

105TH CONGRESS  
2D SESSION

# S. 2364

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

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IN THE SENATE OF THE UNITED STATES

JULY 28, 1998

Mr. CHAFEE (for himself, Mr. BAUCUS, Mr. WARNER, Ms. SNOWE, Mr. KEMPTHORNE, Mr. LIEBERMAN, Mr. MOYNIHAN, Mr. REID, Mrs. BOXER, Mr. LUGAR, Mr. HOLLINGS, Ms. COLLINS, and Ms. MIKULSKI) introduced the following bill; which was read twice and referred to the Committee on Environment and Public Works

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## 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; TABLE OF CONTENTS.**

4 (a) **SHORT TITLE.**—This Act may be cited as the  
5 “Economic Development Administration Reform Act of  
6 1998”.

7 (b) **TABLE OF CONTENTS.**—The table of contents of  
8 this Act is as follows:

- Sec. 1. Short title; table of contents.  
 Sec. 2. Reauthorization of Public Works and Economic Development Act of 1965.  
 Sec. 3. Conforming amendment.  
 Sec. 4. Transition provisions.  
 Sec. 5. Effective date.

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

3 (a) TITLES I THROUGH VI.—Titles I through VI of  
 4 the Public Works and Economic Development Act of 1965  
 5 (42 U.S.C. 3121 et seq.) are amended to read as follows:

6 **“SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

7 “(a) SHORT TITLE.—This Act may be cited as the  
 8 ‘Public Works and Economic Development Act of 1965’.

9 “(b) TABLE OF CONTENTS.—The table of contents  
 10 of this Act is as follows:

- “Sec. 1. Short title; table of contents.  
 “Sec. 2. Findings and declarations.  
 “Sec. 3. Definitions.

“TITLE I—ECONOMIC DEVELOPMENT PARTNERSHIPS  
 COOPERATION AND COORDINATION

- “Sec. 101. Establishment of economic development partnerships.  
 “Sec. 102. Cooperation of Federal agencies.  
 “Sec. 103. Coordination.

“TITLE II—GRANTS FOR PUBLIC WORKS AND ECONOMIC  
 DEVELOPMENT

- “Sec. 201. Grants for public works and economic development.  
 “Sec. 202. Base closings and realignments.  
 “Sec. 203. Grants for planning and grants for administrative expenses.  
 “Sec. 204. Cost sharing.  
 “Sec. 205. Supplementary grants.  
 “Sec. 206. Regulations on relative needs and allocations.  
 “Sec. 207. Grants for training, research, and technical assistance.  
 “Sec. 208. Prevention of unfair competition.  
 “Sec. 209. Grants for economic adjustment.  
 “Sec. 210. Changed project circumstances.  
 “Sec. 211. Use of funds in projects constructed under projected cost.  
 “Sec. 212. Reports by recipients.  
 “Sec. 213. Prohibition on use of funds for attorney’s and consultant’s fees.

“TITLE III—ELIGIBILITY; COMPREHENSIVE ECONOMIC  
DEVELOPMENT STRATEGIES

- “Sec. 301. Eligibility of areas.  
“Sec. 302. Comprehensive economic development strategies.

“TITLE IV—ECONOMIC DEVELOPMENT DISTRICTS

- “Sec. 401. Designation of economic development districts.  
“Sec. 402. Termination or modification of economic development districts.  
“Sec. 403. Incentives.  
“Sec. 404. Provision of comprehensive economic development strategies to Ap-  
palachian Regional Commission.  
“Sec. 405. Assistance to parts of economic development districts not in eligible  
areas.

“TITLE V—ADMINISTRATION

- “Sec. 501. Assistant Secretary for Economic Development.  
“Sec. 502. Economic development information clearinghouse.  
“Sec. 503. Consultation with other persons and agencies.  
“Sec. 504. Administration, operation, and maintenance.  
“Sec. 505. Businesses desiring Federal contracts.  
“Sec. 506. Review of university centers.

“TITLE VI—MISCELLANEOUS

- “Sec. 601. Powers of Secretary.  
“Sec. 602. Maintenance of standards.  
“Sec. 603. Annual report to Congress.  
“Sec. 604. Delegation of functions and transfer of funds among Federal agen-  
cies.  
“Sec. 605. Penalties.  
“Sec. 606. Employment of expeditors and administrative employees.  
“Sec. 607. Maintenance and public inspection of list of approved applications  
for financial assistance.  
“Sec. 608. Records and audits.  
“Sec. 609. Relationship to assistance under other law.  
“Sec. 610. Acceptance of certifications by applicants.

“TITLE VII—FUNDING

- “Sec. 701. General authorization of appropriations.  
“Sec. 702. Authorization of appropriations for defense conversion activities.  
“Sec. 703. Authorization of appropriations for disaster economic recovery ac-  
tivities.

1 **“SEC. 2. FINDINGS AND DECLARATIONS.**

2 “(a) FINDINGS.—Congress finds that—

3 “(1) while the economy of the United States is  
4 undergoing a sustained period of economic growth  
5 resulting in low unemployment and increasing in-

1 comes, there continue to be areas suffering economic  
2 distress in the form of high unemployment, low in-  
3 comes, underemployment, and outmigration as well  
4 as areas facing sudden economic dislocations due to  
5 industrial restructuring and relocation, defense base  
6 closures and procurement cutbacks, certain Federal  
7 actions (including environmental requirements that  
8 result in the removal of economic activities from a  
9 locality), and natural disasters;

10 “(2) as the economy of the United States con-  
11 tinues to grow, those distressed areas contain sig-  
12 nificant human and infrastructure resources that are  
13 underused;

14 “(3) expanding international trade and the in-  
15 creasing pace of technological innovation offer both  
16 a challenge and an opportunity to the distressed  
17 communities of the United States;

18 “(4) while economic development is an inher-  
19 ently local process, the Federal Government should  
20 work in partnership with public and private local, re-  
21 gional, and State organizations to ensure that exist-  
22 ing resources are not wasted and all Americans have  
23 an opportunity to participate in the economic growth  
24 of the United States;

1           “(5) in order to avoid wasteful duplication of  
2 effort and to limit the burden on distressed commu-  
3 nities, Federal, State, and local economic develop-  
4 ment activities should be better planned and coordi-  
5 nated and Federal program requirements should be  
6 simplified and made more consistent;

7           “(6) the goal of Federal economic development  
8 activities should be to work in partnership with  
9 local, regional, and State public and private organi-  
10 zations to support the development of private sector  
11 businesses and jobs in distressed communities; and

12           “(7) Federal economic development efforts will  
13 be more effective if they are coordinated with, and  
14 build upon, the trade and technology programs of  
15 the United States.

16           “(b) DECLARATIONS.—Congress declares that, in  
17 order to promote a strong and growing economy through-  
18 out the United States—

19           “(1) assistance under this Act should be made  
20 available to both rural and urban distressed commu-  
21 nities;

22           “(2) local communities should work in partner-  
23 ship with neighboring communities, the States, and  
24 the Federal Government to increase their capacity to  
25 develop and implement comprehensive economic de-

1       velopment strategies to address existing, or deter im-  
2       pending, economic distress; and

3               “(3) whether suffering from long-term distress  
4       or a sudden dislocation, distressed communities  
5       should be encouraged to take advantage of the devel-  
6       opment opportunities afforded by technological inno-  
7       vation and expanding and newly opened global mar-  
8       kets.

