

Union Calendar No. 403

105TH CONGRESS
2^D SESSION

H. R. 4275

[Report No. 105-684, Part I]

A BILL

To reauthorize and make reforms to programs authorized by the Public Works and Economic Development Act of 1965 and the Appalachian Regional Development Act of 1965.

SEPTEMBER 11, 1998

Committee on Banking and Financial Services discharged; committed to the Committee of the Whole House on the State of the Union and ordered to be printed

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IN THE HOUSE OF REPRESENTATIVES

JULY 20, 1998

Mr. SHUSTER (for himself, Mr. OBERSTAR, Mr. KIM, and Mr. TRAFICANT) introduced the following bill; which was referred to the Committee on Transportation and Infrastructure, and in addition to the Committee on Banking and Financial Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

AUGUST 6, 1998

Reported from the Committee on Transportation and Infrastructure with an amendment

[Strike out all after the enacting clause and insert the part printed in *italic*]

AUGUST 6, 1998

Referral to the Committee on Banking and Financial Services extended for a period ending not later than September 11, 1998

SEPTEMBER 11, 1998

Additional sponsors: Mr. ROGERS, Mr. HOUGHTON, Mrs. EMERSON, Mr. HINCHEY, Mr. WATTS of Oklahoma, Mr. NEY, Mr. CLYBURN, Mr. RAHALL, Mr. PETERSON of Minnesota, Mr. BALDACCI, Ms. DELAURO, Mr. WISE, Mr. MCGOVERN, Mr. SANDLIN, Mr. LAMPSON, Mr. BOSWELL, Mr. LIPINSKI, Mr. BORSKI, Mr. HOLDEN, Ms. NORTON, Mr. WALSH, Mr. BOUCHER, Mr. BUNNING, Mr. ADERHOLT, Mr. BOEHLERT, Mr. WICKER, Mr. PETERSON of Pennsylvania, Mr. GILCHREST, Mr. FROST, Mr. GOODLATTE, Mr. METCALF, Mr. SPRATT, Mrs. CLAYTON, Mr. ALLEN, Mr. LEWIS of Kentucky, Ms. MILLENDER-MCDONALD, Mr. JENKINS, Mr. DUNCAN, Mr. LATOURETTE, Mr. COLLINS, Mr. CRAMER, Mr. COOK, Mr.

COOKSEY, Mrs. KELLY, Mr. QUINN, Mr. GOODE, Mr. HERGER, Mr. WHITFIELD, Ms. SLAUGHTER, Mr. THOMPSON, Mr. MCHUGH, Mr. WAMP, Ms. RIVERS, Mr. GRAHAM, Mr. POSHARD, Mr. ROEMER, Mr. COSTELLO, Mr. BROWN of California, Mr. MENENDEZ, Ms. BROWN of Florida, Mr. PASCRELL, Mr. PICKERING, Mr. LUCAS of Oklahoma, Mr. HINOJOSA, Mr. FRANK of Massachusetts, Mrs. TAUSCHER, Mr. CLEMENT, Mr. DEFAZIO, Mr. KUCINICH, Mr. BERRY, Mr. MASCARA, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. BLUMENAUER, Mr. SKELTON, Mr. FILNER, Mr. GORDON, Mr. STRICKLAND, Mr. OLVER, Mr. SAWYER, Mr. TOWNS, Mr. HALL of Ohio, Mr. ABERCROMBIE, Mr. NEAL of Massachusetts, Mr. POMEROY, Mr. MEEHAN, Mr. DELAHUNT, Ms. STABENOW, Mr. CLAY, Mr. KIND, Ms. MCKINNEY, Mr. DICKEY, Mr. EVANS, Mr. PEASE, Ms. ESHOO, Mr. NORWOOD, Mr. KANJORSKI, Mr. GEJDENSON, Mr. DINGELL, Mr. FATTAH, Mr. MURTHA, Mr. WATKINS, and Mr. SPENCE

SEPTEMBER 11, 1998

Committee on Banking and Financial Services discharged; committed to the Committee of the Whole House on the State of the Union and ordered to be printed

[For text of introduced bill, see copy of bill as introduced on July 20, 1998]

A BILL

To reauthorize and make reforms to programs authorized by the Public Works and Economic Development Act of 1965 and the Appalachian Regional Development Act of 1965.

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. SHORT TITLE.**

4 *This Act may be cited as the “Economic Development*
 5 *Partnership Act of 1998”.*

1 **TITLE I—PUBLIC WORKS AND**
2 **ECONOMIC DEVELOPMENT**
3 **PROGRAMS**

4 **Subtitle A—Reauthorizations**

5 **SEC. 101. AMENDMENT OF PUBLIC WORKS AND ECONOMIC**
6 **DEVELOPMENT ACT OF 1965.**

7 *The Public Works and Economic Development Act of*
8 *1965 (42 U.S.C. 3121 et seq.) is amended by striking all*
9 *after the first section and inserting the following:*

10 **“SEC. 2. FINDINGS AND DECLARATION.**

11 *“(a) FINDINGS.—Congress finds that—*

12 *“(1) the maintenance of the national economy at*
13 *a high level is vital to the best interests of the United*
14 *States, but some of our regions, counties, and commu-*
15 *nities are suffering substantial and persistent unem-*
16 *ployment and underemployment that cause hardship*
17 *to many individuals and their families and waste in-*
18 *valuable human resources;*

19 *“(2) to overcome this problem the Federal Gov-*
20 *ernment, in cooperation with the States, should help*
21 *areas and regions of substantial and persistent unem-*
22 *ployment and underemployment to take effective steps*
23 *in planning and financing their public works and*
24 *economic development, with cooperation among area*
25 *local governments;*

1 “(3) *Federal financial assistance, including*
2 *grants for public works and development facilities, to*
3 *communities, industries, enterprises, and individuals*
4 *in areas needing development should enable such*
5 *areas to help themselves achieve lasting improvement*
6 *and enhance domestic prosperity by the establishment*
7 *of stable and diversified local economies, sustainable*
8 *development, and improved local conditions, if such*
9 *assistance is preceded by and consistent with sound,*
10 *long-range economic planning; and*

11 “(4) *under the provisions of this Act, new em-*
12 *ployment opportunities should be created by develop-*
13 *ing and expanding new and existing public works*
14 *and other facilities and resources rather than by*
15 *merely transferring jobs from one area of the United*
16 *States to another.*

17 “(b) *DECLARATION.—Congress declares that, in fur-*
18 *therance of maintaining the national economy at a high*
19 *level—*

20 “(1) *the assistance authorized by this Act should*
21 *be made available to both rural and urban areas;*

22 “(2) *such assistance should be made available for*
23 *planning for economic development prior to the ac-*
24 *tual occurrences of economic distress in order to avoid*
25 *such condition; and*

1 *conomic development strategies that promote the growth*
2 *of the national economy;*

3 *“(3) stimulate modernization and technological*
4 *advances in the generation and commercialization of*
5 *goods and services; and*

6 *“(4) enhance the effectiveness of United States*
7 *firms in the global economy.*

8 *“(c) INTERGOVERNMENTAL REVIEW.—The Secretary*
9 *shall issue regulations to ensure that appropriate State and*
10 *local governmental authorities will be given a reasonable*
11 *opportunity to review and comment on proposed economic*
12 *development projects that the Secretary determines may*
13 *have a significant and direct impact on the economy of the*
14 *area.*

15 *“(d) AGREEMENTS.—The Secretary may enter into an*
16 *agreement with 2 or more adjoining States, or an organiza-*
17 *tion consisting of such States, in support of effective eco-*
18 *nomiic development. The agreement shall provide for suit-*
19 *able participation by other governmental and non-govern-*
20 *mental parties that represent significant interests in and*
21 *perspectives on economic development in the area.*

22 **“SEC. 102. COOPERATION OF FEDERAL AGENCIES.**

23 *“Each Federal department and agency, in accordance*
24 *with applicable laws and within the limits of available*
25 *funds, shall exercise its powers, duties, and functions, and*

1 *shall cooperate with the Secretary, in a manner that will*
2 *assist the Secretary in carrying out the objectives of this*
3 *Act.*

4 **“TITLE II—GRANTS FOR PUBLIC**
5 **WORKS AND ECONOMIC DE-**
6 **VELOPMENT**

7 **“SEC. 201. PUBLIC WORKS GRANTS.**

8 *“(a) DIRECT GRANTS.—Upon the application of an el-*
9 *igible recipient, the Secretary may make direct grants for—*

10 *“(1) acquisition or development of land and im-*
11 *provements for public works, public service, or devel-*
12 *opment facility usage; and*

13 *“(2) acquisition, design and engineering, con-*
14 *struction, rehabilitation, alteration, expansion, or im-*
15 *provement of such facilities, including related ma-*
16 *chinery and equipment.*

17 *“(b) SELECTION OF PROJECTS.—The Secretary may*
18 *provide assistance for a project under this section only if*
19 *the Secretary finds that—*

20 *“(1) the project will directly or indirectly—*

21 *“(A) tend to improve opportunities in the*
22 *area in which the project will be located for the*
23 *successful establishment or expansion of indus-*
24 *trial or commercial plants or facilities;*

1 “(B) otherwise assist in the creation of ad-
2 ditional long-term employment opportunities for
3 the area; or

4 “(C) primarily benefit long-term unem-
5 ployed individuals and members of low-income
6 families;

7 “(2) the project will fulfill all or part of a press-
8 ing need of the area in which the project will be lo-
9 cated; and

10 “(3) the project is consistent with a comprehen-
11 sive economic development strategy that has been de-
12 veloped in accordance with section 303 for the area
13 in which the project will be located.

14 “(c) *LIMITATION.*—Not more than 15 percent of the
15 amounts made available to carry out this section in a fiscal
16 year may be expended in any one State.

17 **“SEC. 202. CONSTRUCTION COST INCREASES.**

18 “(a) *IN GENERAL.*—Subject to subsection (b), the Sec-
19 retary may increase the amount of a grant (including a
20 supplemental grant) made for a construction project under
21 this title (or title I of this Act, as in effect before the date
22 of enactment of the Economic Development Partnership Act
23 of 1998) if, after the grant has been made but before comple-
24 tion of the project, the cost of the project has increased and

1 *if an increase in the amount of the grant is necessary for*
2 *the satisfactory completion and operation of the project.*

3 “(b) *LIMITATIONS.*—*The Secretary may not increase*
4 *the amount of a grant for a project under subsection (a)*
5 *if—*

6 “(1) *the increase would cause the Federal share*
7 *of the cost of the project to exceed the maximum per-*
8 *centage permitted for the project under this Act, as in*
9 *effect at the time of the increase;*

10 “(2) *the amount of the increase exceeds 15 per-*
11 *cent of the original estimated cost of the project; or*

12 “(3) *the amount of the increase exceeds the dif-*
13 *ference between the estimated cost of the project on*
14 *the date of the increase and the original estimated*
15 *cost of the project.*

16 **“SEC. 203. PLANNING AND ADMINISTRATIVE EXPENSES.**

17 “(a) *DIRECT GRANTS.*—*Upon the application of an el-*
18 *igible recipient, the Secretary may make direct grants for*
19 *economic development planning and for the administrative*
20 *expenses of organizations undertaking such planning.*

21 “(b) *PLANNING TO REDUCE UNEMPLOYMENT AND IN-*
22 *CREASE INCOMES.*—*The planning for cities, other political*
23 *subdivisions, Indian tribes, and sub-State planning and de-*
24 *velopment organizations (including areas described in sec-*
25 *tion 302(a) and economic development districts) assisted*

1 *under this section shall include systematic efforts to reduce*
2 *unemployment and increase incomes.*

