

Union Calendar No. 419

104<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

**H. R. 2145**

[Report No. 104-693, Part I]

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**A BILL**

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

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SEPTEMBER 6, 1996

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

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### IN THE HOUSE OF REPRESENTATIVES

JULY 31, 1995

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

JULY 18, 1996

Reported from the Committee on Transportation and Infrastructure

JULY 18, 1996

Referral to the Committee on Banking and Financial Services extended for a period ending not later than September 6, 1996

SEPTEMBER 6, 1996

Additional sponsor: Mr. NEY

SEPTEMBER 6, 1996

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

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# A BILL

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

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

3 **SECTION 1. SHORT TITLE; EFFECTIVE DATE.**

4 (a) SHORT TITLE.—This Act may be cited as the  
 5 “Economic Development Partnership Act of 1995”.

6 (b) EFFECTIVE DATE.—Except as otherwise ex-  
 7 pressly provided, this Act and the amendments made by  
 8 this Act shall take effect on October 1, 1995.

9 **TITLE I—PUBLIC WORKS AND**  
 10 **ECONOMIC DEVELOPMENT**

11 **SEC. 101. REAUTHORIZATION OF PUBLIC WORKS AND ECO-**  
 12 **NOMIC DEVELOPMENT ACT OF 1965.**

13 The Public Works and Economic Development Act of  
 14 1965 (40 U.S.C. 3131 et seq.) is amended by striking all  
 15 after the first section and inserting the following:

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

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

18 “(1) the maintenance of the national economy  
 19 at a high level is vital to the best interests of the  
 20 United States, but that some of our regions, coun-  
 21 ties, and communities are suffering substantial and

1 persistent unemployment and underemployment that  
2 cause hardship to many individuals and their fami-  
3 lies, and waste invaluable human resources;

4 “(2) to overcome this problem the Federal Gov-  
5 ernment, in cooperation with the States, should help  
6 areas and regions of substantial and persistent un-  
7 employment and underemployment to take effective  
8 steps in planning and financing their public works  
9 and economic development;

10 “(3) Federal financial assistance, including  
11 grants for public works and development facilities to  
12 communities, industries, enterprises, and individuals  
13 in areas needing development should enable such  
14 areas to help themselves achieve lasting improve-  
15 ment and enhance the domestic prosperity by the es-  
16 tablishment of stable and diversified local economies  
17 and improved local conditions, if such assistance is  
18 preceded by and consistent with sound, long-range  
19 economic planning; and

20 “(4) under the provisions of this Act, new em-  
21 ployment opportunities should be created by develop-  
22 ing and expanding new and existing public works  
23 and other facilities and resources rather than by  
24 merely transferring jobs from one area of the United  
25 States to another.

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

4           “(1) the assistance authorized by this Act  
5 should be made available to both rural and urban  
6 areas;

7           “(2) such assistance should be made available  
8 for planning for economic development prior to the  
9 actual occurrences of economic distress in order to  
10 avoid such condition; and

11           “(3) such assistance should be used for long-  
12 term economic rehabilitation in areas where long-  
13 term economic deterioration has occurred or is tak-  
14 ing place.

15 **“TITLE I—ECONOMIC DEVELOP-**  
16 **MENT REGIONAL COMMIS-**  
17 **SIONS**

18 **“SEC. 101. ESTABLISHMENT OF REGIONAL COMMISSIONS.**

19       “(a) ESTABLISHMENT.—There is established for each  
20 region established by section 105 an Economic Develop-  
21 ment Regional Commission (hereinafter in this Act re-  
22 ferred to as a ‘Regional Commission’).

23       “(b) MEMBERSHIP.—

24           “(1) IN GENERAL.—Each Regional Commission  
25 shall be composed of 1 Federal member and 1 State

1 member from each participating State in the region  
2 represented by the Regional Commission.

3 “(2) FEDERAL COCHAIRPERSON.—The Federal  
4 member of each Regional Commission shall be the  
5 Secretary of Commerce (hereinafter in this Act re-  
6 ferred to as the ‘Secretary’). The Secretary shall  
7 serve as the Federal Cochairperson of each Regional  
8 Commission.

9 “(3) STATE MEMBERS.—

10 “(A) IN GENERAL.—Each State member of  
11 a Regional Commission shall be the chief execu-  
12 tive officer of the State. The State members of  
13 a Regional Commission shall elect a Cochairper-  
14 son from among such State members for a term  
15 of not less than 1 year.

16 “(B) ALTERNATES.—Each State member  
17 of a Regional Commission may have a single al-  
18 ternate, appointed by the Chief Executive Offi-  
19 cer from among members of the Chief Execu-  
20 tive Officer’s cabinet or the Chief Executive Of-  
21 ficer’s personal staff. An alternate shall vote in  
22 the event of the absence, death, disability, re-  
23 moval, or resignation of the State representa-  
24 tive for which he or she is an alternate. A State  
25 alternate shall not be counted toward the estab-

1            lishment of a quorum of the Commission in any  
2            instance in which a quorum of the State mem-  
3            bers is required to be present.

4            “(c) DECISIONMAKING.—

5            “(1) VOTING.—Decisions by a Regional Com-  
6            mission shall require an affirmative vote of the Sec-  
7            retary (or the Secretary’s designee) and of the ma-  
8            jority of the State members.

9            “(2) QUORUM.—No decision of a Regional  
10          Commission involving Commission policy, developing  
11          investment strategies, or allocating funds among  
12          States may be made without the Secretary (or the  
13          Secretary’s designee) and a quorum of the State  
14          members present. For purposes of this Act, the Sec-  
15          retary (or the Secretary’s designee) and a majority  
16          of the State members shall constitute a quorum.

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

18          “Each Federal department and agency, in accordance  
19          with applicable laws and within the limits of available  
20          funds, shall cooperate with each Regional Commission in  
21          order to assist the Regional Commission in carrying out  
22          the functions of the Regional Commission.

23          **“SEC. 103. ADMINISTRATIVE EXPENSES.**

24          “(a) PAYMENT BY STATES.—Fifty percent of the ad-  
25          ministrative expenses of a Regional Commission (other

1 than the expenses of the Secretary) shall be paid by the  
2 States in the region represented by the Regional Commis-  
3 sion and the remaining 50 percent of such expenses shall  
4 be paid by the Federal Government. The expenses of the  
5 Secretary and the Secretary's staff shall be paid solely by  
6 the Federal Government.

7       “(b) DETERMINATION OF STATE SHARE.—The share  
8 of the administrative expenses to be paid by each State  
9 shall be determined by the Regional Commission. The Sec-  
10 retary shall not participate or vote in such determination.

11       “(c) DELINQUENT PAYMENTS.—No assistance au-  
12 thorized by this Act shall be furnished to any State or  
13 to any political subdivision or resident of a State, nor shall  
14 the State member of a Regional Commission participate  
15 or vote in any determination by the Regional Commission,  
16 while such State is delinquent in the payment of such  
17 State's share of the administrative expenses of the Re-  
18 gional Commission.

19 **“SEC. 104. ADMINISTRATIVE POWERS.**

20       “To carry out its duties under this Act, consistent  
21 with regulations issued by the Secretary, a Regional Com-  
22 mission may take any of the following actions:

23               “(1) Adopt, amend, and repeal bylaws and rules  
24 governing the conduct of the Regional Commission's  
25 business and the performance of its functions.

1           “(2) Appoint and fix the pay of an executive di-  
2           rector and such other personnel as may be necessary  
3           to enable the Regional Commission to carry out its  
4           functions; except that the compensation for any indi-  
5           vidual so appointed shall not exceed the rate of basic  
6           pay for level V of the Executive Schedule and no  
7           member, officer, or employee of the Regional Com-  
8           mission, other than the Secretary, employees of the  
9           Secretary, and any Federal employees detailed under  
10          paragraph (3), shall be deemed a Federal employee  
11          for any purpose.

12          “(3) Request the head of a Federal department  
13          or agency to detail to temporary duty with the Re-  
14          gional Commission such personnel within the admin-  
15          istrative jurisdiction of such head as the Regional  
16          Commission may need for carrying out its functions,  
17          and each such detail shall be without loss of senior-  
18          ity, pay, or other employee status.

19          “(4) Arrange for the services of personnel from  
20          any State or local government or any subdivision or  
21          agency thereof, or any intergovernmental agency.

22          “(5) Make arrangements, including contracts,  
23          with any participating State government for inclu-  
24          sion in a suitable retirement and employee benefits  
25          system of such of its personnel as may not be eligi-

1 ble for, or continue in, another governmental retire-  
2 ment or employee benefit system, or otherwise pro-  
3 vide for such coverage of its personnel. The Director  
4 of the Office of Personnel Management is authorized  
5 to contract with a Regional Commission for contin-  
6 ued coverage of any Regional Commission employee  
7 who, on a date in the 6-month period ending on the  
8 date of Regional Commission employment, was a  
9 Federal employee, in the retirement program and  
10 other employee benefit programs of the Federal Gov-  
11 ernment.

12 “(6) Accept, use, and dispose of gifts or dona-  
13 tions of services or property, real, personal, or  
14 mixed, tangible or intangible.

