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105TH CONGRESS
2^D Session

S. 2364

[Report No. 105-332]

A BILL

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

SEPTEMBER 14, 1998

Reported without amendment

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2D SESSION**S. 2364****[Report No. 105-332]**

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

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, Ms. MIKULSKI, Mr. D'AMATO, Mr. ROBB, Mrs. HUTCHISON, Mr. SARBANES, Mr. GLENN, Mr. DORGAN, Mr. REED, Mr. SANTORUM, Mr. HUTCHINSON, Mr. KERRY, Mr. DURBIN, Mr. JOHNSON, Mr. CLELAND, Mr. DODD, Mr. LAUTENBERG, Mr. FAIRCLOTH, Mr. WELLSTONE, Mrs. MURRAY, Mr. DASCHLE, Mr. FORD, and Mr. BINGAMAN) introduced the following bill; which was read twice and referred to the Committee on Environment and Public Works

SEPTEMBER 14, 1998

Reported by Mr. CHAFEE, without amendment

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,*

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

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

5 (b) TABLE OF CONTENTS.—The table of contents of
6 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.

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

9 (a) TITLES I THROUGH VI.—Titles I through VI of
10 the Public Works and Economic Development Act of 1965
11 (42 U.S.C. 3121 et seq.) are amended to read as follows:

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

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

15 “(b) TABLE OF CONTENTS.—The table of contents
16 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 Appalachian 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 agencies.
- “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 activities.

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

15 “(2) as the economy of the United States con-
16 tinues to grow, those distressed areas contain sig-
17 nificant human and infrastructure resources that are
18 underused;

19 “(3) expanding international trade and the in-
20 creasing pace of technological innovation offer both
21 a challenge and an opportunity to the distressed
22 communities of the United States;

23 “(4) while economic development is an inher-
24 ently local process, the Federal Government should

1 work in partnership with public and private local, re-
2 gional, and State organizations to ensure that exist-
3 ing resources are not wasted and all Americans have
4 an opportunity to participate in the economic growth
5 of the United States;

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

12 “(6) the goal of Federal economic development
13 activities should be to work in partnership with
14 local, regional, and State public and private organi-
15 zations to support the development of private sector
16 businesses and jobs in distressed communities; and

17 “(7) Federal economic development efforts will
18 be more effective if they are coordinated with, and
19 build upon, the trade and technology programs of
20 the United States.

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

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

4 “(2) local communities should work in partner-
5 ship with neighboring communities, the States, and
6 the Federal Government to increase their capacity to
7 develop and implement comprehensive economic de-
8 velopment strategies to address existing, or deter im-
9 pending, economic distress; and

10 “(3) whether suffering from long-term distress
11 or a sudden dislocation, distressed communities
12 should be encouraged to take advantage of the devel-
13 opment opportunities afforded by technological inno-
14 vation and expanding and newly opened global mar-
15 kets.

16 **“SEC. 3. DEFINITIONS.**

17 “‘In this Act:

18 “(1) COMPREHENSIVE ECONOMIC DEVELOP-
19 MENT STRATEGY.—The term ‘comprehensive eco-
20 nomic development strategy’ means a comprehensive
21 economic development strategy approved by the Sec-
22 retary under section 302.

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

25 “(3) ECONOMIC DEVELOPMENT DISTRICT.—

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

“(i) is composed of areas described in section 301(a) and, to the extent appropriate, neighboring counties or communities; and

“(ii) has been designated by the Secretary as an economic development district under section 401.

“(B) INCLUSION.—The term ‘economic development district’ includes any economic development district designated by the Secretary under section 403 (as in effect on the day before the effective date of the Economic Development Administration Reform Act of 1998).

“(4) ELIGIBLE RECIPIENT.—

“(A) IN GENERAL.—The term ‘eligible recipient’ means—

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

“(ii) an economic development district;

“(iii) an Indian tribe;

“(iv) a State;

1 “(v) a city or other political subdivi-
 2 sion of a State or a consortium of political
 3 subdivisions;

4 “(vi) an institution of higher edu-
 5 cation or a consortium of institutions of
 6 higher education; or

7 “(vii) a public or private nonprofit or-
 8 ganization or association acting in coopera-
 9 tion with officials of a political subdivision
 10 of a State.

11 “(B) TRAINING, RESEARCH, AND TECH-
 12 NICAL ASSISTANCE GRANTS.—In the case of
 13 grants under section 207, the term ‘eligible re-
 14 cipient’ also includes private individuals and
 15 for-profit organizations.

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

19 “(6) GRANT.—The term ‘grant’ includes a co-
 20 operative agreement (within the meaning of chapter
 21 63 of title 31, United States Code).

22 “(7) INDIAN TRIBE.—The term ‘Indian tribe’
 23 means an Indian or Alaska Native tribe, band, na-
 24 tion, pueblo, village, or community that the Sec-
 25 retary of the Interior recognizes as an Indian tribe

1 under section 104 of the Federally Recognized In-
 2 dian Tribe List Act of 1994 (25 U.S.C. 479a–1).

