

108TH CONGRESS  
1ST SESSION

# H. R. 3196

To amend title 40, United States Code, to provide a comprehensive regional approach to economic and infrastructure development in the most severely distressed regions in the Nation.

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## IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 29, 2003

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

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## A BILL

To amend title 40, United States Code, to provide a comprehensive regional approach to economic and infrastructure development in the most severely distressed regions in the Nation.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Regional Economic  
5 and Infrastructure Development Act of 2003”.

1 **SEC. 2. FINDINGS AND PURPOSES.**

2 (a) FINDINGS.—Congress finds that—

3 (1) between January 2001 and September  
4 2003, the number of unemployed workers in the  
5 United States increased from 5,900,000 to  
6 8,900,000, an increase of 50 percent;

7 (2) people living in economically distressed, un-  
8 derdeveloped regions are among the most affected by  
9 the economic downturn;

10 (3) certain regions of the Nation, including Ap-  
11 palachia, the Mississippi Delta Region, the Northern  
12 Great Plains Region, the Southeast Crescent Region,  
13 the Southwest Border Region, and rural Alaska,  
14 have suffered from chronic distress far above the na-  
15 tional average;

16 (4) an economically distressed region can suffer  
17 unemployment and poverty at a rate that is 150 per-  
18 cent of the national average; and

19 (5) regional commissions are unique Federal-  
20 State partnerships that can provide targeted re-  
21 sources to alleviate pervasive economic distress.

22 (b) PURPOSES.—The purposes of this Act are—

23 (1) to provide a comprehensive regional ap-  
24 proach to economic and infrastructure development  
25 in the most severely distressed regions in the Nation;  
26 and



1           “(2) LOCAL DEVELOPMENT DISTRICT.—The  
2 term ‘local development district’ means an entity  
3 that—

4                   “(A)(i) is an economic development district  
5 that is—

6                           “(I) in existence on the date of enact-  
7 ment of this chapter; and

8                           “(II) located in the region; or

9                           “(ii) if an entity described in clause (i)  
10 does not exist—

11                                   “(I) is organized and operated in a  
12 manner that ensures broad-based commu-  
13 nity participation and an effective oppor-  
14 tunity for local officials, community lead-  
15 ers, and the public to contribute to the de-  
16 velopment and implementation of programs  
17 in the region;

18                                   “(II) is governed by a policy board  
19 with at least a simple majority of members  
20 consisting of—

21   “(aa) elected officials; or

22   “(bb) designees or employees of a  
23 general purpose unit of local govern-  
24 ment that have been appointed to rep-

1                   resent the unit of local government;  
2                   and

3                   “(III) is certified by the Governor or  
4                   appropriate State officer as having a char-  
5                   ter or authority that includes the economic  
6                   development of counties, portions of coun-  
7                   ties, or other political subdivisions within  
8                   the region; and

9                   “(B) has not, as certified by the Federal  
10                  Cochairperson—

11                   “(i) inappropriately used Federal  
12                   grant funds from any Federal source; or

13                   “(ii) appointed an officer who, during  
14                   the period in which another entity inappro-  
15                   priately used Federal grant funds from any  
16                   Federal source, was an officer of the other  
17                   entity.

18                   “(3) FEDERAL GRANT PROGRAM.—The term  
19                   ‘Federal grant program’ means a Federal grant pro-  
20                   gram to provide assistance in carrying out economic  
21                   and community development activities.

22                   “(4) INDIAN TRIBE.—The term “Indian tribe”  
23                   has the meaning given the term in section 4 of the  
24                   Indian Self-Determination and Education Assistance  
25                   Act (25 U.S.C. 450b).

1           “(5) NONPROFIT ENTITY.—The term ‘nonprofit  
2           entity’ means any entity with tax-exempt or non-  
3           profit status, as defined by the Internal Revenue  
4           Service, that has been formed for the purpose of eco-  
5           nomic development.

6           “(6) REGION.—The term ‘region’ means the  
7           area covered by a Commission as described in sub-  
8           chapter II of chapter 157.

## 9   **“CHAPTER 153—REGIONAL COMMISSIONS**

“Sec.

“15301. Establishment, membership, and employees.

“15302. Decisions.

“15303. Functions.

“15304. Administrative powers and expenses.

“15305. Meetings.

“15306. Personal financial interests.

“15307. Tribal representation on Northern Great Plains Regional Commission.

“15308. Tribal participation.

“15309. Annual report.

### 10   **“§ 15301. Establishment, membership, and employees**

11           “(a) ESTABLISHMENT.—There are established the  
12           following regional Commissions:

13           “(1) The Delta Regional Commission.

14           “(2) The Northern Great Plains Regional Com-  
15           mission.

16           “(3) The Southeast Crescent Regional Commis-  
17           sion.

18           “(4) The Southwest Border Regional Commis-  
19           sion.

20           “(b) MEMBERSHIP.—

1           “(1) FEDERAL AND STATE MEMBERS.—Each  
2 Commission shall be composed of the following mem-  
3 bers:

4           “(A) A Federal Cochairperson, to be ap-  
5 pointed by the President, by and with the ad-  
6 vice and consent of the Senate.

7           “(B) The Governor of each participating  
8 State in the region of the Commission.

9           “(2) ALTERNATE MEMBERS.—

10           “(A) ALTERNATE FEDERAL COCHAIR-  
11 PERSON.—The President shall appoint an alter-  
12 nate Federal Cochairperson for each Commis-  
13 sion. The alternate Federal Cochairperson,  
14 when not actively serving as an alternate for  
15 the Federal Cochairperson, shall perform such  
16 functions and duties as are delegated by the  
17 Federal Cochairperson.

18           “(B) STATE ALTERNATES.—The State  
19 member of a participating State may have a  
20 single alternate, who shall be appointed by the  
21 Governor of the State from among the members  
22 of the Governor’s cabinet or personal staff.

23           “(C) VOTING.—An alternate member shall  
24 vote in the case of the absence, death, dis-  
25 ability, removal, or resignation of the Federal

1           or State member for which the alternate mem-  
2           ber is an alternate.

3           “(3) COCHAIRPERSONS.—A Commission shall  
4           be headed by—

5                   “(A) the Federal Cochairperson, who shall  
6                   serve as a liaison between the Federal Govern-  
7                   ment and the Commission; and

8                   “(B) a State Cochairperson, who shall be  
9                   a Governor of a participating State in the re-  
10                  gion and shall be elected by the State members  
11                  for a term of not less than 1 year.

