

105TH CONGRESS
2D SESSION

S. 1647

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

IN THE SENATE OF THE UNITED STATES

FEBRUARY 12, 1998

Mr. BAUCUS (by request) (for himself, Ms. SNOWE, Mr. LIEBERMAN, Mr. KEMPTHORNE, Mr. DASCHLE, Mr. DODD, Mr. DURBIN, Mr. LAUTENBERG, Ms. COLLINS, Mr. JOHNSON, and Mr. KENNEDY) introduced the following bill; which was read twice and referred to the Committee on Environment and Public Works

A BILL

To reauthorize and make reforms to programs authorized by the Public Works and Economic 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; EFFECTIVE DATE.**

4 (a) **SHORT TITLE.**—This Act may be cited as the
5 “Economic Development Partnership Act of 1998”.

6 (b) **EFFECTIVE DATE.**—Except as otherwise ex-
7 pressly provided, the provisions of this Act and the amend-
8 ments made by this Act shall take effect as determined

1 by the Secretary of Commerce (hereinafter referred to as
2 the Secretary), but not later than three months after the
3 date of the enactment of this Act.

4 **SEC. 2. REAUTHORIZATION OF PUBLIC WORKS AND ECO-**
5 **NOMIC DEVELOPMENT ACT OF 1965.**

6 The Public Works and Economic Development Act of
7 1965 (42 U.S.C. 3131 et seq.) is amended by striking all
8 after the first section and inserting the following:

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

10 “(a) FINDINGS.—Congress finds that—

11 “(1) the maintenance of the national economy
12 at a high level is vital to the best interests of the
13 United States, but that some of our regions, coun-
14 ties, and communities are suffering substantial and
15 persistent unemployment and underemployment that
16 cause hardship to many individuals and their fami-
17 lies, and waste invaluable human resources;

18 “(2) to overcome this problem the Federal Gov-
19 ernment, in cooperation with the States, should help
20 areas and regions of substantial and persistent un-
21 employment and underemployment to take effective
22 steps in planning and financing their public works
23 and economic development;

24 “(3) Federal financial assistance, including
25 grants for public works and development facilities to

1 communities, industries, enterprises, and individuals
2 in areas needing development should enable such
3 areas to help themselves achieve lasting improve-
4 ment and enhance the domestic prosperity by the es-
5 tablishment of stable and diversified local economies,
6 sustainable development, and improved local condi-
7 tions, if such assistance is preceded by and consist-
8 ent with sound, long-range economic planning; and

9 “(4) under the provisions of this Act, new em-
10 ployment opportunities should be created by develop-
11 ing and expanding new and existing public works
12 and other facilities and resources rather than by
13 merely transferring jobs from one area of the United
14 States to another, and by supporting firms and in-
15 dustries which add to the growth of the nation’s
16 economy through improved technology, increased ex-
17 ports, and the supply of goods and services to satisfy
18 unmet demand.

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

22 “(1) the assistance authorized by this Act
23 should be made available to both rural and urban
24 areas;

1 “(2) such assistance should be made available
2 for planning for economic development prior to the
3 actual occurrences of economic distress in order to
4 avoid such condition; and

5 “(3) Such assistance should be used for long-
6 term economic rehabilitation in areas where long-
7 term economic deterioration has occurred or is tak-
8 ing place.

9 **“TITLE I—ECONOMIC DEVELOPMENT**
10 **PARTNERSHIPS COOPERATION AND**
11 **COORDINATION**

12 **“SEC. 101. ESTABLISHMENT OF ECONOMIC DEVELOPMENT**
13 **PARTNERSHIPS.**

14 “(a) IN GENERAL.—In providing assistance under
15 this Act, the Secretary shall cooperate with States and
16 other entities to assure that, consistent with national ob-
17 jectives, Federal programs are compatible with and fur-
18 ther the objectives of State, regional and local economic
19 development plans and comprehensive economic develop-
20 ment strategies.

21 “(b) TECHNICAL ASSISTANCE.—The Secretary shall
22 provide such technical assistance to States, local govern-
23 mental subdivisions of States, sub-State regional organiza-
24 tions (including organizations which cross State bound-
25 aries, and multi-State regional organizations as the Sec-

1 retary determines may be necessary or desirable to allevi-
2 ate economic distress, encourage and support public-pri-
3 vate partnerships for the formation and improvement of
4 economic development strategies which promote the
5 growth of the national economy, stimulate modernization
6 and technological advances in the generation and commer-
7 cialization of goods and services, and enhance the effec-
8 tiveness of American firms in the global economy.

9 “(c) INTERGOVERNMENTAL REVIEW.—The Secretary
10 shall prescribe regulations which will assure that appro-
11 priate State and local governmental authorities have been
12 given a reasonable opportunity to review and comment
13 upon proposed projects which the Secretary determines
14 may have a significant direct impact on the economy of
15 the area.

16 “(d) COOPERATIVE AGREEMENTS.—The Secretary
17 may enter into a cooperative agreement with any two or
18 more adjoining States, or an organization thereof, in sup-
19 port of effective economic development. Each such agree-
20 ment shall provide for suitable participation by other gov-
21 ernmental and nongovernmental parties representative of
22 significant interests in and perspectives on economic devel-
23 opment in the area.

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

2 “Each Federal department and agency, in accordance
3 with applicable laws and within the limits of available
4 funds, shall exercise its powers, duties and functions, and
5 shall cooperate with the Secretary in such manner as will
6 assist the Secretary in carrying out the objectives of this
7 Act.

8 **“SEC. 103. COORDINATION.**

9 “The Secretary shall actively coordinate with other
10 Federal programs, States, economic development districts,
11 and other appropriate planning and development organiza-
12 tions the activities relating to the requirements for com-
13 prehensive economic development strategies and making
14 grants under this Act.

15 **“SEC. 104. NATIONAL ADVISORY COMMITTEE.**

16 “The Secretary may appoint a National Public Advi-
17 sory Committee on Regional Economic Development which
18 shall consist of twenty-five members and shall be com-
19 posed of representatives of labor, management, agri-
20 culture, State and local governments, Federal agencies,
21 and the public in general. From the members appointed
22 to such Committee the Secretary shall designate a Chair-
23 man. Such Committee, or any duly established subcommit-
24 tee thereof, shall from time to time make recommenda-
25 tions to the Secretary relative to the carrying out of the
26 Secretary’s duties under this Act, including the coordina-

1 tion of activities as provided in section 103. Such Commit-
2 tee shall hold not less than two meetings during each cal-
3 endar year, and shall be governed by the provisions of the
4 Federal Advisory Committee Act.

