

TO MAKE TECHNICAL CORRECTIONS TO THE GUAM
WORLD WAR II LOYALTY RECOGNITION ACT

—————
JULY 11, 2019.—Committed to the Committee of the Whole House on the State of
the Union and ordered to be printed

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Mr. GRIJALVA, from the Committee on Natural Resources,
submitted the following

R E P O R T

[To accompany H.R. 1365]

[Including cost estimate of the Congressional Budget Office]

The Committee on Natural Resources, to whom was referred the bill (H.R. 1365) to make technical corrections to the Guam World War II Loyalty Recognition Act, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

PURPOSE OF THE BILL

The purpose of H.R. 1365 is to make technical corrections to the Guam World War II Loyalty Recognition Act.

BACKGROUND AND NEED FOR LEGISLATION

H.R. 1365 makes technical corrections to the Guam World War II Loyalty Recognition Act, (Title 17, Public Law 114-328) to address the insufficiency of the language in the original law that prevents the release of available funds that are being set aside to pay Guam WWII Survivor Claims.

Congress enacted Public Law 107-333, in 2002, to establish the Guam War Claims Review Commission to review Guam war claims and “determine whether there was parity of war claims paid to the residents of Guam under the Guam Meritorious Claims Act as compared with awards made to other similarly affected United States citizens or nationals in territory occupied by the Imperial Japanese

military forces during World War II.”¹ In June 2004, Congress received the final report from the Review Commission, which recommended that Congress acknowledge both the suffering of the Guamanians during the Japanese occupation and the loyalty shown to the United States during the war; and that Congress provide funding to pay compensation to eligible survivors for claims of death and personal injury.²

In 2016, Congress enacted the Guam World War II Loyalty Recognition Act to provide for the adjudication of claims and for the payment of compensation as recommended by the Commission, as part of the FY 2016 National Defense Authorization Act.³ However, the operative language was mistakenly insufficient to allow the release of the funds set aside to pay the claims. H.R. 1365 consists of technical corrections to effectuate the Guam World War II Loyalty Recognition Act as intended.

COMMITTEE ACTION

H.R. 1365 was introduced on February 26, 2019, by Representative Michael F.Q. San Nicolas (D–GU). The bill was referred solely to the Committee on Natural Resources. On June 19, 2019, the Natural Resources Committee met to consider the bill. No amendments were offered. The bill was ordered favorably reported to the House of Representatives by voice vote.

HEARINGS

For the purposes of section 103(i) of H. Res. 6 of the 116th Congress—the following hearing was used to develop or consider H.R. 1365: full committee markup held on June 19, 2019.

COMMITTEE OVERSIGHT FINDINGS AND RECOMMENDATIONS

Regarding clause 2(b)(1) of rule X and clause 3(c)(1) of rule XIII of the Rules of the House of Representatives, the Committee on Natural Resources’ oversight findings and recommendations are reflected in the body of this report.

COMPLIANCE WITH HOUSE RULE XIII AND CONGRESSIONAL BUDGET ACT

1. Cost of Legislation and the Congressional Budget Act. With respect to the requirements of clause 3(c)(2) and (3) of rule XIII of the Rules of the House of Representatives and sections 308(a) and 402 of the Congressional Budget Act of 1974, the Committee has received the following estimate for the bill from the Director of the Congressional Budget Office:

¹ Pub. L. No. 107–333, § 5(4), 116 Stat. 2873, 2874 (2002).

² Guam War Claims Review Comm’n, Report on the Implementation of the Guam Meritorious Claims Act of 1945 (2004).

³ Guam World War II Loyalty Recognition Act, Pub. L. No. 114–328, tit. 17, 130 Stat. 2000, 2641–47 (2016).

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, July 10, 2019.

Hon. RAÚL M. GRIJALVA,
*Chairman, Committee on Natural Resources,
House of Representatives, Washington, DC.*

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 1365, a bill to make technical corrections to the Guam World War II Loyalty Recognition Act.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Matthew Pickford.

Sincerely,

PHILLIP L. SWAGEL,
Director.

Enclosure.

H.R. 1365, a bill to make technical corrections to the Guam World War II Loyalty Recognition Act			
<small>As ordered reported by the House Committee on Natural Resources on June 19, 2019</small>			
<small>By Fiscal Year, Millions of Dollars</small>	<small>2019</small>	<small>2019-2024</small>	<small>2019-2029</small>
Direct Spending (Outlays)	12	40	40
Revenues	0	0	0
Deficit Effect	12	40	40
Spending Subject to Appropriation (Outlays)	0	0	0
Statutory pay-as-you-go procedures apply?	Yes	Mandate Effects	
Increases on-budget deficits in any of the four consecutive 10-year periods beginning in 2030?	No	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	No

H.R. 1365 would authorize a portion of customs duties and federal income taxes collected in Guam to be spent to compensate certain residents and surviving family members for their treatment during the island's occupation by Japanese military forces during World War II. Those customs duties and income taxes are currently deposited in the Treasury as miscellaneous receipts.