12           “(4) CONSECUTIVE TERMS.—A State member  
13           may not be elected to serve as State Cochairperson  
14           for more than 2 consecutive terms.

15           “(c) COMPENSATION.—

16                   “(1) FEDERAL COCHAIRPERSONS.—Each Fed-  
17                   eral Cochairperson shall be compensated by the Fed-  
18                   eral Government at level III of the Executive Sched-  
19                   ule as set out in section 5314 of title 5.

20                   “(2) ALTERNATE FEDERAL COCHAIR-  
21                   PERSONS.—Each Federal Cochairperson’s alternate  
22                   shall be compensated by the Federal Government at  
23                   level V of the Executive Schedule as set out in sec-  
24                   tion 5316 of title 5.

1           “(3) STATE MEMBERS AND ALTERNATES.—

2           Each State member and alternate shall be com-  
3           pensated by the State that they represent at the rate  
4           established by the laws of that State.

5           “(d) EXECUTIVE DIRECTOR AND STAFF.—

6           “(1) IN GENERAL.—A Commission shall ap-  
7           point and fix the compensation of an executive direc-  
8           tor and such other personnel as are necessary to en-  
9           able the Commission to carry out its duties. Com-  
10          pensation under this paragraph may not exceed the  
11          maximum rate of basic pay established for the Sen-  
12          ior Executive Service under section 5382 of title 5,  
13          including any applicable locality-based comparability  
14          payment that may be authorized under section  
15          5304(h)(2)(C) of that title.

16          “(2) EXECUTIVE DIRECTOR.—The executive di-  
17          rector shall be responsible for carrying out the ad-  
18          ministrative duties of the Commission, directing the  
19          Commission staff, and such other duties as the Com-  
20          mission may assign.

21          “(e) NO FEDERAL EMPLOYEE STATUS.—No mem-  
22          ber, alternate, officer, or employee of a Commission (other  
23          than the Federal Cochairperson, the alternate Federal Co-  
24          chairperson, staff of the Federal Cochairperson, and any

1 Federal employee detailed to the Commission) shall be  
2 considered to a Federal employee for any purpose.

3 **“§ 15302. Decisions**

4 “(a) REQUIREMENTS FOR APPROVAL.—Except as  
5 provided in section 15304(c)(3), decisions by the Commis-  
6 sion shall require the affirmative vote of the Federal Co-  
7 chairperson and a majority of the State members (exclu-  
8 sive of members representing States delinquent under sec-  
9 tion 15304(c)(3)(C)).

10 “(b) CONSULTATION.—In matters coming before the  
11 Commission, the Federal Cochairperson shall, to the ex-  
12 tent practicable, consult with the Federal departments and  
13 agencies having an interest in the subject matter.

14 “(c) QUORUMS.—A Commission shall determine what  
15 constitutes a quorum for Commission meetings; except  
16 that—

17 “(1) any quorum shall include the Federal Co-  
18 chairperson or the alternate Federal Cochairperson;  
19 and

20 “(2) a State alternate member shall not be  
21 counted toward the establishment of a quorum.

22 “(d) PROJECTS AND GRANT PROPOSALS.—The ap-  
23 proval of project and grant proposals shall be a responsi-  
24 bility of each Commission and shall be carried out in ac-  
25 cordance with section 15503.

1 **“§ 15303. Functions**

2 “A Commission shall—

3 “(1) assess the needs and assets of its region  
4 based on available research, demonstration projects,  
5 investigations, assessments, and evaluations of the  
6 region prepared by Federal, State, and local agen-  
7 cies, universities, local development districts, and  
8 other nonprofit groups;

9 “(2) develop, on a continuing basis, comprehen-  
10 sive and coordinated economic and infrastructure de-  
11 velopment strategies to establish priorities and ap-  
12 prove grants for the economic development of its re-  
13 gion, giving due consideration to other Federal,  
14 State, and local planning and development activities  
15 in the region;

16 “(3) not later than 1 year after the date of en-  
17 actment of this section, and after taking into ac-  
18 count State plans developed under section 15502, es-  
19 tablish priorities in an economic and infrastructure  
20 development plan for its region, including 5-year re-  
21 gional outcome targets;

22 “(4)(A) enhance the capacity of, and provide  
23 support for, local development districts in its region;  
24 or

1           “(B) if no local development district exists in  
2           an area in a participating State in the region, foster  
3           the creation of a local development district;

4           “(5) encourage private investment in industrial,  
5           commercial, and other economic development  
6           projects in its region;

7           “(6) cooperate with and assist State govern-  
8           ments with the preparation of economic and infra-  
9           structure development plans and programs for par-  
10          ticipating States;

11          “(7) formulate and recommend to the Gov-  
12          ernors and legislatures of States that participate in  
13          the Commission forms of interstate cooperation and,  
14          where appropriate, international cooperation; and

15          “(8) work with State and local agencies in de-  
16          veloping appropriate model legislation to enhance  
17          local and regional economic development.

18   **“§ 15304. Administrative powers and expenses**

19          “(a) POWERS.—In carrying out its duties under this  
20          subtitle, a Commission may—

21                 “(1) hold such hearings, sit and act at such  
22                 times and places, take such testimony, receive such  
23                 evidence, and print or otherwise reproduce and dis-  
24                 tribute a description of the proceedings and reports

1 on actions by the Commission as the Commission  
2 considers appropriate;

3 “(2) authorize, through the Federal or State  
4 Cochairperson or any other member of the Commis-  
5 sion designated by the Commission, the administra-  
6 tion of oaths if the Commission determines that tes-  
7 timony should be taken or evidence received under  
8 oath;

9 “(3) request from any Federal, State, or local  
10 agency such information as may be available to or  
11 procurable by the agency that may be of use to the  
12 Commission in carrying out the duties of the Com-  
13 mission;

14 “(4) adopt, amend, and repeal bylaws and rules  
15 governing the conduct of business and the perform-  
16 ance of duties by the Commission;

17 “(5) request the head of any Federal agency,  
18 State agency, or local government to detail to the  
19 Commission such personnel as the Commission re-  
20 quires to carry out its duties, each such detail to be  
21 without loss of seniority, pay, or other employee sta-  
22 tus;