3 “(c) *PLANNING PROCESS.—Planning assisted under*
4 *this section shall be a continuous process, involving public*
5 *officials and private citizens, in analyzing local economies,*
6 *defining development goals, determining project opportuni-*
7 *ties, and formulating and implementing a development pro-*
8 *gram.*

9 “(d) *USE OF OTHER FEDERAL FUNDS.—Planning as-*
10 *sistance received under this section shall be used in conjunc-*
11 *tion with any other available Federal planning assistance*
12 *to ensure adequate and effective planning and economical*
13 *use of funds.*

14 “(e) *STATE PLANS.—*

15 “(1) *PREPARATION OF PLANS.—A State plan*
16 *prepared with assistance under this section shall be*
17 *prepared cooperatively by the State, political subdivi-*
18 *sions of the State, and the economic development dis-*
19 *trict located in whole or in part within the State, as*
20 *a comprehensive economic development strategy.*

21 “(2) *CONSISTENCY WITH LOCAL AND ECONOMIC*
22 *DEVELOPMENT DISTRICT PLANS.—Upon completion of*
23 *a State plan prepared with assistance under this sec-*
24 *tion, the State shall—*

1 “(A) *certify to the Secretary that in the*
2 *preparation of the State plan, the local and eco-*
3 *nomical development district plans were considered*
4 *and, to the fullest extent possible, the State plan*
5 *is consistent with such plans; and*

6 “(B) *identify any inconsistencies between*
7 *the State plan and the local and economic devel-*
8 *opment district plans, with the justification for*
9 *each inconsistency.*

10 “(3) *CONSIDERATIONS.—Any overall State eco-*
11 *nomical development planning shall be a part of a com-*
12 *prehensive planning process that shall consider pro-*
13 *viding public works to—*

14 “(A) *stimulate and channel development,*
15 *economic opportunities, and choices for individ-*
16 *uals;*

17 “(B) *support sound land use;*

18 “(C) *foster effective transportation access;*

19 “(D) *promote sustainable development;*

20 “(E) *enhance and protect the environment,*
21 *including the conservation and preservation of*
22 *open spaces and environmental quality;*

23 “(F) *provide public services;*

24 “(G) *promote technology development; and*

1 “(H) *balance physical and human resources*
2 *through the management and control of physical*
3 *development.*

4 “(4) *ANNUAL REPORT.—A State receiving assist-*
5 *ance under this subsection shall transmit to the Sec-*
6 *retary an annual report on the planning process of*
7 *the State.*

8 **“SEC. 204. COST SHARING.**

9 “*Subject to section 205, the amount of a direct grant*
10 *for a project under this title may not exceed 50 percent of*
11 *the cost of the project. In determining the amount of the*
12 *non-Federal share, the Secretary shall give due consider-*
13 *ation to all contributions, both in cash and in kind, fairly*
14 *evaluated, including contributions of space, equipment, and*
15 *services.*

16 **“SEC. 205. SUPPLEMENTARY GRANTS.**

17 “(a) *AUTHORITY TO MAKE SUPPLEMENTARY*
18 *GRANTS.—*

19 “(1) *IN GENERAL.—Upon the application of an*
20 *eligible recipient, the Secretary may make a supple-*
21 *mentary grant for a project for which the applicant*
22 *is eligible but, because of the economic situation of the*
23 *applicant, for which the applicant cannot supply the*
24 *required non-Federal share.*

1 “(2) *TYPES OF ASSISTANCE.*—*Supplementary*
2 *grants under this section may include grants to en-*
3 *able States and other entities within areas described*
4 *in section 302(a) to take maximum advantage of des-*
5 *ignated Federal grant-in-aid programs (as defined in*
6 *subsection (b)(4)), direct grants-in-aid authorized*
7 *under this title, Federal grant-in-aid programs au-*
8 *thorized by the Watershed Protection and Flood Pre-*
9 *vention Act (68 Stat. 666), and the 11 watersheds au-*
10 *thorized by the Flood Control Act of December 22,*
11 *1944 (58 Stat. 887).*

12 “(b) *REQUIREMENTS APPLICABLE TO SUPPLE-*
13 *MENTARY GRANTS.*—

14 “(1) *AMOUNT OF GRANTS.*—*The amount of a*
15 *supplementary grant for a project under this section*
16 *may not exceed the applicable percentage to be estab-*
17 *lished by the Secretary by regulation, but in no event*
18 *may the non-Federal share of the aggregate cost of*
19 *any such project (including assumptions of debt) be*
20 *less than 20 percent of such cost, except as provided*
21 *by paragraph (6).*

22 “(2) *FORM OF GRANTS.*—*Supplementary grants*
23 *shall be made by the Secretary, in accordance with*
24 *regulations to be issued by the Secretary, by increas-*
25 *ing the amounts of direct grants authorized under*

1 *this title or by the payment of funds appropriated*
2 *under this Act to the heads of the departments, agen-*
3 *cies, and instrumentalities of the Federal Government*
4 *responsible for the administration of the applicable*
5 *Federal programs.*

6 “(3) *FEDERAL SHARE LIMITATIONS SPECIFIED*
7 *IN OTHER LAWS.—Notwithstanding any requirement*
8 *as to the amount or sources of non-Federal funds that*
9 *may otherwise be applicable to the Federal program*
10 *involved, funds provided under this section may be*
11 *used for the purpose of increasing the Federal con-*
12 *tribution to a project in an area described in section*
13 *302(a) under the Federal program above the fixed*
14 *maximum portion of the cost of the project otherwise*
15 *authorized by the applicable law.*

16 “(4) *DESIGNATED FEDERAL GRANT-IN-AID PRO-*
17 *GRAMS DEFINED.—In this section, the term ‘des-*
18 *ignated Federal grant-in-aid programs’ means such*
19 *existing or future Federal grant-in-aid programs as-*
20 *sisting in the construction or equipping of facilities*
21 *as the Secretary may, in furtherance of the purposes*
22 *of this Act, designate as eligible for allocation of funds*
23 *under this section.*

24 “(5) *CONSIDERATION OF RELATIVE NEED IN DE-*
25 *TERMINING AMOUNT.—In determining the amount of*

1 *a supplementary grant available for a project under*
2 *this title, the Secretary shall take into consideration*
3 *the relative needs of the area and the nature of the*
4 *project to be assisted.*

5 “(6) *EXCEPTIONS.—*

6 “(A) *GRANTS TO INDIAN TRIBES; DISASTER*
7 *ASSISTANCE.—In the case of a grant to an In-*
8 *Indian tribe, or in the case of a grant for assist-*
9 *ance authorized by section 209(d), the Secretary*
10 *may reduce the non-Federal share below the per-*
11 *centage specified in subsection (b)(1) or waive*
12 *the non-Federal share.*

13 “(B) *GRANTS TO STATES, POLITICAL SUB-*
14 *DIVISIONS, AND NON-PROFITS.— In the case of a*
15 *grant to a State (or a political subdivision of the*
16 *State) that the Secretary determines has ex-*
17 *hausted its effective taxing and borrowing capac-*
18 *ity, or in the case of a grant to a non-profit or-*
19 *ganization that the Secretary determines has ex-*
20 *hausted its effective borrowing capacity, the Sec-*
21 *retary may reduce the non-Federal share below*
22 *the percentage specified in subsection (b)(1) or*
23 *may waive the non-Federal share for a project*
24 *the nature of which the Secretary determines, in*

1 *writing, warrants the reduction or waiver of the*
2 *non-Federal share.*

3 **“SEC. 206. REGULATIONS TO ENSURE RELATIVE NEEDS ARE**
4 **MET.**

5 *“The Secretary shall issue rules, regulations, and pro-*
6 *cedures to carry out this title to ensure that adequate con-*
7 *sideration is given to the relative needs of eligible areas.*
8 *In issuing such rules, regulations, and procedures for assist-*
9 *ance under section 201, the Secretary shall consider among*
10 *other relevant factors—*

11 *“(1) the severity of the rates of unemployment in*
12 *the eligible areas and the duration of such unemploy-*
13 *ment; and*

14 *“(2) the income levels of families and the extent*
15 *of underemployment in eligible areas.*

16 **“SEC. 207. TRAINING, RESEARCH, AND TECHNICAL ASSIST-**
17 **ANCE.**

18 *“(a) DIRECT GRANTS.—*

19 *“(1) IN GENERAL.—Upon the application of an*
20 *eligible recipient, the Secretary may make direct*
21 *grants for training, research, and technical assistance,*
22 *including grants for program evaluation and eco-*
23 *nomical impact analyses, that would be useful in alle-*
24 *viating or preventing conditions of excessive unem-*
25 *ployment or underemployment.*

1 “(2) *TYPES OF ASSISTANCE.*—*Direct grants*
2 *under this section may include grants for project*
3 *planning and feasibility studies, demonstrations of*
4 *innovative activities or strategic economic develop-*
5 *ment investments, management and operational ac-*
6 *tivities or strategic economic development invest-*
7 *ments, management and operational assistance, estab-*
8 *lishment of university centers, establishment of busi-*
9 *ness outreach centers, and studies evaluating the*
10 *needs of, and development potentialities for, economic*
11 *growth of areas that the Secretary finds have substan-*
12 *tial need for such assistance.*

13 “(3) *AUTHORITY TO WAIVE NON-FEDERAL*
14 *SHARE.*—*The Secretary may waive the non-Federal*
15 *share in the case of a project under this section, with-*
16 *out regard to section 204 or 205.*

17 “(b) *FORMS OF ASSISTANCE.*—*In carrying out the*
18 *Secretary’s duties under this Act, the Secretary may—*

19 “(1) *provide research and technical assistance*
20 *through members of the staff of the Secretary;*

21 “(2) *make payments of funds authorized to carry*
22 *out this section to departments or agencies of the Fed-*
23 *eral Government;*

24 “(3) *provide for the employment of private indi-*
25 *viduals, partnerships, firms, corporations, or suitable*

1 *institutions under contracts entered into for such pur-*
2 *poses; or*

3 *“(4) award grants under this title.*

4 **“SEC. 208. RELOCATION OF INDIVIDUALS AND BUSINESSES.**

5 *“Grants to eligible recipients under this Act shall in-*
6 *clude amounts that may be required to provide relocation*
7 *assistance to affected persons, as required by the Uniform*
8 *Relocation Assistance and Real Property Acquisition Poli-*
9 *cies Act 1970 (42 U.S.C. 4601 et seq.).*

10 **“SEC. 209. ECONOMIC ADJUSTMENT.**

11 *“(a) DIRECT GRANTS.—Upon the application of an el-*
12 *igible recipient, the Secretary may make direct grants for*
13 *public facilities, public services, business development (in-*
14 *cluding a revolving loan fund), planning, technical assist-*
15 *ance, training, and other assistance that demonstrably fur-*
16 *thers the economic adjustment objectives of this Act, includ-*
17 *ing activities to alleviate long-term economic deterioration*
18 *and sudden and severe economic dislocations.*

19 *“(b) SELECTION OF PROJECTS.—The Secretary may*
20 *provide assistance for a project under this section only if*
21 *the Secretary finds that—*

22 *“(1) the project will help the area for which the*
23 *project is to be undertaken meet a special need aris-*
24 *ing from—*

1 “(A) *actual or threatened severe unemploy-*
2 *ment arising from economic dislocation, includ-*
3 *ing unemployment arising from actions of the*
4 *Federal Government; or*

5 “(B) *economic adjustment problems result-*
6 *ing from severe changes in economic conditions*
7 *(including long-term economic deterioration);*
8 *and*

9 “(2) *except with respect to planning projects, the*
10 *project is consistent with a comprehensive economic*
11 *development strategy that has been developed in ac-*
12 *cordance with section 303 for the area for which the*
13 *project is to be undertaken.*