9       **“SEC. 3. DEFINITIONS.**

10       “In this Act:

11               “(1) COMPREHENSIVE ECONOMIC DEVELOP-  
12       MENT STRATEGY.—The term ‘comprehensive eco-  
13       nomic development strategy’ means a comprehensive  
14       economic development strategy approved by the Sec-  
15       retary under section 302.

16               “(2) DEPARTMENT.—The term ‘Department’  
17       means the Department of Commerce.

18               “(3) ECONOMIC DEVELOPMENT DISTRICT.—

19                       “(A) IN GENERAL.—The term ‘economic  
20       development district’ means any area in the  
21       United States that—

22                               “(i) is composed of areas described in  
23       section 301(a) and, to the extent appro-  
24       priate, neighboring counties or commu-  
25       nities; and

1                   “(ii) has been designated by the Sec-  
2                   retary as an economic development district  
3                   under section 401.

4                   “(B) INCLUSION.—The term ‘economic de-  
5                   velopment district’ includes any economic devel-  
6                   opment district designated by the Secretary  
7                   under section 403 (as in effect on the day be-  
8                   fore the effective date of the Economic Develop-  
9                   ment Administration Reform Act of 1998).

10                  “(4) ELIGIBLE RECIPIENT.—

11                   “(A) IN GENERAL.—The term ‘eligible re-  
12                   cipient’ means—

13                   “(i) an area described in section  
14                   301(a);

15                   “(ii) an economic development dis-  
16                   trict;

17                   “(iii) an Indian tribe;

18                   “(iv) a State;

19                   “(v) a city or other political subdivi-  
20                   sion of a State or a consortium of political  
21                   subdivisions;

22                   “(vi) an institution of higher edu-  
23                   cation or a consortium of institutions of  
24                   higher education; or

1           “(vii) a public or private nonprofit or-  
2           ganization or association acting in coopera-  
3           tion with officials of a political subdivision  
4           of a State.

5           “(B) TRAINING, RESEARCH, AND TECH-  
6           NICAL ASSISTANCE GRANTS.—In the case of  
7           grants under section 207, the term ‘eligible re-  
8           cipient’ also includes private individuals and  
9           for-profit organizations.

10          “(5) FEDERAL AGENCY.—The term ‘Federal  
11          agency’ means a department, agency, or instrumen-  
12          tality of the United States.

13          “(6) GRANT.—The term ‘grant’ includes a co-  
14          operative agreement (within the meaning of chapter  
15          63 of title 31, United States Code).

16          “(7) INDIAN TRIBE.—The term ‘Indian tribe’  
17          means an Indian or Alaska Native tribe, band, na-  
18          tion, pueblo, village, or community that the Sec-  
19          retary of the Interior recognizes as an Indian tribe  
20          under section 104 of the Federally Recognized In-  
21          dian Tribe List Act of 1994 (25 U.S.C. 479a–1).

22          “(8) SECRETARY.—The term ‘Secretary’ means  
23          the Secretary of Commerce.

24          “(9) STATE.—The term ‘State’ means a State,  
25          the District of Columbia, the Commonwealth of



1 Puerto Rico, the Virgin Islands, Guam, American  
 2 Samoa, the Commonwealth of the Northern Mariana  
 3 Islands, the Republic of the Marshall Islands, the  
 4 Federated States of Micronesia, and the Republic of  
 5 Palau.

6 “(10) UNITED STATES.—The term ‘United  
 7 States’ means all of the States.

8 **“TITLE I—ECONOMIC DEVELOP-**  
 9 **MENT PARTNERSHIPS CO-**  
 10 **OPERATION AND COORDINA-**  
 11 **TION**

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

14 “(a) IN GENERAL.—In providing assistance under  
 15 this title, the Secretary shall cooperate with States and  
 16 other entities to ensure 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 may  
 22 provide such technical assistance to States, political sub-  
 23 divisions of States, sub-State regional organizations (in-  
 24 cluding organizations that cross State boundaries), and

1 multi-State regional organizations as the Secretary deter-  
2 mines is appropriate to—

3 “(1) alleviate economic distress;

4 “(2) encourage and support public-private part-  
5 nerships for the formation and improvement of eco-  
6 nomic development strategies that sustain and pro-  
7 mote economic development across the United  
8 States; and

9 “(3) promote investment in infrastructure and  
10 technological capacity to keep pace with the chang-  
11 ing global economy.

12 “(c) INTERGOVERNMENTAL REVIEW.—The Secretary  
13 shall promulgate regulations to ensure that appropriate  
14 State and local government agencies have been given a  
15 reasonable opportunity to review and comment on pro-  
16 posed projects under this title that the Secretary deter-  
17 mines may have a significant direct impact on the econ-  
18 omy of the area.

19 “(d) COOPERATION AGREEMENTS.—

20 “(1) IN GENERAL.—The Secretary may enter  
21 into a cooperation agreement with any 2 or more ad-  
22 joining States, or an organization of any 2 or more  
23 adjoining States, in support of effective economic de-  
24 velopment.

1           “(2) PARTICIPATION.—Each cooperation agree-  
 2           ment shall provide for suitable participation by other  
 3           governmental and nongovernmental entities that are  
 4           representative of significant interests in and perspec-  
 5           tives on economic development in an area.

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

7           “In accordance with applicable laws and subject to  
 8           the availability of appropriations, each Federal agency  
 9           shall exercise its powers, duties and functions, and shall  
 10          cooperate with the Secretary, in such manner as will assist  
 11          the Secretary in carrying out this title.

12   **“SEC. 103. COORDINATION.**

13          “The Secretary shall coordinate activities relating to  
 14          the preparation and implementation of comprehensive eco-  
 15          nomic development strategies under this Act with Federal  
 16          agencies carrying out other Federal programs, States, eco-  
 17          nomic development districts, and other appropriate plan-  
 18          ning and development organizations.

19   **“TITLE II—GRANTS FOR PUBLIC**  
 20       **WORKS AND ECONOMIC DE-**  
 21       **VELOPMENT**

22   **“SEC. 201. GRANTS FOR PUBLIC WORKS AND ECONOMIC**  
 23       **DEVELOPMENT.**

24          “(a) IN GENERAL.—On the application of an eligible  
 25          recipient, the Secretary may make grants for—

1           “(1) acquisition or development of land and im-  
2           provements for use for a public works, public service,  
3           or development facility; and

4           “(2) acquisition, design and engineering, con-  
5           struction, rehabilitation, alteration, expansion, or im-  
6           provement of such a facility, including related ma-  
7           chinery and equipment.

8           “(b) CRITERIA FOR GRANT.—The Secretary may  
9           make a grant under this section only if the Secretary de-  
10          termines that—

11           “(1) the project for which the grant is applied  
12          for will, directly or indirectly—

13           “(A) improve the opportunities, in the area  
14           where the project is or will be located, for the  
15           successful establishment or expansion of indus-  
16           trial or commercial plants or facilities;

17           “(B) assist in the creation of additional  
18           long-term employment opportunities in the  
19           area; or

20           “(C) primarily benefit the long-term unem-  
21           ployed and members of low-income families;

22           “(2) the project for which the grant is applied  
23          for will fulfill a pressing need of the area, or a part  
24          of the area, in which the project is or will be located;  
25          and



- 1           “(1) analyzing local economies;
- 2           “(2) defining economic development goals;
- 3           “(3) determining project opportunities; and
- 4           “(4) formulating and implementing an economic
- 5           development program that includes systematic ef-
- 6           forts to reduce unemployment and increase incomes.