23 “(6) provide for coverage of Commission em-  
24 ployees in a suitable retirement and employee benefit  
25 system by making arrangements or entering into

1 contracts with any participating State government  
2 or otherwise providing retirement and other em-  
3 ployee coverage;

4 “(7) accept, use, and dispose of gifts or dona-  
5 tions or services or real, personal, tangible, or intan-  
6 gible property;

7 “(8) enter into and perform such contracts, co-  
8 operative agreements, or other transactions as are  
9 necessary to carry out Commission duties, including  
10 any contracts or cooperative agreements with a de-  
11 partment, agency, or instrumentality of the United  
12 States, a State (including a political subdivision,  
13 agency, or instrumentality of the State), or a person,  
14 firm, association, or corporation; and

15 “(9) maintain a government relations office in  
16 the District of Columbia and establish and maintain  
17 a central office at such location in its region as the  
18 Commission may select.

19 “(b) FEDERAL AGENCY COOPERATION.—A Federal  
20 agency shall—

21 “(1) cooperate with a Commission; and

22 “(2) provide, to the extent practicable, on re-  
23 quest of the Federal Cochairperson, appropriate as-  
24 sistance in carrying out this subtitle, in accordance  
25 with applicable Federal laws (including regulations).

1 “(c) ADMINISTRATIVE EXPENSES.—

2 “(1) IN GENERAL.—Subject to paragraph (2),  
3 the administrative expenses of a Commission shall  
4 be paid—

5 “(A) by the Federal Government, in an  
6 amount equal to 50 percent of the administra-  
7 tive expenses of the Commission; and

8 “(B) by the States participating in the  
9 Commission, in an amount equal to 50 percent  
10 of the administrative expenses.

11 “(2) EXPENSES OF THE FEDERAL COCHAIR-  
12 PERSON.—All expenses of the Federal Cochair-  
13 person, including expenses of the alternate and staff  
14 of the Federal Cochairperson, shall be paid by the  
15 Federal Government.

16 “(3) STATE SHARE.—

17 “(A) IN GENERAL.—Subject to subpara-  
18 graph (B), the share of administrative expenses  
19 of a Commission to be paid by each State of the  
20 Commission shall be determined by a unani-  
21 mous vote of the State members of the Com-  
22 mission.

23 “(B) NO FEDERAL PARTICIPATION.—The  
24 Federal Cochairperson shall not participate or  
25 vote in any decision under subparagraph (A).

1           “(C) DELINQUENT STATES.—During any  
2 period in which a State is more than 1 year de-  
3 linquent in payment of the State’s share of ad-  
4 ministrative expenses of the Commission under  
5 this subsection—

6           “(i) no assistance under this subtitle  
7 shall be provided to the State (including  
8 assistance to a political subdivision or a  
9 resident of the State) for any project not  
10 approved as of the date of the commence-  
11 ment of the delinquency; and

12           “(ii) no member of the Commission  
13 from the State shall participate or vote in  
14 any action by the Commission.

15           “(4) EFFECT ON ASSISTANCE.—A State’s share  
16 of administrative expenses of a Commission under  
17 this subsection shall not be taken into consideration  
18 when determining the amount of assistance provided  
19 to the State under this subtitle.

20 **“§ 15305. Meetings**

21           “(a) INITIAL MEETING.—Each Commission shall  
22 hold an initial meeting not later than 180 days after the  
23 date of enactment of this section.

24           “(b) ANNUAL MEETING.—Each Commission shall  
25 conduct at least 1 meeting each year with the Federal Co-

1 chairperson and at least a majority of the State members  
2 present.

3 “(c) ADDITIONAL MEETINGS.—Each Commission  
4 shall conduct additional meetings at such times as it deter-  
5 mines and may conduct such meetings by electronic  
6 means.

7 **“§ 15306. Personal financial interests**

8 “(a) CONFLICTS OF INTEREST.—

9 “(1) NO ROLE ALLOWED.—Except as permitted  
10 by paragraph (2), an individual who is a State mem-  
11 ber or alternate, or an officer or employee of a Com-  
12 mission, shall not participate personally and sub-  
13 stantially as a member, alternate, officer, or em-  
14 ployee of the Commission, through decision, ap-  
15 proval, disapproval, recommendation, request for a  
16 ruling, or other determination, contract, claim, con-  
17 troversy, or other matter in which, to the individ-  
18 ual’s knowledge, any of the following has a financial  
19 interest:

20 “(A) The individual.

21 “(B) The individual’s spouse, minor child,  
22 or partner.

23 “(C) An organization (except a State or  
24 political subdivision of a State) in which the in-

1           dividual is serving as an officer, director, trust-  
2           ee, partner, or employee.

3           “(D) Any person or organization with  
4           whom the individual is negotiating or has any  
5           arrangement concerning prospective employ-  
6           ment.

7           “(2) EXCEPTION.—Paragraph (1) shall not  
8           apply if the individual, in advance of the proceeding,  
9           application, request for a ruling or other determina-  
10          tion, contract, claim controversy, or other particular  
11          matter presenting a potential conflict of interest—

12           “(A) advises the Commission of the nature  
13           and circumstances of the matter presenting the  
14           conflict of interest;

15           “(B) makes full disclosure of the financial  
16           interest; and

17           “(C) receives a written decision of the  
18           Commission that the interest is not so substan-  
19           tial as to be considered likely to affect the in-  
20           tegrity of the services that the Commission may  
21           expect from the individual.

22           “(3) VIOLATION.—An individual violating this  
23           subsection shall be fined under title 18, imprisoned  
24           for not more than 1 year, or both.

1       “(b) STATE MEMBER OR ALTERNATE.—A State  
2 member or alternate member may not receive any salary,  
3 or any contribution to, or supplementation of, salary, for  
4 services on a Commission from a source other than the  
5 State of the member or alternate.

6       “(c) DETAILED EMPLOYEES.—

7           “(1) IN GENERAL.—No person detailed to serve  
8 a Commission shall receive any salary, or any con-  
9 tribution to, or supplementation of, salary, for serv-  
10 ices provided to the Commission from any source  
11 other than the State, local, or intergovernmental de-  
12 partment or agency from which the person was de-  
13 tailed to the Commission.