14 “(c) *ACTIVITIES RELATED TO DEFENSE REDUC-*
15 *TIONS.—In order to help the communities diversify their*
16 *economies, assistance under this section shall extend to ac-*
17 *tivities identified by communities impacted by military*
18 *base closures, defense contractor cutbacks, and Department*
19 *of Energy defense-related reductions. Nothing in this sub-*
20 *section is intended to replace the efforts of the economic ad-*
21 *justment program of the Department of the Defense.*

22 “(d) *POST-DISASTER ACTIVITIES.—Assistance under*
23 *this section shall extend to post-disaster activities in areas*
24 *affected by natural or other disasters.*

1 *changes are necessary to enhance economic development in*
2 *the area.*

3 **“SEC. 212. USE OF FUNDS IN PROJECTS CONSTRUCTED**
4 **UNDER PROJECTED COST.**

5 *“In any case in which a grant (including a supple-*
6 *mental grant) has been made by the Secretary under this*
7 *title (or under this Act, as in effect on the day before the*
8 *date of enactment of the Economic Development Partner-*
9 *ship Act of 1998) for a construction project, and after the*
10 *grant has been made but before completion of the project,*
11 *the cost of the project (based upon the designs and specifica-*
12 *tions that were the basis of the grant) has decreased because*
13 *of decreases in costs, the underrun funds may be used to*
14 *improve the project either directly or indirectly, as deter-*
15 *mined by the Secretary.*

16 **“SEC. 213. BASE CLOSINGS AND REALIGNMENTS.**

17 *“(a) LOCATION OF PROJECTS.—In any case in which*
18 *the Secretary determines there is a need for assistance under*
19 *this title due to the closure or realignment of a military*
20 *installation or a Department of Energy defense-related in-*
21 *stallation, the Secretary may make such assistance avail-*
22 *able for projects to be carried out on the installation and*
23 *for projects to be carried out in communities adversely af-*
24 *ected by the closure or realignment.*

1 “(b) *INTEREST IN PROPERTY.*—Notwithstanding any
2 other provision of law, the Secretary may provide to an
3 eligible recipient any assistance made available under this
4 Act for a project to be carried out on a military installa-
5 tion, or a Department of Energy defense-related installa-
6 tion, that is closed or scheduled for closure or realignment
7 without requiring the eligible recipient to have title to the
8 property or a leasehold interest in the property for any
9 specified term.

10 “**SEC. 214. PREVENTION OF UNFAIR COMPETITION.**

11 “Financial assistance under this Act may not be ex-
12 tended to any project if—

13 “(1) the assistance would result in an increase
14 in the production of goods, materials, or commodities,
15 or the availability of services or facilities; and

16 “(2) there is not sufficient demand for such
17 goods, materials, commodities, services, or facilities to
18 employ the efficient capacity of existing competitive
19 commercial or industrial enterprises.

20 “**SEC. 215. SALE OF FINANCIAL INSTRUMENTS IN REVOLV-**
21 **ING LOAN FUNDS.**

22 “Any loan, loan guarantee, equity, or other financial
23 instrument in the portfolio of a revolving loan fund, includ-
24 ing any financial instrument made available using
25 amounts from a grant made before the date of enactment

1 *of the Economic Development Partnership Act of 1998, may*
2 *be sold, encumbered, or pledged at the discretion of the*
3 *grantee of the fund, to a third party provided that the net*
4 *proceeds of the transaction—*

5 “(1) *shall be deposited into the fund and may*
6 *only be used for activities which are consistent with*
7 *the purposes of this title; and*

8 “(2) *shall be subject to the financial manage-*
9 *ment, accounting, reporting, and auditing standards*
10 *which were applicable to the original grant.*

11 **“SEC. 216. REPORTS BY RECIPIENT.**

12 “(a) *IN GENERAL.—The Secretary shall require all re-*
13 *ipients of assistance under this Act to submit reports to*
14 *the Secretary.*

15 “(b) *REQUIREMENTS.—Reports under subsection (a)*
16 *shall—*

17 “(1) *be submitted at such intervals and in such*
18 *manner as the Secretary shall prescribe by regulation,*
19 *not to exceed 10 years from the time of closeout of the*
20 *assistance award; and*

21 “(2) *contain an evaluation of the effectiveness of*
22 *the economic assistance provided under this Act in*
23 *meeting the need the assistance was designed to allevi-*
24 *ate and the purposes of this Act.*

25 “(c) *REVOLVING LOAN FUNDS.—*

1 “(1) *IN GENERAL.*—*Except as provided by para-*
2 *graph (2), reports of the activities of a revolving loan*
3 *fund may be required at such intervals as may be*
4 *provided by regulation.*

5 “(2) *LIMITATION.*—*After final disbursements of*
6 *assistance to establish a revolving loan fund (includ-*
7 *ing assistance provided before the date of enactment*
8 *of the Economic Development Partnership Act of*
9 *1998), reports of activities of the revolving loan fund*
10 *may not be required more frequently than annually.*

11 **“TITLE III—DEFINITIONS, ELIGI-**
12 **BILITY, AND COMPREHENSIVE**
13 **ECONOMIC DEVELOPMENT**
14 **STRATEGIES**

15 **“SEC. 301. DEFINITIONS.**

16 *“In this Act, the following definitions apply:*

17 “(1) *ECONOMIC DEVELOPMENT DISTRICT.*—*The*
18 *term ‘economic development district’ means an area*
19 *in the United States composed of cooperating areas*
20 *described in section 302(a) and, where appropriate,*
21 *designated economic development centers and neigh-*
22 *boring counties or communities, that has been des-*
23 *ignated by the Secretary as an economic development*
24 *district. The term includes any economic development*
25 *district designated by the Secretary under section 403*

1 of this Act, as in effect on the day before the date of
2 enactment of the *Economic Development Partnership*
3 *Act of 1998*.

4 “(2) *ECONOMIC DEVELOPMENT CENTER*.—The
5 term ‘*economic development center*’ means an area in
6 the United States that has been identified as an eco-
7 nomic development center in an approved comprehen-
8 sive economic development strategy and that has been
9 designated by the Secretary as eligible for financial
10 assistance under this Act in accordance with the pro-
11 visions of this Act.

12 “(3) *ELIGIBLE RECIPIENT*.—The term ‘*eligible*
13 *recipient*’ means—

14 “(A) an area described in section 302(a);

15 “(B) an economic development district des-
16 ignated under section 401;

17 “(C) an Indian tribe, a State, a city or
18 other political subdivision of a State, or a con-
19 sortium of such political subdivisions;

20 “(D) an institution of higher education or
21 a consortium of such institutions; or

22 “(E) a public or private nonprofit organi-
23 zation or association acting in cooperation with
24 officials of such political subdivision.

1 *For grants made under section 207, the term also in-*
2 *cludes private individuals and for-profit organiza-*
3 *tions.*

4 “(4) *GRANT.*—*The term ‘grant’ includes a coop-*
5 *erative agreement, as that term is used in the Federal*
6 *Grant and Cooperative Agreement Act of 1977.*

7 “(5) *INDIAN TRIBE.*—*The term ‘Indian tribe’*
8 *means any Indian tribe, band, nation, pueblo, or*
9 *other organized group or community, including any*
10 *Alaska Native village or regional corporation as de-*
11 *finied in or established pursuant to the Alaska Native*
12 *Claims Settlement Act, which is recognized as eligible*
13 *for the special programs and services provided by the*
14 *United States to Indians because of their status as*
15 *Indians.*

16 “(6) *SECRETARY.*—*The term ‘Secretary’ means*
17 *the Secretary of Commerce.*

18 “(7) *STATE.*—*The terms ‘State’, ‘States’, and*
19 *‘United States’ include the several States, the District*
20 *of Columbia, the Commonwealth of Puerto Rico, the*
21 *Virgin Islands, Guam, American Samoa, the Repub-*
22 *lic of the Marshall Islands, the Federated States of*
23 *Micronesia, the Republic of Palau, and the Common-*
24 *wealth of the Northern Mariana Islands.*

1 **“SEC. 302. AREA ELIGIBILITY.**

2 “(a) *CERTIFICATION.*—*In order to be eligible for assist-*
3 *ance under section 201 or 209, a project shall serve an area*
4 *that meets 1 or more of the following criteria:*

5 “(1) *The area has a per capita income of 80 per-*
6 *cent or less of the national average.*

7 “(2) *The area has an unemployment rate that is*
8 *at least 1 percent above the national average percent-*
9 *age for the most recent 24-month period for which*
10 *statistics are available.*

11 “(3) *The area is determined by the Secretary to*
12 *have experienced, or to be reasonably foreseen as*
13 *about to experience, a special need to meet an ex-*
14 *pected rise in unemployment or other economic ad-*
15 *justment problem (including those caused by any ac-*
16 *tion or decision of the Federal Government).*

17 “(4) *The area is determined by the Secretary to*
18 *be a pocket of poverty or high unemployment within*
19 *a larger community of less economic distress and has*
20 *demonstrated a resistance to economic recovery with-*
21 *out assistance under this Act.*

22 “(b) *DOCUMENTATION.*—*An applicant for assistance*
23 *for a project under section 201 or 209 shall document, as*
24 *part of an application for the assistance, the eligibilty of*
25 *the project under the criteria of subsection (a) by using Fed-*
26 *eral data, when available, or, in the absence of recent Fed-*

1 eral data, by using data available through the State govern-
2 ment. An area meeting the criteria of subsection (a), includ-
3 ing a pocket of poverty or high unemployment within a
4 larger community of less economic distress, may be defined
5 without regard to political or other boundaries.

6 “(c) *PRIOR DESIGNATIONS.*—Any designation of a re-
7 development area made before the date of enactment of the
8 *Economic Development Partnership Act of 1998* shall not
9 be effective after such date.

10 **“SEC. 303. COMPREHENSIVE ECONOMIC DEVELOPMENT**
11 **STRATEGY.**

12 “(a) *IN GENERAL.*—The Secretary may provide assist-
13 ance under section 201 or 209 (except planning assistance
14 under section 209) to an applicant for a project only if
15 the applicant submits to the Secretary, as part of an appli-
16 cation for the assistance, a comprehensive economic develop-
17 ment strategy that—

18 “(1) identifies the economic development prob-
19 lems to be addressed using the assistance;

20 “(2) identifies past, present, and projected future
21 economic development investments in the area receiv-
22 ing the assistance and public and private partici-
23 pants and sources of funding for the investments; and

1 “(3) sets forth a strategy for addressing the eco-
2 nomic problems identified pursuant to paragraph (1)
3 and describes how the strategy will solve the problems.

4 “(b) *OTHER PLAN.*—The Secretary may accept as a
5 comprehensive economic development strategy a satisfactory
6 plan prepared under another Federally supported program.

7 **“TITLE IV—ECONOMIC**
8 **DEVELOPMENT DISTRICTS**

9 **“SEC. 401. DESIGNATION OF ECONOMIC DEVELOPMENT DIS-**
10 **TRICTS AND ECONOMIC DEVELOPMENT CEN-**
11 **TERS.**

12 “(a) *IN GENERAL.*—In order that economic develop-
13 ment projects of broader geographic significance may be
14 planned and carried out, the Secretary may take the actions
15 authorized by this section.