7           “(c) USE OF PLANNING ASSISTANCE.—Planning as-

8           sistance under this title shall be used in conjunction with

9           any other available Federal planning assistance to ensure

10          adequate and effective planning and economical use of

11          funds.

12          “(d) STATE PLANS.—

13                 “(1) DEVELOPMENT.—Any State plan devel-

14                 oped with assistance under this section shall be de-

15                 veloped cooperatively by the State, political subdivi-

16                 sions of the State, and the economic development

17                 districts located wholly or partially in the State.

18                 “(2) COMPREHENSIVE ECONOMIC DEVELOP-

19                 MENT STRATEGY.—As a condition of receipt of as-

20                 sistance for a State plan under this subsection, the

21                 State shall have or develop a comprehensive eco-

22                 nomic development strategy.

23                 “(3) CERTIFICATION TO THE SECRETARY.—On

24                 completion of a State plan developed with assistance

25                 under this section, the State shall—

1           “(A) certify to the Secretary that, in the  
2           development of the State plan, local and eco-  
3           nomic development district plans were consid-  
4           ered and, to the maximum extent practicable,  
5           the State plan is consistent with the local and  
6           economic development district plans; and

7           “(B) identify any inconsistencies between  
8           the State plan and the local and economic de-  
9           velopment district plans and provide a justifica-  
10          tion for each inconsistency.

11          “(4) COMPREHENSIVE PLANNING PROCESS.—  
12          Any overall State economic development planning as-  
13          sisted under this section shall be a part of a com-  
14          prehensive planning process that shall consider the  
15          provision of public works to—

16                 “(A) promote economic development and  
17                 opportunity;

18                 “(B) foster effective transportation access;

19                 “(C) enhance and protect the environment;

20                 and

21                 “(D) balance resources through the sound  
22                 management of physical development.

23          “(5) REPORT TO SECRETARY.—Each State that  
24          receives assistance for the development of a plan  
25          under this subsection shall submit to the Secretary

1 an annual report on the planning process assisted  
2 under this subsection.

3 **“SEC. 204. COST SHARING.**

4 “(a) FEDERAL SHARE.—Subject to section 205, the  
5 amount of a grant for a project under this title shall not  
6 exceed 50 percent of the cost of the project.

7 “(b) NON-FEDERAL SHARE.—In determining the  
8 amount of the non-Federal share of the cost of a project,  
9 the Secretary may provide credit toward the non-Federal  
10 share for all contributions both in cash and in-kind, fairly  
11 evaluated, including contributions of space, equipment,  
12 and services.

13 **“SEC. 205. SUPPLEMENTARY GRANTS.**

14 “(a) DEFINITION OF DESIGNATED FEDERAL GRANT  
15 PROGRAM.—In this section, the term ‘designated Federal  
16 grant program’ means any Federal grant program that—

17 “(1) provides assistance in the construction or  
18 equipping of public works, public service, or develop-  
19 ment facilities;

20 “(2) the Secretary designates as eligible for an  
21 allocation of funds under this section; and

22 “(3) assists projects that are—

23 “(A) eligible for assistance under this title;

24 and



1           “(B) consistent with a comprehensive eco-  
2           nomic development strategy.

3           “(b) SUPPLEMENTARY GRANTS.—

4           “(1) IN GENERAL.—On the application of an el-  
5           igible recipient, the Secretary may make a supple-  
6           mentary grant for a project for which the eligible re-  
7           cipient is eligible but, because of the eligible recipi-  
8           ent’s economic situation, for which the eligible recipi-  
9           ent cannot provide the required non-Federal share.

10           “(2) PURPOSES OF GRANTS.—Supplementary  
11           grants under paragraph (1) may be made for pur-  
12           poses that shall include enabling eligible recipients to  
13           use—

14           “(A) designated Federal grant programs;  
15           and

16           “(B) direct grants authorized under this  
17           title.

18           “(c) REQUIREMENTS APPLICABLE TO SUPPLE-  
19           MENTARY GRANTS.—

20           “(1) AMOUNT OF SUPPLEMENTARY GRANTS.—

21           Subject to paragraph (4), the amount of a supple-  
22           mentary grant under this title for a project shall not  
23           exceed the applicable percentage of the cost of the  
24           project established by regulations promulgated by  
25           the Secretary, except that the non-Federal share of

1 the cost of a project (including assumptions of debt)  
2 shall not be less than 20 percent.

3 “(2) FORM OF SUPPLEMENTARY GRANTS.—In  
4 accordance with such regulations as the Secretary  
5 may promulgate, the Secretary shall make supple-  
6 mentary grants by increasing the amounts of grants  
7 authorized under this title or by the payment of  
8 funds made available under this Act to the heads of  
9 the Federal agencies responsible for carrying out the  
10 applicable Federal programs.

11 “(3) FEDERAL SHARE LIMITATIONS SPECIFIED  
12 IN OTHER LAWS.—Notwithstanding any requirement  
13 as to the amount or source of non-Federal funds  
14 that may be applicable to a Federal program, funds  
15 provided under this section may be used to increase  
16 the Federal share for specific projects under the pro-  
17 gram that are carried out in areas described in sec-  
18 tion 301(a) above the Federal share of the cost of  
19 the project authorized by the law governing the pro-  
20 gram.

21 “(4) LOWER NON-FEDERAL SHARE.—

22 “(A) INDIAN TRIBES.—In the case of a  
23 grant to an Indian tribe, the Secretary may re-  
24 duce the non-Federal share below the percent-

1           age specified in paragraph (1) or may waive the  
2           non-Federal share.

3                   “(B) CERTAIN STATES, POLITICAL SUB-  
4           DIVISIONS, AND NONPROFIT ORGANIZATIONS.—  
5           In the case of a grant to a State, or a political  
6           subdivision of a State, that the Secretary deter-  
7           mines has exhausted its effective taxing and  
8           borrowing capacity, or in the case of a grant to  
9           a nonprofit organization that the Secretary de-  
10          termines has exhausted its effective borrowing  
11          capacity, the Secretary may reduce the non-  
12          Federal share below the percentage specified in  
13          paragraph (1).

14   **“SEC. 206. REGULATIONS ON RELATIVE NEEDS AND ALLO-**  
15                   **CATIONS.**

16           “In promulgating rules, regulations, and procedures  
17          for assistance under this title, the Secretary shall ensure  
18          that—

19                   “(1) the relative needs of eligible areas are  
20          given adequate consideration by the Secretary, as  
21          determined based on, among other relevant factors—

22                           “(A) the severity of the rates of unemploy-  
23                           ment in the eligible areas and the duration of  
24                           the unemployment;

1           “(B) the income levels and the extent of  
2           underemployment in eligible areas; and

3           “(C) the outmigration of population from  
4           eligible areas and the extent to which the out-  
5           migration is causing economic injury in the eli-  
6           gible areas; and

7           “(2) allocations of assistance under this title  
8           are prioritized to ensure that the level of economic  
9           distress of an area, rather than a preference for a  
10          geographic area or a specific type of economic dis-  
11          tress, is the primary factor in allocating the assist-  
12          ance.

13 **“SEC. 207. GRANTS FOR TRAINING, RESEARCH, AND TECH-**  
14 **NICAL ASSISTANCE.**

15          “(a) IN GENERAL.—

16               “(1) GRANTS.—On the application of an eligible  
17               recipient, the Secretary may make grants for train-  
18               ing, research, and technical assistance, including  
19               grants for program evaluation and economic impact  
20               analyses, that would be useful in alleviating or pre-  
21               venting conditions of excessive unemployment or  
22               underemployment.

