

118TH CONGRESS
2D SESSION

H. R. 9453

To amend title 10, United States Code, to require payments to contractors for subcontracting with Pacific Insular Area concerns, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 3, 2024

Mr. SABLAN (for himself and Mrs. RADEWAGEN) introduced the following bill;
which was referred to the Committee on Armed Services

A BILL

To amend title 10, United States Code, to require payments to contractors for subcontracting with Pacific Insular Area concerns, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. PAYMENTS TO CONTRACTORS FOR SUBCON-**
4 **TRACTING WITH PACIFIC INSULAR AREA**
5 **CONCERNS.**

6 (a) IN GENERAL.—Chapter 387 of title 10, United
7 States Code, is amended by adding at the end the fol-
8 lowing new section:

1 **“§ 4903. Payments to contractors for subcontracting**
2 **with Pacific Insular Area concerns**

3 “(a) PAYMENTS AUTHORIZED.—The Secretary of
4 Defense, acting through the Director of the Office of
5 Small Business Programs of the Department of Defense,
6 may make a payment in accordance with subsection (b)
7 to a prime contractor for each subcontract such prime con-
8 tractor enters into with a Pacific Insular Area concern.

9 “(b) AMOUNT.—A payment made under this section
10 shall be in an amount equal to five percent of the total
11 proposed value of a subcontract described in subsection
12 (a).

13 “(c) APPLICATION.—A prime contractor desiring a
14 payment under this section shall submit to the Secretary
15 of Defense an application for such payment after entering
16 into a subcontract with a Pacific Insular Area concern.

17 “(d) REPORT.—Not later than one year after the
18 date of the enactment of this section and annually there-
19 after for ten years, the Administrator of the Small Busi-
20 ness Administration and the Director of the Department
21 of Defense Office of Small Business Programs shall sub-
22 mit to the Committee on Small Business of the House of
23 Representatives and the Committee on Small Business
24 and Entrepreneurship of the Senate and the Committees
25 on Armed Services of the House of Representatives and
26 the Senate a report that includes the following:

1 “(1) The number of prime contractors that re-
2 ceived a payment under this section during the year
3 covered by the report.

4 “(2) The economic impact on Pacific Insular
5 Areas as a result of subcontracts that otherwise
6 would not have been made to Pacific Insular Area
7 concerns.

8 “(3) Any recommendations of the Adminis-
9 trator and Director for increasing the number of ap-
10 plications for payments under this section.

11 “(e) DEFINITIONS.—In this section:

12 “(1) The term ‘Pacific Insular Area’ means the
13 Northern Mariana Islands, American Samoa, and
14 Guam.

15 “(2) The term ‘Pacific Insular Area concern’
16 means a small business concern (as defined under
17 section 3 of the Small Business Act (15 U.S.C.
18 632)), at the time of entering into a subcontract
19 with a prime contractor described under this sec-
20 tion—

21 “(A) that is at least 51 percent owned and
22 controlled by one or more individuals who are
23 United States citizens;

24 “(B) that has its principal office located in
25 a Pacific Insular Area;

1 “(C) for which at least 50 percent of the
2 employees of such concern reside in the Pacific
3 Insular Area in which the principal office is lo-
4 cated;

5 “(D) that certifies that it will attempt to
6 maintain the employment percentage described
7 in subparagraph (C) for the duration of per-
8 formance of the subcontract; and

9 “(E) that meets any additional require-
10 ments as required by the Secretary of De-
11 fense.”.

12 (b) APPLICABILITY.—This Act and the amendments
13 made by this Act shall apply with respect to prime con-
14 tracts entered into on or after the date of the enactment
15 of this Act.

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