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

5 “(9) STATE.—The term ‘State’ means a State,
 6 the District of Columbia, the Commonwealth of
 7 Puerto Rico, the Virgin Islands, Guam, American
 8 Samoa, the Commonwealth of the Northern Mariana
 9 Islands, the Republic of the Marshall Islands, the
 10 Federated States of Micronesia, and the Republic of
 11 Palau.

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

14 **“TITLE I—ECONOMIC DEVELOP-**
 15 **MENT PARTNERSHIPS CO-**
 16 **OPERATION AND COORDINA-**
 17 **TION**

18 **“SEC. 101. ESTABLISHMENT OF ECONOMIC DEVELOPMENT**
 19 **PARTNERSHIPS.**

20 “(a) IN GENERAL.—In providing assistance under
 21 this title, the Secretary shall cooperate with States and
 22 other entities to ensure that, consistent with national ob-
 23 jectives, Federal programs are compatible with and fur-
 24 ther the objectives of State, regional, and local economic

1 development plans and comprehensive economic develop-
2 ment strategies.

3 “(b) TECHNICAL ASSISTANCE.—The Secretary may
4 provide such technical assistance to States, political sub-
5 divisions of States, sub-State regional organizations (in-
6 cluding organizations that cross State boundaries), and
7 multi-State regional organizations as the Secretary deter-
8 mines is appropriate to—

9 “(1) alleviate economic distress;

10 “(2) encourage and support public-private part-
11 nerships for the formation and improvement of eco-
12 nomic development strategies that sustain and pro-
13 mote economic development across the United
14 States; and

15 “(3) promote investment in infrastructure and
16 technological capacity to keep pace with the chang-
17 ing global economy.

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

25 “(d) COOPERATION AGREEMENTS.—

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

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

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

12 “In accordance with applicable laws and subject to
13 the availability of appropriations, each Federal agency
14 shall exercise its powers, duties and functions, and shall
15 cooperate with the Secretary, in such manner as will assist
16 the Secretary in carrying out this title.

17 **“SEC. 103. COORDINATION.**

18 “The Secretary shall coordinate activities relating to
19 the preparation and implementation of comprehensive eco-
20 nomic development strategies under this Act with Federal
21 agencies carrying out other Federal programs, States, eco-
22 nomic development districts, and other appropriate plan-
23 ning and development organizations.

1 **“TITLE II—GRANTS FOR PUBLIC**
2 **WORKS AND ECONOMIC DE-**
3 **VELOPMENT**

4 **“SEC. 201. GRANTS FOR PUBLIC WORKS AND ECONOMIC**
5 **DEVELOPMENT.**

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

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

11 “(2) acquisition, design and engineering, con-
12 struction, rehabilitation, alteration, expansion, or im-
13 provement of such a facility, including related ma-
14 chinery and equipment.

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

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

20 “(A) improve the opportunities, in the area
21 where the project is or will be located, for the
22 successful establishment or expansion of indus-
23 trial or commercial plants or facilities;

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

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

6 “(2) the project for which the grant is applied
7 for will fulfill a pressing need of the area, or a part
8 of the area, in which the project is or will be located;
9 and

10 “(3) the area for which the project is to be car-
11 ried out has a comprehensive economic development
12 strategy and the project is consistent with the strat-
13 egy.

14 “(c) MAXIMUM ASSISTANCE FOR EACH STATE.—Not
15 more than 15 percent of the amounts made available to
16 carry out this section may be expended in any 1 State.

17 **“SEC. 202. BASE CLOSINGS AND REALIGNMENTS.**

18 “Notwithstanding any other provision of law, the Sec-
19 retary may provide to an eligible recipient any assistance
20 available under this title for a project to be carried out
21 on a military or Department of Energy installation that
22 is closed or scheduled for closure or realignment without
23 requiring that the eligible recipient have title to the prop-
24 erty or a leasehold interest in the property for any speci-
25 fied term.

1 **“SEC. 203. GRANTS FOR PLANNING AND GRANTS FOR AD-**
 2 **MINISTRATIVE EXPENSES.**

3 “(a) IN GENERAL.—On the application of an eligible
 4 recipient, the Secretary may make grants to pay the costs
 5 of economic development planning and the administrative
 6 expenses of organizations that carry out the planning.

7 “(b) PLANNING PROCESS.—Planning assisted under
 8 this title shall be a continuous process involving public of-
 9 ficials and private citizens in—

10 “(1) analyzing local economies;

11 “(2) defining economic development goals;

12 “(3) determining project opportunities; and

13 “(4) formulating and implementing an economic
 14 development program that includes systematic ef-
 15 forts to reduce unemployment and increase incomes.

16 “(c) USE OF PLANNING ASSISTANCE.—Planning as-
 17 sistance under this title shall be used in conjunction with
 18 any other available Federal planning assistance to ensure
 19 adequate and effective planning and economical use of
 20 funds.