16 “(b) *DESIGNATION OF ECONOMIC DEVELOPMENT DIS-*
17 *TRICTS.*—The Secretary may designate appropriate ‘eco-
18 nomic development districts’ within the United States with
19 the concurrence of the States in which such districts will
20 be wholly or partially located, if—

21 “(1) the proposed district is of sufficient size or
22 population, and contains sufficient resources, to foster
23 economic development on a scale involving more than
24 a single area described in section 302(a);

1 “(2) the proposed district contains at least 1
2 area described in section 302(a);

3 “(3) the proposed district contains 1 or more
4 areas described in section 302(a) or economic develop-
5 ment centers identified in an approved district com-
6 prehensive economic development strategy as having
7 sufficient size and potential to foster the economic
8 growth activities necessary to alleviate the distress of
9 the areas described in section 302(a) within the dis-
10 trict; and

11 “(4) the proposed district has a district com-
12 prehensive economic development strategy that—

13 “(A) includes sustainable development and
14 adequate land use and transportation planning;

15 “(B) contains a specific program for dis-
16 trict cooperation, self-help, and public invest-
17 ment; and

18 “(C) is approved by the State or States af-
19 fected and by the Secretary.

20 “(c) *DESIGNATION OF ECONOMIC DEVELOPMENT CEN-*
21 *TERS.—The Secretary may designate as ‘economic develop-*
22 *ment centers’, under regulations to be issued by the Sec-*
23 *retary, areas that the Secretary considers appropriate, if—*

24 “(1) the proposed center has been identified and
25 included in an approved district comprehensive eco-

1 *conomic development strategy and recommended by the*
2 *State or States affected for such special designation;*

3 *“(2) the proposed center is geographically and*
4 *economically so related to the district that its eco-*
5 *nomiic growth may reasonably be expected to contrib-*
6 *ute significantly to the alleviation of distress in the*
7 *areas described in section 302(a) of the district; and*

8 *“(3) the proposed center does not have a popu-*
9 *lation in excess of 250,000 according to the most re-*
10 *cent Federal census.*

11 *“(d) PROVISION OF FINANCIAL ASSISTANCE.—The Sec-*
12 *retary may provide financial assistance in accordance with*
13 *the criteria of this Act, except as otherwise expressly pro-*
14 *vided, for projects in economic development centers des-*
15 *ignated under subsection (c), if—*

16 *“(1) the project will further the objectives of the*
17 *comprehensive economic development strategy of the*
18 *district in which the project will be located;*

19 *“(2) the project will enhance the economic*
20 *growth potential of the district or result in additional*
21 *long-term employment opportunities commensurate*
22 *with the amount of Federal financial assistance re-*
23 *quested; and*

1 “(3) *the amount of Federal financial assistance*
2 *requested is reasonably related to the size, population,*
3 *and economic needs of the district.*

4 “(e) *AUTHORITIES.—The Secretary may, under regu-*
5 *lations to be issued by the Secretary—*

6 “(1) *invite the several States to draw up pro-*
7 *posed economic development district boundaries and*
8 *to identify potential economic development centers;*

9 “(2) *encourage the States to consult with appro-*
10 *priate local governmental authorities in the proposal*
11 *of economic development district boundaries or their*
12 *modification;*

13 “(3) *cooperate with the several States—*

14 “(A) *in sponsoring and assisting district*
15 *economic planning and development groups; and*

16 “(B) *in assisting such district groups to for-*
17 *ulate district comprehensive economic develop-*
18 *ment strategies; and*

19 “(4) *encourage participation by appropriate*
20 *local governmental authorities in such economic devel-*
21 *opment districts.*

22 **“SEC. 402. TERMINATION OR MODIFICATION.**

23 *“The Secretary shall issue regulations to prescribe*
24 *standards for the termination or modification of economic*

1 *development districts and economic development centers*
2 *designated under the authority of section 401.*

3 **“SEC. 403. BONUS.**

4 *“Subject to the 20 percent non-Federal share require-*
5 *ment of section 205(b)(1), the Secretary may increase the*
6 *amount of grant assistance authorized by sections 204 and*
7 *205 for projects within designated economic development*
8 *districts by an amount not to exceed 10 percent of the aggre-*
9 *gate cost of the project, in accordance with regulations to*
10 *be issued by the Secretary, if—*

11 *(1) the project applicant is actively participat-*
12 *ing in the economic development activities of the dis-*
13 *trict; and*

14 *(2) the project is consistent with an approved*
15 *district comprehensive economic development strategy.*

16 **“SEC 404. STRATEGY PROVIDED TO APPALACHIAN RE-**
17 **GIONAL COMMISSION.**

18 *“An economic development district designated by the*
19 *Secretary under this title shall ensure that a copy of the*
20 *district’s comprehensive economic development strategy is*
21 *furnished to the Appalachian Regional Commission estab-*
22 *lished under the Appalachian Regional Development Act of*
23 *1965 if any part of such district is within the Appalachian*
24 *region.*

1 **“SEC. 405. PARTS NOT WITHIN AREAS DESCRIBED IN SEC-**
2 **TION 302(a).**

3 *“The Secretary is authorized to provide financial as-*
4 *sistance available to an area described in section 302(a)*
5 *under this Act to those parts of an economic development*
6 *district that are not within an area described in section*
7 *302(a), if the Secretary determines, in writing, that the as-*
8 *sistance will be of a substantial direct benefit to an area*
9 *described in section 302(a) within such district. Such finan-*
10 *cial assistance shall be provided in the same manner and*
11 *to the same extent as is provided in this Act for an area*
12 *described in section 302(a).*

13 **“TITLE V—ADMINISTRATION**

14 **“SEC. 501. UNDER SECRETARY OF COMMERCE FOR ECO-**
15 **NOMIC DEVELOPMENT.**

16 *“(a) APPOINTMENT.—The Secretary shall administer*
17 *this Act with assistance of an Under Secretary of Commerce*
18 *for Economic Development to be appointed by the President*
19 *by and with the advice and consent of the Senate.*

20 *“(b) DUTIES.—The Under Secretary of Commerce for*
21 *Economic Development shall perform such functions as the*
22 *Secretary may prescribe and will serve as the administrator*
23 *of the Economic Development Administration within the*
24 *Department of Commerce.*

1 **“SEC. 502. OFFICE OF ECONOMIC DEVELOPMENT INFORMA-**
2 **TION.**

3 “(a) *ESTABLISHMENT.*—*The Secretary shall establish*
4 *in the Economic Development Administration an Office of*
5 *Economic Development Information (hereinafter in this sec-*
6 *tion referred to as the ‘Office’).*

7 “(b) *DUTIES.*—*The Office shall—*

8 “(1) *serve as a central information clearinghouse*
9 *on matters relating to economic development pro-*
10 *grams and activities of the Federal Government and*
11 *State governments, including political subdivisions of*
12 *States;*

13 “(2) *help potential and actual applicants for*
14 *economic development assistance under Federal,*
15 *State, and local laws in locating and applying for*
16 *such assistance, including financial and technical as-*
17 *sistance; and*

18 “(3) *develop electronic links or other connections*
19 *to information databases provided by Federal depart-*
20 *ments and agencies, State and local governmental*
21 *agencies, public and private entities, and individuals*
22 *to assist other such agencies, entities, and individuals*
23 *in the process of identifying and applying for assist-*
24 *ance and resources under economic development pro-*
25 *grams and activities of the Federal, State, and local*
26 *governments.*

1 “(c) *ELECTRONIC LINKS AND CONNECTIONS.*—The
2 *databases to which the Office shall develop electronic links*
3 *or other connections shall include the following kinds of in-*
4 *formation:*

5 “(1) *Relevant information concerning available*
6 *economic development programs of the Federal Gov-*
7 *ernment, including key contact personnel, descriptions*
8 *of the application process, eligibility requirements*
9 *and criteria, selection and follow-up procedures, and*
10 *other such relevant information.*

11 “(2) *Relevant information concerning major*
12 *State and local governmental economic development*
13 *programs, including lists of appropriate offices, offi-*
14 *cers, and contact personnel connected with, or in-*
15 *volved in, such programs.*

16 “(3) *Relevant and available economic data and*
17 *trends, including information about the national, re-*
18 *gional, and local impacts of trade agreements, defense*
19 *spending and downsizing, technological change, and*
20 *other sources of substantial economic dislocation.*

21 “(4) *Case studies and best practices in economic*
22 *development, adjustment, and reinvestment.*

23 “(5) *Technology utilization programs, assistance,*
24 *and resources.*

1 “(6) *Compilations of published works (including*
2 *bibliographies, books, reports, articles, videos, and*
3 *tapes), and selected texts of such works, related to all*
4 *facets of economic development.*

5 “(7) *Information concerning current revolving*
6 *loan fund programs and finance programs directly*
7 *related to economic development objectives.*

8 “(8) *Resources that assist in identifying poten-*
9 *tial sources of capital for businesses, including revolv-*
10 *ing loan funds, venture capital, and other capital*
11 *tools.*

12 “(9) *Resources, including geographic information*
13 *systems, that assist economic developers in under-*
14 *standing and pursuing sustainable development and*
15 *initiatives.*

16 “(d) *PUBLIC ACCESS TO DATA SERVICES.—The Office*
17 *shall establish the means to ensure easy access by the public*
18 *to the Office’s information clearinghouse, and shall take all*
19 *appropriate steps to ensure that the clearinghouse and its*
20 *resources are as accessible and user-friendly as possible. As*
21 *soon as practicable, and until replaced by a means deter-*
22 *mined by the Secretary to be more effective in accomplish-*
23 *ing the purposes of this section, access to the data services*
24 *of the Office shall include each of the following means:*

1 “(1) *An Internet web site, with sorted key loca-*
2 *tions by economic development related topic, for users*
3 *to access lists of various Governmentwide and other*
4 *economic development web site resources.*

5 “(2) *A toll-free nationwide telephone number to*
6 *provide direct phone access to the public.*

7 “(3) *On-line electronic access through existing*
8 *computer network services and publicly available*
9 *computer database access facilities.*

10 “(4) *Printed manuals and orientation materials.*

11 “(5) *Periodic orientation workshops available to*
12 *the public.*

13 “(6) *On-call information specialists to address*
14 *special problems requiring person-to-person assist-*
15 *ance.*

16 “(e) *COORDINATION WITH OTHER FEDERAL DEPART-*
17 *MENTS AND AGENCIES.—The Secretary shall enter into such*
18 *agreements and understandings as may be necessary with*
19 *other Federal departments and agencies to coordinate the*
20 *accomplishment of the objectives of this section.*

21 “(f) *ECONOMIC DEVELOPMENT DEFINED.—In this sec-*
22 *tion, the term ‘economic development’ includes economic ad-*
23 *justment, disaster recovery, industrial retention, and de-*
24 *fense reinvestment.*

1 **“SEC. 503. CONSULTATION WITH OTHER PERSONS AND**
2 **AGENCIES.**

3 *“(a) CONSULTATION ON PROBLEMS RELATING TO EM-*
4 *PLOYMENT.—The Secretary may confer with any persons,*
5 *including representatives of labor, management, agri-*
6 *culture, and government, who can assist in meeting the*
7 *problems of area and regional unemployment.*

8 *“(b) CONSULTATION ON ADMINISTRATION OF ACT.—*
9 *The Secretary may make provisions for such consultation*
10 *with interested departments and agencies as the Secretary*
11 *may deem appropriate in the performance of the functions*
12 *vested in the Secretary by this Act.*

13 **“SEC. 504. ADMINISTRATION, OPERATION, AND MAINTEN-**
14 **NANCE.**

15 *“Federal assistance may not be approved under this*
16 *Act unless the Secretary is satisfied that the project for*
17 *which the Federal assistance is to be granted will be prop-*
18 *erly and efficiently administered, operated, and main-*
19 *tained.*

20 **“SEC. 505. FIRMS DESIRING FEDERAL CONTRACTS.**

21 *“The Secretary may furnish the procurement divisions*
22 *of the various departments, agencies, and other instrumen-*
23 *talities of the Federal Government with a list—*

