt programs according to tribal needs remained restricted.

The inflexibility of 638 contracts also created problems with cash flow. Payments were made to tribes on a cost-reimbursement basis, often many months after the tribe might have incurred major expenses. The tribes' main complaint, however, was that the 638 contract process made tribal staff primarily accountable to and measured by, not their own tribal councils but BIA employees at the Agency, Area and Central Officers. They had to follow strict federal laws, rules and regulations that were often of little relevance to day-to-day existence on an Indian reservation. Furthermore, if trust assets were involved, the BIA had to concur in all decisions made.

Thus, while the Indian Self-Determination Act was and is still acknowledged as a watershed moment in the history of tribal self-governance, by the mid-1980s many tribal leaders agreed that it was time for even greater change. They felt that the federal bureaucracy devoted to 638 program oversight had simply grown out of control and the percentage of federal dollars allocated for Indian programs actually spent on the reservations was still far too small.

To address these concerns, the Indian tribes asked Congress to consider amendments to the Self-Determination Act. At the same time, a group of tribal representatives began meeting to discuss proposals for trimming the BIA bureaucracy and amending the Act as well.

But during the fall of 1987, a series of articles appeared in the Arizona Republic entitled *Fraud in Indian Country*, that detailed an egregious history of waste and mismanagement within the BIA. These articles spurred House Appropriations Subcommittee on Interior and Related Agencies Chairman Sidney Yates (D-IL) to conduct an oversight hearing on these alleged abuses.

At the hearing, Department of Interior officials proposed that funds appropriated to the Bureau of Indian Affairs be turned over to the tribes to let them manage their own affairs in an attempt to address these charges. But, the officials testified, by accepting the federal funds, the tribes would release the federal government from its trust responsibility. Tribal leaders disagreed with this quid pro quo, but supported the concept of removing BIA middlemen from the funding process. With Chairman Yates' encouragement, tribal representatives met with the Secretary of the Interior and other Department officials the very next day to further hash out this concept. By mid-December of 1987, ten tribes had agreed to test the Department's proposal.

Out of this proposal the Tribal Self-Governance Demonstration Project was born.

In 1988 Congress enacted Pub. L. No. 100-472 and established Title III of the Indian Self-Determination Act which authorized the Secretary of Interior to negotiate Self-Governance compacts with up to twenty tribes. These tribes, for the first time, would be able to "Plan, conduct, consolidate, and administer programs, services, and functions" heretofore performed by Interior officials. The Act required that these programs be "otherwise available to Indian tribes or Indians," but within these parameters the tribes were authorized

to redesign programs and reallocated funding according to terms negotiated in the compacts. Tribes would be able to prioritize spending on a systemic level, dramatically reducing the Federal role in the tribal decision-making process. But perhaps the biggest difference between "638" contract process and the Self-Governance program is that instead of funds coming from multiple contracts there would be one compact with a single Annual Funding Agreement.

The original ten tribes that agreed to participate in the demonstration project were the Confederated Salish and Kootenai Tribes, Hoopa Tribe, Jamestown S'Klallam Tribe, Lummi Nation, Mescalero Apache Tribe, Mille Lacs Band of Ojibwe, Quinault Indian Nation, Red Lake Chippewa Tribe, Rosebud Sioux Tribe, and Tlingit and Haida Central Council.

In 1991 President Bush signed Pub. L. 102-184, which extended the Demonstration Project for three more years and increased the number of Tribes participating to thirty. The bill required the new tribes participating to complete a one-year planning period before they could negotiate a Compact and Annual Funding Agreement. The 1991 law also directed the Indian Health Service to conduct a feasibility study to examine the expansion of the Self-Governance project to IHS programs and services.

In 1992, Congress amended section 314 of the Indian Health Care Improvement Act to allow the Secretary of Health and Human Services to negotiate Self-Governance compacts and annual funding agreements under Title III of the Indian Self-Determination Act with Indian tribes. The Self-Governance Demonstration Project proved to be a success both in the Interior Department and the Department of Health and Human Services. Thus, in 1994, Congress responded by passing the "Tribal Self-Governance Act of 1994" and permanently established the Self-Governance program within the Department of Interior.

This action solidified the Federal government's policy of negotiating with Indian Tribes and Alaska Native villages on a government-to-government basis while retaining the federal trust relationship. The Tribal Self-Governance Act allowed so called "Self-Governance tribes" to compact all programs and services that tribes could contract under Title I of the Indian Self-Determination Act. The Act required an "orderly transition from Federal domination of programs and services to provide Indian tribes with meaningful authority to plan, conduct, redesign, and administer programs, services, functions, and activities that meet the needs of the individual tribal communities."