21 “(d) STATE PLANS.—

22 “(1) DEVELOPMENT.—Any State plan devel-
 23 oped with assistance under this section shall be de-
 24 veloped cooperatively by the State, political subdivi-
 25 sions of the State, and the economic development
 26 districts located wholly or partially in the State.

1 “(2) COMPREHENSIVE ECONOMIC DEVELOP-
2 MENT STRATEGY.—As a condition of receipt of as-
3 sistance for a State plan under this subsection, the
4 State shall have or develop a comprehensive eco-
5 nomic development strategy.

6 “(3) CERTIFICATION TO THE SECRETARY.—On
7 completion of a State plan developed with assistance
8 under this section, the State shall—

9 “(A) certify to the Secretary that, in the
10 development of the State plan, local and eco-
11 nomic development district plans were consid-
12 ered and, to the maximum extent practicable,
13 the State plan is consistent with the local and
14 economic development district plans; and

15 “(B) identify any inconsistencies between
16 the State plan and the local and economic de-
17 velopment district plans and provide a justifica-
18 tion for each inconsistency.

19 “(4) COMPREHENSIVE PLANNING PROCESS.—
20 Any overall State economic development planning as-
21 sisted under this section shall be a part of a com-
22 prehensive planning process that shall consider the
23 provision of public works to—

24 “(A) promote economic development and
25 opportunity;

1 “(B) foster effective transportation access;

2 “(C) enhance and protect the environment;

3 and

4 “(D) balance resources through the sound
5 management of physical development.

6 “(5) REPORT TO SECRETARY.—Each State that
7 receives assistance for the development of a plan
8 under this subsection shall submit to the Secretary
9 an annual report on the planning process assisted
10 under this subsection.

11 **“SEC. 204. COST SHARING.**

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

15 “(b) NON-FEDERAL SHARE.—In determining the
16 amount of the non-Federal share of the cost of a project,
17 the Secretary may provide credit toward the non-Federal
18 share for all contributions both in cash and in-kind, fairly
19 evaluated, including contributions of space, equipment,
20 and services.

21 **“SEC. 205. SUPPLEMENTARY GRANTS.**

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

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

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

6 “(3) assists projects that are—

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

8 and

9 “(B) consistent with a comprehensive eco-
10 nomic development strategy.

11 “(b) SUPPLEMENTARY GRANTS.—

12 “(1) IN GENERAL.—On the application of an el-
13 igible recipient, the Secretary may make a supple-
14 mentary grant for a project for which the eligible re-
15 cipient is eligible but, because of the eligible recipi-
16 ent’s economic situation, for which the eligible recipi-
17 ent cannot provide the required non-Federal share.

18 “(2) PURPOSES OF GRANTS.—Supplementary
19 grants under paragraph (1) may be made for pur-
20 poses that shall include enabling eligible recipients to
21 use—

22 “(A) designated Federal grant programs;

23 and

24 “(B) direct grants authorized under this
25 title.

1 “(c) REQUIREMENTS APPLICABLE TO SUPPLE-
2 MENTARY GRANTS.—

3 “(1) AMOUNT OF SUPPLEMENTARY GRANTS.—

4 Subject to paragraph (4), the amount of a supple-
5 mentary grant under this title for a project shall not
6 exceed the applicable percentage of the cost of the
7 project established by regulations promulgated by
8 the Secretary, except that the non-Federal share of
9 the cost of a project (including assumptions of debt)
10 shall not be less than 20 percent.

11 “(2) FORM OF SUPPLEMENTARY GRANTS.—In
12 accordance with such regulations as the Secretary
13 may promulgate, the Secretary shall make supple-
14 mentary grants by increasing the amounts of grants
15 authorized under this title or by the payment of
16 funds made available under this Act to the heads of
17 the Federal agencies responsible for carrying out the
18 applicable Federal programs.

19 “(3) FEDERAL SHARE LIMITATIONS SPECIFIED
20 IN OTHER LAWS.—Notwithstanding any requirement
21 as to the amount or source of non-Federal funds
22 that may be applicable to a Federal program, funds
23 provided under this section may be used to increase
24 the Federal share for specific projects under the pro-
25 gram that are carried out in areas described in sec-

tion 301(a) above the Federal share of the cost of the project authorized by the law governing the program.

“(4) LOWER NON-FEDERAL SHARE.—

“(A) INDIAN TRIBES.—In the case of a grant to an Indian tribe, the Secretary may reduce the non-Federal share below the percentage specified in paragraph (1) or may waive the non-Federal share.

“(B) CERTAIN STATES, POLITICAL SUBDIVISIONS, AND NONPROFIT ORGANIZATIONS.—

In the case of a grant to a State, or a political subdivision of a State, that the Secretary determines has exhausted its effective taxing and borrowing capacity, or in the case of a grant to a nonprofit organization that the Secretary determines has exhausted its effective borrowing capacity, the Secretary may reduce the non-Federal share below the percentage specified in paragraph (1).