15 “(7) Subject to the requirements of the Federal  
16 Property and Administrative Services Act of 1949,  
17 enter into and perform such contracts, leases, coop-  
18 erative agreements, or other transactions as may be  
19 necessary in carrying out the Regional Commission’s  
20 functions and on such terms as the Regional Com-  
21 mission may deem appropriate, with any depart-  
22 ment, agency, or instrumentality of the United  
23 States, or with any person, firm, association, or cor-  
24 poration.

1           “(8) Take such other actions and incur such  
2           other expenses as may be necessary and appropriate.

3 **“SEC. 105. ESTABLISHMENT OF REGIONS.**

4           “(a) IN GENERAL.—For the purposes of this Act,  
5 there are established 8 regions of the United States as  
6 follows:

7           “(1) REGION I.—Region I shall be composed of  
8 the States of Alabama, Florida, Georgia, Kentucky,  
9 Mississippi, North Carolina, South Carolina, and  
10 Tennessee.

11           “(2) REGION II.—Region II shall be composed  
12 of the States of Arkansas, Louisiana, New Mexico,  
13 Oklahoma, and Texas.

14           “(3) REGION III.—Region III shall be composed  
15 of the States of Illinois, Indiana, Michigan, Min-  
16 nesota, Ohio, and Wisconsin.

17           “(4) REGION IV.—Region IV shall be composed  
18 of the States of Colorado, Iowa, Kansas, Missouri,  
19 Montana, Nebraska, North Dakota, South Dakota,  
20 Utah, and Wyoming.

21           “(5) REGION V.—Region V shall be composed  
22 of the State of California.

23           “(6) REGION VI.—Region VI shall be composed  
24 of the States of Alaska, Arizona, Hawaii, Idaho, Ne-  
25 vada, Oregon, and Washington and American

1 Samoa, Guam, the Marshall Islands, Micronesia,  
2 and the Northern Mariana Islands.

3 “(7) REGION VII.—Region VII shall be com-  
4 posed of the States of Delaware, Maryland, New  
5 Jersey, New York, Pennsylvania, Virginia, and West  
6 Virginia and the District of Columbia.

7 “(8) REGION VIII.—Region VIII shall be com-  
8 posed of the States of Connecticut, Maine, Massa-  
9 chusetts, New Hampshire, Rhode Island, and Ver-  
10 mont and Puerto Rico and the Virgin Islands.

11 “(b) PARTICIPATION NOT REQUIRED.—No State  
12 shall be required to participate in any program under this  
13 Act.

14 **“TITLE II—GRANTS FOR PUBLIC**  
15 **WORKS AND DEVELOPMENT**  
16 **FACILITIES**

17 **“SEC. 201. DIRECT AND SUPPLEMENTARY GRANTS.**

18 “(a) IN GENERAL.—Upon the application of any eli-  
19 gible recipient, a Regional Commission may—

20 “(1) make direct grants for the acquisition or  
21 development of land and improvements for public  
22 works, public service, or development facility usage,  
23 and the acquisition, design and engineering, con-  
24 struction, rehabilitation, alteration, expansion, or im-  
25 provement of such facilities, including related ma-

1 chinery and equipment, within an area described in  
2 section 502(a), if the Regional Commission finds  
3 that—

4 “(A) the project for which financial assist-  
5 ance is sought will directly or indirectly—

6 “(i) tend to improve the opportunities,  
7 in the area where such project is or will be  
8 located, for the successful establishment or  
9 expansion of industrial or commercial  
10 plants or facilities;

11 “(ii) otherwise assist in the creation  
12 of additional long-term employment oppor-  
13 tunities for such area; or

14 “(iii) primarily benefit the long-term  
15 unemployed and members of low-income  
16 families;

17 “(B) the project for which a grant is re-  
18 quested will fulfill a pressing need of the area,  
19 or part thereof, in which it is, or will be, lo-  
20 cated;

21 “(C) the area for which a project is to be  
22 undertaken has an approved investment strat-  
23 egy as provided by section 503 and such project  
24 is consistent with such strategy; and

1           “(D) in the case of an area described in  
2           section 502(a)(4), the project to be undertaken  
3           will provide immediate useful work to unem-  
4           ployed and underemployed persons in that area;  
5           and

6           “(2) make supplementary grants in order to en-  
7           able the States and other entities within areas de-  
8           scribed in section 502(a) to take maximum advan-  
9           tage of designated Federal grant-in-aid programs (as  
10          defined in subsection (c)(4)), direct grants-in-aid au-  
11          thorized under this section, and Federal grant-in-aid  
12          programs authorized by the Watershed Protection  
13          and Flood Prevention Act (68 Stat. 666), and the  
14          11 watersheds authorized by the Flood Control Act  
15          of December 22, 1944 (58 Stat. 887), for which  
16          they are eligible but for which, because of their eco-  
17          nomic situation, they cannot supply the required  
18          matching share.

19          “(b) COST SHARING.—Subject to subsection (c), the  
20          amount of any direct grant under this subsection for any  
21          project shall not exceed 50 percent of the cost of such  
22          project.

23          “(c) REQUIREMENTS APPLICABLE TO SUPPLE-  
24          MENTARY GRANTS.—

25          “(1) AMOUNT OF SUPPLEMENTARY GRANTS.—

1           “(A) IN GENERAL.—Except as provided by  
2           subparagraph (B), the amount of any supple-  
3           mentary grant under this section for any  
4           project shall not exceed the applicable percent-  
5           age established by regulations promulgated by  
6           the Secretary, but in no event shall the non-  
7           Federal share of the aggregate cost of any such  
8           project (including assumptions of debt) be less  
9           than 20 percent of such cost.

10           “(B) EXCEPTIONS.—Notwithstanding sub-  
11           paragraph (A)—

12                   “(i) in the case of a grant to an In-  
13                   dian tribe, a Regional Commission may re-  
14                   duce the non-Federal share below the per-  
15                   centage specified in subparagraph (A) or  
16                   may waive the non-Federal share;

17                   “(ii) in the case of any State or a po-  
18                   litical subdivision of the State which the  
19                   Regional Commission determines has ex-  
20                   hausted its effective taxing and borrowing  
21                   capacity, the Regional Commission shall  
22                   reduce the non-Federal share below the  
23                   percentage specified in subparagraph (A)  
24                   or shall waive the non-Federal share in the

1 case of such a grant for a project in an  
2 area described in section 502(a)(4); and

3 “(iii) in case of any community devel-  
4 opment corporation which the Regional  
5 Commission determines has exhausted its  
6 effective borrowing capacity, the Regional  
7 Commission may reduce the non-Federal  
8 share below the percentage specified in  
9 subparagraph (A) or waive the non-Federal  
10 share in the case of such a grant for a  
11 project in an area described in section  
12 502(a)(4).

13 “(2) FORM OF SUPPLEMENTARY GRANTS.—  
14 Supplementary grants shall be made by a Regional  
15 Commission, in accordance with such regulations as  
16 the Secretary may prescribe, by increasing the  
17 amounts of direct grants authorized under this sec-  
18 tion or by the payment of funds appropriated under  
19 this Act to the heads of the departments, agencies,  
20 and instrumentalities of the Federal Government re-  
21 sponsible for the administration of the applicable  
22 Federal programs.

23 “(3) FEDERAL SHARE LIMITATIONS SPECIFIED  
24 IN OTHER LAWS.—Notwithstanding any requirement  
25 as to the amount or sources of non-Federal funds

1 that may otherwise be applicable to the Federal pro-  
2 gram involved, funds provided under this subsection  
3 shall be used for the sole purpose of increasing the  
4 Federal contribution to specific projects in areas de-  
5 scribed in section 502(a) under such programs above  
6 the fixed maximum portion of the cost of such  
7 project otherwise authorized by the applicable law.

8 “(4) DESIGNATED FEDERAL GRANT-IN-AID  
9 PROGRAMS DEFINED.—In this subsection, the term  
10 ‘designated Federal grant-in-aid programs’ means  
11 such existing or future Federal grant-in-aid pro-  
12 grams assisting in the construction or equipping of  
13 facilities as the Secretary may, in furtherance of the  
14 purposes of this Act, designate as eligible for alloca-  
15 tion of funds under this section.

16 “(5) CONSIDERATION OF RELATIVE NEED IN  
17 DETERMINING AMOUNT.—In determining the  
18 amount of any supplementary grant available to any  
19 project under this section, a Regional Commission  
20 shall take into consideration the relative needs of the  
21 area and the nature of the projects to be assisted.

22 “(d) REGULATIONS.—The Secretary shall prescribe  
23 rules, regulations, and procedures to carry out this section  
24 which will assure that adequate consideration is given to  
25 the relative needs of eligible areas. In prescribing such

1 rules, regulations, and procedures the Secretary shall con-  
2 sider among other relevant factors—

3 “(1) the severity of the rates of unemployment  
4 in the eligible areas and the duration of such unem-  
5 ployment; and

6 “(2) the income levels of families and the extent  
7 of underemployment in eligible areas.

