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GREAT FALLS HISTORIC DISTRICT STUDY ACT OF 2001

OCTOBER 1, 2001.—Ordered to be printed

Mr. BINGAMAN, from the Committee on Energy and Natural Resources, submitted the following

REPORT

[To accompany H.R. 146]

The Committee on Energy and Natural Resources, to which was referred the Act (H.R. 146) to authorize the Secretary of the Interior to study the suitability and feasibility of designating the Great Falls Historic District in Paterson, New Jersey, as a unit of the National Park System, and for other purposes, having considered the same, reports favorably thereon without amendment and recommends that the Act do pass.

PURPOSE

The purpose of H.R. 146 is to authorize the Secretary of the Interior to study the suitability and feasibility of designating the Great Falls Historic District in the City of Paterson, in Passaic County, New Jersey, as a unit of the National Park System.

BACKGROUND AND NEED

Paterson, New Jersey, was the Nation's first planned industrial city and contains some of the country's oldest textile mills. The city was originally the brainchild of Alexander Hamilton, who believed that the United States needed to reduce its dependence on foreign goods by developing its own industries. The 77-foot-high Great Falls provided a means to power the dozens of mills buildings funded by Hamilton's investment group, the Society of Useful Manufacturers. In the late 1800's, silk production became the dominant industry in the area, giving Paterson its nickname of "Silk City." Later, Paterson became a pioneer in legislation opposing child labor and supporting workplace safety, a minimum wage, and reasonable working hours.

The buildings in the city's historic district reflect different phases of decline and renewal typical of northern textile cities. Today, some structures are vacant and deteriorated, while others have been adaptively reused or continue to be used by industry. The Great Falls Historic District, an 89-acre core area, was listed on the National Register of Historic Places in 1970 and designated as a National Historic Landmark in 1976.

Since 1988, the Great Falls Historic District has been listed as a "Priority One Threatened National Historic Landmark" in the Department of the Interior's annual report to Congress on such landmarks.

There have been two Federal initiatives concerning the Historic District in the last decade. Public Law 102-154, the Department of the Interior and Related Agencies Appropriations Act, 1992, appropriated \$4.147 million in Urban History Initiative Funds for historic preservation projects that encourage economic development. The program has been successfully administered by the National Park Service under a cooperative agreement with the city of Paterson. Funds have been used for various projects, and an ethnographic study.

In addition, Public Law 104-333, the Omnibus Parks and Public Lands Management Act of 1996, authorized \$3.3 million in matching grants to develop and implement a preservation and interpretation plan for the Historic District, including a market analysis for economic development.

LEGISLATION HISTORY

H.R. 146, sponsored by Representative Pascrell, was passed by the House of Representatives by a voice vote on May 9, 2001. A companion measure, S. 386, was introduced by Senators Torricelli and Corzine on February 15, 2001. The Subcommittee on National Parks held a hearing on H.R. 146 and S. 386 on July 17, 2001. At its business meeting on August 2, 2001, the Committee on Energy and Natural Resources ordered H.R. 146 favorably reported without amendment.

SECTION-BY-SECTION ANALYSIS

Section 1 designates the bill's short title, the "Great Falls Historic District Study Act of 2001."

Section 2 (a) defines the terms "Great Falls Historic District" and the "Secretary."

Subsection (b) directs that as soon as possible after funds are made available, the Secretary of the Interior shall commence a study regarding the suitability and feasibility of designating the Great Falls Historic District as a unit of the National Park System.

Subsection (c) provides that the requirements of section 8(c) of Public Law 91-383 (16 U.S.C. 1a-5(c)) shall apply to the study required by this section. Section 8(c) sets forth several requirements for national park feasibility studies, including providing an appropriate opportunity for public involvement, as well as the specific criteria that are to be considered.

Subsection (d) states that the Secretary shall submit a report describing the results of the study to the Committee on Resources of the House of Representatives and the Committee on Energy and Natural Resources of the Senate.

Section (e) authorizes the appropriation of such sums as are necessary to carry out this section.

COMMITTEE RECOMMENDATION

The Senate Committee on Energy and Natural Resources, in open business session on August 2, 2001, by a voice vote of a quorum present, recommends that the Senate pass H.R. 146 as described herein.