23               “(2) TYPES OF ASSISTANCE.—Grants under  
24               paragraph (1) may be used for—

1           “(A) project planning and feasibility stud-  
2           ies;

3           “(B) demonstrations of innovative activi-  
4           ties or strategic economic development invest-  
5           ments;

6           “(C) management and operational assist-  
7           ance;

8           “(D) establishment of university centers;

9           “(E) establishment of business outreach  
10          centers;

11          “(F) studies evaluating the needs of, and  
12          development potential for, economic growth of  
13          areas that the Secretary determines have sub-  
14          stantial need for the assistance; and

15          “(G) other activities determined by the  
16          Secretary to be appropriate.

17          “(3) REDUCTION OR WAIVER OF NON-FEDERAL  
18          SHARE.—In the case of a project assisted under this  
19          section, the Secretary may reduce or waive the non-  
20          Federal share, without regard to section 204 or 205,  
21          if the Secretary finds that the project is not feasible  
22          without, and merits, such a reduction or waiver.

23          “(b) METHODS OF PROVISION OF ASSISTANCE.—In  
24          providing research and technical assistance under this sec-

1 tion, the Secretary, in addition to making grants under  
2 subsection (a), may—

3 “(1) provide research and technical assistance  
4 through officers or employees of the Department;

5 “(2) pay funds made available to carry out this  
6 section to Federal agencies; or

7 “(3) employ private individuals, partnerships,  
8 businesses, corporations, or appropriate institutions  
9 under contracts entered into for that purpose.

10 **“SEC. 208. PREVENTION OF UNFAIR COMPETITION.**

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

18 **“SEC. 209. GRANTS FOR ECONOMIC ADJUSTMENT.**

19 “(a) IN GENERAL.—On the application of an eligible  
20 recipient, the Secretary may make grants for development  
21 of public facilities, public services, business development  
22 (including funding of a revolving loan fund), planning,  
23 technical assistance, training, and any other assistance to  
24 alleviate long-term economic deterioration and sudden and

1 severe economic dislocation and further the economic ad-  
2 justment objectives of this title.

3 “(b) CRITERIA FOR ASSISTANCE.—The Secretary  
4 may provide assistance under this section only if the Sec-  
5 retary determines that—

6 “(1) the project will help the area to meet a  
7 special need arising from—

8 “(A) actual or threatened severe unemploy-  
9 ment; or

10 “(B) economic adjustment problems result-  
11 ing from severe changes in economic conditions;  
12 and

13 “(2) the area for which a project is to be car-  
14 ried out has a comprehensive economic development  
15 strategy and the project is consistent with the strat-  
16 egy, except that this paragraph shall not apply to  
17 planning projects.

18 “(c) PARTICULAR COMMUNITY ASSISTANCE.—Assist-  
19 ance under this section may include assistance provided  
20 for activities identified by communities, the economies of  
21 which are injured by—

22 “(1) military base closures or realignments, de-  
23 fense contractor reductions in force, or Department  
24 of Energy defense-related funding reductions, for  
25 help in diversifying their economies through projects

1 to be carried out on Federal Government installa-  
2 tions or elsewhere in the communities;

3 “(2) disasters or emergencies, in areas with re-  
4 spect to which a major disaster or emergency has  
5 been declared under the Robert T. Stafford Disaster  
6 Relief and Emergency Assistance Act (42 U.S.C.  
7 5121 et seq.), for post-disaster economic recovery; or

8 “(3) international trade, for help in economic  
9 restructuring of the communities.

10 “(d) DIRECT EXPENDITURE OR REDISTRIBUTION BY  
11 RECIPIENT.—

12 “(1) IN GENERAL.—Subject to paragraph (2),  
13 an eligible recipient of a grant under this section  
14 may directly expend the grant funds or may redis-  
15 tribute the funds to public and private entities in the  
16 form of a grant, loan, loan guarantee, payment to  
17 reduce interest on a loan guarantee, or other appro-  
18 priate assistance.

19 “(2) LIMITATION.—Under paragraph (1), an el-  
20 igible recipient may not provide any grant to a pri-  
21 vate for-profit entity.

22 **“SEC. 210. CHANGED PROJECT CIRCUMSTANCES.**

23 “In any case in which a grant (including a supple-  
24 mentary grant described in section 205) has been made  
25 by the Secretary under this title (or made under this Act,



1 as in effect on the day before the effective date of the  
2 Economic Development Administration Reform Act of  
3 1998) for a project, and, after the grant has been made  
4 but before completion of the project, the purpose or scope  
5 of the project that was the basis of the grant is modified,  
6 the Secretary may approve the use of grant funds for the  
7 modified project if the Secretary determines that—

8           “(1) the modified project meets the require-  
9           ments of this title and is consistent with the com-  
10          prehensive economic development strategy submitted  
11          as part of the application for the grant; and

12           “(2) the modifications are necessary to enhance  
13          economic development in the area for which the  
14          project is being carried out.

15 **“SEC. 211. USE OF FUNDS IN PROJECTS CONSTRUCTED**  
16 **UNDER PROJECTED COST.**

17           “‘In any case in which a grant (including a supple-  
18          mentary grant described in section 205) has been made  
19          by the Secretary under this title (or made under this Act,  
20          as in effect on the day before the effective date of the  
21          Economic Development Administration Reform Act of  
22          1998) for a construction project, and, after the grant has  
23          been made but before completion of the project, the cost  
24          of the project based on the designs and specifications that

1 was the basis of the grant has decreased because of de-  
2 creases in costs—

3 “(1) the Secretary may approve the use of the  
4 excess funds or a portion of the funds to improve  
5 the project; and

6 “(2) any amount of excess funds remaining  
7 after application of paragraph (1) shall be deposited  
8 in the general fund of the Treasury.

9 **“SEC. 212. REPORTS BY RECIPIENTS.**

10 “(a) IN GENERAL.—Each recipient of assistance  
11 under this title shall submit reports to the Secretary at  
12 such intervals and in such manner as the Secretary shall  
13 require by regulation, except that no report shall be re-  
14 quired to be submitted more than 10 years after the date  
15 of closeout of the assistance award.

16 “(b) CONTENTS.—Each report shall contain an eval-  
17 uation of the effectiveness of the economic assistance pro-  
18 vided under this title in meeting the need that the assist-  
19 ance was designed to address and in meeting the objectives  
20 of this Act.

21 **“SEC. 213. PROHIBITION ON USE OF FUNDS FOR ATTOR-**  
22 **NEYS AND CONSULTANT’S FEES.**

23 “Assistance made available under this title shall not  
24 be used directly or indirectly for an attorney’s or consult-

1 ant's fee incurred in connection with obtaining grants and  
2 contracts under this title.

3 **“TITLE III—ELIGIBILITY; COM-**  
4 **PREHENSIVE ECONOMIC DE-**  
5 **VELOPMENT STRATEGIES**

6 **“SEC. 301. ELIGIBILITY OF AREAS.**

7 “(a) IN GENERAL.—For a project to be eligible for  
8 assistance under section 201 or 209, the project shall be  
9 located in an area that, on the date of submission of the  
10 application, meets 1 or more of the following criteria:

11 “(1) LOW PER CAPITA INCOME.—The area has  
12 a per capita income of 80 percent or less of the na-  
13 tional average.