8 “(e) REVIEW AND COMMENT UPON PROJECTS BY  
9 LOCAL GOVERNMENTAL AUTHORITIES.—The Secretary  
10 shall prescribe regulations which will assure that appro-  
11 priate local governmental authorities have been given a  
12 reasonable opportunity to review and comment upon pro-  
13 posed projects under this section.

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

15 “In any case where a grant (including a supplemental  
16 grant) has been made by a Regional Commission under  
17 this title for a project and after such grant has been made  
18 but before completion of the project, the cost of such  
19 project based upon the designs and specifications which  
20 were the basis of the grant has been increased because  
21 of increases in costs, the amount of such grant may be  
22 increased by an amount equal to the percentage increase,  
23 as determined by the Regional Commission, in such costs,  
24 but in no event shall the percentage of the Federal share

1 of such project exceed that originally provided for in such  
2 grant.

3 **“SEC. 203. USE OF FUNDS IN PROJECTS CONSTRUCTED**  
4 **UNDER PROJECTED COST.**

5 “In any case where a grant (including a supplemental  
6 grant) has been made by a Regional Commission under  
7 this title for a project, and after such grant has been made  
8 but before completion of the project, the cost of such  
9 project based upon the designs and specifications which  
10 were the basis of the grant has decreased because of de-  
11 creases in costs, such underrun funds may be used to im-  
12 prove the project either directly or indirectly as deter-  
13 mined by the Regional Commission.

14 **“SEC. 204. CHANGED PROJECT CIRCUMSTANCES.**

15 “In any case where a grant (including a supplemental  
16 grant) has been made by a Regional Commission under  
17 this title for a project, and after such grant has been made  
18 but before completion of the project, the purpose or scope  
19 of such project based upon the designs and specifications  
20 which were the basis of the grant has changed, the Re-  
21 gional Commission may approve the use of grant funds  
22 on such changed project if the Regional Commission deter-  
23 mines that such changed project meets the requirements  
24 of this title and that such changes are necessary to en-  
25 hance economic development in the area.

1 **“TITLE III—SPECIAL ECONOMIC**  
2 **DEVELOPMENT AND ADJUST-**  
3 **MENT ASSISTANCE**

4 **“SEC. 301. STATEMENT OF PURPOSE.**

5       “The purpose of this title to provide special economic  
6 development and adjustment assistance programs to help  
7 State and local areas meet special needs arising from ac-  
8 tual or threatened severe unemployment arising from eco-  
9 nomic dislocation, including unemployment arising from  
10 actions of the Federal Government and from compliance  
11 with environmental requirements which remove economic  
12 activities from a locality, and economic adjustment prob-  
13 lems resulting from severe changes in economic conditions  
14 (including long-term economic deterioration), and to en-  
15 courage cooperative intergovernmental action to prevent  
16 or solve economic adjustment problems. Nothing in this  
17 title is intended to replace the efforts of the economic ad-  
18 justment program of the Department of Defense.

19 **“SEC. 302. GRANTS BY REGIONAL COMMISSIONS.**

20       “(a) IN GENERAL.—A Regional Commission is au-  
21 thorized to make grants directly to any eligible recipient  
22 in an area which the Regional Commission determines, in  
23 accordance with criteria to be established by the Secretary  
24 by regulation—

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

7           “(2) has demonstrated long-term economic de-  
8           terioration.

9           “(b) PURPOSES.—Amounts from grants under sub-  
10          section (a) shall be used by an eligible recipient to carry  
11          out or develop an investment strategy which—

12                 “(1) meets the requirements of section 503; and

13                 “(2) is approved by the Regional Commission.

14          “(c) TYPES OF ASSISTANCE.—In carrying out an in-  
15          vestment strategy using amounts from grants under sub-  
16          section (a), an eligible recipient may provide assistance for  
17          any of the following:

18                 “(1) Public facilities.

19                 “(2) Public services.

20                 “(3) Business development.

21                 “(4) Planning.

22                 “(5) Research and technical assistance.

23                 “(6) Administrative expenses.

24                 “(7) Training.

25                 “(8) Relocation of individuals and businesses.

1           “(9) Other assistance which demonstrably fur-  
2           thers the economic adjustment objectives of this  
3           title.

4           “(d) DIRECT EXPENDITURE OR REDISTRIBUTION BY  
5           RECIPIENT.—Amounts from grants under subsection (a)  
6           may be used in direct expenditures by the eligible recipient  
7           or through redistribution by the eligible recipient to public  
8           and private entities in grants, loans, loan guarantees, pay-  
9           ments to reduce interest on loan guarantees, or other ap-  
10          propriate assistance, but no grant shall be made by an  
11          eligible recipient to a private profit-making entity.

12          “(e) COORDINATION.—A Regional Commission to the  
13          extent practicable shall coordinate the activities relating  
14          to the requirements for investment strategies and making  
15          grants and loans under this title with other Federal pro-  
16          grams, States, economic development districts, and other  
17          appropriate planning and development organizations.

18          “(f) BASE CLOSINGS AND REALIGNMENTS.—

19                  “(1) LOCATION OF PROJECTS.—In any case in  
20                  which a Regional Commission determines a need for  
21                  assistance under subsection (a) due to the closure or  
22                  realignment of a military installation, the Regional  
23                  Commission may make such assistance available for  
24                  projects to be carried out on the military installation

1 and for projects to be carried out in communities ad-  
2 versely affected by the closure or realignment.

3 “(2) INTEREST IN PROPERTY.—Notwithstand-  
4 ing any other provision of law, a Regional Commis-  
5 sion may provide to an eligible recipient any assist-  
6 ance available under this Act for a project to be car-  
7 ried out on a military installation that is closed or  
8 scheduled for closure or realignment without requir-  
9 ing that the eligible recipient have title to the prop-  
10 erty or a leasehold interest in the property for any  
11 specified term.

12 **“SEC. 303. ANNUAL REPORTS BY RECIPIENT.**

13 “Each eligible recipient which receives assistance  
14 under this title from a Regional Commission shall annu-  
15 ally during the period such assistance continue to make  
16 a full and complete report to the Regional Commission,  
17 in such manner as the Regional Commission shall pre-  
18 scribe, and such report shall contain an evaluation of the  
19 effectiveness of the economic assistance provided under  
20 this title in meeting the need it was designed to alleviate  
21 and the purposes of this title.

22 **“SEC. 304. SALE OF FINANCIAL INSTRUMENTS IN REVOLV-  
23 ING LOAN FUNDS.**

24 “Any loan, loan guarantee, equity, or other financial  
25 instrument in the portfolio of a revolving loan fund, in-

1 cluding any financial instrument made available using  
2 amounts from a grant made before the effective date of  
3 the Economic Development Partnership Act of 1995, may  
4 be sold, encumbered, or pledged at the discretion of the  
5 grantee of the Fund, to a third party provided that the  
6 net proceeds of the transaction—

7           “(1) shall be deposited into the Fund and may  
8           only be used for activities which are consistent with  
9           the purposes of this title; and

10           “(2) shall be subject to the financial manage-  
11           ment, accounting, reporting, and auditing standards  
12           which were originally applicable to the grant.

13 **“SEC. 305. TREATMENT OF REVOLVING LOAN FUNDS.**

14           “(a) IN GENERAL.—Amounts from grants made  
15 under this title which are used by an eligible recipient to  
16 establish a revolving loan fund shall not be treated, except  
17 as provided by subsection (b), as amounts derived from  
18 Federal funds for the purposes of any Federal law after  
19 such amounts are loaned from the fund to a borrower and  
20 repaid to the fund.

21           “(b) EXCEPTIONS.—Amounts described in subsection  
22 (a) which are loaned from a revolving loan fund to a bor-  
23 rower and repaid to the fund—

24           “(1) may only be used for activities which are  
25           consistent with the purposes of this title; and

1           “(2) shall be subject to the financial manage-  
2           ment, accounting, reporting, and auditing standards  
3           which were originally applicable to the grant.

4           “(c) REGULATIONS.—Not later than 30 days after  
5           the effective date of the Economic Development Partner-  
6           ship Act of 1995, the Secretary shall issue regulations to  
7           carry out subsection (a).

8           “(d) PUBLIC REVIEW AND COMMENT.—Before issu-  
9           ing any final guidelines or administrative manuals govern-  
10          ing the operation of revolving loan funds established using  
11          amounts from grants under this title, the Secretary shall  
12          provide reasonable opportunity for public review of and  
13          comment on such guidelines and administrative manuals.

14          “(e) APPLICABILITY TO PAST GRANTS.—The re-  
15          quirements of this section applicable to amounts from  
16          grants made under this title shall also apply to amounts  
17          from grants made, before the effective date of the Eco-  
18          nomic Development Partnership Act of 1995, under title  
19          I of this Act, as in effect on the day before such effective  
20          date.