14           “(2) VIOLATION.—Any person that violates this  
15 subsection shall be fined under title 18, imprisoned  
16 not more than 1 year, or both.

17       “(d) FEDERAL COCHAIRMAN, ALTERNATE TO FED-  
18 ERAL COCHAIRMAN, AND FEDERAL OFFICERS AND EM-  
19 PLOYEES.—The Federal Cochairman, the alternate to the  
20 Federal Cochairman, and any federal officer or employee  
21 detailed to duty with the Commission are not subject to  
22 this section but remain subject to sections 202 through  
23 209 of title 18.

24       “(e) RESCISSION.—A Commission may declare void  
25 any contract, loan, or grant of or by the Commission in

1 relation to which the Commission determines that there  
2 has been a violation of any provision under subsection  
3 (a)(1), (b), or (c), or any of the provisions of sections 202  
4 through 209 of title 18.

5 **“§ 15307. Tribal representation on Northern Great**  
6 **Plains Regional Commission**

7 “(a) TRIBAL COCHAIRPERSON.—

8 “(1) APPOINTMENT.—In addition to the mem-  
9 bers specified in section 15301(b)(1), the member-  
10 ship of the Northern Great Plains Regional Commis-  
11 sion shall include a Tribal Cochairperson, to be ap-  
12 pointed by the President, by and with the advice and  
13 consent of the Senate. The Tribal Cochairperson  
14 shall be a member of an Indian tribe in the Commis-  
15 sion’s region.

16 “(2) DUTIES.—In addition to the Federal Co-  
17 chairperson and State Cochairperson, the Commis-  
18 sion shall be headed by the Tribal Cochairperson,  
19 who shall serve as a liaison between the governments  
20 of Indian tribes in the region and the Commission.

21 “(b) ALTERNATE TRIBAL COCHAIRPERSON.—

22 “(1) APPOINTMENT.—The President shall ap-  
23 point an alternate to the Tribal Cochairperson.

24 “(2) DUTIES.—The alternate Tribal Cochair-  
25 person, when not actively serving as an alternate for

1 the Tribal Cochairperson, shall perform such func-  
2 tions and duties as are delegated by the Tribal Co-  
3 chairperson.

4 “(3) VOTING.—The alternate Tribal Cochair-  
5 person shall vote in the case of the absence, death,  
6 disability, removal, or resignation of the Tribal Co-  
7 chairperson.

8 “(c) COMPENSATION.—

9 “(1) TRIBAL COCHAIRPERSON.—The Tribal Co-  
10 chairperson shall be compensated by the Federal  
11 Government at level III of the Executive Schedule as  
12 set out in section 5314 of title 5.

13 “(2) ALTERNATE TRIBAL COCHAIRPERSON.—  
14 The Tribal Cochairperson’s alternate shall be com-  
15 pensated by the Federal Government at level V of  
16 the Executive Schedule as set out in section 5316 of  
17 title 5.

18 “(d) EXPENSES OF TRIBAL COCHAIRPERSON.—All  
19 expenses of the Tribal Cochairperson, including expenses  
20 of the alternate and staff of the Tribal Cochairperson,  
21 shall be paid by the Federal Government.

22 “(e) DUTIES AND PRIVILEGES.—Except as provided  
23 in subsections (c) and (d), the Tribal Cochairperson shall  
24 have the same duties and privileges as the State Cochair-  
25 person.

1 **“§ 15308. Tribal participation**

2 “Governments of Indian tribes in the region of the  
3 Northern Great Plains Regional Commission or the South-  
4 west Border Regional Commission shall be allowed to par-  
5 ticipate in matters before that Commission in the same  
6 manner and to the same extent as State agencies and in-  
7 strumentalities in the region.

8 **“§ 15309. Annual report**

9 “(a) IN GENERAL.—Not later than 90 days after the  
10 last day of each fiscal year, each Commission shall submit  
11 to the President and Congress a report on the activities  
12 carried out by the Commission under this subtitle in the  
13 fiscal year.

14 “(b) CONTENTS.—The report shall include—

15 “(1) a description of the criteria used by the  
16 Commission to designate counties under section  
17 15702 and a list of the counties designated in each  
18 category;

19 “(2) an evaluation of the progress of the Com-  
20 mission in meeting the goals identified in the Com-  
21 mission’s economic and infrastructure development  
22 plan under section 15303 and State economic and  
23 infrastructure development plans under section  
24 15502;

25 “(3) any policy recommendations approved by  
26 the Commission.

1    **“CHAPTER 155—FINANCIAL ASSISTANCE**

“Sec.

“15501. Economic and infrastructure development grants.

“15502. Comprehensive economic and infrastructure development plans.

“15503. Approval of applications for assistance.

“15504. Program development criteria.

“15505. Local development districts and organizations.

“15506. Supplements to Federal grant programs.

2    **“§ 15501. Economic and infrastructure development**

3                                   **grants**

4           “(a) IN GENERAL.—A Commission may make grants  
5 to States and local governments, Indian tribes, and public  
6 and nonprofit organizations for projects, approved in ac-  
7 cordance with section 15503—

8                   “(1) to develop the transportation infrastruc-  
9                   ture of its region;

10                   “(2) to develop the basic public infrastructure  
11                   of its region;

12                   “(3) to develop the telecommunications infra-  
13                   structure of its region;

14                   “(4) to assist its region in obtaining job skills  
15                   training, skills development and employment-related  
16                   education, entrepreneurship, technology, and busi-  
17                   ness development;

18                   “(5) to provide assistance to severely distressed  
19                   and underdeveloped areas of its region that lack fi-  
20                   nancial resources for improving basic health care  
21                   and other public services; and

1           “(6) to otherwise achieve the purposes of this  
2 subtitle.

3           “(b) ALLOCATION OF FUNDS.—A Commission shall  
4 allocate at least 50 percent of any grant amounts provided  
5 by the Commission in a fiscal year for projects described  
6 in paragraphs (1) through (3) of subsection (a).

7           “(c) SOURCES OF GRANTS.—Grant amounts may be  
8 provided entirely from appropriations to carry out this  
9 subtitle, in combination with amounts available under  
10 other Federal grant programs, or from any other source.