Tribes entering the Self-Governance program had to meet four eligibility requirements. First, the tribe (or tribes in the case of a consortium) must be federally recognized. Second, the tribe must document, with an official action of the tribal governing body, a formal request to enter negotiations with the Department of Interior. Third, the tribe must demonstrate financial stability and financial management capability as evidenced through the administration of prior 638 contracts. Fourth, the tribe must have successfully completed a planning phase, requiring the submission of a final planning report which demonstrates that the tribe has conducted legal and budgetary research and internal tribal government and organizational planning.

The 1994 Act, however, did not make changes to the demonstration project status of

the Self-Governance program within the Indian Health Service. The IHS authority remained on a demonstration project basis within Title III of the Indian Self-Determination Act.

The Indian tribes and the Administration agree that it is now time to take the next logical step forward in the Self-Governance process and make the Self-Governance program permanent within the Department of Health and Human Service. H.R. 1167 establishes a permanent Self-Governance Program within the Department of Health and Human Services under which American Indian and Alaska Native tribes may enter into compacts with the Secretary for the direct operation, control, and redesign of Indian Health Service (IHS) activities. A limited number of Indian tribes have had a similar right on a demonstration project basis since 1992 under Title III of the Indian Self-Determination and Education Assistance Act. All Indian tribes have enjoyed a similar but lesser right to contract and operate individual IHS programs and functions under Title I of the Indian Self-Determination Act since 1975 (so-called "638 contracting").

In brief, the legislation would expand the number of tribes eligible to participate in Self-Governance, make it a permanent authority within the IHS and authorize the Secretary of Health and Human Services to conduct a feasibility study for the execution of Self-Governance compacts with Indian tribes for programs outside of the IHS but still within HHS.

This legislation is modeled on the existing permanent Self-Governance legislation for Interior Department programs contained in Title IV of the Indian Self-Determination Act and reflects years of planning and negotiation among Indian tribes, Alaska Native villages, the Department of Health and Human Services.

H.R. 1167 continues the principle focus of the Self-Governance program: to remove needless and sometimes harmful layers of federal bureaucracy that dictate Indian affairs. By giving tribes direct control over federal programs run for their benefit and making them directly accountable to their members, Congress had enabled Indian tribes to run programs more efficiently and more innovatively than federal officials have in the past. Allowing tribes to run these programs furthers the Congressional policy of strengthening and promoting tribal governments which began with passage of the first Self-Determination Act in 1975.

Often we need to look to the past in order to understand our proper relationship with Indian tribes. More than two centuries ago, Congress set forth what should be our guiding principles. In 1789, Congress passed the Northwest Ordinance, a set of seven articles intended to govern the addition of new states to the Union. These articles served as a compact between the people and the States, and were "to forever remain unalterable, unless by common consent." Article Three set forth the Nation's policy towards Indian tribes:

The utmost good faith shall always be observed towards the Indians; their land and property shall never be taken away from them without their consent . . . but laws founded in justice and humanity shall from time to time be made, for preventing wrongs being done to them. . . .

The Founders of this Nation carefully and wisely chose these principles to govern the conduct of our government in its dealings with American Indian tribes. Over the years, these principles have at times been forgotten.

Two hundred years later, Justice Thurgood Marshall delivered a unanimous Supreme Court in 1983 stating that,

"Moreover, both the tribes and the Federal Government are firmly committed to the goal of promoting tribal self-government, a goal embodied in numerous federal statutes. We have stressed that Congress' objective of furthering tribal self-government encompasses far more than encouraging tribal management of disputes between members, but includes Congress' overriding goal of encouraging 'tribal self-sufficiency and economic development.'"

If we are to adhere and remain faithful to the principles that our Founders set forth—the principles of good faith, consent, justice and humanity—then we must continue to promote tribal self-government as is done in the legislation I bring before the House today.

Mr. Speaker, I yield back the balance of my time.

Mr. HANSEN. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Utah (Mr. HANSEN) that the House suspend the rules and pass the bill, H.R. 1167, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. HANSEN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and add extraneous material on H.R. 1167, the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Utah?

There was no objection.

CLARIFYING COASTAL BARRIER RESOURCES SYSTEM BOUNDARIES

Mr. JONES of North Carolina. Mr. Speaker, I ask unanimous consent to move to suspend the rules and pass the Senate bill (S. 1398) to clarify certain boundaries on maps relating to the Coastal Barrier Resources System.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The Clerk read as follows:

S. 1398

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

SECTION 1. REPLACEMENT OF COASTAL BARRIER RESOURCES SYSTEM MAPS.

(a) IN GENERAL.—The 7 maps described in subsection (b) are replaced by 14 maps entitled "Dare County, North Carolina, Coastal Barrier Resources System, Cape Hatteras Unit NC-03P" or "Dare County, North Carolina, Coastal Barrier Resources System, Cape Hatteras Unit NC-03P, Hatteras Island Unit L03" and dated October 18, 1999.

(b) DESCRIPTION OF MAPS.—The maps described in this subsection are the 7 maps that—