1 **“TITLE IV—TECHNICAL ASSIST-**  
2 **ANCE, RESEARCH, AND IN-**  
3 **FORMATION**

4 **“SEC. 401. TECHNICAL ASSISTANCE.**

5       “(a) IN GENERAL.—In carrying out its duties under  
6 this Act, a Regional Commission may provide technical as-  
7 sistance which would be useful in alleviating or preventing  
8 conditions of excessive unemployment or underemploy-  
9 ment to areas which the Regional Commission finds have  
10 substantial need for such assistance. Such assistance shall  
11 include project planning and feasibility studies, manage-  
12 ment and operational assistance, establishment of business  
13 outreach centers, and studies evaluating the needs of, and  
14 development potentialities for, economic growth of such  
15 areas.

16       “(b) PROCEDURES AND TERMS.—

17               “(1) MANNER OF PROVIDING ASSISTANCE.—As-  
18 sistance may be provided by a Regional Commission  
19 through—

20                       “(A) members of the Regional Commis-  
21 sion’s staff;

22                       “(B) the payment of funds authorized for  
23 this section to departments or agencies of the  
24 Federal Government;

1           “(C) the employment of private individ-  
2           uals, partnerships, firms, corporations, or suit-  
3           able institutions under contracts entered into  
4           for such purposes; or

5           “(D) grants-in-aid to appropriate public or  
6           private nonprofit State, area, district, or local  
7           organizations.

8           “(2) REPAYMENT TERMS.—A Regional Com-  
9           mission, in its discretion, may require the repayment  
10          of assistance provided under this subsection and pre-  
11          scribe the terms and conditions of such repayment.

12          “(c) GRANTS COVERING ADMINISTRATIVE EX-  
13          PENSES.—

14           “(1) IN GENERAL.—A Regional Commission  
15           may make grants to defray not to exceed 75 percent  
16           of the administrative expenses of organizations  
17           which the Regional Commission determines to be  
18           qualified to receive grants-in-aid under subsections  
19           (a) and (b); except that in the case of a grant under  
20           this subsection to an Indian tribe, the Regional  
21           Commission is authorized to defray up to 100 per-  
22           cent of such expenses.

23           “(2) DETERMINATION OF NON-FEDERAL  
24           SHARE.—In determining the amount of the non-Fed-  
25           eral share of such costs or expenses, a Regional

1 Commission shall give due consideration to all con-  
2 tributions both in cash and in kind, fairly evaluated,  
3 including contributions of space, equipment, and  
4 services.

5 “(3) USE OF GRANTS WITH PLANNING  
6 GRANTS.—Where practicable, grants-in-aid author-  
7 ized under this subsection shall be used in conjunc-  
8 tion with other available planning grants to assure  
9 adequate and effective planning and economical use  
10 of funds.

11 “(d) AVAILABILITY OF TECHNICAL INFORMATION;  
12 FEDERAL PROCUREMENT.—A Regional Commission shall  
13 aid areas described in section 502(a) and other areas by  
14 furnishing to interested individuals, communities, indus-  
15 tries, and enterprises within such areas any assistance,  
16 technical information, market research, or other forms of  
17 assistance, information, or advice which would be useful  
18 in alleviating or preventing conditions of excessive unem-  
19 ployment or underemployment within such areas. The Re-  
20 gional Commission may furnish the procurement divisions  
21 of the various departments, agencies, and other instru-  
22 mentalities of the Federal Government with a list contain-  
23 ing the names and addresses of business firms which are  
24 located in areas described in section 502(a) and which are  
25 desirous of obtaining Government contracts for the fur-

1 nishing of supplies or services, and designating the sup-  
2 plies and services such firms are engaged in providing.

3 **“SEC. 402. ECONOMIC DEVELOPMENT PLANNING.**

4 “(a) DIRECT GRANTS.—

5 “(1) IN GENERAL.—A Regional Commission  
6 may, upon application of any State, or city, or other  
7 political subdivision of a State, or sub-State plan-  
8 ning and development organization (including an  
9 area described in section 502(a) or an economic de-  
10 velopment district), make direct grants to such  
11 State, city, or other political subdivision, or organi-  
12 zation to pay up to 80 percent of the cost for eco-  
13 nomic development planning.

14 “(2) PLANNING PROJECTS SPECIFICALLY IN-  
15 CLUDED.—The planning for cities, other political  
16 subdivisions, and sub-State planning and develop-  
17 ment organizations (including areas described in sec-  
18 tion 502(a) and economic development districts) as-  
19 sisted under this section shall include systematic ef-  
20 forts to reduce unemployment and increase incomes.

21 “(3) PLANNING PROCESS.—The planning shall  
22 be a continuous process involving public officials and  
23 private citizens in analyzing local economies, defin-  
24 ing development goals, determining project opportu-

1 nities, and formulating and implementing a develop-  
2 ment program.

3 “(4) COORDINATION OF ASSISTANCE UNDER  
4 SECTION 401(c).—The assistance available under this  
5 section may be provided in addition to assistance  
6 available under section 401(c) but shall not supplant  
7 such assistance.

8 “(b) COMPLIANCE WITH REVIEW PROCEDURE.—The  
9 planning assistance authorized under this title shall be  
10 used in conjunction with any other available Federal plan-  
11 ning assistance to assure adequate and effective planning  
12 and economical use of funds.

## 13 **“TITLE V—ELIGIBILITY AND** 14 **INVESTMENT STRATEGIES**

### 15 **“PART A—ELIGIBILITY**

#### 16 **“SEC. 501. ELIGIBLE RECIPIENT DEFINED.**

17 “In this Act, the term ‘eligible recipient’ means an  
18 area described in section 502(a), an economic development  
19 district designated under section 510, an Indian tribe, a  
20 State, a city or other political subdivision of a State, or  
21 a consortium of such political subdivisions, or a public or  
22 private nonprofit organization or association acting in co-  
23 operation with officials of such political subdivisions.

1 **“SEC. 502. AREA ELIGIBILITY.**

2       “(a) CERTIFICATION.—In order to be eligible for as-  
3 sistance under title II, an applicant seeking assistance to  
4 undertake a project in an area shall certify, as part of  
5 an application for such assistance, that the area on the  
6 date of submission of such application meets 1 or more  
7 of the following criteria:

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

10              “(2) The area has an unemployment rate 1 per-  
11 cent above the national average percentage for the  
12 most recent 24-month period for which statistics are  
13 available.

14              “(3) The area has experienced or is about to  
15 experience a sudden economic dislocation resulting  
16 in job loss that is significant both in terms of the  
17 number of jobs eliminated and the effect upon the  
18 employment rate of the area.

19              “(4) The area is a community or neighborhood  
20 (defined without regard to political or other subdivi-  
21 sions or boundaries) which the Secretary determines  
22 has one or more of the following conditions:

23                      “(A) A large concentration of low-income  
24 persons.

25                      “(B) Rural areas having substantial out-  
26 migration.

1                   “(C) Substantial unemployment.

2           “(b) DOCUMENTATION.—A certification made under  
3 subsection (a) shall be supported by Federal data, when  
4 available, and in other cases by data available through the  
5 State government. Such documentation shall be accepted  
6 by a Regional Commission unless it is determined to be  
7 inaccurate. The most recent statistics available shall be  
8 used.

9           “(c) SPECIAL RULE.—An area which a Regional  
10 Commission determines has 1 or more of the conditions  
11 described in subsection (a)(4)—

12                   “(1) shall not be subject to the requirements of  
13 subparagraphs (A) and (C) of section 201(a)(1); and

14                   “(2) shall not be eligible to meet the require-  
15 ments of section 510(a)(1)(B).

16           “(d) PRIOR DESIGNATIONS.—Any designation of a  
17 redevelopment area made before the effective date of the  
18 Economic Development Partnership Act of 1995 shall not  
19 be effective after such effective date.

20 **“SEC. 503. INVESTMENT STRATEGY.**

21           “A Regional Commission may provide assistance  
22 under titles II and III to an applicant for a project only  
23 if the applicant submits to the Regional Commission, as  
24 part of an application for such assistance, and the Re-

1 gional Commission approves an investment strategy  
2 which—

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

5 “(2) identifies past, present, and projected fu-  
6 ture economic development investments in the area  
7 receiving such assistance and public and private par-  
8 ticipants and sources of funding for such invest-  
9 ments;

10 “(3) sets forth a strategy for addressing the  
11 economic problems identified pursuant to paragraph  
12 (1) and describes how the strategy will solve such  
13 problems;

14 “(4) provides a description of the project nec-  
15 essary to implement the strategy, estimates of costs,  
16 and timetables; and

17 “(5) provides a summary of public and private  
18 resources expected to be available for the project.

19 **“SEC. 504. APPROVAL OF PROJECTS.**

20 “Only applications for grants or other assistance  
21 under this Act for specific projects shall be approved which  
22 are certified by the State member of the Regional Com-  
23 mission representing such applicant and determined by  
24 the Secretary—

1           “(1) to be included in a State investment strat-  
2           egy approved by the Regional Commission;

3           “(2) to have adequate assurance that the  
4           project will be properly administered, operated, and  
5           maintained; and

6           “(3) to otherwise meet the requirements for as-  
7           sistance under this Act.