24 *“(1) containing the names and addresses of busi-*
25 *ness firms that are located in areas of high economic*

1 *distress and are seeking Government contracts for the*
2 *furnishing of supplies or services; and*

3 “(2) *designating the supplies and services that*
4 *the firms provide.*”

5 **“SEC. 506. AMENDMENTS TO TITLE 5, U.S.C.**

6 *“Title 5, United States Code, is amended—*

7 “(1) *in section 5314 by inserting ‘, Under Sec-*
8 *retary of Commerce for Economic Development,’ after*
9 *‘Under Secretary of Commerce for Export Adminis-*
10 *tration’; and*

11 “(2) *in section 5316 by striking ‘Administrator*
12 *for Economic Development.’.*”

13 **“SEC. 507. NOTIFICATION OF REORGANIZATION.**

14 *“The Secretary shall notify the Committees on Trans-*
15 *portation and Infrastructure and on Appropriations of the*
16 *House of Representatives and the Committees on Environ-*
17 *ment and Public Works and on Appropriations of the Sen-*
18 *ate of any reorganization of the offices, programs, or activi-*
19 *ties of the Economic Development Administration on or be-*
20 *fore the 30th day preceding the date of the reorganization.*

21 **“SEC. 508. PERFORMANCE EVALUATIONS OF GRANT RECIPI-**
22 **ENTS.**

23 “(a) *IN GENERAL.—The Secretary shall conduct an*
24 *evaluation of each university center and economic develop-*
25 *ment district receiving grant assistance under this Act to*

1 *assess the grantee’s performance and contribution toward*
2 *job retention and creation. Evaluations shall be conducted*
3 *on a continuing basis so that each grantee will be evaluated*
4 *within 3 years after the first award of assistance to the*
5 *grantee after the date of enactment of the Economic Devel-*
6 *opment Partnership Act of 1998, and at least once every*
7 *3 years thereafter, so long as the grantee continues to receive*
8 *such assistance.*

9 “(b) *CRITERIA.*—

10 “(1) *ESTABLISHMENT.*—*The Secretary shall es-*
11 *tablish criteria for use in conducting evaluations*
12 *under subsection (a).*

13 “(2) *CRITERIA FOR UNIVERSITY CENTERS.*—*The*
14 *criteria for evaluation of a university center shall, at*
15 *a minimum, provide for an assessment of the center’s*
16 *contribution to providing technical assistance, con-*
17 *ducting applied research, and disseminating results of*
18 *the center’s activities.*

19 “(3) *CRITERIA FOR ECONOMIC DEVELOPMENT*
20 *DISTRICTS.*—*The criteria for evaluation of an eco-*
21 *nomic development district shall, at a minimum, pro-*
22 *vide for an assessment of management standards, fi-*
23 *nancial accountability, and program performance.*

24 “(c) *PEER REVIEW.*—*In conducting an evaluation of*
25 *a university center or economic development district under*

1 *subsection (a), the Secretary shall provide for the participa-*
2 *tion of at least one other university center or economic de-*
3 *velopment district, as appropriate, on a cost-reimbursement*
4 *basis.*

5 **“SEC. 509. COORDINATION.**

6 “(a) *IN GENERAL.*—*The Secretary shall actively co-*
7 *ordinate with other Federal programs, States, economic de-*
8 *velopment districts, and other appropriate planning and*
9 *development organizations the activities relating to the re-*
10 *quirements for comprehensive economic development strate-*
11 *gies and making grants under this Act.*

12 “(b) *FEDERAL COORDINATING COUNCIL FOR ECO-*
13 *NOMIC DEVELOPMENT.*—

14 “(1) *IN GENERAL.*—*The Secretary shall establish*
15 *a Federal Coordinating Council for Economic Devel-*
16 *opment.*

17 “(2) *COMPOSITION OF COUNCIL.*—*The Council*
18 *shall be composed of representatives from Federal*
19 *agencies involved in matters that affect regional eco-*
20 *nomie development.*

21 “(3) *DUTIES.*—*The Council shall assist in pro-*
22 *viding a unifying framework for economic and re-*
23 *gional development efforts and develop a Government-*
24 *wide strategic plan for economic development.*

1 **“SEC. 510. ECONOMIC DEVELOPMENT REVOLVING LOAN**
2 **FUND TASK FORCE.**

3 “(a) *ESTABLISHMENT.*—*The Secretary of Commerce*
4 *shall establish, within the Department of Commerce, an*
5 *Economic Development Revolving Loan Fund Task Force.*

6 “(b) *MEMBERSHIP.*—*The members of the Task Force*
7 *shall include, at a minimum, representatives of—*

8 “(1) *the Economic Development Administration;*

9 “(2) *the Office of Inspector General of the De-*
10 *partment of Commerce;*

11 “(3) *current operators of revolving loan funds es-*
12 *tablished with assistance provided under the Public*
13 *Works and Economic Development Act of 1965; and*

14 “(4) *economic development organizations.*

15 “(c) *DUTIES.*—*The Task Force shall review the finan-*
16 *cial management, accounting, reporting, and auditing*
17 *standards and requirements of revolving loan funds de-*
18 *scribed in subsection (b)(3).*

19 “(d) *RECOMMENDATIONS.*—*Based upon its review, the*
20 *Task Force shall make recommendations to the Secretary*
21 *to better streamline and lessen revolving loan fund report-*
22 *ing requirements.*

1 **“TITLE VI—MISCELLANEOUS**

2 **“SEC. 601. POWERS OF SECRETARY.**

3 “(a) *IN GENERAL.*—*In performing the Secretary’s du-*
4 *ties under this Act, the Secretary is authorized to take the*
5 *following actions:*

6 “(1) *To adopt, alter, and use a seal, which shall*
7 *be judicially noticed.*

8 “(2) *Subject to the civil-service and classification*
9 *laws, to select, employ, appoint, and fix the com-*
10 *penetration of such personnel as may be necessary to*
11 *carry out the provisions of this Act.*

12 “(3) *To hold such hearings, sit and act at such*
13 *times and places, and take such testimony, as the Sec-*
14 *retary may deem advisable.*

15 “(4) *To request directly from any executive de-*
16 *partment, bureau, agency, board, commission, office,*
17 *independent establishment, or instrumentality infor-*
18 *mation, suggestions, estimates, and statistics needed*
19 *to carry out the purposes of this Act. Each depart-*
20 *ment, bureau, agency, board, commission, office, es-*
21 *tablishment, or instrumentality is authorized to fur-*
22 *nish such information, suggestions, estimates, and*
23 *statistics directly to the Secretary.*

24 “(5) *Under regulations prescribed by the Sec-*
25 *retary, to assign or sell at public or private sale, or*

1 *otherwise dispose of for cash or credit, in the Sec-*
2 *retary's discretion and upon such terms and condi-*
3 *tions and for such consideration as the Secretary de-*
4 *termines to be reasonable, any evidence of debt, con-*
5 *tract, claim, personal property, or security assigned*
6 *to or held by the Secretary in connection with assist-*
7 *ance extended under the Act, and to collect or com-*
8 *promise all obligations assigned to or held by the Sec-*
9 *retary in connection with such assistance until such*
10 *time as such obligations may be referred to the Attor-*
11 *ney General for suit or collection.*

12 *“(6) To deal with, complete, renovate, improve,*
13 *modernize, insure, rent, or sell for cash or credit,*
14 *upon such terms and conditions and for such consid-*
15 *eration as the Secretary determines to be reasonable,*
16 *any real or personal property conveyed to or other-*
17 *wise acquired by the Secretary in connection with as-*
18 *sistance extended under this Act.*

19 *“(7) To pursue to final collection, by way of*
20 *compromise or other administrative action, prior to*
21 *reference to the Attorney General, all claims against*
22 *third parties assigned to the Secretary in connection*
23 *with assistance extended under this Act.*

24 *“(8) To acquire, in any lawful manner, any*
25 *property (real, personal, or mixed, tangible or intan-*

1 *gible), whenever necessary or appropriate in connec-*
2 *tion with assistance extended under this Act.*

3 *“(9) In addition to any powers, functions, privi-*
4 *leges, and immunities otherwise vested in the Sec-*
5 *retary, to take any action, including the procurement*
6 *of the services of attorneys by contract, determined by*
7 *the Secretary to be necessary or desirable in making,*
8 *purchasing, servicing, compromising, modifying, liq-*
9 *uidating, or otherwise administratively dealing with*
10 *assets held in connection with financial assistance ex-*
11 *tended under this Act.*

12 *“(10) To employ experts and consultants or or-*
13 *ganizations as authorized by section 3109 of title 5,*
14 *United States Code, compensate individuals so em-*
15 *ployed, including travel time, and allow them, while*
16 *away from their homes or regular places of business,*
17 *travel expenses (including per diem in lieu of subsist-*
18 *ence) as authorized by section 5703 of title 5, United*
19 *States Code, for persons in the Government service*
20 *employed intermittently, while so employed, except*
21 *that contracts for such employment may be renewed*
22 *annually.*

23 *“(11) To establish performance measures for*
24 *grants and other assistance provided under this Act,*
25 *and use such performance measures to evaluate the*

1 *economic impact of economic development assistance*
2 *programs. The establishment and use of such perform-*
3 *ance measures shall be provided by the Secretary*
4 *through members of the Secretary's staff, through the*
5 *employment of appropriate parties under contracts*
6 *entered into for such purposes, or through grants to*
7 *such parties for such purposes, using any funds made*
8 *available by appropriation to carry out this Act.*

9 *“(12) To conduct environmental reviews and*
10 *incur necessary expenses to evaluate and monitor the*
11 *environmental impact of economic development assist-*
12 *ance provided and proposed to be provided under this*
13 *Act, including costs associated with the representation*
14 *and defense of actions of the Secretary related to the*
15 *environmental impact of such assistance, using any*
16 *funds made available by appropriation to carry out*
17 *section 207 of this Act.*

18 *“(13) To sue and be sued in any court of record*
19 *of a State having general jurisdiction or in any*
20 *United States district court. Jurisdiction is conferred*
21 *upon such district court to determine such controver-*
22 *sies without regard to the amount in controversy, but*
23 *no attachment, injunction, garnishment, or other*
24 *similar process, mesne or final, shall be issued*
25 *against the Secretary or the Secretary's property.*

1 “(14) To establish such rules, regulations, and
2 procedures as the Secretary considers appropriate in
3 carrying out the provisions of this Act.

4 “(b) *DEFICIENCY JUDGMENTS.*—The authority under
5 subsection (a)(7) to pursue claims shall include the author-
6 ity to obtain deficiency judgments or otherwise in the case
7 of mortgages assigned to the Secretary.

8 “(c) *INAPPLICABILITY OF CERTAIN OTHER REQUIRE-*
9 *MENTS.*—Section 3709 of the Revised Statutes of the United
10 States shall not apply to any contract of hazard insurance
11 or to any purchase or contract for services or supplies on
12 account of property obtained by the Secretary as a result
13 of assistance extended under this Act if the premium for
14 the insurance or the amount of the insurance does not ex-
15 ceed \$1,000.

16 “(d) *PROPERTY INTERESTS.*—The powers of the Sec-
17 retary, pursuant to this section, in relation to property ac-
18 quired by the Secretary in connection with assistance ex-
19 tended under this Act, shall extend to property interests of
20 the Secretary in relation to projects approved under the
21 Public Works and Economic Development Act of 1965, title
22 I of the Public Works Employment Act of 1976, title II of
23 the Trade Act of 1974, and the Community Emergency
24 Drought Relief Act of 1977.