5 **“TITLE II—GRANTS FOR PUBLIC WORKS**
6 **AND ECONOMIC DEVELOPMENT**

7 **“SEC. 201. PUBLIC WORKS GRANTS.**

8 “(a) Upon the application of any eligible recipient the
9 Secretary may make direct grants for acquisition or devel-
10 opment of land improvements for public works, public
11 service, or development facility usage, and the acquisition,
12 design and engineering, construction, rehabilitation, alter-
13 ation, expansion, or improvement of such facilities, includ-
14 ing related machinery and equipment.

15 “(b) The Secretary may provide assistance under this
16 section only if the Secretary finds that—

17 “(1) the project for which financial assistance is
18 sought will directly or indirectly—

19 “(A) tend to improve the opportunities, in
20 the area where such project is or will be lo-
21 cated, for the successful establishment or ex-
22 pansion of industrial or commercial plants or
23 facilities;

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

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

6 “(D) in the case of projects within areas
7 described in section 302(a)(8), the project will
8 enhance the economic growth potential of the
9 area or result in additional long-term employ-
10 ment opportunities commensurate with the
11 amount of Federal financial assistance re-
12 quested;

13 “(2) the project for which a grant is requested
14 will fulfill a pressing need of the area, or part there-
15 of, in which it is, or will be, located; and

16 “(3) the area for which a project is to be under-
17 taken has a satisfactory comprehensive economic de-
18 velopment strategy as provided by section 303 and
19 such project is consistent with such strategy.

20 “(c) In the case of an area described in section
21 302(a)(4), the Secretary may provide assistance only if the
22 Secretary finds that the project to be undertaken will pro-
23 vide immediate useful work to unemployed and under-
24 employed persons in that area.

1 “(d) Not more than 15 per centum of the appropria-
2 tions made pursuant to this section may be expended in
3 any one State.

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

5 “In any case where a grant (including a supplemental
6 grant) has been made by the Secretary under this title
7 or made, before the effective date of the Economic Devel-
8 opment Partnership Act of 1998, under title I of this act,
9 as in effect before such effective date, for a construction
10 project and after such grant has been made but before
11 completion of the project, the cost of such project based
12 upon the designs and specifications which were the basis
13 of the grant has been increased because of increases in
14 costs, the amount of such grant may be increased by an
15 amount equal to the percentage increase, as determined
16 by the Secretary, in such costs, but in no event shall the
17 percentage of the Federal share of such project exceed
18 that originally provided for in such grant.

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

20 “(a) Upon the application of any eligible recipient the
21 Secretary may make direct grants for economic develop-
22 ment planning and the administrative expenses of organi-
23 zations undertaking such planning.

24 “(b) The planning for cities, other political subdivi-
25 sions, Indian tribes, and sub-State planning and develop-

1 ment organizations (including areas described in section
2 302(a) and economic development districts) assisted under
3 this title shall include systematic efforts to reduce unem-
4 ployment and increase incomes.

5 “(c) The planning shall be a continuous process in-
6 volving public officials and private citizens in analyzing
7 local economies, defining development goals, determining
8 project opportunities and formulating and implementing
9 a development program.

10 “(d) The planning assistance authorized under this
11 title shall be used in conjunction with any other available
12 Federal planning assistance to assure adequate and effec-
13 tive planning and economical use of funds.

14 “(e) Any State plan prepared with assistance under
15 this section shall be prepared cooperatively by the State,
16 its political subdivisions, and the economic development
17 districts located in whole or in part within such State, as
18 a comprehensive economic development strategy. Upon
19 completion of any such plan, the State shall (1) certify
20 to the Secretary that in the preparation of the State plan,
21 the local and economic development district plans were
22 considered and, to the fullest extent possible, the State
23 plan is consistent with the local and economic development
24 district plans, and (2) identify any inconsistencies between
25 the State plan and the local and economic development

1 district plans, with the justification for each inconsistency.
2 Any overall State economic development planning shall be
3 a part of a comprehensive planning process that shall con-
4 sider the provisions of public works to stimulate and chan-
5 nel development, economic opportunities and choices for
6 individuals, to support sound land use, to foster effective
7 transportation access, to promote sustainable develop-
8 ment, to enhance and protect the environment including
9 the conservation and preservation of open spaces and envi-
10 ronmental quality, to provide public services, and to bal-
11 ance physical and human resources through the manage-
12 ment and control of physical development. Each State re-
13 ceiving assistance for the preparation of a plan according
14 to the provisions of this subsection shall submit to the Sec-
15 retary an annual report on the planning process assisted
16 under this subsection.

17 **“SEC. 204. COST SHARING.**

18 “Subject to section 205, the amount of any direct
19 grant under this title for any project shall not exceed 50
20 percent of the cost of such project. In determining the
21 amount of the non-Federal share of costs or expenses, the
22 Secretary shall give due consideration to all contributions
23 both in cash and in kind, fairly evaluated, including con-
24 tributions of space, equipment, and services.

1 **“SEC. 205. SUPPLEMENTARY GRANTS.**

2 “(a) IN GENERAL.—Upon the application of any eli-
3 gible recipient, the Secretary may make a supplementary
4 grant for a project for which the applicant is eligible but,
5 because of its economic situation, for which it cannot sup-
6 ply the required matching share. Included therein may be
7 supplementary grants made to enable the States and other
8 entities within areas described in section 302(a) to take
9 maximum advantage of designated Federal grant-in-aid
10 programs (as defined in subsection (b)(4) of this section),
11 direct grants-in-aid authorized under this title, and Fed-
12 eral grant-in-aid programs authorized by the Watershed
13 Protection and Flood Prevention Act (68 Stat. 666), and
14 the 11 watersheds authorized by the Flood Control Act
15 of December 22, 1944 (58 Stat. 887).

16 “(b) REQUIREMENTS APPLICABLE TO SUPPLE-
17 MENTARY GRANTS.—

18 “(1) AMOUNT OF SUPPLEMENTARY GRANTS.—
19 The amount of any supplementary grant under this
20 title for any project shall not exceed the applicable
21 percentage established by regulations promulgated
22 by the Secretary, but in no event shall the non-Fed-
23 eral share of the aggregate cost of any such project
24 (including assumptions of debt) be less than 20 per-
25 cent of such cost, except as provided in subsection
26 (b)(6).