Using information from the Department of Justice about how much compensation is due, CBO estimates that enacting H.R. 1365 would increase direct spending by \$40 million for compensation payments as funds become available over the 2020–2023 period.

The costs of the legislation (detailed in Table 1) fall within budget function 800 (general government).

TABLE 1—ESTIMATED INCREASES IN DIRECT SPENDING UNDER H.R. 1365

	<small>By fiscal year, millions of dollars—</small>						
	<small>2019</small>	<small>2020</small>	<small>2021</small>	<small>2022</small>	<small>2023</small>	<small>2024</small>	<small>2019–2024</small>
Estimated Budget Authority	0	12	12	12	4	0	40
Estimated Outlays	0	12	12	12	4	0	40

The CBO staff contact for this estimate is Matthew Pickford. The estimate was reviewed by H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis.

2. General Performance Goals and Objectives. As required by clause 3(c)(4) of rule XIII, the general performance goals and objectives of this bill is to make technical corrections to the Guam World War II Loyalty Recognition Act.

EARMARK STATEMENT

This bill does not contain any Congressional earmarks, limited tax benefits, or limited tariff benefits as defined under clause 9(e), 9(f), and 9(g) of rule XXI of the Rules of the House of Representatives.

UNFUNDED MANDATES REFORM ACT STATEMENT

This bill contains no unfunded mandates.

EXISTING PROGRAMS

This bill does not establish or reauthorize a program of the federal government known to be duplicative of another program.

APPLICABILITY TO LEGISLATIVE BRANCH

The Committee finds that the legislation does not relate to the terms and conditions of employment or access to public services or accommodations within the meaning of section 102(b)(3) of the Congressional Accountability Act.

PREEMPTION OF STATE, LOCAL, OR TRIBAL LAW

Any preemptive effect of this bill over state, local, or tribal law is intended to be consistent with the bill's purposes and text and the Supremacy Clause of Article VI of the U.S. Constitution.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, and existing law in which no change is proposed is shown in roman):

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 2017

(Public Law 114-328)

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DIVISION A—DEPARTMENT OF DEFENSE AUTHORIZATIONS

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TITLE XVII—GUAM WORLD WAR II LOYALTY RECOGNITION ACT

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SEC. 1703. GUAM WORLD WAR II CLAIMS FUND.

(a) **ESTABLISHMENT OF FUND.**—The Secretary of the Treasury shall establish in the Treasury of the United States a special fund (in this title referred to as the “Claims Fund”) for the payment of claims submitted by compensable Guam victims and survivors of compensable Guam decedents in accordance with sections 1704 and 1705.

(b) **COMPOSITION OF FUND.**—The Claims Fund established under subsection (a) shall be composed of amounts deposited into the Claims Fund under subsection (c) and any other payments made available for the payment of claims under this title.

(c) **PAYMENT OF CERTAIN DUTIES, TAXES, AND FEES COLLECTED FROM GUAM DEPOSITED INTO FUND.**—

(1) **IN GENERAL.**—Notwithstanding section 30 of the Organic Act of Guam (48 U.S.C. 1421h), the excess of—

(A) any amount of duties, taxes, and fees collected under such section after fiscal year 2014, over

(B) the amount of duties, taxes, and fees collected under such section during fiscal year 2014,
shall be deposited into the Claims Fund.

(2) **APPLICATION.**—Paragraph (1) shall not apply after the date for which the Secretary of the Treasury determines that all payments required to be made under section 1704 have been made.

(d) **LIMITATION ON PAYMENTS MADE FROM FUND.**—

(1) **IN GENERAL.**—No payment may be made in a fiscal year under section 1704 until funds are deposited into the Claims Fund in such fiscal year under subsection (c).

(2) **AMOUNTS.**—For each fiscal year in which funds are deposited into the Claims Fund under subsection (c), the total amount of payments made in a fiscal year under section 1704 may not exceed the amount of funds available in the Claims Fund for such fiscal year.

(e) **DEDUCTIONS FROM FUND FOR ADMINISTRATIVE EXPENSES.**—The Secretary of the Treasury shall deduct from any amounts deposited into the Claims Fund an amount [equal to] *not to exceed* 5 percent of such amounts as reimbursement to the Federal Government for expenses incurred by the Foreign Claims Settlement Commission and by the Department of the Treasury in the administration of this title. The amounts so deducted shall be [covered into the Treasury as miscellaneous receipts] *used to reimburse the applicable appropriations.*

SEC. 1704. PAYMENTS FOR GUAM WORLD WAR II CLAIMS.