8           **“PART B—ECONOMIC DEVELOPMENT DISTRICTS**

9           **“SEC. 510. DESIGNATION OF ECONOMIC DEVELOPMENT**  
10                           **DISTRICTS AND ECONOMIC DEVELOPMENT**  
11                           **CENTERS.**

12           “(a) IN GENERAL.—In order that economic develop-  
13           ment projects of broader geographic significance may be  
14           planned and carried out, a Regional Commission may—

15                   “(1) designate appropriate ‘economic develop-  
16           ment districts’ within the United States with the  
17           concurrence of the States in which such districts will  
18           be wholly or partially located, if—

19                           “(A) the proposed district is of sufficient  
20           size or population, and contains sufficient re-  
21           sources, to foster economic development on a  
22           scale involving more than a single area de-  
23           scribed in section 502(a);

24                           “(B) the proposed district contains at least  
25           1 area described in section 502(a);

1           “(C) the proposed district contains 1 or  
2 more areas described in section 502(a) or eco-  
3 nomic development centers identified in an ap-  
4 proved district investment strategy as having  
5 sufficient size and potential to foster the eco-  
6 nomic growth activities necessary to alleviate  
7 the distress of the areas described in section  
8 502(a) within the district; and

9           “(D) the proposed district has a district  
10 investment strategy which includes adequate  
11 land use and transportation planning and con-  
12 tains a specific program for district cooperation,  
13 self-help, and public investment and is approved  
14 by the State or States affected and by the Re-  
15 gional Commission;

16           “(2) designate as ‘economic development cen-  
17 ters’, in accordance with such regulations as the  
18 Secretary shall prescribe, such areas as the Regional  
19 Commission may deem appropriate, if—

20           “(A) the proposed center has been identi-  
21 fied and included in an approved district invest-  
22 ment strategy and recommended by the State  
23 or States affected for such special designation;

24           “(B) the proposed center is geographically  
25 and economically so related to the district that

1 its economic growth may reasonably be expected  
2 to contribute significantly to the alleviation of  
3 distress in the areas described in section 502(a)  
4 of the district; and

5 “(C) the proposed center does not have a  
6 population in excess of 250,000 according to  
7 the most recent Federal census.

8 “(3) provide financial assistance in accordance  
9 with the criteria of this Act, except as may be herein  
10 otherwise provided, for projects in economic develop-  
11 ment centers designated under subsection (a)(2),  
12 if—

13 “(A) the project will further the objectives  
14 of the investment strategy of the district in  
15 which it is to be located:

16 “(B) the project will enhance the economic  
17 growth potential of the district or result in ad-  
18 ditional long-term employment opportunities  
19 commensurate with the amount of Federal fi-  
20 nancial assistance requested; and

21 “(C) the amount of Federal financial as-  
22 sistance requested is reasonably related to the  
23 size, population, and economic needs of the dis-  
24 trict;

1           “(4) subject to the 20 percent non-Federal  
2 share required for any project by section 201(c), in-  
3 crease the amount of grant assistance authorized by  
4 section 201 for projects within areas described in  
5 section 502(a), by an amount not to exceed 10 per-  
6 cent of the aggregate cost of any such project, in ac-  
7 cordance with such regulations as the Secretary  
8 shall prescribe if—

9           “(A) the area described in section 502(a)  
10 is situated within a designated economic devel-  
11 opment district and is actively participating in  
12 the economic development activities of the dis-  
13 trict; and

14           “(B) the project is consistent with an ap-  
15 proved investment strategy.

16           “(b) AUTHORITIES.—In designating economic devel-  
17 opment districts and approving district investment strate-  
18 gies under subsection (a), a Regional Commission may,  
19 under regulations prescribed by the Secretary—

20           “(1) invite the several States to draw up pro-  
21 posed district boundaries and to identify potential  
22 economic development centers;

23           “(2) cooperate with the several States—

1           “(A) in sponsoring and assisting district  
2           economic planning and development groups;  
3           and

4           “(B) in assisting such district groups to  
5           formulate district investment strategies; and

6           “(3) encourage participation by appropriate  
7           local governmental authorities in such economic de-  
8           velopment districts.

9           “(c) TERMINATION OR MODIFICATION OF DESIGNA-  
10          TIONS.—The Secretary shall by regulation prescribe  
11          standards for the termination or modification of economic  
12          development districts and economic development centers  
13          designated under the authority of this section.

14          “(d) DEFINITIONS.—In this Act, the following defini-  
15          tions apply:

16                 “(1) ECONOMIC DEVELOPMENT DISTRICT.—The  
17                 term ‘economic development district’ refers to any  
18                 area within the United States composed of cooperat-  
19                 ing areas described in section 502(a) and, where ap-  
20                 propriate, designated economic development centers  
21                 and neighboring counties or communities, which has  
22                 been designated by a Regional Commission as an  
23                 economic development district. Such term includes  
24                 any economic development district designated by the  
25                 Secretary under section 403 of this Act, as in effect

1 on the day before the effective date of the Economic  
2 Development Partnership Act of 1995.

3 “(2) ECONOMIC DEVELOPMENT CENTER.—The  
4 term ‘economic development center’ refers to any  
5 area within the United States which has been identi-  
6 fied as an economic development center in an ap-  
7 proved investment strategy and which has been des-  
8 ignated by a Regional Commission as eligible for fi-  
9 nancial assistance under this Act in accordance with  
10 the provisions of this section.

11 “(3) LOCAL GOVERNMENT.—The term ‘local  
12 government’ means any city, county, town, parish,  
13 village, or other general-purpose political subdivision  
14 of a State.

15 “(e) PARTS OF ECONOMIC DEVELOPMENT DISTRICTS  
16 NOT WITHIN AREAS DESCRIBED IN SECTION 502(a).—  
17 A Regional Commission is authorized to provide the finan-  
18 cial assistance which is available to an area described in  
19 section 502(a) under this Act to those parts of an eco-  
20 nomic development district which are not within an area  
21 described in section 502(a), when such assistance will be  
22 of a substantial direct benefit to an area described in sec-  
23 tion 502(a) within such district. Such financial assistance  
24 shall be provided in the same manner and to the same  
25 extent as is provided in this Act for an area described in

1 section 502(a); except that nothing in this subsection shall  
2 be construed to permit such parts to receive the increase  
3 in the amount of grant assistance authorized subsection  
4 (a)(4).

## 5 **“TITLE VI—ADMINISTRATION**

### 6 **“PART A—GENERAL PROVISIONS**

#### 7 **“SEC. 601. APPOINTMENT OF UNDER SECRETARY.**

8 “(a) IN GENERAL.—The Secretary shall carry out  
9 the Secretary’s duties under this Act acting through an  
10 Under Secretary of Commerce for Economic Development  
11 to be appointed by the President by and with the advice  
12 and consent of the Senate .

13 “(b) AMENDMENT TO TITLE 5, U.S.C.—Section  
14 5314 of title 5, United States Code, is amended by insert-  
15 ing ‘Under Secretary of Commerce for Economic Develop-  
16 ment,’ after ‘Under Secretary of Commerce,’.

#### 17 **“SEC. 602. OFFICE OF ECONOMIC DEVELOPMENT.**

18 “(a) ESTABLISHMENT.—The Secretary shall estab-  
19 lish an Office of Economic Development (hereinafter in  
20 this section referred to as the ‘Office’) within the Depart-  
21 ment of Commerce.

22 “(b) FUNCTIONS.—The head of the Office shall be  
23 the Under Secretary of Commerce for Economic Develop-  
24 ment who shall assist the Secretary in carrying out the

1 Secretary's duties under this Act, including the issuance  
2 of rules, regulations, and policies.

3       “(c) CLEARINGHOUSE.—It shall be a duty of the  
4 Under Secretary in administering the Office—

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

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

17 **“SEC. 603. CONSULTATION WITH OTHER PERSONS AND**  
18 **AGENCIES.**

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

1       “(b) CONSULTATION ON ADMINISTRATION OF ACT.—  
2 The Secretary may make provisions for such consultation  
3 with interested departments and agencies as the Secretary  
4 may deem appropriate in the performance of the functions  
5 vested in the Secretary by this Act.

6 **“SEC. 604. ADMINISTRATION, OPERATION, AND MAINTENANCE.**  
7

8       “No Federal assistance shall be approved under this  
9 Act unless the Secretary is satisfied that the project for  
10 which Federal assistance is granted will be properly and  
11 efficiently administered, operated, and maintained.

12 **“SEC. 605. AUTHORITY TO ESTABLISH INDEPENDENT AGENCY IN EVENT DEPARTMENT OF COMMERCE IS ABOLISHED.**  
13  
14

15       “In the event that the Department of Commerce is  
16 abolished by a law enacted after the effective date of the  
17 Economic Development Partnership Act of 1995, the  
18 President is authorized to establish an independent agency  
19 to carry out the duties of the Secretary under this Act.

20 **“SEC. 606. TREATMENT OF ECONOMIC DEVELOPMENT EMPLOYEES.**  
21

22       “In considering applications for employment at Re-  
23 gional Commissions or in the Office of Economic Develop-  
24 ment, preference shall be given to current Economic De-  
25 velopment Administration employees.

1           **“PART B—ABOLISHMENT OF ECONOMIC**  
2                   **DEVELOPMENT ADMINISTRATION**

3   **“SEC. 610. ABOLISHMENT.**

4           “The Economic Development Administration of the  
5 Department of Commerce is abolished.