1 “(2) FORM OF SUPPLEMENTARY GRANTS.—
2 Supplementary grants shall be made by the Sec-
3 retary, in accordance with such regulations as the
4 Secretary may prescribe, by increasing the amounts
5 of direct grants authorized under this title or by the
6 payment of funds appropriated under this act to the
7 heads of the departments, agencies, and instrumen-
8 talities of the Federal Government responsible for
9 the administration of the applicable Federal pro-
10 grams.

11 “(3) FEDERAL SHARE LIMITATIONS SPECIFIED
12 IN OTHER LAWS.—Notwithstanding any requirement
13 as to the amount or sources of non-Federal funds
14 that may otherwise be applicable to the Federal pro-
15 gram involved, funds provided under this subsection
16 may be used for the purpose of increasing the Fed-
17 eral contribution to specific projects in areas de-
18 scribed in section 302(a) under such programs above
19 the fixed maximum portion of the cost of such
20 project otherwise authorized by the applicable law.

21 “(4) DESIGNATED FEDERAL GRANT-IN-AID
22 PROGRAMS DEFINED.—In this section, the term ‘des-
23 ignated Federal grant-in-aid programs’ means such
24 existing or future Federal grant-in-aid programs as-
25 sisting in the construction or equipping of facilities

1 as the Secretary may, in furtherance of the purposes
2 of this Act, designate as eligible for allocation of
3 funds under this section.

4 “(5) CONSIDERATION OF RELATIVE NEED IN
5 DETERMINING AMOUNT.—In determining the
6 amount of any supplementary grant available to any
7 project under this title, the Secretary shall take into
8 consideration the relative needs of the area and the
9 nature of the project to be assisted.

10 “(6) EXCEPTIONS.—In the case of a grant to
11 an Indian tribe, the Secretary may reduce the non-
12 Federal share below the percentage specified in sub-
13 section (b)(1) or may waive the non-Federal share.
14 In the case of a grant to a State or a political sub-
15 division of a State which the Secretary determines
16 has exhausted its effective taxing and borrowing ca-
17 pacity, or of a grant to a nonprofit organization
18 which the Secretary determines has exhausted its ef-
19 fective borrowing capacity, the Secretary may reduce
20 the non-Federal share below the percentage specified
21 in subsection (b)(1) or may waive the non-Federal
22 share for (i) a project in an area described in section
23 302(a)(4), or (ii) a project the nature of which the
24 Secretary determines warrants the reduction or
25 waiver of the non-Federal share.

1 **“SEC. 206. REGULATIONS TO ASSURE RELATIVE NEEDS ARE**
2 **MET.**

3 “The Secretary shall prescribe rules, regulations, and
4 procedures to carry out this title which will assure that
5 adequate consideration is given to the relative needs of eli-
6 gible areas. In prescribing such rules, regulations, and
7 procedures for assistance under section 201 the Secretary
8 shall consider among other relevant factors—

9 “(1) the severity of the rates of unemployment
10 in the eligible areas and the duration of such unem-
11 ployment;

12 “(2) the income levels of families and the extent
13 of underemployment in eligible areas; and

14 “(3) the out-migration of population for eligible
15 areas.

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

18 “(a) Upon the application of any eligible recipient the
19 Secretary may make direct grants for training, research,
20 and technical assistance, including grants for program
21 evaluation and economic impact analyses, which would be
22 useful in alleviating or preventing conditions of excessive
23 unemployment or underemployment. Such assistance may
24 include project planning and feasibility studies, dem-
25 onstrations of innovative activities or strategic economic
26 development investments, management and operational

1 assistance, establishment of university centers, establish-
2 ment of business outreach centers, and studies evaluating
3 the needs of, and development potentialities for, economic
4 growth of areas which the Secretary finds have substantial
5 need for such assistance. The Secretary may waive the
6 non-Federal share in the case of a project under this sec-
7 tion, without regard to the provisions of section 204 or
8 205.

9 “(b) In carrying out the Secretary’s duties under this
10 Act, the Secretary may provide research and technical as-
11 sistance through members of the Secretary’s staff; the
12 payment of funds authorized for this section to depart-
13 ments or agencies of the Federal Government; the employ-
14 ment of private individuals, partnerships, firms, corpora-
15 tions, or suitable institutions under contracts entered into
16 for such purposes; or the award of grants under this title.

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

18 “Grants to eligible recipients shall include such
19 amounts as may be required to provide relocation assist-
20 ance to affected persons, as required by the Uniform Relo-
21 cation Assistance and Real Property Acquisition Act 1970,
22 as amended.

23 **“SEC. 209. ECONOMIC ADJUSTMENT.**

24 “(a) Upon the application of any eligible recipient the
25 Secretary may make direct grants for public facilities,

1 public services, business development (including a revolving
2 ing loan fund), planning, technical assistance, training,
3 and other assistance which demonstrably furthers the economic
4 adjustment objectives of this Act, including activities
5 ties to alleviate long-term economic deterioration, and sudden
6 den and severe economic dislocations.

7 “(b) The Secretary may provide assistance under this
8 section only if the Secretary finds that—

9 “(1) the project will help the area meet a special
10 need arising from—

11 “(A) actual or threatened severe unemployment
12 arising from economic dislocation, including
13 unemployment arising from actions of the
14 Federal Government or from compliance with
15 environmental requirements which remove economic
16 activities from a locality; or

17 “(B) economic adjustment problems resulting
18 from severe changes in economic conditions
19 (including long-term economic deterioration);
20 and

21 “(2) the area for which a project is to be undertaken
22 has a satisfactory comprehensive economic development
23 strategy as provided by section 303 and
24 such project is consistent with such strategy. This

1 subsection (b)(2) shall not apply to planning
2 projects.

3 “(c) Assistance under this section shall extend to ac-
4 tivities identified by communities impacted by military
5 base closures, defense contractor cutbacks, and Depart-
6 ment of Energy reductions, to help the communities diver-
7 sify their economies. Nothing in this section is intended
8 to replace the efforts of the economic adjustment program
9 of the Department of Defense.

10 “(d) Assistance under this section shall extend to
11 post-disaster activities in areas affected by natural and
12 other disasters.