14 “(2) UNEMPLOYMENT RATE ABOVE NATIONAL  
15 AVERAGE.—The area has an unemployment rate  
16 that is, for the most recent 24-month period for  
17 which data are available, at least 1 percent greater  
18 than the national average unemployment rate.

19 “(3) UNEMPLOYMENT OR ECONOMIC ADJUST-  
20 MENT PROBLEMS.—The area is an area that the  
21 Secretary determines has experienced or is about to  
22 experience a special need arising from actual or  
23 threatened severe unemployment or economic adjust-  
24 ment problems resulting from severe short-term or  
25 long-term changes in economic conditions.

1       “(b) **POLITICAL BOUNDARIES OF AREAS.**—An area  
2 that meets 1 or more of the criteria of subsection (a), in-  
3 cluding a small area of poverty or high unemployment  
4 within a larger community in less economic distress, shall  
5 be eligible for assistance under section 201 or 209 without  
6 regard to political or other subdivisions or boundaries.

7       “(c) **DOCUMENTATION.**—

8           “(1) **IN GENERAL.**—A determination of eligi-  
9 bility under subsection (a) shall be supported by the  
10 most recent Federal data available, or, if no recent  
11 Federal data is available, by the most recent data  
12 available through the government of the State in  
13 which the area is located.

14           “(2) **ACCEPTANCE BY SECRETARY.**—The docu-  
15 mentation shall be accepted by the Secretary unless  
16 the Secretary determines that the documentation is  
17 inaccurate.

18       “(d) **PRIOR DESIGNATIONS.**—Any designation of a  
19 redevelopment area made before the effective date of the  
20 Economic Development Administration Reform Act of  
21 1998 shall not be effective after that effective date.

22 **“SEC. 302. COMPREHENSIVE ECONOMIC DEVELOPMENT**  
23 **STRATEGIES.**

24       “(a) **IN GENERAL.**—The Secretary may provide as-  
25 sistance under section 201 or 209 (except for planning as-

1 sistance under section 209) to an eligible recipient for a  
2 project only if the eligible recipient submits to the Sec-  
3 retary, as part of an application for the assistance—

4 “(1) an identification of the economic develop-  
5 ment problems to be addressed using the assistance;

6 “(2) an identification of the past, present, and  
7 projected future economic development investments  
8 in the area receiving the assistance and public and  
9 private participants and sources of funding for the  
10 investments; and

11 “(3)(A) a comprehensive economic development  
12 strategy for addressing the economic problems iden-  
13 tified under paragraph (1) in a manner that pro-  
14 motes economic development and opportunity, fos-  
15 ters effective transportation access, enhances and  
16 protects the environment, and balances resources  
17 through sound management of development; and

18 “(B) a description of how the strategy will solve  
19 the problems.

20 “(b) APPROVAL OF COMPREHENSIVE ECONOMIC DE-  
21 VELOPMENT STRATEGY.—The Secretary shall approve a  
22 comprehensive economic development strategy that meets  
23 the requirements of subsection (a).

24 “(c) APPROVAL OF OTHER PLAN.—The Secretary  
25 may accept as a comprehensive economic development

1 strategy a satisfactory plan developed under another fed-  
 2 erally supported program.

3 **“TITLE IV—ECONOMIC**  
 4 **DEVELOPMENT DISTRICTS**

5 **“SEC. 401. DESIGNATION OF ECONOMIC DEVELOPMENT**  
 6 **DISTRICTS.**

7 “(a) IN GENERAL.—In order that economic develop-  
 8 ment projects of broad geographic significance may be  
 9 planned and carried out, the Secretary may designate ap-  
 10 propriate economic development districts in the United  
 11 States, with the concurrence of the States in which the  
 12 districts will be wholly or partially located, if—

13 “(1) the proposed district is of sufficient size or  
 14 population, and contains sufficient resources, to fos-  
 15 ter economic development on a scale involving more  
 16 than a single area described in section 301(a);

17 “(2) the proposed district contains at least 1  
 18 area described in section 301(a); and

19 “(3) the proposed district has a comprehensive  
 20 economic development strategy that—

21 “(A) contains a specific program for intra-  
 22 district cooperation, self-help, and public invest-  
 23 ment; and

24 “(B) is approved by each affected State  
 25 and by the Secretary.

1       “(b) **AUTHORITIES.**—The Secretary may, under reg-  
2       ulations promulgated by the Secretary—

3               “(1) invite the States to determine boundaries  
4       for proposed economic development districts;

5               “(2) cooperate with the States—

6                       “(A) in sponsoring and assisting district  
7       economic planning and economic development  
8       groups; and

9                       “(B) in assisting the district groups in for-  
10       mulating comprehensive economic development  
11       strategies for districts; and

12               “(3) encourage participation by appropriate  
13       local government entities in the economic develop-  
14       ment districts.

15       **“SEC. 402. TERMINATION OR MODIFICATION OF ECONOMIC**  
16                       **DEVELOPMENT DISTRICTS.**

17       “The Secretary shall, by regulation, promulgate  
18       standards for the termination or modification of the des-  
19       ignation of economic development districts.

20       **“SEC. 403. INCENTIVES.**

21               “(a) **IN GENERAL.**—Subject to the non-Federal share  
22       requirement under section 205(c)(1), the Secretary may  
23       increase the amount of grant assistance for a project in  
24       an economic development district by an amount that does  
25       not exceed 10 percent of the cost of the project, in accord-

1   ance with such regulations as the Secretary shall promul-  
2   gate, if—

3           “(1) the project applicant is actively participat-  
4           ing in the economic development activities of the dis-  
5           trict; and

6           “(2) the project is consistent with the com-  
7           prehensive economic development strategy of the dis-  
8           trict.

9           “(b) REVIEW OF INCENTIVE SYSTEM.—In promul-  
10          gating regulations under subsection (a), the Secretary  
11          shall review the current incentive system to ensure that  
12          the system is administered in the most direct and effective  
13          manner to achieve active participation by project appli-  
14          cants in the economic development activities of economic  
15          development districts.

16   **“SEC. 404. PROVISION OF COMPREHENSIVE ECONOMIC DE-**  
17                           **VELOPMENT STRATEGIES TO APPALACHIAN**  
18                           **REGIONAL COMMISSION.**

19          “‘If any part of an economic development district is  
20          in the Appalachian region (as defined in section 403 of  
21          the Appalachian Regional Development Act of 1965 (40  
22          U.S.C. App.)), the economic development district shall en-  
23          sure that a copy of the comprehensive economic develop-  
24          ment strategy of the district is provided to the Appalach-  
25          ian Regional Commission established under that Act.



1 **“SEC. 405. ASSISTANCE TO PARTS OF ECONOMIC DEVELOP-**  
2 **MENT DISTRICTS NOT IN ELIGIBLE AREAS.**

3 “Notwithstanding section 301, the Secretary may  
4 provide such assistance as is available under this Act for  
5 a project in a part of an economic development district  
6 that is not in an area described in section 301(a), if the  
7 project will be of a substantial direct benefit to an area  
8 described in section 301(a) that is located in the district.

9 **“TITLE V—ADMINISTRATION**

10 **“SEC. 501. ASSISTANT SECRETARY FOR ECONOMIC DEVEL-**  
11 **OPMENT.**

12 “(a) IN GENERAL.—The Secretary shall carry out  
13 this Act through an Assistant Secretary of Commerce for  
14 Economic Development, to be appointed by the President,  
15 by and with the advice and consent of the Senate.