COST AND BUDGETARY CONSIDERATIONS

The following estimate of the costs of this measure has been provided by the Congressional Budget Office:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, August 10, 2001.

Hon. JEFF BINGAMAN,
Chairman, Committee on Energy and Natural Resources, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 146, the Great Falls Historic District Study Act of 2001.

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

Sincerely,

ROBERT A. SUNSHINE,
(For Dan L. Crippen, Director).

Enclosure.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

H.R. 146 would direct the Secretary of the Interior to conduct a study on the suitability and feasibility of making the Great Falls Historic District in New Jersey a unit of the National Park System. The legislation would require the Secretary to report to the Congress on its findings within three years of receiving funds. Finally, the legislation would authorize the appropriation of whatever sums are necessary to conduct the study.

Based on information from the National Park Service, CBO estimates that completing the require study and report would cost the federal government \$250,000 over the next three years, assuming appropriation of the necessary amounts. H.R. 146 would not affect direct spending or receipts; therefore, pay-as-you-go procedures would not apply. H.R. 146 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would impose no costs on state, local, or tribal governments.

On March 29, 2001, CBO transmitted a cost estimate for H.R. 146 as ordered reported by the House Committee on Resources on March 28, 2001. The two versions of the legislation are identical, as are our cost estimates.

The CBO staff contact for this estimate is Deborah Reis. The estimate was approved by Robert A. Sunshine, Assistant Director for Budget Analysis.

REGULATORY IMPACT EVALUATION

In compliance with paragraph 11(b) of rule XXVI of the Standing Rules of the Senate, the Committee makes the following evaluation of the regulatory impact which would be incurred in carrying out H.R. 146. The bill is not a regulatory measure in the sense of imposing government-established standards or significant responsibilities on private individuals and businesses.

No personal information would be collected in administering the program. Therefore, there would be no impact on personal privacy.

Little, if any, additional paperwork would result from the enactment of H.R. 146.

EXECUTIVE COMMUNICATIONS

On July 27, 2001, the Committee on Energy and Natural Resources requested legislative reports from the Department of the Interior and the Office of Management and Budget setting forth Executive agency recommendations on H.R. 146. These reports had not been received at the time this report was filed. The testimony provided by the National Park Service at the Subcommittee hearing follows:

STATEMENT OF JOHN G. PARSONS, ASSOCIATE REGIONAL DIRECTOR, LANDS, RESOURCES, AND PLANNING, NATIONAL CAPITAL REGION, DEPARTMENT OF THE INTERIOR

Mr. Chairman, thank you for the opportunity to appear before your committee to present the views of the Department of the Interior on S. 386 and H.R. 146, bills to authorize the Secretary of the Interior to study the suitability and feasibility of designating the Great Falls Historic District in Paterson, New Jersey, as a unit of the National Park System.

The Department of the Interior has concerns about conducting this study. We believe existing congressional legislation already offers the Historic District ample authorization for historic preservation projects that encourage compatible economic development in Paterson. We are concerned that such a study would serve to divert the City of Paterson and the National Park Service from the very real opportunities authorized by Congress in 1992 and 1996, opportunities that have yet to be fully realized. In addition, the Department will not necessarily request funding for the study in this or the next fiscal year, so as to focus available time and resources on completing previously authorized studies. As of now, there are 41 authorized studies that are pending, and we only expect to complete a few of those this year. If this study is authorized, this does not necessarily mean that the Department will support designation of this site as a new unit. The Administration is determined to eliminate the deferred maintenance backlog in national parks, but the costs of establishing and operating a new national park could divert funds from taking care of current responsibilities. Furthermore, in order to better plan for the future of our National Parks, we believe that any such studies should carefully examine the full life

cycle operation and maintenance costs that would result from each alternative considered.

Paterson, New Jersey has a rich history as the Nation's first planned industrial city as well as containing some of the country's oldest textile mills. In 1792, Alexander Hamilton formed an investment group called the Society of Useful Manufacturers whose funds would be used to develop a planned industrial city in the United States that was later to become Paterson. Hamilton believed that the United States needed to reduce its dependence on foreign goods and should instead develop its own industries. The industries developed in Paterson were powered by the 77-foot high Great Falls of the Passaic, and a system of water raceways that harnessed the power of the falls. The district originally included dozens of mill buildings and other manufacturing structures associated with the textile industry and later, the firearms, silk, and railroad locomotive manufacturing industries. In the latter half of the 1800's, silk production became the dominant industry and formed the basis of Paterson's most prosperous period, earning it the nickname "Silk City." Paterson was also the site of historic labor unrest that focused on anti-child labor legislation, safety in the workplace, a minimum wage, and reasonable working hours.