“SEC. 206. REGULATIONS ON RELATIVE NEEDS AND ALLOCATIONS.

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

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

4 “(A) the severity of the rates of unemploy-
 5 ment in the eligible areas and the duration of
 6 the unemployment;

7 “(B) the income levels and the extent of
 8 underemployment in eligible areas; and

9 “(C) the outmigration of population from
 10 eligible areas and the extent to which the out-
 11 migration is causing economic injury in the eli-
 12 gible areas; and

13 “(2) allocations of assistance under this title
 14 are prioritized to ensure that the level of economic
 15 distress of an area, rather than a preference for a
 16 geographic area or a specific type of economic dis-
 17 tress, is the primary factor in allocating the assist-
 18 ance.

19 **“SEC. 207. GRANTS FOR TRAINING, RESEARCH, AND TECH-**
 20 **NICAL ASSISTANCE.**

21 “(a) IN GENERAL.—

22 “(1) GRANTS.—On the application of an eligible
 23 recipient, the Secretary may make grants for train-
 24 ing, research, and technical assistance, including
 25 grants for program evaluation and economic impact

1 analyses, that would be useful in alleviating or pre-
2 venting conditions of excessive unemployment or
3 underemployment.

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

6 “(A) project planning and feasibility stud-
7 ies;

8 “(B) demonstrations of innovative activi-
9 ties or strategic economic development invest-
10 ments;

11 “(C) management and operational assist-
12 ance;

13 “(D) establishment of university centers;

14 “(E) establishment of business outreach
15 centers;

16 “(F) studies evaluating the needs of, and
17 development potential for, economic growth of
18 areas that the Secretary determines have sub-
19 stantial need for the assistance; and

20 “(G) other activities determined by the
21 Secretary to be appropriate.

22 “(3) REDUCTION OR WAIVER OF NON-FEDERAL
23 SHARE.—In the case of a project assisted under this
24 section, the Secretary may reduce or waive the non-
25 Federal share, without regard to section 204 or 205,

1 if the Secretary finds that the project is not feasible
2 without, and merits, such a reduction or waiver.

3 “(b) METHODS OF PROVISION OF ASSISTANCE.—In
4 providing research and technical assistance under this sec-
5 tion, the Secretary, in addition to making grants under
6 subsection (a), may—

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

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

11 “(3) employ private individuals, partnerships,
12 businesses, corporations, or appropriate institutions
13 under contracts entered into for that purpose.

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

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

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

23 “(a) IN GENERAL.—On the application of an eligible
24 recipient, the Secretary may make grants for development
25 of public facilities, public services, business development

1 (including funding of a revolving loan fund), planning,
 2 technical assistance, training, and any other assistance to
 3 alleviate long-term economic deterioration and sudden and
 4 severe economic dislocation and further the economic ad-
 5 justment objectives of this title.

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

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

11 “(A) actual or threatened severe unemploy-
 12 ment; or

13 “(B) economic adjustment problems result-
 14 ing from severe changes in economic conditions;
 15 and

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

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

1 “(1) military base closures or realignments, de-
2 fense contractor reductions in force, or Department
3 of Energy defense-related funding reductions, for
4 help in diversifying their economies through projects
5 to be carried out on Federal Government installa-
6 tions or elsewhere in the communities;

7 “(2) disasters or emergencies, in areas with re-
8 spect to which a major disaster or emergency has
9 been declared under the Robert T. Stafford Disaster
10 Relief and Emergency Assistance Act (42 U.S.C.
11 5121 et seq.), for post-disaster economic recovery; or

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

14 “(d) DIRECT EXPENDITURE OR REDISTRIBUTION BY
15 RECIPIENT.—

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

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

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

2 “In any case in which a grant (including a supple-
3 mentary grant described in section 205) has been made
4 by the Secretary under this title (or made under this Act,
5 as in effect on the day before the effective date of the
6 Economic Development Administration Reform Act of
7 1998) for a project, and, after the grant has been made
8 but before completion of the project, the purpose or scope
9 of the project that was the basis of the grant is modified,
10 the Secretary may approve the use of grant funds for the
11 modified project if the Secretary determines that—

12 “(1) the modified project meets the require-
13 ments of this title and is consistent with the com-
14 prehensive economic development strategy submitted
15 as part of the application for the grant; and

16 “(2) the modifications are necessary to enhance
17 economic development in the area for which the
18 project is being carried out.

19 **“SEC. 211. USE OF FUNDS IN PROJECTS CONSTRUCTED**
20 **UNDER PROJECTED COST.**

21 “In any case in which a grant (including a supple-
22 mentary grant described in section 205) has been made
23 by the Secretary under this title (or made under this Act,
24 as in effect on the day before the effective date of the
25 Economic Development Administration Reform Act of
26 1998) for a construction project, and, after the grant has

1 been made but before completion of the project, the cost
 2 of the project based on the designs and specifications that
 3 was the basis of the grant has decreased because of de-
 4 creases in costs—

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

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

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

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

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

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

3 “Assistance made available under this title shall not
 4 be used directly or indirectly for an attorney’s or consult-
 5 ant’s fee incurred in connection with obtaining grants and
 6 contracts under this title.