16 “(b) COMPENSATION.—The Assistant Secretary of  
17 Commerce for Economic Development shall be com-  
18 pensated at the rate payable for level IV of the Executive  
19 Schedule under section 5315 of title 5, United States  
20 Code.

21 “(c) DUTIES.—The Assistant Secretary of Commerce  
22 for Economic Development shall carry out such duties as  
23 the Secretary shall require and shall serve as the adminis-  
24 trator of the Economic Development Administration of the  
25 Department.

1 **“SEC. 502. ECONOMIC DEVELOPMENT INFORMATION**  
2 **CLEARINGHOUSE.**

3 “In carrying out this Act, the Secretary shall—

4 “(1) maintain a central information clearing-  
5 house on matters relating to economic development,  
6 economic adjustment, disaster recovery, defense con-  
7 version, and trade adjustment programs and activi-  
8 ties of the Federal and State governments, including  
9 political subdivisions of States;

10 “(2) assist potential and actual applicants for  
11 economic development, economic adjustment, disas-  
12 ter recovery, defense conversion, and trade adjust-  
13 ment assistance under Federal, State, and local laws  
14 in locating and applying for the assistance; and

15 “(3) assist areas described in section 301(a)  
16 and other areas by providing to interested persons,  
17 communities, industries, and businesses in the areas  
18 any technical information, market research, or other  
19 forms of assistance, information, or advice that  
20 would be useful in alleviating or preventing condi-  
21 tions of excessive unemployment or underemploy-  
22 ment in the areas.

23 **“SEC. 503. CONSULTATION WITH OTHER PERSONS AND**  
24 **AGENCIES.**

25 “(a) CONSULTATION ON PROBLEMS RELATING TO  
26 EMPLOYMENT.—The Secretary may consult with any per-

1 sons, including representatives of labor, management, ag-  
2 riculture, and government, who can assist in addressing  
3 the problems of area and regional unemployment or under-  
4 employment.

5 “(b) CONSULTATION ON ADMINISTRATION OF ACT.—  
6 The Secretary may provide for such consultation with in-  
7 terested Federal agencies as the Secretary determines to  
8 be appropriate in the performance of the duties of the Sec-  
9 retary under this Act.

10 **“SEC. 504. ADMINISTRATION, OPERATION, AND MAINTENANCE.**  
11 **NANCE.**

12 “The Secretary shall approve Federal assistance  
13 under this Act only if the Secretary is satisfied that the  
14 project for which Federal assistance is granted will be  
15 properly and efficiently administered, operated, and main-  
16 tained.

17 **“SEC. 505. BUSINESSES DESIRING FEDERAL CONTRACTS.**

18 “The Secretary may provide the procurement divi-  
19 sions of Federal agencies with a list consisting of—

20 “(1) the names and addresses of businesses  
21 that are located in areas described in section 301(a)  
22 and that wish to obtain Federal Government con-  
23 tracts for the provision of supplies or services; and

24 “(2) the supplies and services that each busi-  
25 ness provides.

1 **“SEC. 506. REVIEW OF UNIVERSITY CENTERS.**

2       “(a) IN GENERAL.—The Secretary shall conduct a  
3 review of each university center that receives grant assist-  
4 ance under this Act to assess the center’s performance and  
5 contribution toward retention and creation of employment.

6       “(b) PURPOSE OF REVIEWS.—The purpose of the re-  
7 views under subsection (a) shall be to determine which  
8 university centers are performing well and are worthy of  
9 continued grant assistance under this Act, and which  
10 should not receive continued assistance, so that university  
11 centers that have not previously received assistance may  
12 receive assistance.

13       “(c) TIMING OF REVIEWS.—Reviews under sub-  
14 section (a) shall be conducted on a continuing basis so  
15 that each university center is reviewed within 3 years after  
16 the first award of grant assistance to the center after the  
17 effective date of the Economic Development Administra-  
18 tion Reform Act of 1998, and at least once every 3 years  
19 thereafter, so long as the university center receives the as-  
20 sistance.

21       “(d) CRITERIA.—The Secretary shall establish cri-  
22 teria for use in conducting reviews under subsection (a),  
23 which criteria shall, at a minimum, provide for an assess-  
24 ment of each university center’s—

25               “(1) contribution to providing technical assist-  
26               ance or conducting applied research; and

1           “(2) dissemination of the results of the activi-  
2           ties of the center assisted under this Act.

3           **“TITLE VI—MISCELLANEOUS**

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

5           “(a) IN GENERAL.—In carrying out the duties of the  
6 Secretary under this Act, the Secretary may—

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

9           “(2) subject to the civil service and classifica-  
10          tion laws, select, employ, appoint, and fix the com-  
11          pensation of such personnel as are necessary to  
12          carry out this Act;

13          “(3) hold such hearings, sit and act at such  
14          times and places, and take such testimony, as the  
15          Secretary determines to be appropriate;

16          “(4) request directly, from any Federal agency,  
17          board, commission, office, or independent establish-  
18          ment, such information, suggestions, estimates, and  
19          statistics as the Secretary determines to be nec-  
20          essary to carry out this Act (and each Federal agen-  
21          cy, board, commission, office, or independent estab-  
22          lishment may provide such information, suggestions,  
23          estimates, and statistics directly to the Secretary);

1           “(5) consistent with chapter 37 of title 31,  
2           United States Code, under regulations promulgated  
3           by the Secretary—

4                   “(A) assign or sell at public or private  
5                   sale, or otherwise dispose of for cash or credit,  
6                   in the Secretary’s discretion and on such terms  
7                   and conditions and for such consideration as  
8                   the Secretary determines to be reasonable, any  
9                   evidence of debt, contract, claim, personal prop-  
10                  erty, or security assigned to or held by the Sec-  
11                  retary in connection with assistance provided  
12                  under this Act; and

13                   “(B) collect or compromise all obligations  
14                   assigned to or held by the Secretary in connec-  
15                   tion with that assistance until such time as the  
16                   obligations are referred to the Attorney General  
17                   for suit or collection;

18           “(6) deal with, complete, renovate, improve,  
19           modernize, insure, rent, or sell for cash or credit, on  
20           such terms and conditions and for such consider-  
21           ation as the Secretary determines to be reasonable,  
22           any real or personal property conveyed to or other-  
23           wise acquired by the Secretary in connection with  
24           assistance provided under this Act;

1           “(7) consistent with chapter 37 of title 31,  
2           United States Code, pursue to final collection, by  
3           means of compromise or other administrative action,  
4           before referral to the Attorney General, all claims  
5           against third parties assigned to the Secretary in  
6           connection with assistance provided under this Act;

7           “(8) acquire, in any lawful manner, any prop-  
8           erty (real, personal, or mixed, tangible or intangi-  
9           ble), to the extent appropriate in connection with as-  
10          sistance provided under this Act;

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

20          “(10)(A) employ experts and consultants or or-  
21          ganizations as authorized by section 3109 of title 5,  
22          United States Code, except that contracts for such  
23          employment may be renewed annually;

24          “(B) compensate individuals so employed, in-  
25          cluding compensation for travel time; and

1           “(C) allow individuals so employed, while away  
2 from their homes or regular places of business, trav-  
3 el expenses, including per diem in lieu of subsist-  
4 ence, as authorized by section 5703 of title 5,  
5 United States Code, for persons employed intermit-  
6 tently in the Federal Government service;