6   **“SEC. 611. CONCLUSION OF BUSINESS.**

7           “The Secretary shall provide for the conclusion of any  
8 outstanding affairs of the Economic Development Admin-  
9 istration, including matters affecting the disposition of  
10 personnel.

11   **“SEC. 612. SAVINGS PROVISIONS.**

12           “(a) EXISTING RIGHTS, DUTIES, AND OBLIGATIONS  
13 NOT AFFECTED.—This part shall not be construed as af-  
14 fecting the validity of any right, duty, or obligation of the  
15 United States or any other person arising under or pursu-  
16 ant to any contract, loan, or other instrument or agree-  
17 ment which was in effect on the day before the effective  
18 date of this part.

19           “(b) CONTINUATION OF SUITS.—No action or other  
20 proceeding commenced by or against any officer or em-  
21 ployee of the Economic Development Administration shall  
22 abate by reason of the enactment of this part; except that  
23 the Secretary shall be substituted for such officer or em-  
24 ployee as a party to any such action or proceeding.

1 **“SEC. 613. AMENDMENT TO TITLE 5, U.S.C.**

2 “Section 5316 of title 5, United States Code, is  
3 amended by striking ‘Administrator for Economic Devel-  
4 opment.’.

5 **“TITLE VII—MISCELLANEOUS**

6 **“SEC. 701. POWERS OF SECRETARY.**

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

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

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

15 “(3) hold such hearings, sit and act at such  
16 times and places, and take such testimony, as the  
17 Secretary may deem advisable;

18 “(4) request directly from any executive depart-  
19 ment, bureau, agency, board, commission, office,  
20 independent establishment, or instrumentality infor-  
21 mation, suggestions, estimates, and statistics needed  
22 to carry out the purposes of this Act; and each de-  
23 partment, bureau, agency, board, commission, office,  
24 establishment, or instrumentality is authorized to  
25 furnish such information, suggestions, estimates,  
26 and statistics directly to the Secretary;

1           “(5) under regulations prescribed by the Sec-  
2           retary, assign or sell at public or private sale, or oth-  
3           erwise dispose of for cash or credit, in the Sec-  
4           retary’s discretion and upon such terms and condi-  
5           tions and for such consideration as the Secretary de-  
6           termines to be reasonable, any evidence of debt, con-  
7           tract, claim, personal property, or security assigned  
8           to or held by the Secretary in connection with assist-  
9           ance extended under this Act, and collect or com-  
10          promise all obligations assigned to or held by the  
11          Secretary in connection with such assistance until  
12          such time as such obligations may be referred to the  
13          Attorney General for suit or collection;

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

21          “(7) pursue to final collection, by way of com-  
22          promise or other administrative action, prior to ref-  
23          erence to the Attorney General, all claims against  
24          third parties assigned to the Secretary in connection  
25          with assistance extended this Act;

1           “(8) acquire, in any lawful manner and in ac-  
2 cordance with the requirements of the Federal Prop-  
3 erty and Administrative Services Act of 1949, any  
4 property (real, personal, or mixed, tangible or intan-  
5 gible), whenever necessary or appropriate to the con-  
6 duct of the activities authorized under this Act;

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

16           “(10) employ experts and consultants or organi-  
17 zations as authorized by section 3109 of title 5,  
18 United States Code, compensate individuals so em-  
19 ployed at rates not in excess of \$100 per diem, in-  
20 cluding travel time, and allow them, while away from  
21 their homes or regular places of business, travel ex-  
22 penses (including per diem in lieu of subsistence) as  
23 authorized by section 5703 of title 5, United States  
24 Code, for persons in the Government service em-  
25 ployed intermittently, while so employed, except that

1 contracts for such employment may be renewed an-  
2 nually;

3 “(11) sue and be sued in any court of record  
4 of a State having general jurisdiction or in any Unit-  
5 ed States district court, and jurisdiction is conferred  
6 upon such district court to determine such con-  
7 troversies without regard to the amount in con-  
8 troversy; but no attachment, injunction, garnish-  
9 ment, or other similar process, mesne or final, shall  
10 be issued against the Secretary or the Secretary’s  
11 property;

12 “(12) make discretionary grants, pursuant to  
13 authorities otherwise available to a Regional Com-  
14 mission under this Act and without regard to the re-  
15 quirements of section 504, to implement significant  
16 regional initiatives, to take advantage of special de-  
17 velopment opportunities, or to respond to emergency  
18 economic distress in the region from the funds with-  
19 held from distribution to the Regional Commissions;  
20 except that the aggregate amount of such discre-  
21 tionary grants in any fiscal year may not exceed 10  
22 percent of the amounts appropriated under title VIII  
23 for such fiscal year; and

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

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

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

16          “(d) POWERS OF CONVEYANCE AND EXECUTION.—  
17          The power to convey and to execute, in the name of the  
18          Secretary, deeds of conveyance, deeds of release, assign-  
19          ments and satisfactions of mortgages, and any other writ-  
20          ten instrument relating to real or personal property or any  
21          interest therein acquired by the Secretary pursuant to the  
22          provisions of this Act may be exercised by the Secretary,  
23          or by any officer or agent appointed by the Secretary for  
24          such purpose, without the execution of any express delega-  
25          tion of power or power of attorney.

1 **“SEC. 702. ALLOCATION OF FUNDS.**

2       The Secretary shall establish a formula for the equi-  
3 table allocation among the Regional Commissions of  
4 amounts appropriated to carry out this Act.

5 **“SEC. 703. PERFORMANCE MEASURES.**

6       “The Secretary shall establish performance measures  
7 for grants and other assistance provided under this Act.  
8 Such performance measures shall be used to evaluate  
9 project proposals and conduct evaluations of projects re-  
10 ceiving such assistance.

11 **“SEC. 704. MAINTENANCE OF STANDARDS.**

12       “The Secretary shall continue to implement and en-  
13 force the provisions of section 712 of this Act, as in effect  
14 on the day before the effective date of the Economic Devel-  
15 opment Partnership Act of 1995.

16 **“SEC. 705. TRANSFER OF FUNCTIONS.**

17       “The functions, powers, duties, and authorities and  
18 the assets, funds, contracts, loans, liabilities, commit-  
19 ments, authorizations, allocations, and records which are  
20 vested in or authorized to be transferred to the Secretary  
21 of the Treasury under section 29(b) of the Area Redevel-  
22 opment Act, and all functions, powers, duties, and authori-  
23 ties under section 29(c) of such Act are hereby vested in  
24 the Secretary.

1 **“SEC. 706. DEFINITION OF STATE.**

2 “In this Act, the terms ‘State’, ‘States’, and ‘United  
3 States’ include the several States and each of the other  
4 political entities included in a region established by section  
5 105.

6 **“SEC. 707. ANNUAL REPORT TO CONGRESS.**

7 “The Secretary shall transmit a comprehensive and  
8 detailed annual report to Congress of the Secretary’s and  
9 each Regional Commission’s operations under this Act for  
10 each fiscal year beginning with the fiscal year ending Sep-  
11 tember 30, 1996. Such report shall be printed and shall  
12 be transmitted to Congress not later than April 1 of the  
13 year following the fiscal year with respect to which such  
14 report is made.

15 **“SEC. 708. USE OF OTHER FACILITIES.**

16 “(a) DELEGATION OF FUNCTIONS TO OTHER FED-  
17 ERAL DEPARTMENTS AND AGENCIES.—The Secretary  
18 may delegate to the heads of other departments and agen-  
19 cies of the Federal Government any of the Secretary’s  
20 functions, powers, and duties under this Act as the Sec-  
21 retary may deem appropriate, and to authorize the redele-  
22 gation of such functions, powers, and duties by the heads  
23 of such departments and agencies.

24 “(b) DEPARTMENT AND AGENCY EXECUTION OF  
25 DELEGATED AUTHORITY.—Departments and agencies of  
26 the Federal Government shall exercise their powers, du-

1 ties, and functions in such manner as will assist in carry-  
2 ing out the objectives of this Act.

3 “(c) TRANSFER BETWEEN DEPARTMENTS.—Funds  
4 authorized to be appropriated under this Act may be  
5 transferred between departments and agencies of the Gov-  
6 ernment, if such funds are used for the purposes for which  
7 they are specifically authorized and appropriated.

8 “(d) FUNDS TRANSFERRED FROM OTHER DEPART-  
9 MENTS AND AGENCIES.—In order to carry out the objec-  
10 tives of this Act, the Secretary may accept transfers of  
11 funds from other departments and agencies of the Federal  
12 Government if the funds are used for the purposes for  
13 which (and in accordance with the terms under which) the  
14 funds are specifically authorized and appropriated. Such  
15 transferred funds shall remain available until expended,  
16 and may be transferred to and merged with the appropria-  
17 tions under the heading ‘salaries and expenses’ by the Sec-  
18 retary to the extent necessary to administer the program.