11          “(d) MAXIMUM COMMISSION CONTRIBUTIONS.—

12           “(1) IN GENERAL.—Subject to paragraphs (2)  
13 and (3), the Commission may contribute not more  
14 than 50 percent of a project or activity cost eligible  
15 for financial assistance under this section from  
16 amounts appropriated to carry out this subtitle.

17           “(2) DISTRESSED COUNTIES.—The maximum  
18 Commission contribution for a project or activity to  
19 be carried out in a county for which a distressed  
20 county designation is in effect under section 15702  
21 may be increased to 80 percent.

22           “(3) SPECIAL RULE FOR REGIONAL  
23 PROJECTS.—A Commission may increase to 60 per-  
24 cent under paragraph (1) and 90 percent under  
25 paragraph (2) the maximum Commission contribu-



1 jectives, and priorities identified in any applicable eco-  
2 nomic and infrastructure development plan developed by  
3 a Commission under section 15303.

4 “(c) CONSULTATION WITH INTERESTED LOCAL PAR-  
5 TIES.—In carrying out the development planning process  
6 (including the selection of programs and projects for as-  
7 sistance), a State shall—

8 “(1) consult with local development districts,  
9 local units of government, and local colleges and uni-  
10 versities; and

11 “(2) take into consideration the goals, objec-  
12 tives, priorities, and recommendations of the entities  
13 described in paragraph (1).

14 “(d) PUBLIC PARTICIPATION.—

15 “(1) IN GENERAL.—A Commission and applica-  
16 ble State and local development districts shall en-  
17 courage and assist, to the maximum extent prac-  
18 ticable, public participation in the development, revi-  
19 sion, and implementation of all plans and programs  
20 under this subtitle.

21 “(2) GUIDELINES.—A Commission shall de-  
22 velop guidelines for providing public participation,  
23 including public hearings.

1 **“§ 15503. Approval of applications for assistance**

2       “(a) EVALUATION BY STATE MEMBER.—An applica-  
3 tion to a Commission for a grant or any other assistance  
4 for a project under this subtitle shall be made through,  
5 and evaluated for approval by, the State member of the  
6 Commission representing the applicant.

7       “(b) CERTIFICATION.—An application to a Commis-  
8 sion for a grant or other assistance for a project under  
9 this subtitle shall be eligible for assistance only on certifi-  
10 cation by the State member of the Commission rep-  
11 resenting the applicant that the application for the  
12 project—

13               “(1) describes ways in which the project com-  
14 plies with any applicable State economic and infra-  
15 structure development plan;

16               “(2) meets applicable criteria under section  
17 15504;

18               “(3) adequately ensures that the project will be  
19 properly administered, operated, and maintained;  
20 and

21               “(4) otherwise meets the requirements for as-  
22 sistance under this subtitle.

23       “(c) VOTES FOR DECISIONS.—On certification by a  
24 State member of a Commission of an application for a  
25 grant or other assistance for a specific project under this  
26 section, an affirmative vote of the Commission under sec-

1 tion 15302 shall be required for approval of the applica-  
2 tion.

3 **“§ 15504. Program development criteria**

4 “(a) IN GENERAL.—In considering programs and  
5 projects to be provided assistance by a Commission under  
6 this subtitle, and in establishing a priority ranking of the  
7 requests for assistance provided to the Commission, the  
8 Commission shall follow procedures that ensure, to the  
9 maximum extent practicable, consideration of—

10 “(1) the relationship of the project or class of  
11 projects to overall regional development;

12 “(2) the per capita income and poverty and un-  
13 employment and outmigration rates in an area;

14 “(3) the financial resources available to the ap-  
15 plicants for assistance seeking to carry out the  
16 project, with emphasis on ensuring that projects are  
17 adequately financed to maximize the probability of  
18 successful economic development;

19 “(4) the importance of the project or class of  
20 projects in relation to the other projects or classes  
21 of projects that may be in competition for the same  
22 funds;

23 “(5) the prospects that the project for which as-  
24 sistance is sought will improve, on a continuing rath-  
25 er than a temporary basis, the opportunities for em-

1       employment, the average level of income, or the eco-  
 2       nomic development of the area to be served by the  
 3       project; and

4               “(6) the extent to which the project design pro-  
 5       vides for detailed outcome measurements by which  
 6       grant expenditures and the results of the expendi-  
 7       tures may be evaluated.

8       **“§ 15505. Local development districts and organiza-**  
 9               **tions**

10       “(a) GRANTS TO LOCAL DEVELOPMENT DIS-  
 11       TRICTS.—Subject to the requirements of this section, a  
 12       Commission may make grants to a local development dis-  
 13       trict to assist in the payment of development planning and  
 14       administrative expenses.

15       “(b) CONDITIONS FOR GRANTS.—

16               “(1) MAXIMUM AMOUNT.—The amount of a  
 17       grant awarded under this section may not exceed 80  
 18       percent of the administrative and planning expenses  
 19       of the local development district receiving the grant.

20               “(2) MAXIMUM PERIOD FOR STATE AGEN-  
 21       CIES.—In the case of a State agency certified as a  
 22       local development district, a grant may not be  
 23       awarded to the agency under this section for more  
 24       than 3 fiscal years.

1           “(3) LOCAL SHARE.—The contributions of a  
2 local development district for administrative ex-  
3 penses may be in cash or in kind, fairly evaluated,  
4 including space, equipment, and services.

5           “(c) DUTIES OF LOCAL DEVELOPMENT DIS-  
6 TRICTS.—A local development district shall—

7           “(1) operate as a lead organization serving  
8 multicounty areas in the region at the local level;

9           “(2) assist the Commission in carrying out out-  
10 reach activities for local governments, community  
11 development groups, the business community, and  
12 the public;

13           “(3) serve as a liaison between State and local  
14 governments, nonprofit organizations (including  
15 community-based groups and educational institu-  
16 tions), the business community, and citizens; and

17           “(4) assist the individuals and entities described  
18 in paragraph (3) in identifying, assessing, and facili-  
19 tating projects and programs to promote the eco-  
20 nomic development of the region.

21 **“§ 15506. Supplements to Federal grant programs**

22           “(a) FINDING.—Congress finds that certain States  
23 and local communities of the region, including local devel-  
24 opment districts, may be unable to take maximum advan-

1 tage of Federal grant programs for which the States and  
2 communities are eligible because—

3 “(1) they lack the economic resources to pro-  
4 vide the required matching share; or

5 “(2) there are insufficient funds available under  
6 the applicable Federal law with respect to a project  
7 to be carried out in the region.