13 **“SEC. 210. DIRECT EXPENDITURE OR REDISTRIBUTION BY**
14 **RECIPIENT.**

15 “Amounts from grants under section 209 of this title
16 may be used in direct expenditures by the eligible recipient
17 or through redistribution by the eligible recipient to public
18 and private entities in grants, loans, loan guarantees, pay-
19 ments to reduce interest on loan guarantees, or other ap-
20 propriate assistance, but no grant shall be made by an
21 eligible recipient to a private profit-making entity.

22 **“SEC. 211. CHANGED PROJECT CIRCUMSTANCES.**

23 “In any case where a grant (including a supplemental
24 grant) has been made by the Secretary under this title
25 (or made under this Act, as in effect on the day before

1 the effective date of the Economic Development Partner-
2 ship Act of 1998) for a project, and after such grant has
3 been made but before completion of the project, the pur-
4 pose or scope of such project which were the basis of the
5 grant has changed, the Secretary may approve the use of
6 grant funds on such changed project if the Secretary de-
7 termines that such changed project meets the require-
8 ments of this title and that such changes are necessary
9 to enhance economic development in the area.

10 **“SEC. 212. USE OF FUNDS IN PROJECTS CONSTRUCTED**
11 **UNDER PROJECTED COST.**

12 “In any case where a grant (including a supplemental
13 grant) has been made by the Secretary under this title
14 (or made under this Act, as in effect on the day before
15 the effective date of the Economic Development Partner-
16 ship Act of 1998) for a construction project, and after
17 such grant has been made but before completion of the
18 project, the cost of such project based upon the designs
19 and specifications which was the basis of the grant has
20 decreased because of decreases in costs, such underrun
21 funds may be used to improve the project either directly
22 or indirectly as determined by the Secretary.

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

24 “(a) LOCATION OF PROJECTS.—In any case in which
25 the Secretary determines a need for assistance under this

1 title due to the closure or realignment of a military or
2 Department of Energy installation, the Secretary may
3 make such assistance available for projects to be carried
4 out on the installation and for projects to be carried out
5 in communities adversely affected by the closure or re-
6 alignment.

7 “(b) INTEREST IN PROPERTY.—Notwithstanding any
8 other provision of law, the Secretary may provide to an
9 eligible recipient any assistance available under this Act
10 for a project to be carried out on a military or Department
11 of Energy installation that is closed or scheduled for clo-
12 sure or realignment without requiring that the eligible re-
13 cipient have title to the property or a leasehold interest
14 in the property for any specified term.

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

16 “No financial assistance under this Act shall be ex-
17 tended to any project when the result would be to increase
18 the production of goods, materials, or commodities, or the
19 availability of services or facilities, when there is not suffi-
20 cient demand for such goods, materials, commodities, serv-
21 ices, or facilities, to employ the efficient capacity of exist-
22 ing competitive commercial or industrial enterprises.

23 **“SEC. 215. REPORTS BY RECIPIENT.**

24 “Reports to the Secretary shall be required of recipi-
25 ents of assistance under this Act. Such reports shall be

1 at such intervals and in such manner as the Secretary
2 shall prescribe by regulation, not to exceed ten years from
3 the time of closeout of the assistance award, and shall con-
4 tain an evaluation of the effectiveness of the economic as-
5 sistance provided under this Act in meeting the need it
6 was designed to alleviate and the purposes of this Act.

7 **“TITLE III—DEFINITIONS, ELIGIBILITY**
8 **AND COMPREHENSIVE ECONOMIC DE-**
9 **VELOPMENT STRATEGIES**

10 **“SEC. 301. DEFINITIONS.**

11 “In this Act, unless the context otherwise requires,
12 the following definitions apply:

13 “(a) **ECONOMIC DEVELOPMENT DISTRICT.**—The
14 term ‘economic development district’ refers to any
15 area within the United States composed of cooperat-
16 ing areas described in section 302(a) and, where ap-
17 propriate, designated economic development centers
18 and neighboring counties or communities, which has
19 been designated by the Secretary as an economic de-
20 velopment district. Such term includes any economic
21 development district designated by the Secretary
22 under section 403 of this Act, as in effect on the day
23 before the effective date of the Economic Develop-
24 ment Partnership Act of 1998.

1 “(b) ECONOMIC DEVELOPMENT CENTER.—The
2 term ‘economic development center’ refers to any
3 area within the United States which has been identi-
4 fied as an economic development center in an ap-
5 proved comprehensive economic development strat-
6 egy and which has been designated by the Secretary
7 as eligible for financial assistance under this Act in
8 accordance with the provisions of this section.

9 “(c) ELIGIBLE RECIPIENT.—The term ‘eligible
10 recipient’ means an area described in section 302(a),
11 an economic development district designated under
12 section 401, an Indian tribe, a State, a city or other
13 political subdivision of a State or a consortium of
14 such political subdivisions, an institution of higher
15 education or a consortium of such institutions, or a
16 public or private nonprofit organization or associa-
17 tion acting in cooperation with officials of such polit-
18 ical subdivisions. For grants made under section
19 207, ‘eligible recipient’ also includes private individ-
20 uals and for-profit organizations.

21 “(d) GRANT.—The term ‘grant’ includes coop-
22 erative agreement, as that term is used in the Fed-
23 eral Grant and Cooperative Agreement Act of 1977.

24 “(e) INDIAN TRIBE.—The term ‘Indian tribe’
25 means an Indian or Alaska Native tribe, band, na-

1 tion, pueblo, village, or community that the Sec-
2 retary of the Interior acknowledges to exist as an In-
3 dian tribe pursuant to 25 U.S.C. section 479a-1.

4 “(f) STATE.—The terms ‘State’, ‘States’, and
5 ‘United States’ include the several States, the Dis-
6 trict of Columbia, the Commonwealth of Puerto
7 Rico, the Virgin Islands, Guam, American Samoa,
8 the Republic of the Marshall Islands, the Federated
9 States of Micronesia, the Republic of Palau, and the
10 Commonwealth of the Northern Mariana Islands.

11 **“SEC. 302. AREA ELIGIBILITY.**

12 “(a) CERTIFICATION.—In order to be eligible for as-
13 sistance for activities described under section 201 or 209,
14 an applicant shall certify, as part of an application for
15 such assistance, that the project is located in an area
16 which on the date of submission of such application meets
17 one or more of the following criteria:

18 “(1) The area has a per capita income of 80
19 percent or less of the national average.

20 “(2) The area has an unemployment rate one
21 percent above the national average percentage for
22 the most recent 24-month period for which statistics
23 are available.