7           “(11) establish performance measures for  
8 grants and other assistance provided under this Act,  
9 and use the performance measures to evaluate the  
10 economic impact of economic development assistance  
11 programs under this Act, which establishment and  
12 use of performance measures shall be provided by  
13 the Secretary through—

14           “(A) officers or employees of the Depart-  
15 ment;

16           “(B) the employment of persons under  
17 contracts entered into for such purposes; or

18           “(C) grants to persons, using funds made  
19 available to carry out this Act;

20           “(12) conduct environmental reviews and incur  
21 necessary expenses to evaluate and monitor the envi-  
22 ronmental impact of economic development assist-  
23 ance provided and proposed to be provided under  
24 this Act, including expenses associated with the rep-  
25 resentation and defense of the actions of the Sec-



1       retary relating to the environmental impact of the  
2       assistance, using any funds made available to carry  
3       out section 207;

4               “(13) sue and be sued in any court of record  
5       of a State having general jurisdiction or in any  
6       United States district court, except that no attach-  
7       ment, injunction, garnishment, or other similar proc-  
8       ess, mesne or final, shall be issued against the Sec-  
9       retary or the property of the Secretary; and

10              “(14) establish such rules, regulations, and pro-  
11       cedures as the Secretary considers appropriate for  
12       carrying out this Act.

13       “(b) DEFICIENCY JUDGMENTS.—The authority  
14       under subsection (a)(7) to pursue claims shall include the  
15       authority to obtain deficiency judgments or otherwise pur-  
16       sue claims relating to mortgages assigned to the Sec-  
17       retary.

18       “(c) INAPPLICABILITY OF CERTAIN OTHER RE-  
19       QUIREMENTS.—Section 3709 of the Revised Statutes (41  
20       U.S.C. 5) shall not apply to any contract of hazard insur-  
21       ance or to any purchase or contract for services or supplies  
22       on account of property obtained by the Secretary as a re-  
23       sult of assistance provided under this Act if the premium  
24       for the insurance or the amount of the services or supplies  
25       does not exceed \$1,000.

1 “(d) PROPERTY INTERESTS.—

2 “(1) IN GENERAL.—The powers of the Sec-  
3 retary under this section, relating to property ac-  
4 quired by the Secretary in connection with assist-  
5 ance provided under this Act, shall extend to prop-  
6 erty interests of the Secretary relating to projects  
7 approved under—

8 “(A) this Act;

9 “(B) title I of the Public Works Employ-  
10 ment Act of 1976 (42 U.S.C. 6701 et seq.);

11 “(C) title II of the Trade Act of 1974 (19  
12 U.S.C. 2251 et seq.); and

13 “(D) the Community Emergency Drought  
14 Relief Act of 1977 (42 U.S.C. 5184 note; Pub-  
15 lic Law 95–31).

16 “(2) RELEASE.—The Secretary may release, in  
17 whole or in part, any property interest in connection  
18 with a grant after the date that is 20 years after the  
19 date on which the grant was awarded.

20 “(e) POWERS OF CONVEYANCE AND EXECUTION.—

21 The power to convey and to execute, in the name of the  
22 Secretary, deeds of conveyance, deeds of release, assign-  
23 ments and satisfactions of mortgages, and any other writ-  
24 ten instrument relating to real or personal property or any  
25 interest in such property acquired by the Secretary under

1 this Act may be exercised by the Secretary, or by any offi-  
2 cer or agent appointed by the Secretary for that purpose,  
3 without the execution of any express delegation of power  
4 or power of attorney.

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

6 “Not later than July 1, 2000, and July 1 of each  
7 year thereafter, the Secretary shall submit to Congress a  
8 comprehensive and detailed annual report on the activities  
9 of the Secretary under this Act during the most recently  
10 completed fiscal year.

11 **“SEC. 604. DELEGATION OF FUNCTIONS AND TRANSFER OF**  
12 **FUNDS AMONG FEDERAL AGENCIES.**

13 “(a) DELEGATION OF FUNCTIONS TO OTHER FED-  
14 ERAL AGENCIES.—The Secretary may—

15 “(1) delegate to the heads of other Federal  
16 agencies such functions, powers, and duties of the  
17 Secretary under this Act as the Secretary deter-  
18 mines to be appropriate; and

19 “(2) authorize the redelegation of the functions,  
20 powers, and duties by the heads of the agencies.

21 “(b) TRANSFER OF FUNDS TO OTHER FEDERAL  
22 AGENCIES.—Funds authorized to be appropriated to carry  
23 out this Act may be transferred between Federal agencies,  
24 if the funds are used for the purposes for which the funds  
25 are specifically authorized and appropriated.

1       “(c) TRANSFER OF FUNDS FROM OTHER FEDERAL  
2 AGENCIES.—

3           “(1) IN GENERAL.—Subject to paragraph (2),  
4 for the purposes of this Act, the Secretary may ac-  
5 cept transfers of funds from other Federal agencies  
6 if the funds are used for the purposes for which  
7 (and in accordance with the terms under which) the  
8 funds are specifically authorized and appropriated.

9           “(2) USE OF FUNDS.—The transferred funds—

10           “(A) shall remain available until expended;  
11 and

12           “(B) may, to the extent necessary to carry  
13 out this Act, be transferred to and merged by  
14 the Secretary with the appropriations for sala-  
15 ries and expenses.

16 **“SEC. 605. PENALTIES.**

17       “(a) FALSE STATEMENTS; SECURITY OVER-  
18 VALUATION.—A person that makes any statement that the  
19 person knows to be false, or willfully overvalues any secu-  
20 rity, for the purpose of—

21           “(1) obtaining for the person or for any appli-  
22 cant any financial assistance under this Act or any  
23 extension of the assistance by renewal, deferment, or  
24 action, or by any other means, or the acceptance, re-  
25 lease, or substitution of security for the assistance;

1           “(2) influencing in any manner the action of  
2           the Secretary; or

3           “(3) obtaining money, property, or any thing of  
4           value, under this Act;

5 shall be fined under title 18, United States Code, impris-  
6 oned not more than 5 years, or both.

7           “(b)   EMBEZZLEMENT    AND    FRAUD-RELATED  
8   CRIMES.—A person that is connected in any capacity with  
9   the Secretary in the administration of this Act and that—

10           “(1) embezzles, abstracts, purloins, or willfully  
11           misapplies any funds, securities, or other thing of  
12           value, that is pledged or otherwise entrusted to the  
13           person;

14           “(2) with intent to defraud the Secretary or  
15           any other person or entity, or to deceive any officer,  
16           auditor, or examiner—

17           “(A) makes any false entry in any book,  
18           report, or statement of or to the Secretary; or

19           “(B) without being duly authorized, draws  
20           any order or issue, puts forth, or assigns any  
21           note, debenture, bond, or other obligation, or  
22           draft, bill of exchange, mortgage, judgment, or  
23           decree thereof;

24           “(3) with intent to defraud, participates or  
25           shares in or receives directly or indirectly any

1 money, profit, property, or benefit through any  
2 transaction, loan, grant, commission, contract, or  
3 any other act of the Secretary; or

4 “(4) gives any unauthorized information con-  
5 cerning any future action or plan of the Secretary  
6 that might affect the value of securities, or having  
7 such knowledge invests or speculates, directly or in-  
8 directly, in the securities or property of any com-  
9 pany or corporation receiving loans, grants, or other  
10 assistance from the Secretary;

11 shall be fined under title 18, United States Code, impris-  
12 oned not more than 5 years, or both.