8 “(b) FEDERAL GRANT PROGRAM FUNDING.—A  
9 Commission, with the approval of the Federal Cochair-  
10 person, may use amounts made available to carry out this  
11 subtitle—

12 “(1) for any part of the basic Federal contribu-  
13 tion to projects or activities under the Federal grant  
14 programs authorized by Federal laws; and

15 “(2) to increase the Federal contribution to  
16 projects and activities under the programs above the  
17 fixed maximum part of the cost of the projects or  
18 activities otherwise authorized by the applicable law.

19 “(c) CERTIFICATION REQUIRED.—For a program,  
20 project, or activity for which any part of the basic Federal  
21 contribution to the project or activity under a Federal  
22 grant program is proposed to be made under subsection  
23 (b), the Federal contribution shall not be made until the  
24 responsible Federal official administering the Federal law  
25 authorizing the Federal contribution certifies that the pro-

1 gram, project, or activity meets the applicable require-  
 2 ments of the Federal law and could be approved for Fed-  
 3 eral contribution under that law if amounts were available  
 4 under the law for the program, project, or activity.

5 “(d) LIMITATIONS IN OTHER LAWS INAPPLI-  
 6 CABLE.—Amounts provided pursuant to this subtitle are  
 7 available without regard to any limitations on areas eligi-  
 8 ble for assistance or authorizations for appropriation in  
 9 any other law.

10 “(e) FEDERAL SHARE.—The Federal share of the  
 11 cost of a project or activity receiving assistance under this  
 12 section shall not exceed 80 percent.

13 “(f) MAXIMUM COMMISSION CONTRIBUTION.—Sec-  
 14 tion 15501(d), relating to limitations on Commission con-  
 15 tributions, shall apply to a program, project, or activity  
 16 receiving assistance under this section.

17 **“CHAPTER 157—ADMINISTRATIVE**  
 18 **PROVISIONS**

19 **“SUBCHAPTER I—GENERAL PROVISIONS**

“Sec.

“15701. Consent of States.

“15702. Distressed counties and areas.

“15703. Counties eligible for assistance in more than one region.

“15704. Inspector General; Records.

“15705. Biannual meetings of representatives of all commissions.

“15706. Relationship to other laws.

**“SUBCHAPTER II—DESIGNATION OF REGIONS**

“15731. Delta Regional Commission.

“15732. Northern Great Plains Regional Commission.

“15733. Southeast Crescent Regional Commission.

“15734. Southwest Border Regional Commission.

## “SUBCHAPTER III—AUTHORIZATION OF APPROPRIATIONS

“15751. Authorization of appropriations.

## 1 “SUBCHAPTER I—GENERAL PROVISIONS

## 2 “§ 15701. Consent of States

3 “This subtitle does not require a State to engage in  
4 or accept a program under this subtitle without its con-  
5 sent.

## 6 “§ 15702. Distressed counties and areas

7 “(a) DESIGNATIONS.—Not later than 90 days after  
8 the date of enactment of this section, and annually there-  
9 after, each Commission shall make the following designa-  
10 tions:

11 “(1) DISTRESSED COUNTIES.—The Commission  
12 shall designate as distressed counties those counties  
13 in its region that are the most severely and persist-  
14 ently distressed and underdeveloped and have high  
15 rates of poverty, unemployment, or outmigration.

16 “(2) TRANSITIONAL COUNTIES.—The Commis-  
17 sion shall designate as transitional counties those  
18 counties in its region that are distressed and under-  
19 developed or have recently suffered high rates of  
20 poverty, unemployment, or outmigration.

21 “(3) ATTAINMENT COUNTIES.—The Commis-  
22 sion shall designate as attainment counties, those  
23 counties in its region that are not designated as dis-

1       tressed or transitional counties under this sub-  
2       section.

3           “(4) ISOLATED AREAS OF DISTRESS.—The  
4       Commission shall designate as isolated areas of dis-  
5       tress, areas located in counties designated as attain-  
6       ment counties under paragraph (3) that have high  
7       rates of poverty, unemployment, or outmigration.

8           “(b) ALLOCATION.—A Commission shall allocate at  
9       least 50 percent of the appropriations made available to  
10      the Commission to carry out this subtitle for programs  
11      and projects designed to serve the needs of distressed  
12      counties and isolated areas of distress in the region.

13          “(c) ATTAINMENT COUNTIES.—

14           “(1) IN GENERAL.—Except as provided in para-  
15      graph (2), funds may not be provided under this  
16      subtitle for a project located in a county designated  
17      as an attainment county under subsection (a).

18           “(2) EXCEPTIONS.—

19           “(A) ADMINISTRATIVE EXPENSES OF  
20      LOCAL DEVELOPMENT DISTRICTS.—The fund-  
21      ing prohibition under paragraph (1) shall not  
22      apply to grants to fund the administrative ex-  
23      penses of local development districts under sec-  
24      tion 15505.

1           “(B) MULTICOUNTY AND OTHER  
2 PROJECTS.—A Commission may waive the ap-  
3 plication of the funding prohibition under para-  
4 graph (1) with respect to—

5           “(i) a multicounty project that in-  
6 cludes participation by an attainment  
7 county; and

8           “(ii) any other type of project, if a  
9 Commission determines that the project  
10 could bring significant benefits to areas of  
11 the region outside an attainment county.

12           “(3) ISOLATED AREAS OF DISTRESS.—For a  
13 designation of an isolated area of distress to be ef-  
14 fective, the designation shall be supported—

15           “(A) by the most recent Federal data  
16 available; or

17           “(B) if no recent Federal data are avail-  
18 able, by the most recent data available through  
19 the government of the State in which the iso-  
20 lated area of distress is located.

21 **“§ 15703. Counties eligible for assistance in more**  
22 **than one region**

23           “(a) LIMITATION.—A political subdivision of a State  
24 may not receive assistance under this subtitle in a fiscal  
25 year from more than one Commission.

1       “(b) SELECTION OF COMMISSION.—A political sub-  
2 division included in the region of more than one Commis-  
3 sion shall select the Commission with which it will partici-  
4 pate by notifying, in writing, the Federal Cochairperson  
5 and the appropriate State member of that Commission.