24 “(3) The area has experienced or is about to
25 experience a sudden economic dislocation resulting

1 in job loss that is significant both in terms of the
2 number of jobs eliminated and the effect upon the
3 employment rate of the area.

4 “(4) The area is one in which the Secretary de-
5 termines that any activities authorized to be under-
6 taken under section 201 or 209 will provide imme-
7 diate useful work to unemployed and underemployed
8 persons in that area, and the area is a community
9 or neighborhood (defined without regard to political
10 or other subdivisions or boundaries) which the Sec-
11 retary determines has one or more of the following
12 conditions:

13 “(A) A large concentration of low-income
14 persons;

15 “(B) Areas having substantial out-migra-
16 tion; or

17 “(C) Substantial unemployment.

18 “(5) The area has demonstrated long-term eco-
19 nomic deterioration.

20 “(6) The area has an unemployment rate, for
21 the most recent 12 month period for which statistics
22 are available, above a rate established by regulation
23 as an indicator of substantial unemployment during
24 conditions of significantly high national unemploy-
25 ment.

1 “(7) The area is one which the Secretary has
2 determined has experienced, or may reasonably be
3 foreseen to be about to experience, a special need to
4 meet an expected rise in unemployment, or other
5 economic adjustment problems (including those
6 caused by any action or decision of the Federal Gov-
7 ernment).

8 “(8) The area contains a population of 250,000
9 or less and is identified in a comprehensive economic
10 development strategy as having growth potential and
11 the ability to alleviate distress within an economic
12 development district.

13 “(9) The area is experiencing severe outmigra-
14 tion.

15 “(b) DOCUMENTATION.—A certification made under
16 subsection (a) shall be supported by Federal data, when
17 available or, in the absence of recent Federal data, by data
18 available through the State government. Such documenta-
19 tion shall be accepted by the Secretary unless the Sec-
20 retary determines the documentation to be inaccurate. The
21 most recent statistics available shall be used.

22 “(c) SPECIAL RULE.—An area which the Secretary
23 determines is eligible for assistance because it meets 1 or
24 more of the criteria of subsection (a)(4)—

1 “(1) shall not be subject to the requirements of
2 sections 201(b) or 303; and

3 “(2) shall not be eligible to meet the require-
4 ment of section 401(a)(1)(B).

5 “(d) PRIOR DESIGNATIONS.—Any designation of a
6 redevelopment area made before the effective date of the
7 Economic Development Partnership Act of 1998 shall not
8 be effective after such effective date.

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

11 “(a) IN GENERAL.—The Secretary may provide as-
12 sistance under section 201 or 209 (except for section 209
13 planning) to an applicant for a project only if the appli-
14 cant submits to the Secretary, as part of an application
15 for such assistance, evidence satisfactory to the Secretary
16 of a comprehensive economic development strategy
17 which—

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

20 “(2) identifies past, present, and projected fu-
21 ture economic development investments in the area
22 receiving such assistance and public and private par-
23 ticipants and sources of funding for such invest-
24 ments; and

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

3 “(C) the proposed district contains 1 or
4 more areas described in section 302(a) or eco-
5 nomic development centers identified in an ap-
6 proved district comprehensive economic develop-
7 ment strategy as having sufficient size and po-
8 tential to foster the economic growth activities
9 necessary to alleviate the distress of the areas
10 described in section 302(a) within the district;
11 and

12 “(D) the proposed district has a district
13 comprehensive economic development strategy
14 which includes sustainable development, ade-
15 quate land use and transportation planning and
16 contains a specific program for district coopera-
17 tion, self-help, and public investment and is ap-
18 proved by the State or States affected and by
19 the Secretary;

20 “(2) designate as ‘economic development cen-
21 ters’, in accordance with such regulations as the
22 Secretary shall prescribe, such areas as the Sec-
23 retary may deem appropriate, if—

24 “(A) the proposed center has been identi-
25 fied and included in an approved district com-

1 comprehensive economic development strategy and
2 recommended by the State or States affected
3 for such special designation;

4 “(B) the proposed center is geographically
5 and economically so related to the district that
6 its economic growth may reasonably be expected
7 to contribute significantly to the alleviation of
8 distress in the areas described in section 302(a)
9 of the district; and

10 “(C) the proposed center does not have a
11 population in excess of 250,000 according to
12 the most recent Federal census; and

13 “(3) provide financial assistance in accordance
14 with the criteria of this Act, except as may be herein
15 otherwise provided, for projects in economic develop-
16 ment centers designated under subsection (a)(2),
17 if—

18 “(A) the project will further the objectives
19 of the comprehensive economic development
20 strategy of the district in which it is to be lo-
21 cated;

22 “(B) the project will enhance the economic
23 growth potential of the district or result in ad-
24 ditional long-term employment opportunities

1 commensurate with the amount of Federal fi-
2 nancial assistance requested; and

3 “(C) the amount of Federal financial as-
4 sistance requested is reasonably related to the
5 size, population, and economic needs of the dis-
6 trict.

7 “(b) **AUTHORITIES.**—The Secretary may, under reg-
8 ulations prescribed by the Secretary—

9 “(1) invite the several States to draw up pro-
10 posed economic development district boundaries and
11 to identify potential economic development centers;

12 “(2) cooperate with the several States—

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

16 “(B) in assisting such district groups to
17 formulate district comprehensive economic de-
18 velopment strategies; and

19 “(3) encourage participation by appropriate
20 local governmental authorities in such economic de-
21 velopment districts.

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

23 “The Secretary shall by regulation prescribe stand-
24 ards for the termination or modification of economic devel-

1 opment districts and economic development centers des-
2 igned under the authority of section 401.

3 **“SEC. 403. BONUS.**

4 “Subject to the 20 per centum non-Federal share re-
5 quired for any project by subsection 205(b)(1) of this Act,
6 the Secretary is authorized to increase the amount of
7 grant assistance authorized by sections 204 and 205 for
8 projects within designated economic development districts
9 by an amount not to exceed 10 per centum of the aggre-
10 gate cost of such project, in accordance with such regula-
11 tions as the Secretary shall prescribe if—

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

15 “(2) the project is consistent with an approved
16 district comprehensive economic development strat-
17 egy.