7 **“TITLE III—ELIGIBILITY; COM-**
 8 **PREHENSIVE ECONOMIC DE-**
 9 **VELOPMENT STRATEGIES**

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

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

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

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

23 “(3) UNEMPLOYMENT OR ECONOMIC ADJUST-
 24 MENT PROBLEMS.—The area is an area that the
 25 Secretary determines has experienced or is about to
 26 experience a special need arising from actual or

1 threatened severe unemployment or economic adjust-
2 ment problems resulting from severe short-term or
3 long-term changes in economic conditions.

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

10 “(c) DOCUMENTATION.—

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

17 “(2) ACCEPTANCE BY SECRETARY.—The docu-
18 mentation shall be accepted by the Secretary unless
19 the Secretary determines that the documentation is
20 inaccurate.

21 “(d) PRIOR DESIGNATIONS.—Any designation of a
22 redevelopment area made before the effective date of the
23 Economic Development Administration Reform Act of
24 1998 shall not be effective after that effective date.

1 **“SEC. 302. COMPREHENSIVE ECONOMIC DEVELOPMENT**
2 **STRATEGIES.**

3 “(a) IN GENERAL.—The Secretary may provide as-
4 sistance under section 201 or 209 (except for planning as-
5 sistance under section 209) to an eligible recipient for a
6 project only if the eligible recipient submits to the Sec-
7 retary, as part of an application for the assistance—

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

10 “(2) an identification of the past, present, and
11 projected future economic development investments
12 in the area receiving the assistance and public and
13 private participants and sources of funding for the
14 investments; and

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

22 “(B) a description of how the strategy will solve
23 the problems.

24 “(b) APPROVAL OF COMPREHENSIVE ECONOMIC DE-
25 VELOPMENT STRATEGY.—The Secretary shall approve a

1 comprehensive economic development strategy that meets
 2 the requirements of subsection (a).

3 “(c) APPROVAL OF OTHER PLAN.—The Secretary
 4 may accept as a comprehensive economic development
 5 strategy a satisfactory plan developed under another fed-
 6 erally supported program.

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

9 **“SEC. 401. DESIGNATION OF ECONOMIC DEVELOPMENT**
 10 **DISTRICTS.**

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

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

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

23 “(3) the proposed district has a comprehensive
 24 economic development strategy that—

1 “(A) contains a specific program for intra-
 2 district cooperation, self-help, and public invest-
 3 ment; and

4 “(B) is approved by each affected State
 5 and by the Secretary.

6 “(b) AUTHORITIES.—The Secretary may, under reg-
 7 ulations promulgated by the Secretary—

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

10 “(2) cooperate with the States—

11 “(A) in sponsoring and assisting district
 12 economic planning and economic development
 13 groups; and

14 “(B) in assisting the district groups in for-
 15 mulating comprehensive economic development
 16 strategies for districts; and

17 “(3) encourage participation by appropriate
 18 local government entities in the economic develop-
 19 ment districts.

20 **“SEC. 402. TERMINATION OR MODIFICATION OF ECONOMIC**
 21 **DEVELOPMENT DISTRICTS.**

22 “The Secretary shall, by regulation, promulgate
 23 standards for the termination or modification of the des-
 24 ignation of economic development districts.

1 **“SEC. 403. INCENTIVES.**

2 “(a) IN GENERAL.—Subject to the non-Federal share
3 requirement under section 205(c)(1), the Secretary may
4 increase the amount of grant assistance for a project in
5 an economic development district by an amount that does
6 not exceed 10 percent of the cost of the project, in accord-
7 ance with such regulations as the Secretary shall promul-
8 gate, if—

9 “(1) the project applicant is actively participat-
10 ing in the economic development activities of the dis-
11 trict; and

12 “(2) the project is consistent with the com-
13 prehensive economic development strategy of the dis-
14 trict.

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

22 **“SEC. 404. PROVISION OF COMPREHENSIVE ECONOMIC DE-**
23 **VELOPMENT STRATEGIES TO APPALACHIAN**
24 **REGIONAL COMMISSION.**

25 “If any part of an economic development district is
26 in the Appalachian region (as defined in section 403 of

1 the Appalachian Regional Development Act of 1965 (40
 2 U.S.C. App.)), the economic development district shall en-
 3 sure that a copy of the comprehensive economic develop-
 4 ment strategy of the district is provided to the Appalach-
 5 ian Regional Commission established under that Act.

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

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

14 **“TITLE V—ADMINISTRATION**

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

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

21 “(b) COMPENSATION.—The Assistant Secretary of
 22 Commerce for Economic Development shall be com-
 23 pensated at the rate payable for level IV of the Executive
 24 Schedule under section 5315 of title 5, United States
 25 Code.