(a) **PAYMENTS FOR DEATH, PERSONAL INJURY, FORCED LABOR, FORCED MARCH, AND INTERNMENT.**—After the Secretary of the Treasury receives the certification from the Chairman of the Foreign Claims Settlement Commission as required under section 1705(b)(8), the Secretary of the Treasury shall make payments[, subject to the availability of appropriations,] *from the Claims Fund*

to compensable Guam victims and survivors of a compensable Guam decedents as follows:

(1) COMPENSABLE GUAM VICTIM.—Before making any payments under paragraph (2), the Secretary shall make payments to compensable Guam victims as follows:

(A) In the case of a victim who has suffered an injury described in subsection (c)(2)(A), \$15,000.

(B) In the case of a victim who is not described in subparagraph (A), but who has suffered an injury described in subsection (c)(2)(B), \$12,000.

(C) In the case of a victim who is not described in subparagraph (A) or (B), but who has suffered an injury described in subsection (c)(2)(C), \$10,000.

(2) SURVIVORS OF COMPENSABLE GUAM DECEDENTS.—In the case of a compensable Guam decedent, the Secretary shall pay \$25,000 for distribution to survivors of the decedent in accordance with subsection (b). The Secretary shall make payments under this paragraph only after all payments are made under paragraph (1).

(b) DISTRIBUTION OF SURVIVOR PAYMENTS.—A payment made under subsection (a)(2) to the survivors of a compensable Guam decedent shall be distributed as follows:

(1) In the case of a decedent whose spouse is living as of the date of the enactment of this Act, but who had no living children as of such date, the payment shall be made to such spouse.

(2) In the case of a decedent whose spouse is living as of the date of the enactment of this Act and who had one or more living children as of such date, 50 percent of the payment shall be made to the spouse and 50 percent shall be made to such children, to be divided among such children to the greatest extent possible into equal shares.

(3) In the case of a decedent whose spouse is not living as of the date of the enactment of this Act and who had one or more living children as of such date, the payment shall be made to such children, to be divided among such children to the greatest extent possible into equal shares.

(4) In the case of a decedent whose spouse is not living as of the date of the enactment of this Act and who had no living children as of such date, but who—

(A) had a parent who is living as of such date, the payment shall be made to the parent; or

(B) had two parents who are living as of such date, the payment shall be divided equally between the parents.

(5) In the case of a decedent whose spouse is not living as of the date of the enactment of this Act, who had no living children as of such date, and who had no parents who are living as of such date, no payment shall be made.

(c) DEFINITIONS.—For purposes of this title:

(1) COMPENSABLE GUAM DECEDENT.—The term “compensable Guam decedent” means an individual determined under section 1705 to have been a resident of Guam who died as a result of the attack and occupation of Guam by Imperial Japanese military forces during World War II, or incident to the liberation of Guam by United States military forces, and whose

death would have been compensable under the Guam Meritorious Claims Act of 1945 (Public Law 79-224) if a timely claim had been filed under the terms of such Act.

(2) COMPENSABLE GUAM VICTIM.—The term “compensable Guam victim” means an individual who is not deceased as of the date of the enactment of this Act and who is determined under section 1705 to have suffered, as a result of the attack and occupation of Guam by Imperial Japanese military forces during World War II, or incident to the liberation of Guam by United States military forces, any of the following:

(A) Rape or severe personal injury (such as loss of a limb, dismemberment, or paralysis).

(B) Forced labor or a personal injury not under subparagraph (A) (such as disfigurement, scarring, or burns).

(C) Forced march, internment, or hiding to evade internment.

(3) DEFINITIONS OF SEVERE PERSONAL INJURIES AND PERSONAL INJURIES.—Not later than 180 days after the date of the enactment of this Act, the Foreign Claims Settlement Commission shall promulgate regulations to specify the injuries that constitute a severe personal injury or a personal injury for purposes of subparagraphs (A) and (B), respectively, of paragraph (2).

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SEC. 1707. AUTHORIZATION OF APPROPRIATIONS.

[(a) GUAM WORLD WAR II CLAIMS PAYMENTS AND ADJUDICATION.—For the purposes of carrying out sections 1704 and 1705, there is authorized to be appropriated for any fiscal year beginning after the date of enactment of this Act, an amount equal to the amount deposited into the Claims Fund in a fiscal year under section 1703. Not more than 5 percent of funds made available under this subsection shall be used for administrative costs. Amounts appropriated under this section may remain available until expended.]

(b) GUAM WORLD WAR II GRANTS PROGRAM.—For purposes of carrying out section 1706, there are authorized to be appropriated \$5,000,000 for each fiscal year beginning after the date of the enactment of this Act.

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SUPPLEMENTAL, MINORITY, ADDITIONAL, OR DISSENTING VIEWS

None.