18 **“SEC 404. STRATEGY PROVIDED TO APPALACHIAN RE-**
19 **GIONAL COMMISSION.**

20 “Each economic development district designated by
21 the Secretary under this title shall provide that a copy
22 of the district comprehensive economic development strat-
23 egy be furnished to the Appalachian Regional Commission
24 established under the Appalachian Regional Development

1 Act of 1965, if any part of such district is within the Ap-
2 palachian region.

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

5 “The Secretary is authorized to provide the financial
6 assistance which is available to an area described in sec-
7 tion 302(a) under this Act to those parts of an economic
8 development district which are not within an area de-
9 scribed in section 302(a), when such assistance will be of
10 a substantial direct benefit to an area described in section
11 302(a) within such district. Such financial assistance shall
12 be provided in the same manner and to the same extent
13 as is provided in this Act for an area described in section
14 302(a).

15 **“TITLE V—ADMINISTRATION**

16 **“SEC. 501. ASSISTANT SECRETARY FOR ECONOMIC DEVEL-**
17 **OPMENT.**

18 “The Secretary will administer this Act with the as-
19 sistance of an Assistant Secretary of Commerce for Eco-
20 nomic Development to be appointed by the President by
21 and with the advice and consent of the Senate. The Assist-
22 ant Secretary of Commerce for Economic Development
23 will perform such functions as the Secretary may prescribe
24 and will serve as the administrator of the Economic Devel-

1 opment Administration within the Department of Com-
2 merce.

3 **“SEC. 502. ECONOMIC DEVELOPMENT INFORMATION**
4 **CLEARINGHOUSE.**

5 “It shall be a duty of the Secretary in administering
6 this Act—

7 “(a) to serve as a central information clearing-
8 house on matters relating to economic development,
9 economic, adjustment, disaster recovery, and defense
10 conversion programs and activities of the Federal
11 and State governments, including political subdivi-
12 sions of the States;

13 “(b) to help potential and actual applicants for
14 economic development, economic adjustment, disas-
15 ter recovery, and defense conversion assistance
16 under Federal, State, and local laws in locating and
17 applying for such assistance, including financial and
18 technical assistance; and

19 “(c) to aid areas described in section 302(a)
20 and other areas by furnishing to interested individ-
21 uals, communities, industries, and enterprises within
22 such areas any technical information, market re-
23 search, or other forms of assistance, information, or
24 advice which would be useful in alleviating or pre-

1 venting conditions of excessive unemployment or
2 underemployment within such areas.

3 **“SEC. 503. CONSULTATION WITH OTHER PERSONS AND**
4 **AGENCIES.**

5 “(a) CONSULTATION ON PROBLEMS RELATING TO
6 EMPLOYMENT.—The Secretary is authorized from time to
7 time to call together and confer with any persons, includ-
8 ing representatives of labor, management, agriculture, and
9 government, who can assist in meeting the problems of
10 area and regional unemployment or underemployment.

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

16 **“SEC. 504. ADMINISTRATION, OPERATION, AND MAINTEN-**
17 **NANCE.**

18 “No Federal assistance shall be approved under this
19 Act unless the Secretary is satisfied that the project for
20 which Federal assistance is granted will be properly and
21 efficiently administered, operated, and maintained.

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

23 “The Secretary may furnish the procurement divi-
24 sions of the various departments, agencies, and other in-
25 strumentalities of the Federal Government with a list con-

1 taining the names and addresses of business firms which
2 are located in areas of high economic distress and which
3 are desirous of obtaining Government contracts for the
4 furnishing of supplies or services, and designating the sup-
5 plies and services such firms are engaged in providing.

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

7 “Section 5316 of title 5, United States Code, is
8 amended by striking ‘Administrator for Economic Devel-
9 opment.’

10 **“TITLE VI—MISCELLANEOUS**

11 **“SEC. 601. POWERS OF SECRETARY.**

12 “(a) IN GENERAL.—In performing the Secretary’s
13 duties under this Act, the Secretary is authorized to—

14 “(1) adopt, alter, and use a seal, which shall be
15 judicially noticed;

16 “(2) subject to the civil-service and classifica-
17 tion laws, select, employ, appoint, and fix the com-
18 pensation of such personnel as may be necessary to
19 carry out the provisions of this Act;

20 “(3) hold such hearings, sit and act at such
21 times and places, and take such testimony, as the
22 Secretary may deem advisable;

23 “(4) request directly from any executive depart-
24 ment, bureau, agency, board, commission, office,
25 independent establishment, or instrumentality infor-

1 mation, suggestions, estimates, and statistics needed
2 to carry out the purposes of this Act; and each de-
3 partment, bureau, agency, board, commission, office,
4 establishment, or instrumentality is authorized to
5 furnish such information, suggestions, estimates,
6 and statistics directly to the Secretary;

7 “(5) consistent with the Debt Collection Im-
8 provement Act of 1996, under regulations prescribed
9 by the Secretary, assign or sell at public or private
10 sale, or otherwise dispose of for cash or credit, in
11 the Secretary’s discretion and upon such terms and
12 conditions and for such consideration as the Sec-
13 retary determines to be reasonable, any evidence of
14 debt, contract, claim, personal property, or security
15 assigned to or held by the Secretary in connection
16 with assistance extended under the Act, and collect
17 or compromise all obligations assigned to or held by
18 the Secretary in connection with such assistance
19 until such time as such obligations may be referred
20 to the Attorney General for suit or collection;

21 “(6) deal with, complete, renovate, improve,
22 modernize, insure, rent, or sell for cash or credit,
23 upon such terms and conditions and for such consid-
24 eration as the Secretary determines to be reasonable,
25 any real or personal property conveyed to or other-

1 wise acquired by the Secretary in connection with
2 assistance extended under this Act;

3 “(7) consistent with the Debt Collection Im-
4 provement Act of 1996, pursue to final collection, by
5 way of compromise or other administrative action,
6 prior to reference to the Attorney General, all claims
7 against third parties assigned to the Secretary in
8 connection with assistance extended under this Act;

9 “(8) acquire, in any lawful manner, any prop-
10 erty (real, personal, or mixed, tangible or intangi-
11 ble), whenever necessary or appropriate in connec-
12 tion with assistance extended under this Act;

13 “(9) in addition to any powers, functions, privi-
14 leges, and immunities otherwise vested in the Sec-
15 retary, take any action, including the procurement of
16 the services of attorneys by contract, determined by
17 the Secretary to be necessary or desirable in making,
18 purchasing, servicing, compromising, modifying, liq-
19 uidating, or otherwise administratively dealing with
20 assets held in connection with financial assistance
21 extended under this Act;