1 “(c) DUTIES.—The Assistant Secretary of Commerce
 2 for Economic Development shall carry out such duties as
 3 the Secretary shall require and shall serve as the adminis-
 4 trator of the Economic Development Administration of the
 5 Department.

6 **“SEC. 502. ECONOMIC DEVELOPMENT INFORMATION**
 7 **CLEARINGHOUSE.**

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

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

15 “(2) assist potential and actual applicants for
 16 economic development, economic adjustment, disas-
 17 ter recovery, defense conversion, and trade adjust-
 18 ment assistance under Federal, State, and local laws
 19 in locating and applying for the assistance; and

20 “(3) assist areas described in section 301(a)
 21 and other areas by providing to interested persons,
 22 communities, industries, and businesses in the areas
 23 any technical information, market research, or other
 24 forms of assistance, information, or advice that
 25 would be useful in alleviating or preventing condi-

5 “(a) CONSULTATION ON PROBLEMS RELATING TO
6 EMPLOYMENT.—The Secretary may consult with any per-
7 sons, including representatives of labor, management, ag-
8 riculture, and government, who can assist in addressing
9 the problems of area and regional unemployment or under-
10 employment.

16 "SEC. 504. ADMINISTRATION, OPERATION, AND MAINTENANCE.
17

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

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

1 “(1) the names and addresses of businesses
2 that are located in areas described in section 301(a)
3 and that wish to obtain Federal Government con-
4 tracts for the provision of supplies or services; and
5 “(2) the supplies and services that each busi-
6 ness provides.

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

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

12 “(b) PURPOSE OF REVIEWS.—The purpose of the re-
13 views under subsection (a) shall be to determine which
14 university centers are performing well and are worthy of
15 continued grant assistance under this Act, and which
16 should not receive continued assistance, so that university
17 centers that have not previously received assistance may
18 receive assistance.

19 “(c) TIMING OF REVIEWS.—Reviews under sub-
20 section (a) shall be conducted on a continuing basis so
21 that each university center is reviewed within 3 years after
22 the first award of grant assistance to the center after the
23 effective date of the Economic Development Administra-
24 tion Reform Act of 1998, and at least once every 3 years

1 thereafter, so long as the university center receives the as-
 2 sistance.

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

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

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

11 **“TITLE VI—MISCELLANEOUS**

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

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

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

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

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

24 “(4) request directly, from any Federal agency,
 25 board, commission, office, or independent establish-

1 ment, such information, suggestions, estimates, and
2 statistics as the Secretary determines to be nec-
3 essary to carry out this Act (and each Federal agen-
4 cy, board, commission, office, or independent estab-
5 lishment may provide such information, suggestions,
6 estimates, and statistics directly to the Secretary);

7 “(5) consistent with chapter 37 of title 31,
8 United States Code, under regulations promulgated
9 by the Secretary—

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

19 “(B) collect or compromise all obligations
20 assigned to or held by the Secretary in connec-
21 tion with that assistance until such time as the
22 obligations are referred to the Attorney General
23 for suit or collection;

24 “(6) deal with, complete, renovate, improve,
25 modernize, insure, rent, or sell for cash or credit, on

1 such terms and conditions and for such consider-
2 ation as the Secretary determines to be reasonable,
3 any real or personal property conveyed to or other-
4 wise acquired by the Secretary in connection with
5 assistance provided under this Act;

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

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

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

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

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

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

13 “(11) establish performance measures for
14 grants and other assistance provided under this Act,
15 and use the performance measures to evaluate the
16 economic impact of economic development assistance
17 programs under this Act, which establishment and
18 use of performance measures shall be provided by
19 the Secretary through—

20 “(A) officers or employees of the Depart-
21 ment;

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

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

1 “(12) conduct environmental reviews and incur
2 necessary expenses to evaluate and monitor the envi-
3 ronmental impact of economic development assist-
4 ance provided and proposed to be provided under
5 this Act, including expenses associated with the rep-
6 resentation and defense of the actions of the Sec-
7 retary relating to the environmental impact of the
8 assistance, using any funds made available to carry
9 out section 207;

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

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

19 “(b) DEFICIENCY JUDGMENTS.—The authority
20 under subsection (a)(7) to pursue claims shall include the
21 authority to obtain deficiency judgments or otherwise pur-
22 sue claims relating to mortgages assigned to the Sec-
23 retary.

24 “(c) INAPPLICABILITY OF CERTAIN OTHER RE-
25 QUIREMENTS.—Section 3709 of the Revised Statutes (41

1 U.S.C. 5) shall not apply to any contract of hazard insur-
 2 ance or to any purchase or contract for services or supplies
 3 on account of property obtained by the Secretary as a re-
 4 sult of assistance provided under this Act if the premium
 5 for the insurance or the amount of the services or supplies
 6 does not exceed \$1,000.