Industrial decline in Paterson followed the general pattern for northern textile cities, with a major decrease in business during the middle third of the 20th Century. Today, the historic district reflects many phases of decline and renewal: some buildings are deteriorated and vacant, while others continue in industrial use or have been adaptively reused for housing and offices.

Because of its significant role in the economic and industrial development of the United States, the 89-acre Great Falls of the Passaic/Society of Useful Manufacturers Historic District was listed on the National Register of Historic Places in 1970 and designated a National Historic Landmark (NHL) in 1976. Since 1988 the District has been listed as a Priority One threatened National Historic Landmark in the Department of the Interior's annual report to Congress on NHLs. This threatened status is primarily based on the condition of the 7-acre site that formerly housed the Allied Textile Printers. This site, immediately below the Great Falls, has been devastated by a dozen fires over the last 15 years. The site was acquired by the City of Paterson through foreclosure in 1994 and a developer is currently under contract to redevelop the site.

In the Fiscal Year 1992 Appropriations bill for the Department of the Interior, Congress appropriated funds for the New Jersey Urban History Initiative to provide funding for historic preservation projects that encourage economic development. The City of Paterson was authorized to receive \$4.147 million in Urban History Initiative Funds to be administered by the NPS under a cooperative agreement with the City. Over the years, the National Park Service (NPS) has worked closely with the City to use the

money to protect historic resources while fostering compatible economic development. This initiative has shown results such as funding projects for research, community grants, and restoration of historic resources. For example, Urban History Initiative Funds were used for an oral history project and ethnographic study conducted by the Library of Congress' American folklife Center. Funds were also used for the stabilization of the ruins of the Colt Gun Mill as part of a match for a New Jersey Historic Trust grant to the City of Paterson.

The second major congressional initiative to support historic preservation opportunities in Paterson is section 510 of the Omnibus Parks and Public Lands Management Act of 1996 (Public Law 104-333; 110 Stat. 4158). The Great Falls Historic District was authorized for \$3.3 million in matching grants and assistance to develop and implement a preservation and interpretive plan for the District, and permit the development of a market analysis with recommendations of the economic development potential of the District. Yet, none of these funds authorized in 1996 have been appropriated.

Although the City has committed to the raising of the matching funds required under the authorization, we do not believe that this has yet occurred. Such matching funds will be important because recent legislation indicates that Congress expects significant nonfederal matches for new units of the national park system containing large numbers of historic buildings such as the New Bedford National Historical Park and Boston Harbor Islands National Recreation Area. Without this demonstrated local financial support for the operation and protection of new park units, it is probably not feasible to recommend their addition to the System.

The 1996 legislation provides Paterson with the opportunity both to demonstrate its capacity for partnership, and to develop and implement a preservation program as indicators of its commitment and capacity.

Our concern is that given limited resources, a special resource study (SRS) could divert attention from the existing opportunities authorized in the 1996 Act. The SRS could easily take years to complete, especially when considering other congressionally authorized studies that are competing for limited money available in this program. If the recommendations of the study were negative and no congressional action forthcoming, years would have passed with no preservation or development action.

The National Park Service believes in the important historic and natural resources in the City of Paterson, and we believe in the capacity of the City to identify matching funding. There are signs this is beginning to happen. The breadth of activities allowed under the 1996 Act is much greater than those normally authorized for a national park unit. It is our sincere wish that the currently authorized preservation initiative for Paterson be allowed to proceed rather than being delayed by a study.

Mr. Chairman, thank you for the opportunity to comment. This concludes my prepared remarks and I will be happy to answer any questions you or other committee members might have.

CHANGES IN EXISTING LAW

In compliance with paragraph 12 of rule XXVI of the Standing Rules of the Senate, the Committee notes that no changes in existing law are made by the Act H.R. 146 as ordered reported.