1 “(e) *POWERS OF CONVEYANCE AND EXECUTION.*—The
2 *power to convey and to execute, in the name of the Sec-*
3 *retary, deeds of conveyance, deeds of release, assignments*
4 *and satisfactions of mortgages, and any other written in-*
5 *strument relating to real or personal property or any inter-*
6 *est therein acquired by the Secretary pursuant to the provi-*
7 *sions of this Act may be exercised by the Secretary, or by*
8 *any officer or agent appointed by the Secretary for such*
9 *purpose, without the execution of any express delegation of*
10 *power or power of attorney.*

11 **“SEC. 602. MAINTENANCE OF STANDARDS.**

12 *“The Secretary shall continue to implement and en-*
13 *force the provisions of section 712 of this Act, as in effect*
14 *on the day before the date of enactment of the Economic*
15 *Development Partnership Act of 1998.*

16 **“SEC. 603. ANNUAL REPORT TO CONGRESS.**

17 *“The Secretary shall transmit a comprehensive and de-*
18 *tailed annual report to Congress on the Secretary’s activi-*
19 *ties under this Act for fiscal year 1998 and each fiscal year*
20 *thereafter. Such report shall be printed and transmitted to*
21 *Congress not later than July 1 of the year following the*
22 *fiscal year with respect to which the report is to be made.*

23 **“SEC. 604. USE OF OTHER FACILITIES.**

24 “(a) *DELEGATION OF FUNCTIONS TO OTHER FEDERAL*
25 *DEPARTMENTS AND AGENCIES.*—The Secretary may dele-

1 *gate to the heads of other departments and agencies of the*
2 *Federal Government any of the Secretary's functions, pow-*
3 *ers, and duties under this Act as the Secretary may deem*
4 *appropriate, and authorize the redelegation of such func-*
5 *tions, powers, and duties by the heads of such departments*
6 *and agencies.*

7 “(b) *TRANSFER BETWEEN DEPARTMENTS.—Funds*
8 *authorized to be appropriated under this Act may be trans-*
9 *ferred between departments and agencies of the Government,*
10 *if such funds are used for the purposes for which they are*
11 *specifically authorized and appropriated.*

12 “(c) *FUNDS TRANSFERRED FROM OTHER DEPART-*
13 *MENTS AND AGENCIES.—In order to carry out the objectives*
14 *of this Act, the Secretary may accept transfers of funds from*
15 *other departments and agencies of the Federal Government*
16 *if the funds are used for the purposes for which (and in*
17 *accordance with the terms under which) the funds are spe-*
18 *cifically authorized and appropriated. Such transferred*
19 *funds shall remain available until expended, and may be*
20 *transferred to and merged with the appropriations under*
21 *the heading ‘salaries and expenses’ by the Secretary to the*
22 *extent necessary to administer the program.*

23 **“SEC. 605. PENALTIES.**

24 “(a) *FALSE STATEMENTS, SECURITY OVER-*
25 *VALUATION.—Whoever makes any statement knowing it to*

1 *be false, or whoever willfully overvalues any security, for*
2 *the purpose of obtaining for such person or for any appli-*
3 *cant any financial assistance under this Act or any exten-*
4 *sion of such assistance by renewal, deferment or action, or*
5 *otherwise, or the acceptance, release, or substitution of secu-*
6 *rity for such assistance, or for the purpose of influencing*
7 *in any way the action of the Secretary or for the purpose*
8 *of obtaining money, property, or anything of value, under*
9 *this Act, shall be fined under title 18, United States Code,*
10 *imprisoned for not more than 5 years, or both.*

11 “(b) *EMBEZZLEMENT AND FRAUD-RELATED*
12 *CRIMES.—Whoever, being connected in any capacity with*
13 *the Secretary in the administration of this Act—*

14 “(1) *embezzles, abstracts, purloins, or willfully*
15 *misapplies any moneys, funds, securities, or other*
16 *things of value, whether belonging to such person or*
17 *pledged or otherwise entrusted to such person;*

18 “(2) *with intent to defraud the Secretary or any*
19 *other politic or corporate, or any individual, or to de-*
20 *ceive any officer, auditor, or examiner, makes any*
21 *false entry in any book, report, or statement of or to*
22 *the Secretary or without being duly authorized draws*
23 *any orders or issues, puts forth, or assigns any note,*
24 *debenture, bond, or other obligation, or draft, bill of*
25 *exchange, mortgage, judgment, or decree thereof;*

1 “(3) *with intent to defraud, participates or*
2 *shares in or receives directly or indirectly any money,*
3 *profit, property, or benefit through any transaction,*
4 *loan, grant, commission, contract, or any other act of*
5 *the Secretary; or*

6 “(4) *gives any unauthorized information con-*
7 *cerning any future action or plan of the Secretary*
8 *that might affect the value of securities, or having*
9 *such knowledge invests or speculates, directly or indi-*
10 *rectly, in the securities or property of any company*
11 *or corporation receiving loans, grants, or other assist-*
12 *ance from the Secretary, shall be fined under title 18,*
13 *United States Code, imprisoned for not more than 5*
14 *years, or both.*

15 **“SEC. 606. EMPLOYMENT OF EXPEDITERS AND ADMINISTRA-**
16 **TIVE EMPLOYEES.**

17 “*Financial assistance may not be extended by the Sec-*
18 *retary under this Act to any business enterprise unless the*
19 *owners, partners, or officers of such business enterprise—*

20 “(1) *certify to the Secretary the names of any at-*
21 *torneys, agents, and other persons engaged by or on*
22 *behalf of such business enterprise for the purpose of*
23 *expediting applications made to the Secretary for as-*
24 *sistance of any sort, under this Act, and the fees paid*
25 *or to be paid to any such person; and*

1 “(2) *execute an agreement binding such business*
2 *enterprise, for a period of 2 years after such assist-*
3 *ance is rendered by the Secretary to such business en-*
4 *terprise, to refrain from employing, tendering any of-*
5 *fice or employment to, or retaining for professional*
6 *services, any person who, on the date such assistance*
7 *or any part thereof was rendered, or within the 1-*
8 *year period ending on such date, shall have served as*
9 *an officer, attorney, agent, or employee, occupying a*
10 *position or engaging in activities that the Secretary*
11 *determines involves discretion with respect to the*
12 *granting of assistance under this Act.*

13 **“SEC. 607. MAINTENANCE OF RECORDS OF APPROVED AP-**
14 **PLICATIONS FOR FINANCIAL ASSISTANCE;**
15 **PUBLIC INSPECTION.**

16 “(a) *MAINTENANCE OF RECORD REQUIRES.—The Sec-*
17 *retary shall maintain as a permanent part of the records*
18 *of the Department of Commerce a list of applications ap-*
19 *proved for financial assistance under this Act that will be*
20 *kept available for public Inspection during the regular busi-*
21 *ness hours of the Department of Commerce.*

22 “(b) *POSTING TO LIST.—The following information*
23 *shall be posted in such list as soon as each application is*
24 *approved:*

1 “(1) *The name of the applicant and, in the case*
2 *of corporate applications, the names of the officers*
3 *and directors thereof.*

4 “(2) *The amount and duration of the financial*
5 *assistance for which application is made.*

6 “(3) *The purposes for which the proceeds of the*
7 *financial assistance are to be used.*

8 **“SEC. 608. RECORDS AND AUDIT.**

9 “(a) *RECORDKEEPING AND DISCLOSURE REQUIRE-*
10 *MENTS.—Each recipient of assistance under this Act shall*
11 *keep such records as the Secretary shall prescribe, including*
12 *records that fully disclose the amount and the disposition*
13 *by such recipient of the proceeds of such assistance, the total*
14 *cost of the project or undertaking in connection with which*
15 *such assistance is given or used, and the amount and nature*
16 *of that portion of the cost of the project or undertaking sup-*
17 *plied by other sources, and such other records as will facili-*
18 *tate an effective audit.*

19 “(b) *ACCESS TO BOOKS FOR EXAMINATION AND*
20 *AUDIT.—The Secretary, the Inspector General of the De-*
21 *partment of Commerce, and the Comptroller General of the*
22 *United States, or any of their duly authorized representa-*
23 *tives, shall have access for the purpose of audit and exam-*
24 *ination to any books, documents, papers, and records of the*

1 recipient that are pertinent to assistance received under this
2 Act.

3 **“SEC. 609. PROHIBITION AGAINST A STATUTORY CON-**
4 **STRUCTION THAT MIGHT CAUSE DIMINUTION**
5 **IN OTHER FEDERAL ASSISTANCE.**

6 *“All financial and technical assistance authorized*
7 *under this Act shall be in addition to any Federal assist-*
8 *ance previously authorized, and no provision of this Act*
9 *may be construed as authorizing or permitting any reduc-*
10 *tion or diminution in the proportional amount of Federal*
11 *assistance that any State or other entity eligible under this*
12 *Act would otherwise be entitled to receive under the provi-*
13 *sions of any other Act.*

14 **“SEC. 610. ACCEPTANCE OF APPLICANTS’ CERTIFICATIONS.**

15 *“The Secretary may accept, when deemed appropriate,*
16 *the applicants’ certifications to meet the requirements of*
17 *this Act.*

18 **“TITLE VII—FUNDING**

19 **“SEC. 701. AUTHORIZATION OF APPROPRIATIONS.**

20 *“There is authorized to be appropriated to carry out*
21 *this Act \$368,000,000 for each of fiscal years 1999 through*
22 *2003. Such sums shall remain available until expended.*

23 **“SEC. 702. ADMINISTRATIVE EXPENSES.**

24 *“In addition to the appropriations authorized by sec-*
25 *tion 701, there are authorized to be appropriated for ad-*

1 *ministrative expenses of the Secretary in carrying out this*
2 *Act such sums as may be necessary for each of fiscal years*
3 *1999 through 2003. Such sums shall remain available until*
4 *expended.*

5 **“SEC. 703. DEFENSE CONVERSION ACTIVITIES.**

6 *“In addition to the appropriations authorized by sec-*
7 *tion 701 for defense conversion activities, there are author-*
8 *ized to be appropriated to carry out this Act for each of*
9 *fiscal years 2000 through 2003 such sums as may be nec-*
10 *essary to provide assistance for such activities. Such sums*
11 *shall remain available until expended.”.*

12 **SEC. 102. SAVINGS PROVISIONS.**

13 *(a) EXISTING RIGHTS, DUTIES, AND OBLIGATIONS*
14 *NOT AFFECTED.—This Act shall not be construed as affect-*
15 *ing the validity of any right, duty, or obligation of the*
16 *United States or any other person arising out of or pursu-*
17 *ant to any contract, loan, or other instrument or agreement*
18 *that was in effect on the day before the date of enactment*
19 *of this Act.*

20 *(b) CONTINUATION OF SUITS.—No action or other pro-*
21 *ceeding commenced by or against any officer or employee*
22 *of the Economic Development Administration shall abate*
23 *by reason of the enactment of this Act.*

24 *(c) LIQUIDATING ACCOUNT.—The Economic Develop-*
25 *ment Revolving Fund established under section 203 of the*

1 *for which the Secretary can make a direct grant under sec-*
2 *tion 201 of the Public Works and Economic Development*
3 *Act of 1965.*

4 *(b) TERMS AND CONDITIONS.—A loan guarantee made*
5 *for a project under this section shall be subject to such terms*
6 *and conditions as the Secretary may prescribe. Such terms*
7 *and conditions, at a minimum, shall include the following:*

8 *(1) The guarantee may be made only if the Sec-*
9 *retary finds that the project meets the requirements of*
10 *the Public Works and Economic Development Act of*
11 *1965.*

12 *(2) The guarantee may not at any time exceed*
13 *90 percent of the amount of the outstanding balance*
14 *of the loan.*