7 “(d) PROPERTY INTERESTS.—

8 “(1) IN GENERAL.—The powers of the Sec-
 9 retary under this section, relating to property ac-
 10 quired by the Secretary in connection with assist-
 11 ance provided under this Act, shall extend to prop-
 12 erty interests of the Secretary relating to projects
 13 approved under—

14 “(A) this Act;

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

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

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

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

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

2 The power to convey and to execute, in the name of the
 3 Secretary, deeds of conveyance, deeds of release, assign-
 4 ments and satisfactions of mortgages, and any other writ-
 5 ten instrument relating to real or personal property or any
 6 interest in such property acquired by the Secretary under
 7 this Act may be exercised by the Secretary, or by any offi-
 8 cer or agent appointed by the Secretary for that purpose,
 9 without the execution of any express delegation of power
 10 or power of attorney.

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

12 “Not later than July 1, 2000, and July 1 of each
 13 year thereafter, the Secretary shall submit to Congress a
 14 comprehensive and detailed annual report on the activities
 15 of the Secretary under this Act during the most recently
 16 completed fiscal year.

17 **“SEC. 604. DELEGATION OF FUNCTIONS AND TRANSFER OF**
 18 **FUNDS AMONG FEDERAL AGENCIES.**

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

21 “(1) delegate to the heads of other Federal
 22 agencies such functions, powers, and duties of the
 23 Secretary under this Act as the Secretary deter-
 24 mines to be appropriate; and

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

3 “(b) TRANSFER OF FUNDS TO OTHER FEDERAL
4 AGENCIES.—Funds authorized to be appropriated to carry
5 out this Act may be transferred between Federal agencies,
6 if the funds are used for the purposes for which the funds
7 are specifically authorized and appropriated.

8 “(c) TRANSFER OF FUNDS FROM OTHER FEDERAL
9 AGENCIES.—

10 “(1) IN GENERAL.—Subject to paragraph (2),
11 for the purposes of this Act, the Secretary may ac-
12 cept transfers of funds from other Federal agencies
13 if the funds are used for the purposes for which
14 (and in accordance with the terms under which) the
15 funds are specifically authorized and appropriated.

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

17 “(A) shall remain available until expended;
18 and

19 “(B) may, to the extent necessary to carry
20 out this Act, be transferred to and merged by
21 the Secretary with the appropriations for sala-
22 ries and expenses.

23 **“SEC. 605. PENALTIES.**

24 “(a) FALSE STATEMENTS; SECURITY OVER-
25 VALUATION.—A person that makes any statement that the

1 person knows to be false, or willfully overvalues any secu-
 2 rity, for the purpose of—

3 “(1) obtaining for the person or for any appli-
 4 cant any financial assistance under this Act or any
 5 extension of the assistance by renewal, deferment, or
 6 action, or by any other means, or the acceptance, re-
 7 lease, or substitution of security for the assistance;

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

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

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

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

17 “(1) embezzles, abstracts, purloins, or willfully
 18 misapplies any funds, securities, or other thing of
 19 value, that is pledged or otherwise entrusted to the
 20 person;

21 “(2) with intent to defraud the Secretary or
 22 any other person or entity, or to deceive any officer,
 23 auditor, or examiner—

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

1 “(B) without being duly authorized, draws
 2 any order or issue, puts forth, or assigns any
 3 note, debenture, bond, or other obligation, or
 4 draft, bill of exchange, mortgage, judgment, or
 5 decree thereof;

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

11 “(4) gives any unauthorized information con-
 12 cerning any future action or plan of the Secretary
 13 that might affect the value of securities, or having
 14 such knowledge invests or speculates, directly or in-
 15 directly, in the securities or property of any com-
 16 pany or corporation receiving loans, grants, or other
 17 assistance from the Secretary;

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

20 **“SEC. 606. EMPLOYMENT OF EXPEDITERS AND ADMINIS-**
 21 **TRATIVE EMPLOYEES.**

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

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

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

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

19 “(B) occupied a position or engaged in ac-
20 tivities that the Secretary determines involved
21 discretion with respect to the granting of assist-
22 ance under this Act.

1 **“SEC. 607. MAINTENANCE AND PUBLIC INSPECTION OF**
 2 **LIST OF APPROVED APPLICATIONS FOR FI-**
 3 **NANCIAL ASSISTANCE.**

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

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

8 “(2) make the list available for public inspec-
 9 tion during the regular business hours of the De-
 10 partment.

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

15 “(1) The name of the applicant and, in the case
 16 of a corporate application, the name of each officer
 17 and director of the corporation.

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

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

22 **“SEC. 608. RECORDS AND AUDITS.**

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

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

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

5 “(3) the amount and nature of the portion of
6 the cost of the project provided by other sources;
7 and

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

10 “(b) ACCESS TO BOOKS FOR EXAMINATION AND
11 AUDIT.—The Secretary, the Inspector General of the De-
12 partment, and the Comptroller General of the United
13 States, or any duly authorized representative, shall have
14 access for the purpose of audit and examination to any
15 books, documents, papers, and records of the recipient
16 that relate to assistance received under this Act.