19 **“SEC. 709. PENALTIES.**

20 “(a) FALSE STATEMENTS; SECURITY OVER-  
21 VALUATION.—Whoever makes any statement knowing it  
22 to be false, or whoever willfully overvalues any security,  
23 for the purpose of obtaining for such person or for any  
24 applicant any financial assistance under this Act or any  
25 extension of such assistance by renewal, deferment or ac-

1 tion, or otherwise, or the acceptance, release, or substi-  
2 tution of security for such assistance, or for the purpose  
3 of influencing in any way the action of the Secretary or  
4 a Regional Commission or for the purpose of obtaining  
5 money, property, or anything of value, under this Act,  
6 shall be fined under title 18, United States Code, impris-  
7 oned for not more than 5 years, or both.

8       “(b) EMBEZZLEMENT AND FRAUD-RELATED  
9 CRIMES.—Whoever, being connected in any capacity with  
10 the Secretary or a Regional Commission, in the adminis-  
11 tration of this Act—

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

16           “(2) with intent to defraud the Secretary or a  
17 Regional Commission or any other body politic or  
18 corporate, or any individual, or to deceive any offi-  
19 cer, auditor, or examiner, makes any false entry in  
20 any book, report, or statement of or to the Secretary  
21 or a Regional Commission, or without being duly au-  
22 thorized draws any orders or issues, puts forth, or  
23 assigns any note, debenture, bond, or other obliga-  
24 tion, or draft, bill of exchange, mortgage, judgment,  
25 or decree thereof;

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

7           “(4) gives any unauthorized information con-  
8 cerning any future action of plan of the Secretary or  
9 a Regional Commission which might affect the value  
10 of securities, or having such knowledge invests or  
11 speculates, directly or indirectly, in the securities or  
12 property of any company or corporation receiving  
13 loans, grants, or other assistance from the Secretary  
14 or a Regional Commission,  
15 shall be fined under title 18, United States Code, impris-  
16 oned for not more than 5 years, or both.

17 **“SEC. 710. EMPLOYMENT OF EXPEDITERS AND ADMINIS-**  
18 **TRATIVE EMPLOYEES.**

19           “No financial assistance shall be extended by a Re-  
20 gional Commission under this Act to any business enter-  
21 prise unless the owners, partners, or officers of such busi-  
22 ness enterprise—

23           “(1) certify to the Regional Commission the  
24 names of any attorneys, agents, and other persons  
25 engaged by or on behalf of such business enterprise

1 for the purpose of expediting applications made to  
2 the Regional Commission for assistance of any sort,  
3 under this Act, and the fees paid or to be paid to  
4 any such person; and

5 “(2) execute an agreement binding such busi-  
6 ness enterprise, for a period of 2 years after such  
7 assistance is rendered by the Regional Commission  
8 to such business enterprise, to refrain from employ-  
9 ing, tendering any office or employment to, or re-  
10 taining for professional services, any person who, on  
11 the date such assistance or any part thereof was  
12 rendered, or within the 1-year period ending on such  
13 date, shall have served as an officer, attorney, agent,  
14 or employee, occupying a position or engaging in ac-  
15 tivities which the Regional Commission determines  
16 involves discretion with respect to the granting of  
17 assistance under this Act.

18 **“SEC. 711. PERSONAL FINANCIAL INTERESTS.**

19 “(a) IN GENERAL.—Except as permitted by sub-  
20 section (b), no State member or alternate and no officer  
21 or employee of a Regional Commission shall participate  
22 personally and substantially as member, alternate, officer,  
23 or employee, through decision, approval, disapproval, rec-  
24 ommendation, the rendering of advice, investigation, or  
25 otherwise, in any proceeding, application, request for a

1 ruling or other determination, contract, claim, con-  
2 troversy, or other particular matter in which, to the indi-  
3 vidual's knowledge, the individual, the individual's spouse,  
4 minor child, partner, organization (other than a State or  
5 political subdivision thereof) in which the individual is  
6 serving as officer, director, trustee, partner, or employee,  
7 or any person or organization with whom the individual  
8 is serving as officer, director, trustee, partner, or em-  
9 ployee, or any person or organization with whom the indi-  
10 vidual is negotiating or has any arrangement concerning  
11 prospective employment, has a financial interest. Any indi-  
12 vidual who shall violate the provisions of this subsection  
13 shall be fined under title 18, United States Code, impris-  
14 oned for not more than 2 years, or both.

15       “(b) EXCEPTION.—Subsection (a) shall not apply if  
16 the State member, alternate, officer, or employee first ad-  
17 vises the Regional Commission of the nature and cir-  
18 cumstances of the proceeding, application, request for a  
19 ruling or other determination, contract, claim, con-  
20 troversy, or other particular matter and makes full disclo-  
21 sure of the financial interest and receives in advance a  
22 written determination made by the Regional Commission  
23 that the interest is not so substantial as to be deemed like-  
24 ly to affect the integrity of the services which the Regional

1 Commission may expect from such State member, alter-  
2 nate, officer, or employee.

3       “(c) SALARIES.—No State member or alternate of a  
4 Regional Commission shall receive any salary, or any con-  
5 tribution to or supplementation of salary for the individ-  
6 ual’s services on the Regional Commission from any  
7 source other than the State of the individual. No individ-  
8 ual detailed to serve the Regional Commission under au-  
9 thority of section 104 shall receive any salary or any con-  
10 tribution to or supplementation of salary for the individ-  
11 ual’s services on the Regional Commission from any  
12 source other than the State, local, or intergovernmental  
13 department or agency from which he was detailed or from  
14 the Regional Commission. Any individual who shall violate  
15 the provisions of this subsection shall be fined under title  
16 18, United States Code, imprisoned for not more than 1  
17 year, or both.

18       “(d) NONAPPLICABILITY TO FEDERAL OFFICIALS.—  
19 Notwithstanding any other provision of this section, the  
20 Secretary (or the Secretary’s designee on a Regional Com-  
21 mission) and any Federal officers or employees detailed  
22 to duty with a Regional Commission pursuant to section  
23 104 shall not be subject to such provisions but shall re-  
24 main subject to sections 202 through 209 of title 18, Unit-  
25 ed States Code.

1       “(e) AUTHORITY TO RESCIND CERTAIN AGREE-  
2 MENTS.—A Regional Commission may, in the Regional  
3 Commission’s discretion, declare void and rescind any  
4 agreement to extend financial assistance under this Act  
5 entered into by the Regional Commission in relation to  
6 which the Regional Commission finds that there has been  
7 a violation of subsection (a) or (c) of this section or any  
8 of the provisions of sections 202 through 209 of title 18,  
9 United States Code.

10 **“SEC. 712. MAINTENANCE OF RECORDS OF APPROVED AP-**  
11 **PLICATIONS FOR FINANCIAL ASSISTANCE;**  
12 **PUBLIC INSPECTION.**

13       “(a) MAINTENANCE OF RECORD REQUIRED.—The  
14 Secretary shall maintain as a permanent part of the  
15 records of the Department of Commerce a list of applica-  
16 tions approved for financial assistance under this Act,  
17 which shall be kept available for public inspection during  
18 the regular business hours of the Department of Com-  
19 merce.

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

23               “(1) The name of the applicant and, in the case  
24 of corporate applications, the names of the officers  
25 and directors thereof.

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

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

5   **“SEC. 713. RECORDS AND AUDIT.**

6           “(a) RECORDKEEPING AND DISCLOSURE REQUIRE-  
7           MENTS.—Each recipient of assistance under this Act shall  
8           keep such records as the Secretary shall prescribe, includ-  
9           ing records which fully disclose the amount and the dis-  
10          position by such recipient of the proceeds of such assist-  
11          ance, the total cost of the project or undertaking in con-  
12          nection with which such assistance is given or used, and  
13          the amount and nature of that portion of the cost of the  
14          project or undertaking supplied by other sources, and such  
15          other records as will facilitate an effective audit.

16          “(b) ACCESS TO BOOKS FOR EXAMINATION AND  
17          AUDIT.—The Secretary and the Comptroller General of  
18          the United States, or any of their duly authorized rep-  
19          resentatives, shall have access for the purpose of audit and  
20          examination to any books, documents, papers, and records  
21          of the recipient that are pertinent to assistance received  
22          under this Act.

1 **“SEC. 714. PROHIBITION AGAINST A STATUTORY CON-**  
2 **STRUCTION WHICH MIGHT CAUSE DIMINU-**  
3 **TION IN OTHER FEDERAL ASSISTANCE.**

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

12 **“SEC. 715. ACCEPTANCE OF APPLICANTS’ CERTIFICATIONS.**

13 “A Regional Commission may accept, when deemed  
14 appropriate, the applicants’ certifications to meet the re-  
15 quirements of this Act.

16 **“TITLE VIII—FUNDING**

17 **“SEC. 801. AUTHORIZATION OF APPROPRIATIONS.**

18 “There is authorized to be appropriated to carry out  
19 this Act \$340,000,000 per fiscal year for each of fiscal  
20 years 1996, 1997, 1998, 1999, and 2000. Such sums shall  
21 remain available until expended.