15 *(3) The guarantee may be made only if financial*
16 *assistance for the project is not otherwise available*
17 *from private lenders or from other Federal sources on*
18 *terms that the Secretary finds are likely to permit ac-*
19 *complishment of the project.*

20 *(4) The guarantee may be made only if the Sec-*
21 *retary finds that there is reasonable expectation of re-*
22 *payment of the loan.*

23 *(5) The guarantee may not exceed 30 years.*

24 *(c) FUNDING.—Not more than 10 percent of the*
25 *amounts appropriated to carry out section 201 of the Public*

1 *Works and Economic Development Act of 1965 for each of*
2 *fiscal years 1999 through 2003 may be used to carry out*
3 *this section.*

4 **SEC. 122. LOAN ASSISTANCE DEMONSTRATION PROGRAM.**

5 (a) *IN GENERAL.*—*The Secretary of Commerce shall*
6 *carry out a program to demonstrate the effectiveness of en-*
7 *couraging economic development by making grants for re-*
8 *ducing interest rates on loans for economic development ac-*
9 *tivities. The Secretary shall carry out this section acting*
10 *through the Under Secretary of Commerce for Economic De-*
11 *velopment.*

12 (b) *REQUIREMENTS.*—*Each recipient of a grant under*
13 *the demonstration program shall—*

14 (1) *use the grant amount to assist businesses and*
15 *nonprofit organizations by reducing interest rates on*
16 *loans for economic development activities by an*
17 *amount not to exceed 60 percent of the market rate*
18 *of interest on any such loan; and*

19 (2) *inform businesses and nonprofit organiza-*
20 *tions of the availability of such loan interest rate re-*
21 *duction assistance.*

22 (c) *TERMS AND CONDITIONS.*—*In administering the*
23 *demonstration program, the Secretary shall—*

24 (1) *ensure that any project receiving assistance*
25 *under this section meets the requirements of the Pub-*

1 *lic Works and Economic Development Act of 1965 (42*
2 *U.S.C. 3121 et seq.);*

3 *(2) establish criteria and procedures for selecting*
4 *recipients under the program with national geo-*
5 *graphic diversity, ensuring representation of rural*
6 *and urban areas;*

7 *(3) establish requirements for implementation of*
8 *the program by recipients of assistance under the pro-*
9 *gram; and*

10 *(4) provide for the collection and reporting of in-*
11 *formation sufficient to provide the basis for a deter-*
12 *mination of the costs and effectiveness of the program.*

13 *(d) ECONOMIC DEVELOPMENT ACTIVITIES DEFINED.—*
14 *In this section, the term “economic development activities”*
15 *means activities that—*

16 *(1) are part of a project supported by grant as-*
17 *istance under this Act; or*

18 *(2) are supported by a loan from a revolving*
19 *loan fund established under this Act (including a*
20 *fund established with assistance provided before the*
21 *date of enactment of the Economic Development Part-*
22 *nership Act of 1998).*

23 *(e) FUNDING.—Not more than 10 percent of the*
24 *amounts appropriated to carry out section 209 of the Public*
25 *Works and Economic Development Act of 1965 for each of*

1 *fiscal years 1999 through 2003 may be used to carry out*
2 *this section.*

3 **SEC. 123. LAND CONVEYANCE.**

4 (a) *IN GENERAL.*—*The Secretary of Commerce shall*
5 *convey, at fair market value (as determined by the Sec-*
6 *retary), to the city of Two Harbors, Minnesota, or its des-*
7 *ignee, the parcel of land described in subsection (b).*

8 (b) *LAND DESCRIPTION.*—*The parcel of land referred*
9 *to in subsection (a) consists of approximately 21.55 acres*
10 *known as the J and J Casting site, in Lake County, Min-*
11 *nesota, together with a road easement, all as described in*
12 *the deed of the United States Marshal, dated March 22,*
13 *1988, executed pursuant to the order of sale of the United*
14 *States District Court for the District of Minnesota, dated*
15 *May 15, 1987, in case Civil No. 5–86–300.*

16 (c) *DELEGATION OF AUTHORITY.*—*The Secretary shall*
17 *carry out this section acting through the Under Secretary*
18 *of Commerce for Economic Development.*

19 **SEC. 124. REPORTS.**

20 (a) *ANNUAL REPORT.*—*Not later than September 30*
21 *of each of fiscal years 1999 through 2003, the Secretary of*
22 *Commerce shall transmit to Congress a report containing*
23 *an evaluation of the effectiveness of loan guarantees and*
24 *grants made under this subtitle.*

25 (b) *LONG-TERM PROGRAM.*—

1 (1) *STUDY.*—*The Secretary shall conduct a study*
2 *regarding the effects and costs of carrying out a long-*
3 *term and expanded program for guaranteeing loans*
4 *and making grants under this subtitle, including a*
5 *determination of national scope.*

6 (2) *REPORTS.*—*Not later than September 30,*
7 *2001, the Secretary shall transmit to Congress a re-*
8 *port containing the results of the study conducted*
9 *under paragraph (1), together with any recommenda-*
10 *tions for carrying out an effective demonstration pro-*
11 *gram of national scope under this subtitle.*

12 **SEC. 125. COMPLIANCE WITH BUY AMERICAN ACT.**

13 *None of the funds made available to carry out this Act,*
14 *or any amendment made by this Act, may be expended in*
15 *violation of the provisions of sections 2 through 4 of the*
16 *Act of March 3, 1933 (41 U.S.C. 10a–10c; popularly know*
17 *as the “Buy American Act”) that are applicable to those*
18 *funds. The Secretary of Commerce shall provide each recipi-*
19 *ent of such funds notice of the requirements specified in this*
20 *section and information on methods to comply with such*
21 *requirements.*

1 **TITLE II—APPALACHIAN**
2 **REGIONAL DEVELOPMENT**

3 **SEC. 201. AMENDMENT OF APPALACHIAN REGIONAL DEVEL-**
4 **OPMENT ACT OF 1965.**

5 *Except as otherwise expressly provided, whenever in*
6 *this title an amendment or repeal is expressed in terms of*
7 *an amendment to, or repeal of, a section or other provision,*
8 *the reference shall be considered to be made to a section or*
9 *other provision of the Appalachian Regional Development*
10 *Act of 1965 (40 U.S.C. App. 1 et seq.).*

11 **SEC. 202. FINDINGS AND PURPOSES.**

12 *Section 2 (40 U.S.C. App. 2) is amended by adding*
13 *at the end the following:*

14 “(c) 1998 FINDINGS AND PURPOSES.—*The Congress*
15 *further finds and declares that, while substantial progress*
16 *has been made in fulfilling many of the objectives of this*
17 *Act, rapidly changing national and global economies over*
18 *the past decade have created new problems and challenges*
19 *for rural areas throughout the Nation and especially for the*
20 *Appalachian region. It is, therefore, also the purpose of this*
21 *Act to assist the region in providing the infrastructure nec-*
22 *essary for economic and human resource development, in*
23 *developing its industry, in building entrepreneurial com-*
24 *munities, in generating a diversified regional economy, and*
25 *in making its industrial and commercial resources more*

1 *competitive in national and world markets. It is further*
2 *the purpose of this Act to provide a framework for coordi-*
3 *nating Federal, State, and local initiatives to respond to*
4 *the economic competitive challenge through improving the*
5 *skills of the region’s workforce, adapting and applying new*
6 *technologies for the region’s businesses, and improving the*
7 *access of the region’s businesses to the technical and finan-*
8 *cial resources necessary to their development. Finally, it is*
9 *the purpose of this Act to address the needs of severely and*
10 *persistently distressed areas of the region and focus special*
11 *attention on the areas of greatest need so as to provide a*
12 *fairer opportunity for the people of the region to share the*
13 *quality of life generally enjoyed by citizens across this*
14 *Nation.”.*

15 **SEC. 203. MEETINGS.**

16 (a) *ANNUAL MEETING REQUIREMENT.*—Section
17 *101(a) (40 U.S.C. App. 101(a)) is amended by adding at*
18 *the end the following: “The Commission shall conduct at*
19 *least one meeting each year with the Federal Cochairman*
20 *and at least a majority of the State members present.”.*

21 (b) *ADDITIONAL MEETINGS BY ELECTRONIC MEANS.*—

22 *Section 101 (40 U.S.C. App. 101) is amended—*

23 (1) *in subsection (a), as amended by subsection*

24 (a) *of this section, by adding at the end the following:*

25 *“The Commission may conduct such additional meet-*

1 *ings by electronic means as the Commission considers*
2 *advisable, including meetings to decide matters re-*
3 *quiring an affirmative vote.”; and*

4 *(2) in subsection (c) by striking “to be present”*
5 *at the end of the fourth sentence.*

6 *(c) DECISIONS REQUIRING A QUORUM.—Section*
7 *101(b) (40 U.S.C. App. 101(b)) is amended by striking the*
8 *third sentence and inserting the following: “No decision in-*
9 *volving Commission policy, approval of State, regional, or*
10 *subregional development plans or implementing investment*
11 *programs, any modification or revision of the Appalachian*
12 *Regional Commission Code, any allocation of funds among*
13 *the State, or any designation of a distressed county or an*
14 *economically strong county may be made without a quorum*
15 *of State members.”.*

16 **SEC. 204. ADMINISTRATIVE EXPENSES.**

17 *Section 105 (40 U.S.C. App. 105) is amended—*

18 *(1) by striking “(a) For the period” and all that*
19 *follows through “such expenses” the first place it ap-*
20 *pears and inserting “Administrative expenses of the*
21 *Commission”;* and

22 *(2) by striking subsection (b).*

23 **SEC. 205. COMPENSATION OF EMPLOYEES.**

24 *Section 106(2) (40 U.S.C. App. 106(2)) is amended*
25 *by striking “the salary of the alternate to the Federal Co-*

1 *Chairman on the Commission as provided in section 101”*
2 *and inserting “the maximum rate for the Senior Executive*
3 *Service under section 5382 of title 5, United States Code,*
4 *including any applicable locality-based comparability pay-*
5 *ment that may be authorized under section 5304(h)(2)(c)*
6 *of such title 5”.*

7 **SEC. 206. ADMINISTRATIVE POWERS OF COMMISSION.**

8 *Section 106(7) (40 U.S.C. App. 106(7)) is amended*
9 *by striking “1982” and inserting “2003”.*

10 **SEC. 207. COST SHARING OF DEMONSTRATION HEALTH**
11 **PROJECTS.**

12 *(a) OPERATION COSTS.—Section 202(c) (40 U.S.C.*
13 *App. 202(c)) is amended in the first sentence by striking*
14 *“100 per centum of the costs thereof” and all that follows*
15 *through the period at the end of the second sentence and*
16 *inserting “50 percent of the costs thereof (or 80 percent of*
17 *such costs in the case of a project to be carried out in a*
18 *county for which a distressed county designation is in effect*
19 *under section 226).”.*

20 *(b) COST SHARING.—Section 202 (40 U.S.C. App.*
21 *202) is amended by adding at the end the following:*

22 *“(f) MAXIMUM COMMISSION CONTRIBUTION AFTER*
23 *SEPTEMBER 30, 1998.—After September 30, 1998, not more*
24 *than 50 percent of any project cost eligible for financial*
25 *assistance under this section may be provided from funds*

1 *appropriated to carry out this Act; except that such maxi-*
2 *imum Commission contribution may be increased to 80 per-*
3 *cent, or to the percentage of the maximum Federal contribu-*
4 *tion authorized by this section, whichever is less, for a*
5 *project to be carried out in a county for which a distressed*
6 *county designation is in effect under section 226.”.*