17 **“SEC. 609. RELATIONSHIP TO ASSISTANCE UNDER OTHER**
18 **LAW.**

19 “(a) PREVIOUSLY AUTHORIZED ASSISTANCE.—Ex-
20 cept as otherwise provided in this Act, all financial and
21 technical assistance authorized under this Act shall be in
22 addition to any Federal assistance authorized before the
23 effective date of the Economic Development Administra-
24 tion Reform Act of 1998.

1 “(b) ASSISTANCE UNDER OTHER ACTS.—Nothing in
 2 this Act authorizes or permits any reduction in the
 3 amount of Federal assistance that any State or other en-
 4 tity eligible under this Act is entitled to receive under any
 5 other Act.

6 **“SEC. 610. ACCEPTANCE OF CERTIFICATIONS BY APPLI-**
 7 **CANTS.**

8 “Under terms and conditions determined by the Sec-
 9 retary, the Secretary may accept the certifications of an
 10 applicant for assistance under this Act that the applicant
 11 meets the requirements of this Act.”.

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

15 (1) by redesignating section 712 as section 602
 16 and moving that section to appear after section 601
 17 (as amended by subsection (a));

18 (2) in section 602 (as added by paragraph
 19 (1))—

20 (A) by striking the section heading and all
 21 that follows through “All” and inserting the fol-
 22 lowing:

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

24 “All”; and

1 (B) by striking “sections 101, 201, 202,
 2 403, 903, and 1003” and inserting “this Act”;
 3 and

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

6 **“TITLE VII—FUNDING**

7 **“SEC. 701. GENERAL AUTHORIZATION OF APPROPRIA-**
 8 **TIONS.**

9 “There are authorized to be appropriated to carry out
 10 this Act \$397,969,000 for fiscal year 1999, \$338,379,000
 11 for fiscal year 2000, \$306,000,000 for fiscal year 2001,
 12 \$277,000,000 for fiscal year 2002, and \$277,000,000 for
 13 fiscal year 2003, to remain available until expended.

14 **“SEC. 702. AUTHORIZATION OF APPROPRIATIONS FOR DE-**
 15 **FENSE CONVERSION ACTIVITIES.**

16 “(a) IN GENERAL.—In addition to amounts made
 17 available under section 701, there are authorized to be ap-
 18 propriated such sums as are necessary to carry out section
 19 209(c)(1), to remain available until expended.

20 “(b) PILOT PROJECTS.—Funds made available under
 21 subsection (a) may be used for activities including pilot
 22 projects for privatization of, and economic development ac-
 23 tivities for, closed or realigned military or Department of
 24 Energy installations.

1 **“SEC. 703. AUTHORIZATION OF APPROPRIATIONS FOR DIS-**
 2 **ASTER ECONOMIC RECOVERY ACTIVITIES.**

3 “(a) IN GENERAL.—In addition to amounts made
 4 available under section 701, there are authorized to be ap-
 5 propriated such sums as are necessary to carry out section
 6 209(c)(2), to remain available until expended.

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

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

13 **SEC. 3. CONFORMING AMENDMENT.**

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

17 **SEC. 4. TRANSITION PROVISIONS.**

18 (a) EXISTING RIGHTS, DUTIES, AND OBLIGA-
 19 TIONS.—This Act, including the amendments made by this
 20 Act, does not affect the validity of any right, duty, or obli-
 21 gation of the United States or any other person arising
 22 under any contract, loan, or other instrument or agree-
 23 ment that was in effect on the day before the effective
 24 date of this Act.

25 (b) CONTINUATION OF SUITS.—No action or other
 26 proceeding commenced by or against any officer or em-

1 ployee of the Economic Development Administration shall
2 abate by reason of the enactment of this Act.

3 (c) LIQUIDATING ACCOUNT.—The Economic Devel-
4 opment Revolving Fund established under section 203 of
5 the Public Works and Economic Development Act of 1965
6 (42 U.S.C. 3143) (as in effect on the day before the date
7 of enactment of this Act) shall continue to be available
8 to the Secretary of Commerce as a liquidating account (as
9 defined in section 502 of the Federal Credit Reform Act
10 of 1990 (2 U.S.C. 661a)) for payment of obligations and
11 expenses in connection with financial assistance provided
12 under—

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

15 (2) the Area Redevelopment Act (42 U.S.C.
16 2501 et seq.); and

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

19 (d) ADMINISTRATION.—The Secretary of Commerce
20 shall take such actions authorized before the effective date
21 of this Act as are appropriate to administer and liquidate
22 grants, contracts, agreements, loans, obligations, deben-
23 tures, or guarantees made by the Secretary under law in
24 effect before the effective date of this Act.

1 **SEC. 5. EFFECTIVE DATE.**

2 This Act and the amendments made by this Act shall
3 take effect on a date determined by the Secretary of Com-
4 merce, but not later than 90 days after the date of enact-
5 ment of this Act.