6       “(c) CHANGES IN SELECTIONS.—The selection of a  
7 Commission by a political subdivision shall apply in the  
8 fiscal year in which the selection is made, and shall apply  
9 in each subsequent fiscal year unless the political subdivi-  
10 sion, at least 90 days before the first day of the fiscal  
11 year, notifies the Cochairpersons of another Commission  
12 in writing that the political subdivision will participate in  
13 that Commission and also transmits a copy of such notifi-  
14 cation to the Cochairpersons of the Commission in which  
15 the political subdivision is currently participating.

16       “(d) INCLUSION OF APPALACHIAN REGIONAL COM-  
17 MISSION.—In this section, the term ‘Commission’ includes  
18 the Appalachian Regional Commission established under  
19 chapter 143.

20       **“§ 15704. Inspector General; Records**

21       “(a) APPOINTMENT OF INSPECTOR GENERAL.—  
22 There shall be an Inspector General for the Commissions  
23 appointed in accordance with section 3(a) of the Inspector  
24 General Act of 1978 (5 U.S.C. App.). All of the Commis-  
25 sions shall be subject to a single Inspector General.

1 “(b) RECORDS OF A COMMISSION.—

2 “(1) IN GENERAL.—A Commission shall main-  
3 tain accurate and complete records of all its trans-  
4 actions and activities.

5 “(2) AVAILABILITY.—All records of a Commis-  
6 sion shall be available for audit and examination by  
7 the Inspector General (including authorized rep-  
8 resentatives of the Inspector General).

9 “(c) RECORDS OF RECIPIENTS OF COMMISSION AS-  
10 SISTANCE.—

11 “(1) IN GENERAL.—A recipient of funds from  
12 a Commission under this subtitle shall maintain ac-  
13 curate and complete records of transactions and ac-  
14 tivities financed with the funds and report to the  
15 Commission on the transactions and activities.

16 “(2) AVAILABILITY.—All records required  
17 under paragraph (1) shall be available for audit by  
18 the Commission and the Inspector General (includ-  
19 ing authorized representatives of the Commission  
20 and the Inspector General).

21 “(d) ANNUAL AUDIT.—The Inspector General shall  
22 audit the activities, transactions, and records of each  
23 Commission on an annual basis.

1 **“§ 15705. Biannual meetings of representatives of all**  
2 **commissions**

3 “(a) IN GENERAL.—Representatives of each Com-  
4 mission, the Appalachian Regional Commission, and the  
5 Denali Commission shall meet biannually to discuss issues  
6 confronting regions suffering from chronic and contiguous  
7 distress and successful strategies for promoting regional  
8 development.

9 “(b) CHAIR OF MEETINGS.—The chair of each meet-  
10 ing shall rotate among the Commissions, with the Appa-  
11 lachian Regional Commission and the Denali Commission  
12 to host the first and second meetings, respectively.

13 **“§ 15706. Relationship to other laws**

14 “Projects receiving assistance under this subtitle  
15 shall be treated in the manner provided in section 602 of  
16 the Public Works and Economic Development Act of 1965  
17 (42 U.S.C. 3212).

18 **“SUBCHAPTER II—DESIGNATION OF REGIONS**

19 **“§ 15731. Delta Regional Commission**

20 “The Delta Regional Commission shall consist of the  
21 following political subdivisions:

22 “(1) ALABAMA.—The counties of Barbour, Bul-  
23 lock, Butler, Choctaw, Clarke, Conecuh, Dallas,  
24 Escambia, Greene, Hale, Lowndes, Macon, Marengo,  
25 Monroe, Perry, Pickens, Russell, Sumter, Wash-  
26 ington, and Wilcox in the State of Alabama.

1           “(2) ARKANSAS.—The counties of Arkansas,  
2 Ashley, Baxter, Bradley, Calhoun, Chicot, Clay,  
3 Cleveland, Craighead, Crittenden, Cross, Dallas,  
4 Desha, Drew, Fulton, Grant, Greene, Independence,  
5 Izard, Jackson, Jefferson, Lawrence, Lee, Lincoln,  
6 Lonoke, Marion, Mississippi, Monroe, Ouachita,  
7 Phillips, Poinsett, Prairie, Pulaski, Randolph, St.  
8 Francis, Searcy, Sharp, Stone, Union, Van Buren,  
9 White, and Woodruff in the State of Arkansas.

10           “(3) ILLINOIS.—The counties of Alexander,  
11 Franklin, Gallatin, Hamilton, Hardin, Jackson,  
12 Johnson, Massac, Perry, Pope, Pulaski, Randolph,  
13 Saline, Union, White, and Woodruff in the State of  
14 Illinois.

15           “(4) KENTUCKY.—The counties of Ballard,  
16 Caldwell, Calloway, Carlisle, Christian, Crittenden,  
17 Fulton, Graves, Henderson, Hickman, Hopkins, Liv-  
18 ington, Lyon, Marshall, McCracken, McLean, Muh-  
19 lenberg, Todd, Trigg, Union, and Webster in the  
20 State of Kentucky.

21           “(5) LOUISIANA.—The parishes of Acadia,  
22 Allen, Ascension, Assumption, Avoyelles, Caldwell,  
23 Catahoula, Concordia, E. Baton Rouge, E. Carroll,  
24 E. Feliciana, Evangeline, Franklin, Grant, Iberia,  
25 Iberville, Jackson, Jefferson, Lafourche, La Salle,

1 Lincoln, Livingston, Madison, Morehouse,  
2 Natchitoches, Orleans, Ouachita, Plaquemines,  
3 Pointe Coupee, Rapides, Richland, St. Bernard, St.  
4 Charles, St. Helena, St. James, St. John the Bap-  
5 tist, St. Landry, St. Martin, Tangipahoa, Tensas,  
6 Union, Washington, W. Baton Rouge, W. Carroll,  
7 W. Feliciana, and Winn in the State of Louisiana.

8 “(6) MISSISSIPPI.—The counties of Adams,  
9 Amite, Attala, Benton, Bolivar, Carroll, Claiborne,  
10 Coahoma, Copiah, Covington, Desoto, Franklin, Gre-  
11 nada, Hinds, Holmes, Humphreys, Issaquena, Jef-  
12 ferson, Jefferson Davis, Lafayette, Lawrence,  
13 Leflore, Lincoln, Madison, Marion, Marshall, Mont-  
14 gomery, Panola, Pike, Quitman, Rankin, Sharkey,  
15 Simpson, Sunflower, Tallahatchie, Tate, Tippah,  
16 Tunica, Union, Walthall, Warren, Washington,  
17 Wilkinson, Yalobusha, and Yazoo in the State of  
18 Mississippi.