22 “(10) employ experts and consultants or organi-
23 zations as authorized by section 3109 of title 5,
24 United States Code, compensate individuals so em-
25 ployed, including travel time, and allow them, while

1 away from their homes or regular places of business,
2 travel expenses (including per diem in lieu of sub-
3 sistence) as authorized by section 5703 of title 5,
4 United States Code, for persons in the Government
5 service employed intermittently, while so employed,
6 except that contracts for such employment may be
7 renewed annually;

8 “(11) establish performance measures for
9 grants and other assistance provided under this Act,
10 and use such performance measures to evaluate the
11 economic impact of economic development assistance
12 programs; the establishment and use of such per-
13 formance measures to be provided by the Secretary
14 through members of his staff, through the employ-
15 ment of appropriate parties under contracts entered
16 into for such purposes, or through grants to such
17 parties for such purposes, using any funds made
18 available by appropriations to carry out this Act;

19 “(12) sue and be sued in any court of record
20 of a State having general jurisdiction or in any
21 United States district court, and jurisdiction is con-
22 ferred upon such district court to determine such
23 controversies without regard to the amount in con-
24 troversy; but no attachment, injunction, garnish-
25 ment, or other similar process, mesne or final, shall

1 be issued against the Secretary or the Secretary's
2 property; and

3 “(13) establish such rules, regulations, and pro-
4 cedures as the Secretary considers appropriate in
5 carrying out the provisions of this Act.

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

10 “(c) INAPPLICABILITY OF CERTAIN OTHER RE-
11 QUIREMENTS.—Section 3709 of the Revised Statutes of
12 the United States shall not apply to any contract of haz-
13 ard insurance or to any purchase or contract for services
14 or supplies on account of property obtained by the Sec-
15 retary as a result of assistance extended under this Act
16 if the premium for the insurance or the amount of the
17 insurance does not exceed \$1,000.

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

1 gency Drought Relief Act of 1977. Property interests in
2 connection with grants may be released, in whole or in
3 part, in the Secretary's discretion, after 20 years from the
4 date of grant disbursement.

5 “(e) POWERS OF CONVEYANCE AND EXECUTION.—
6 The power to convey and to execute, in the name of the
7 Secretary, deeds of conveyance, deeds of release, assign-
8 ments and satisfactions of mortgages, and any other writ-
9 ten instrument relating to real or personal property or any
10 interest therein acquired by the Secretary pursuant to the
11 provisions of this Act may be exercised by the Secretary,
12 or by any officer or agent appointed by the Secretary for
13 such purpose, without the execution of any express delega-
14 tion of power or power of attorney.

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

16 “The Secretary shall continue to implement and en-
17 force the provisions of section 712 of this Act, as in effect
18 on the day before the effective date of the Economic Devel-
19 opment Partnership Act of 1998.

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

21 “The Secretary shall transmit a comprehensive and
22 detailed annual report to Congress of the Secretary's ac-
23 tivities under this Act for each fiscal year beginning with
24 the fiscal year ending September 30, 1999. Such report
25 shall be printed and shall be transmitted to Congress not

1 later than July 1 of the year following the fiscal year with
2 respect to which such report is made.

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

4 “(a) DELEGATION OF FUNCTIONS TO OTHER FED-
5 ERAL DEPARTMENTS AND AGENCIES.—The Secretary
6 may delegate to the heads of other departments and agen-
7 cies of the Federal Government any of the Secretary’s
8 functions, powers, and duties under this Act as the Sec-
9 retary may deem appropriate, and authorize the redelega-
10 tion of such functions, powers, and duties by the heads
11 of such departments and agencies.

12 “(b) TRANSFER BETWEEN DEPARTMENTS.—Funds
13 authorized to be appropriated under this Act may be
14 transferred between departments and agencies of the Gov-
15 ernment, if such funds are used for the purposes for which
16 they are specifically authorized and appropriated.

17 “(c) FUNDS TRANSFERRED FROM OTHER DEPART-
18 MENTS AND AGENCIES.—In order to carry out the objec-
19 tives of this Act, the Secretary may accept transfers of
20 funds from other departments and agencies of the Federal
21 Government if the funds are used for the purposes for
22 which (and in accordance with the terms under which) the
23 funds are specifically authorized and appropriated. Such
24 transferred funds shall remain available until expended,
25 and may be transferred to and merged with the appropria-

1 tions under the heading ‘salaries and expenses’ by the Sec-
2 retary to the extent necessary to administer the program.

3 **“SEC. 605. PENALTIES.**

4 “(a) FALSE STATEMENTS; SECURITY OVER-
5 VALUATION.—Whoever makes any statement knowing it
6 to be false, or whoever willfully overvalues any security,
7 for the purpose of obtaining for such person or for any
8 applicant any financial assistance under this Act or any
9 extension of such assistance by renewal, deferment or ac-
10 tion, or otherwise, or the acceptance, release, or substi-
11 tution of security for such assistance, or for the purpose
12 of influencing in any way the action of the Secretary or
13 for the purpose of obtaining money, property, or anything
14 of value, under this Act, shall be fined under title 18,
15 United States Code, imprisoned for not more than 5 years,
16 or both.

17 “(b) EMBEZZLEMENT AND FRAUD-RELATED
18 CRIMES.—Whoever, being connected in any capacity with
19 the Secretary in the administration of this Act—

20 “(1) embezzles, abstracts, purloins, or willfully
21 misapplies any moneys, funds, securities, or other
22 things of value, whether belonging to such person or
23 pledged or otherwise entrusted to such person;

24 “(2) with intent to defraud the Secretary or
25 any other body politic or corporate, or any individ-

1 ual, or to deceive any officer, auditor, or examiner,
2 makes any false entry in any book, report, or state-
3 ment of or to the Secretary or without being duly
4 authorized draws any orders or issues, puts forth, or
5 assigns any note, debenture, bond, or other obliga-
6 tion, or draft, bill of exchange, mortgage, judgment,
7 or decree thereof;

8 “(3) with intent to defraud, participates or
9 shares in or receives directly or indirectly any
10 money, profit, property, or benefit through any
11 transaction, loan, grant, commission, contract, or
12 any other act of the Secretary; or

13 “(4) gives any unauthorized information con-
14 cerning any future action or plan of the Secretary
15 which might affect the value of securities, or having
16 such knowledge invests or speculates, directly or in-
17 directly, in the securities or property of any com-
18 pany or corporation receiving loans, grants, or other
19 assistance from the Secretary, shall be fined under
20 title 18, United States Code, imprisoned for not
21 more than 5 years, or both.