13 **“SEC. 606. EMPLOYMENT OF EXPEDITERS AND ADMINIS-**  
14 **TRATIVE EMPLOYEES.**

15 “Assistance shall not be provided by the Secretary  
16 under this Act to any business unless the owners, part-  
17 ners, or officers of the business—

18 “(1) certify to the Secretary the names of any  
19 attorneys, agents, and other persons engaged by or  
20 on behalf of the business for the purpose of expedit-  
21 ing applications made to the Secretary for assistance  
22 of any kind, under this Act, and the fees paid or to  
23 be paid to the person for expediting the applications;  
24 and

1           “(2) execute an agreement binding the busi-  
2           ness, for the 2-year period beginning on the date on  
3           which the assistance is provided by the Secretary to  
4           the business, to refrain from employing, offering any  
5           office or employment to, or retaining for professional  
6           services, any person who, on the date on which the  
7           assistance or any part of the assistance was pro-  
8           vided, or within the 1-year period ending on that  
9           date—

10                   “(A) served as an officer, attorney, agent,  
11                   or employee of the Department; and

12                   “(B) occupied a position or engaged in ac-  
13                   tivities that the Secretary determines involved  
14                   discretion with respect to the granting of assist-  
15                   ance under this Act.

16 **“SEC. 607. MAINTENANCE AND PUBLIC INSPECTION OF**  
17 **LIST OF APPROVED APPLICATIONS FOR FI-**  
18 **NANCIAL ASSISTANCE.**

19           “(a) IN GENERAL.—The Secretary shall—

20                   “(1) maintain as a permanent part of the  
21                   records of the Department a list of applications ap-  
22                   proved for financial assistance under this Act; and

23                   “(2) make the list available for public inspec-  
24                   tion during the regular business hours of the De-  
25                   partment.

1       “(b) ADDITIONS TO LIST.—The following informa-  
2 tion shall be added to the list maintained under subsection  
3 (a) as soon as an application described in subsection (a)(1)  
4 is approved:

5           “(1) The name of the applicant and, in the case  
6 of a corporate application, the name of each officer  
7 and director of the corporation.

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

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

12 **“SEC. 608. RECORDS AND AUDITS.**

13       “(a) RECORDKEEPING AND DISCLOSURE REQUIRE-  
14 MENTS.—Each recipient of assistance under this Act shall  
15 keep such records as the Secretary shall require, including  
16 records that fully disclose—

17           “(1) the amount and the disposition by the re-  
18 cipient of the proceeds of the assistance;

19           “(2) the total cost of the project in connection  
20 with which the assistance is given or used;

21           “(3) the amount and nature of the portion of  
22 the cost of the project provided by other sources;  
23 and

24           “(4) such other records as will facilitate an ef-  
25 fective audit.





1 applicant for assistance under this Act that the applicant  
2 meets the requirements of this Act.”.

3 (b) TITLE VII.—The Public Works and Economic  
4 Development Act of 1965 (42 U.S.C. 3121 et seq.) is  
5 amended—

6 (1) by redesignating section 712 as section 602  
7 and moving that section to appear after section 601  
8 (as amended by subsection (a));

9 (2) in section 602 (as added by paragraph  
10 (1))—

11 (A) by striking the section heading and all  
12 that follows through “All” and inserting the fol-  
13 lowing:

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

15 “All”; and

16 (B) by striking “sections 101, 201, 202,  
17 403, 903, and 1003” and inserting “this Act”;  
18 and

19 (3) by striking title VII (as amended by para-  
20 graph (1)) and inserting the following:

21 **“TITLE VII—FUNDING**

22 **“SEC. 701. GENERAL AUTHORIZATION OF APPROPRIA-**  
23 **TIONS.**

24 “There are authorized to be appropriated to carry out  
25 this Act \$397,969,000 for fiscal year 1999, \$338,379,000

1 for fiscal year 2000, \$306,000,000 for fiscal year 2001,  
2 \$277,000,000 for fiscal year 2002, and \$277,000,000 for  
3 fiscal year 2003, to remain available until expended.

4 **“SEC. 702. AUTHORIZATION OF APPROPRIATIONS FOR DE-**  
5 **FENSE CONVERSION ACTIVITIES.**

6 “(a) IN GENERAL.—In addition to amounts made  
7 available under section 701, there are authorized to be ap-  
8 propriated such sums as are necessary to carry out section  
9 209(c)(1), to remain available until expended.

10 “(b) PILOT PROJECTS.—Funds made available under  
11 subsection (a) may be used for activities including pilot  
12 projects for privatization of, and economic development ac-  
13 tivities for, closed or realigned military or Department of  
14 Energy installations.

15 **“SEC. 703. AUTHORIZATION OF APPROPRIATIONS FOR DIS-**  
16 **ASTER ECONOMIC RECOVERY ACTIVITIES.**

17 “(a) IN GENERAL.—In addition to amounts made  
18 available under section 701, there are authorized to be ap-  
19 propriated such sums as are necessary to carry out section  
20 209(c)(2), to remain available until expended.

21 “(b) FEDERAL SHARE.—The Federal share of the  
22 cost of activities funded with amounts made available  
23 under subsection (a) shall be up to 100 percent.”.

1 (c) TITLES VIII THROUGH X.—The Public Works  
2 and Economic Development Act of 1965 is amended by  
3 striking titles VIII through X (42 U.S.C. 3231 et seq.).

4 **SEC. 3. CONFORMING AMENDMENT.**

5 Section 5316 of title 5, United States Code, is  
6 amended by striking “Administrator for Economic Devel-  
7 opment.”.

8 **SEC. 4. TRANSITION PROVISIONS.**

9 (a) EXISTING RIGHTS, DUTIES, AND OBLIGA-  
10 TIONS.—This Act, including the amendments made by this  
11 Act, does not affect the validity of any right, duty, or obli-  
12 gation of the United States or any other person arising  
13 under any contract, loan, or other instrument or agree-  
14 ment that was in effect on the day before the effective  
15 date of this Act.

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

20 (c) LIQUIDATING ACCOUNT.—The Economic Devel-  
21 opment Revolving Fund established under section 203 of  
22 the Public Works and Economic Development Act of 1965  
23 (42 U.S.C. 3143) (as in effect on the day before the date  
24 of enactment of this Act) shall continue to be available  
25 to the Secretary of Commerce as a liquidating account (as

1 defined in section 502 of the Federal Credit Reform Act  
2 of 1990 (2 U.S.C. 661a)) for payment of obligations and  
3 expenses in connection with financial assistance provided  
4 under—

5 (1) the Public Works and Economic Develop-  
6 ment Act of 1965 (42 U.S.C. 3121 et seq.);

7 (2) the Area Redevelopment Act (42 U.S.C.  
8 2501 et seq.); and

9 (3) the Trade Act of 1974 (19 U.S.C. 2101 et  
10 seq.).

11 (d) ADMINISTRATION.—The Secretary of Commerce  
12 shall take such actions authorized before the effective date  
13 of this Act as are appropriate to administer and liquidate  
14 grants, contracts, agreements, loans, obligations, debent-  
15 ures, or guarantees made by the Secretary under law in  
16 effect before the effective date of this Act.

17 **SEC. 5. EFFECTIVE DATE.**

18 This Act and the amendments made by this Act shall  
19 take effect on a date determined by the Secretary of Com-  
20 merce, but not later than 90 days after the date of enact-  
21 ment of this Act.

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