19 “(7) MISSOURI.—The counties Bollinger, But-  
20 ler, Cape Girardeau, Carter, Crawford, Dent, Doug-  
21 las, Dunklin, Howell, Iron, Madison, Mississippi,  
22 New Madrid, Oregon, Ozark, Pemiscott, Perry,  
23 Phelps, Reynolds, Ripley, Ste. Genevieve, St. Fran-  
24 cois, Scott, Shannon, Stoddard, Texas, Washington,  
25 Wayne, and Wright in the State of Missouri.

1           “(8) TENNESSEE.—The counties of Benton,  
2           Carroll, Chester, Crockett, Decatur, Dyer, Fayette,  
3           Gibson, Hardeman, Hardin, Haywood, Henderson,  
4           Henry, Lake, Lauderdale, McNairy, Madison, Obion,  
5           Shelby, Tipton, and Weakley in the State of Ten-  
6           nessee.

7   **“§ 15732. Northern Great Plains Regional Commis-**  
8           **sion**

9           “The Northern Great Plains Regional Commission,  
10 shall consist of all counties of the States of Iowa, Min-  
11 nesota, Nebraska, North Dakota, and South Dakota.

12   **“§ 15733. Southeast Crescent Regional Commission**

13           “The Southeast Crescent Regional Commission shall  
14 consist of all counties of the States of Virginia, North  
15 Carolina, South Carolina, Georgia, Alabama, Mississippi,  
16 and Florida not already served by the Appalachian Re-  
17 gional Commission or the Delta Regional Commission.

18   **“§ 15734. Southwest Border Regional Commission**

19           “The Southwest Border Regional Commission shall  
20 consist of the following political subdivisions:

21           “(1) ARIZONA.—The counties of Cochise, Gila,  
22           Graham, Greenlee, La Paz, Maricopa, Pima, Pinal,  
23           Santa Cruz, and Yuma in the State of Arizona.



- 1           “(1) \$30,000,000 for fiscal year 2004;  
 2           “(2) \$35,000,000 for fiscal year 2005;  
 3           “(3) \$40,000,000 for fiscal year 2006;  
 4           “(4) \$45,000,000 for fiscal year 2007; and  
 5           “(5) \$50,000,000 for fiscal year 2008.

6           “(b) ADMINISTRATIVE EXPENSES.—Not more than  
 7 10 percent of the funds made available to a Commission  
 8 in a fiscal year under this section may be used for admin-  
 9 istrative expenses.”.

10          (b) CONFORMING AMENDMENT.—The table of sub-  
 11 titles for chapter 40, United States Code, is amended by  
 12 striking the item relating to subtitle V and inserting the  
 13 following:

“V. REGIONAL ECONOMIC AND INFRASTRUCTURE DEVELOPMENT .....	15101
“VI. MISCELLANEOUS .....	17101.”.

14 **SEC. 4. CONFORMING AMENDMENTS.**

15          (a) REPEALS.—Subtitles F and G of the Consoli-  
 16 dated Farm and Rural Development Act (7 U.S.C.  
 17 2009aa–2009bb–13) are repealed.

18          (b) INSPECTOR GENERAL ACT.—Section 11 of the  
 19 Inspector General Act of 1978 (5 U.S.C. App.) is amend-  
 20 ed—

21                 (1) in paragraph (1) by striking “or the Presi-  
 22 dent of the Export-Import Bank;” and inserting  
 23 “the President of the Export-Import Bank; or the  
 24 Federal Cochairpersons of the Commissions estab-

1 lished under section 15301 of title 40, United States  
2 Code;” and

3 (2) in paragraph (2) by striking “or the Ex-  
4 port-Import Bank,” and inserting “the Export-Im-  
5 port Bank, or the Commissions established under  
6 section 15301 of title 40, United States Code,”.

7 **SEC. 5. TRANSFERS OF AUTHORITY AND SAVINGS PROVI-**  
8 **SIONS.**

9 (a) **TRANSFERS OF AUTHORITY.**—Subject to the re-  
10 quirements of this Act (including the amendments made  
11 by this Act)—

12 (1) all of the functions of the Delta Regional  
13 Authority are transferred to the Delta Regional  
14 Commission; and

15 (2) all of the functions of the Northern Great  
16 Plains Regional Authority are transferred to the  
17 Northern Great Plains Regional Commission.

18 (b) **LEGAL DOCUMENTS.**—All orders, determinations,  
19 rules, regulations, grants, loans, contracts, and agree-  
20 ments—

21 (1) that have been issued, made, granted, or al-  
22 lowed to become effective by the Delta Regional Au-  
23 thority or the Northern Great Plains Regional Au-  
24 thority in the performance of any function that is  
25 transferred by this section, and

1           (2) that are in effect on the effective date of  
2           such transfer (or become effective after such date  
3           pursuant to their terms as in effect on such effective  
4           date),

5 shall continue in effect according to their terms until  
6 modified, terminated, superseded, set aside, or revoked in  
7 accordance with law by an authorized official, a court of  
8 competent jurisdiction, or operation of law.

9           (c) TRANSFER OF ASSETS AND PERSONNEL.—

10           (1) DELTA REGIONAL COMMISSION.—There  
11 shall be transferred to the Delta Regional Commis-  
12 sion such assets, funds, personnel, records, and  
13 other property of the Delta Regional Authority relat-  
14 ing to the functions of the Authority as the Commis-  
15 sion determines appropriate.

16           (2) NORTHERN GREAT PLAINS REGIONAL COM-  
17 MISSION.—There shall be transferred to the North-  
18 ern Great Plains Regional Commission such assets,  
19 funds, personnel, records, and other property of the  
20 Northern Great Plains Regional Authority as the  
21 Commission determines appropriate.

1 **SEC. 6. EFFECTIVE DATE.**

2       This Act, and the amendments made by this Act,  
3 shall take effect on the first day of the first fiscal year  
4 beginning after the date of enactment of this Act.

○