22 **“SEC. 606. EMPLOYMENT OF EXPEDITERS AND ADMINIS-**
23 **TRATIVE EMPLOYEES.**

24 “No financial assistance shall be extended by the Sec-
25 retary under this Act to any business enterprise unless

1 the owners, partners, or officers of such business enter-
2 prise—

3 “(1) certify to the Secretary the names of any
4 attorneys, agents, and other persons engaged by or
5 on behalf of such business enterprise for the purpose
6 of expediting applications made to the Secretary for
7 assistance of any sort, under this Act, and the fees
8 paid or to be paid to any such person; and

9 “(2) execute an agreement binding such busi-
10 ness enterprise, for a period of 2 years after such
11 assistance is rendered by the Secretary to such busi-
12 ness enterprise, to refrain from employing, tendering
13 any office or employment to, or retaining for profes-
14 sional services, any person who, on the date such as-
15 sistance or any part thereof was rendered, or within
16 the 1-year period ending on such date, shall have
17 served as an officer, attorney, agent, or employee,
18 occupying a position or engaging in activities which
19 the Secretary determines involves discretion with re-
20 spect to the granting of assistance under this Act.

21 **“SEC. 607. MAINTENANCE OF RECORDS OF APPROVED AP-
22 PPLICATIONS FOR FINANCIAL ASSISTANCE;
23 PUBLIC INSPECTION.**

24 “(a) MAINTENANCE OF RECORD REQUIRED.—The
25 Secretary shall maintain as a permanent part of the

1 records of the Department of Commerce a list of applica-
2 tions approved for financial assistance under this Act,
3 which shall be kept available for public inspection during
4 the regular business hours of the Department of Com-
5 merce.

6 “(b) POSTING TO LIST.—The following information
7 shall be posted in such list as soon as each application
8 is approved:

9 “(1) The name of the applicant and, in the case
10 of corporate applications, the names of the officers
11 and directors thereof.

12 “(2) The amount and duration of the financial
13 assistance for which application is made.

14 “(3) The purposes for which the proceeds of the
15 financial assistance are to be used.

16 **“SEC. 608. RECORDS AND AUDIT.**

17 “(a) RECORDKEEPING AND DISCLOSURE REQUIRE-
18 MENTS.—Each recipient of assistance under this Act shall
19 keep such records as the Secretary shall prescribe, includ-
20 ing records which fully disclose the amount and the dis-
21 position by such recipient of the proceeds of such assist-
22 ance, the total cost of the project or undertaking in con-
23 nection with which such assistance is given or used, and
24 the amount and nature of that portion of the cost of the

1 project or undertaking supplied by other sources, and such
2 other records as will facilitate an effective audit.

3 “(b) ACCESS TO BOOKS FOR EXAMINATION AND
4 AUDIT.—The Secretary, the Inspector General of the De-
5 partment of Commerce, and the Comptroller General of
6 the United States, or any of their duly authorized rep-
7 resentatives, shall have access for the purpose of audit and
8 examination to any books, documents, papers, and records
9 of the recipient that are pertinent to assistance received
10 under this Act.

11 **“SEC. 609. PROHIBITION AGAINST A STATUTORY CON-**
12 **STRUCTION WHICH MIGHT CAUSE DIMINU-**
13 **TION IN OTHER FEDERAL ASSISTANCE.**

14 “All financial and technical assistance authorized
15 under this Act shall be in addition to any Federal assist-
16 ance previously authorized, and no provision of this Act
17 shall be construed as authorizing or permitting any reduc-
18 tion or diminution in the proportional amount of Federal
19 assistance which any State or other entity eligible under
20 this Act would otherwise be entitled to receive under the
21 provisions of any other Act.

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

23 “The Secretary may accept, when deemed appro-
24 priate, the applicants’ certifications to meet the require-
25 ments of this Act.

1 **“TITLE VII—FUNDING**

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

3 “There is authorized to be appropriated to carry out
4 this Act \$397,969,000 for fiscal year 1999 and such sums
5 as may be necessary for each of fiscal years 2000 through
6 2002, such sums to remain available until expended.

7 **“SEC. 702. DEFENSE CONVERSION ACTIVITIES.**

8 “In addition to the appropriations authorized by sec-
9 tion 701, there are authorized to be appropriated to carry
10 out this Act such sums as may be necessary to provide
11 assistance for defense conversion activities. Such funding
12 may include pilot projects for privatization and economic
13 development activities for closed or realigned military or
14 Department of Energy installations. Such sums shall re-
15 main available until expended.

16 **“SEC. 703. DISASTER ECONOMIC RECOVERY ACTIVITIES.**

17 “In addition to the appropriations authorized by sec-
18 tion 701, there are authorized to be appropriated to carry
19 out this Act such sums as may be necessary to provide
20 assistance for disaster economic recovery activities. Such
21 sums shall remain available until expended.”

22 **SEC. 3. SAVINGS PROVISIONS.**

23 (a) EXISTING RIGHTS, DUTIES, AND OBLIGATIONS
24 NOT AFFECTED.—This Act shall not be construed as af-
25 fecting the validity of any right, duty, or obligation of the

1 United States or any other person arising under or pursu-
2 ant to any contract, loan, or other instrument or agree-
3 ment which was in effect on the day before the effective
4 date of this Act.

5 (b) CONTINUATION OF SUITS.—No action or other
6 proceeding commenced by or against any officer or em-
7 ployee of the Economic Development Administration shall
8 abate by reason of the enactment of this Act.

9 (c) LIQUIDATING ACCOUNT.—The Economic Devel-
10 opment Revolving Fund hitherto established under section
11 203 of the Public Works and Economic Development Act
12 of 1965 shall continue to be available to the Secretary as
13 a liquidating account as defined under section 502 of the
14 Federal Credit Reform Act of 1990 for payment of obliga-
15 tions and expenses in connection with financial assistance
16 extended under this Act, said Act of 1965, the Area Rede-
17 velopment Act, and the Trade Act of 1974.

18 (d) ADMINISTRATION.—The Secretary shall take
19 such actions as authorized before the effective date of this
20 Act as necessary or appropriate to administer and liq-
21 uidate existing grants, contracts, agreements, loans, obli-
22 gations, debentures, or guarantees heretofore made by the
23 Secretary or the Secretary's delegatee pursuant to provi-

1 sions in effect immediately prior to the effective date of
2 this Act.

○