7 **SEC. 208. REPEAL OF LAND STABILIZATION, CONSERVA-**
8 **TION, AND EROSION CONTROL PROGRAM.**

9 *Section 203 (40 U.S.C. App. 203) is repealed.*

10 **SEC. 209. REPEAL OF TIMBER DEVELOPMENT PROGRAM.**

11 *Section 204 (40 U.S.C. App. 204) is repealed.*

12 **SEC. 210. REPEAL OF MINING AREA RESTORATION PRO-**
13 **GRAM.**

14 *Section 205 (40 U.S.C. App. 205) is repealed.*

15 **SEC. 211. REPEAL OF WATER RESOURCE SURVEY.**

16 *Section 206 (40 U.S.C. App. 206) is repealed.*

17 **SEC. 212. COST SHARING OF HOUSING PROJECTS.**

18 *(a) LOANS.—Section 207(b) (40 U.S.C. App. 207(b))*
19 *is amended by striking “80 per centum” and inserting “50*
20 *percent (or 80 percent in the case of a project to be carried*
21 *out in a county for which a distressed county designation*
22 *is in effect under section 226)”.*

23 *(b) GRANTS.—Section 207(c)(1) (40 U.S.C. 207(c)(1))*
24 *is amended by striking “80 per centum” and inserting “50*
25 *percent (or 80 percent in the case of a project to be carried*

1 *out in a county for which a distressed county designation*
2 *is in effect under section 226)”.*

3 **SEC. 213. REPEAL OF AIRPORT SAFETY IMPROVEMENTS**
4 **PROGRAM.**

5 *Section 208 (40 U.S.C. App. 208) is repealed.*

6 **SEC. 214. COST SHARING OF VOCATIONAL EDUCATION AND**
7 **EDUCATION DEMONSTRATION PROJECTS.**

8 *(a) OPERATION COSTS.—Section 211(b)(3) (40 U.S.C.*
9 *App. 211(b)(3)) is amended in the first sentence by striking*
10 *“100 per centum of the costs thereof” and all that follows*
11 *through the period at the end of the second sentence and*
12 *inserting “50 percent of the costs thereof (or 80 percent of*
13 *such costs in the case of a project to be carried out in a*
14 *county for which a distressed county designation is in effect*
15 *under section 226).”*

16 *(b) COST SHARING.—Section 211 (40 U.S.C. App.*
17 *211) is amended by adding at the end the following:*

18 *“(c) MAXIMUM COMMISSION CONTRIBUTION AFTER*
19 *SEPTEMBER 30, 1998.—After September 30, 1998, not more*
20 *than 50 percent of any project cost eligible for financial*
21 *assistance under this section may be provided from funds*
22 *appropriated to carry out this Act; except that such maxi-*
23 *mum Commission contribution may be increased to 80 per-*
24 *cent, or to the percentage of the maximum Federal contribu-*
25 *tion authorized by this section, whichever is less, for a*

1 *project to be carried out in a county for which a distressed*
2 *county designation is in effect under section 226.”.*

3 **SEC. 215. SEWAGE TREATMENT WORKS PROGRAM.**

4 *Section 212 (40 U.S.C. App. 212) is repealed.*

5 **SEC. 216. REPEAL OF AMENDMENTS TO HOUSING ACT OF**
6 **1954.**

7 *Section 213 (40 U.S.C. App. 213) is repealed.*

8 **SEC. 217. SUPPLEMENTS TO FEDERAL GRANT-IN-AID PRO-**
9 **GRAMS.**

10 *(a) AVAILABILITY OF AMOUNTS.—The first sentence of*
11 *section 214(a) (40 U.S.C. App. 214(a)) is amended by strik-*
12 *ing “the President is authorized to provide funds to the Fed-*
13 *eral Cochairman to be used” and inserting “the Federal Co-*
14 *chairman may use amounts made available to carry out*
15 *this section”.*

16 *(b) COST SHARING.—Section 214(b) (40 U.S.C. App.*
17 *214(b)) is amended—*

18 *(1) by striking “(b)” and inserting “(b)(1)”;* and

19 *(2) by adding at the end the following:*

20 *“(2) After September 30, 1998, not more than 50 per-*
21 *cent of any project cost eligible for financial assistance*
22 *under this section may be provided from funds appro-*
23 *priated to carry out this Act; except that such maximum*
24 *Commission contribution may be increased to 80 percent*

1 *for a project to be carried out in a county for which a dis-*
2 *tressed county designation is in effect under section 226.”.*

3 (c) *FEDERAL GRANT-IN-AID PROGRAMS DEFINED.—*

4 *The first sentence of section 214(c) (40 U.S.C. App. 214(c))*
5 *is amended by striking “on or before December 31, 1980,”.*

6 (d) *LIMITATION ON COVERED ROAD PROJECTS.—The*
7 *second sentence of section 214(c) is amended by inserting*
8 *“authorized by title 23, United States Code,” after “road*
9 *construction”.*

10 **SEC. 218. PROGRAM DEVELOPMENT CRITERIA.**

11 (a) *CONSIDERATIONS.—Section 224(a) (40 U.S.C.*
12 *App. 224(a)) is amended by inserting before the semicolon*
13 *at the end of paragraph (1) the following: “or in a severely*
14 *and persistently distressed county or area”.*

15 (b) *OUTCOME MEASUREMENTS.—Section 224(a) is*
16 *further amended—*

17 (1) *by striking the period at the end of para-*
18 *graph (5) and inserting “; and”; and*

19 (2) *by adding at the end the following:*

20 “(6) *the extent to which the project design pro-*
21 *vides for detailed outcome measurements by which*
22 *grant expenditures may be evaluated.”.*

23 (c) *REMOVAL OF LIMITATIONS.—Section 224(b) (40*
24 *U.S.C. App. 224(b)) is amended to read as follows:*

1 “(b) *LIMITATION.*—*Financial assistance made avail-*
2 *able under this Act may not be used to assist establishments*
3 *relocating from one area to another.*”.

4 **SEC. 219. DISTRESSED AND ECONOMICALLY STRONG COUN-**
5 **TIES.**

6 *Part C of title II (40 U.S.C. App. 221–225) is amend-*
7 *ed by adding at the end the following:*

8 **“SEC. 226. DISTRESSED AND ECONOMICALLY STRONG**
9 **COUNTIES.**

10 “(a) *DESIGNATIONS.*—*Not later than 90 days after the*
11 *date of enactment of this section, and annually thereafter,*
12 *the Commission, in accordance with such criteria as the*
13 *Commission may establish, shall—*

14 “(1) *designate as ‘distressed counties’ those coun-*
15 *ties in the region that are the most severely and per-*
16 *sistently distressed; and*

17 “(2) *designate two categories of economically*
18 *strong counties, as follows:*

19 “(A) *‘competitive counties’ which shall be*
20 *those counties in the region which are approach-*
21 *ing economic parity with the rest of the Nation;*
22 *and*

23 “(B) *‘attainment counties’ which shall be*
24 *those counties in the region which have attained*

1 or exceeded economic parity with the rest of the
2 Nation.

3 “(b) *DISTRESSED COUNTIES.*—*In program and*
4 *project development and implementation and in the alloca-*
5 *tion of appropriations made available to carry out this Act,*
6 *the Commission shall give special consideration to the needs*
7 *of those counties for which a distressed designation is in*
8 *effect under this section.*

9 “(c) *FUNDING PROHIBITION FOR PROJECTS LOCATED*
10 *IN ECONOMICALLY STRONG COUNTIES.*—

11 “(1) *COMPETITIVE COUNTIES.*—*Except as pro-*
12 *vided by paragraphs (3) and (4), assistance under*
13 *this Act shall be limited to no more than 30 percent*
14 *of project cost for a project located in a county for*
15 *which a competitive county designation is in effect*
16 *under this section.*

17 “(2) *ATTAINMENT COUNTIES.*—*Except as pro-*
18 *vided by paragraphs (3) and (4), no funds may be*
19 *provided under this Act for a project located in a*
20 *county for which an attainment county designation is*
21 *in effect under this section.*

22 “(3) *EXCEPTIONS.*—*The prohibitions established*
23 *by paragraphs (1) and (2) shall not apply to—*

24 “(A) *projects on the Appalachian develop-*
25 *ment highway system authorized by section 201;*

1 “(B) local development district administra-
2 tive projects authorized by section 302(a)(1); or

3 “(C) a multicounty project that includes a
4 county or counties designated as ‘competitive’ or
5 ‘attainment’ under this section provided all par-
6 ticipating counties share in the costs and benefits
7 of the project.

8 “(4) WAIVER.—The prohibitions established by
9 paragraphs (1) and (2) may be waived by the Com-
10 mission for a particular project upon a showing of
11 one or more of the following:

12 “(A) The existence of a significant pocket of
13 distress in the part of the county in which the
14 project is located.

15 “(B) A significant decline in economic con-
16 ditions affecting the county which is not reflected
17 in current designation data.

18 “(C) The existence of a significant potential
19 benefit from the project in areas of the region
20 outside the designated county.”.

21 **SEC. 220. GRANTS FOR ADMINISTRATIVE EXPENSES AND**
22 **COMMISSION PROJECTS.**

23 (a) AVAILABILITY OF AMOUNTS.—Section 302(a) (40
24 U.S.C. App. 302(a)) is amended—

1 (1) by striking “The President” and inserting
2 “*The Commission*”; and

3 (2) in paragraphs (1), (2), and (3) by striking
4 “*to the Commission*” each place it appears.

5 (b) *COST SHARING*.—Section 302(a) is further amend-
6 *ed*—

7 (1) in paragraph (1) by striking “75 per cen-
8 *tum*” and inserting “50 percent”; and

9 (2) by adding at the end the following:

10 “*After September 30, 1998, not more than 50 percent of*
11 *the cost of any activity eligible for financial assistance*
12 *under this section may be provided from funds appro-*
13 *priated to carry out this Act (or 80 percent of such costs*
14 *in the case of a project to be carried out in a county for*
15 *which a distressed county designation is in effect under sec-*
16 *tion 226); except that discretionary grants by the Commis-*
17 *sion to implement significant regional initiatives, to take*
18 *advantage of special development opportunities, or to re-*
19 *spond to emergency economic distress in the region may be*
20 *made without regard to such percentage limitations. The*
21 *aggregate amount of discretionary grants referred to in the*
22 *preceding sentence in any fiscal year shall not exceed 10*
23 *percent of the amounts appropriated under section 401 for*
24 *such fiscal year.*”.

1 (c) *REPEALS.*—Section 302 (40 U.S.C. App. 302) is
2 amended—

3 (1) by striking paragraphs (3) and (4) of sub-
4 section (b);

5 (2) by striking subsection (d); and

6 (3) by striking subsection (e).

7 **SEC. 221. AUTHORIZATION OF APPROPRIATIONS FOR GEN-**
8 **ERAL PROGRAM.**

9 Section 401 (40 U.S.C. App. 401) is amended to read
10 as follows:

11 **“SEC. 401. AUTHORIZATION OF APPROPRIATIONS.**

12 *“In addition to amounts authorized by section 201 and*
13 *amounts made available for the Appalachian development*
14 *highway system program, there are authorized to be appro-*
15 *riated to the Commission to carry out this Act—*

16 *“(1) \$67,000,000 for fiscal year 1999;*

17 *“(2) \$72,000,000 for fiscal year 2000;*

18 *“(3) \$75,000,000 for fiscal year 2001;*

19 *“(4) \$75,000,000 for fiscal year 2002; and*

20 *“(5) \$80,000,000 for fiscal year 2003.*

21 *Such sums shall remain available until expended.”.*

22 **SEC. 222. EXTENSION OF TERMINATION DATE.**

23 Section 405 (40 U.S.C. App. 405) is amended by strik-
24 ing “1982” and inserting “2003”.