22 **“SEC. 802. DEFENSE CONVERSION ACTIVITIES.**

23 “In addition to the appropriations authorized by sec-  
24 tion 801, there are authorized to be appropriated to carry  
25 out this Act such sums as may be necessary to provide  
26 assistance for defense conversion activities. Such funding

1 may include pilot projects for privatization and economic  
2 development activities for closed or realigned military in-  
3 stallations. Such sums shall remain available until ex-  
4 pended.”.

5           **TITLE II—APPALACHIAN**  
6           **REGIONAL DEVELOPMENT**

7   **SEC. 201. AMENDMENT OF APPALACHIAN REGIONAL DE-**  
8           **VELOPMENT ACT OF 1965.**

9           Except as otherwise expressly provided, whenever in  
10 this Act an amendment or repeal is expressed in terms  
11 of an amendment to, or repeal of, a section or other provi-  
12 sion, the reference shall be considered to be made to a  
13 section or other provision of the Appalachian Regional De-  
14 velopment Act of 1965 (40 U.S.C. App. 1 et seq.).

15   **SEC. 202. FINDINGS AND PURPOSES.**

16           Section 2 (40 U.S.C. App. 2) is amended by adding  
17 at the end the following:

18           “(c) 1995 FINDINGS AND PURPOSES.—The Congress  
19 further finds and declares that, while substantial progress  
20 has been made in fulfilling many of the objectives of this  
21 Act, rapidly changing national and global economies over  
22 the past decade have created new problems and challenges  
23 for rural areas throughout the Nation and especially for  
24 the Appalachian region. It is, therefore, also the purpose  
25 of this Act to assist the region in providing the infrastruc-

1 ture necessary for economic and human resource develop-  
2 ment, in developing its industry, in building entrepreneur-  
3 ial communities, in generating a diversified regional econ-  
4 omy, and in making its industrial and commercial re-  
5 sources more competitive in national and world markets.  
6 It is further the purpose of this Act to provide a frame-  
7 work for coordinating Federal, State, and local initiatives  
8 to respond to the economic competitive challenge through  
9 improving the skills of the region's workforce, adapting  
10 and applying new technologies for the region's businesses,  
11 and improving the access of the region's businesses to the  
12 technical and financial resources necessary to their devel-  
13 opment. Finally, it is the purpose of this Act to address  
14 the needs of severely and persistently distressed and un-  
15 derdeveloped areas of the region so as to provide a fairer  
16 opportunity for the people of the region to share the qual-  
17 ity of life generally enjoyed by citizens across this  
18 Nation.".

19 **SEC. 203. MEETINGS.**

20 (a) ANNUAL MEETING REQUIREMENT.—Section  
21 101(a) (40 U.S.C. App. 101(a)) is amended by adding at  
22 the end the following: "The Commission shall conduct at  
23 least one meeting each year with the Federal Cochairman  
24 and at least a majority of the State members present.".

1 (b) ADDITIONAL MEETINGS BY ELECTRONIC  
2 MEANS.—Section 101 (40 U.S.C. App. 101) is amended—

3 (1) in subsection (a), as amended by subsection  
4 (a) of this section, by adding at the end the follow-  
5 ing: “The Commission may conduct such additional  
6 meetings by electronic means as the Commission  
7 considers advisable, including meetings to decide  
8 matters requiring an affirmative vote.”; and

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

11 (c) DECISIONS REQUIRING A QUORUM.—Section  
12 101(b) (40 U.S.C. App. 101(b)) is amended by striking  
13 the third sentence and inserting the following: “No deci-  
14 sion involving Commission policy, approval of State, re-  
15 gional, or subregional development plans or implementing  
16 investment programs, any modification or revision of the  
17 Appalachian Regional Commission Code, any allocation of  
18 funds among the State, or any designation of a distressed  
19 county or an economically competitive county may be  
20 made without a quorum of State members.”.

21 **SEC. 204. AUTHORIZATIONS FOR ADMINISTRATIVE EX-**  
22 **PENSES.**

23 Section 105(b) (40 U.S.C. App. 105(b)) is amended  
24 to read as follows:

25 “(b) AUTHORIZATION OF APPROPRIATIONS.—

1           “(1) IN GENERAL.—There is authorized to be  
2           appropriated to carry out this section \$3,645,000  
3           per fiscal year for each of fiscal years 1996 through  
4           2000. Such sums shall remain available until ex-  
5           pended.

6           “(2) EXPENSES OF FEDERAL COCHAIRMAN.—  
7           Of the amounts appropriated pursuant to paragraph  
8           (1), not to exceed \$1,245,000 per fiscal year for  
9           each of fiscal years 1996 through 2000 shall be  
10          available for expenses of the Federal Cochairman,  
11          the Federal Cochairman’s alternate, and the Federal  
12          Cochairman’s staff.”.

13 **SEC. 205. ADMINISTRATIVE POWERS OF COMMISSION.**

14          (a) AUTHORITY TO LEASE.—Section 106(7) (40  
15 U.S.C. App. 106(7)) is amended—

16               (1) by inserting “subject to the requirements of  
17               the Federal Property and Administrative Services  
18               Act of 1949,” after “(7)”;

19               (2) by striking “notwithstanding any other pro-  
20               vision of law,”; and

21               (3) by striking “1982” and inserting “2000”.

22          (b) AUTHORITY TO MAINTAIN TEMPORARY OF-  
23 FICE.—Section 106(8) (40 U.S.C. App. 106(8)) is amend-  
24 ed by inserting “subject to the requirements of the Fed-

1 eral Property and Administrative Services Act of 1949,”  
2 after “(8)”.

3 **SEC. 206. HIGHWAY SYSTEM.**

4 (a) AUTHORIZATION OF APPROPRIATIONS.—Section  
5 201(g) (40 U.S.C. App. 201(g)) is amended to read as  
6 follows:

7 “(g) AUTHORIZATION OF APPROPRIATIONS.—There  
8 is authorized to be appropriated to carry out this section  
9 \$90,000,000 per fiscal year for each of fiscal years 1996  
10 through 2000. Such sums shall remain available until ex-  
11 pended.”.

12 (b) COST SHARING.—

13 (1) IN GENERAL.—Section 201(h)(1) (40  
14 U.S.C. App. 201(h)(1)) is amended by striking “70  
15 per centum” and inserting “80 percent”.

16 (2) APPLICABILITY.—The amendment made by  
17 paragraph (1) shall apply to projects approved after  
18 March 31, 1979.

19 **SEC. 207. COST SHARING OF DEMONSTRATION HEALTH**  
20 **PROJECTS.**

21 (a) OPERATION COSTS.—Section 202(c) (40 U.S.C.  
22 App. 202(c)) is amended in the first sentence by striking  
23 “100 per centum of the costs thereof” and all that follows  
24 through the period at the end of the second sentence and  
25 inserting “50 percent of the costs thereof (or 80 percent

1 of such costs in the case of a project to be carried out  
2 in a county for which a distressed county designation is  
3 in effect under section 226).”.

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

6 “(f) MAXIMUM COMMISSION CONTRIBUTION AFTER  
7 SEPTEMBER 30, 1995.—After September 30, 1995, not  
8 more than 50 percent of any project cost eligible for finan-  
9 cial assistance under this section may be provided from  
10 funds appropriated to carry out this Act; except that such  
11 maximum Commission contribution may be increased to  
12 80 percent, or to the percentage of the maximum Federal  
13 contribution authorized by this section, whichever is less,  
14 for a project to be carried out in a county for which a  
15 distressed county designation is in effect under section  
16 226.”.

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

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

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

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

22 **SEC. 210. REPEAL OF MINING AREA RESTORATION PRO-**  
23 **GRAM.**

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

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

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

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

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

9 (b) GRANTS.—Section 207(c)(1) (40 U.S.C.  
10 207(c)(1)) is amended by striking “80 per centum” and  
11 inserting “50 percent (or 80 percent in the case of a  
12 project to be carried out in a county for which a distressed  
13 county designation is in effect under section 226)”.

14 **SEC. 213. REPEAL OF AIRPORT SAFETY IMPROVEMENTS**  
15 **PROGRAM.**

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

17 **SEC. 214. COST SHARING OF VOCATIONAL EDUCATION AND**  
18 **EDUCATION DEMONSTRATION PROJECTS.**

19 (a) OPERATION COSTS.—Section 211(b)(3) (40  
20 U.S.C. App. 211(b)(3)) is amended in the first sentence  
21 by striking “100 per centum of the costs thereof” and all  
22 that follows through the period at the end of the second  
23 sentence and inserting “50 percent of the costs thereof  
24 (or 80 percent of such costs in the case of a project to  
25 be carried out in a county for which a distressed county  
26 designation is in effect under section 226).”

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

3 “(c) MAXIMUM COMMISSION CONTRIBUTION AFTER  
4 SEPTEMBER 30, 1995.—After September 30, 1995, not  
5 more than 50 percent of any project cost eligible for finan-  
6 cial assistance under this section may be provided from  
7 funds appropriated to carry out this Act; except that such  
8 maximum Commission contribution may be increased to  
9 80 percent, or to the percentage of the maximum Federal  
10 contribution authorized by this section, whichever is less,  
11 for a project to be carried out in a county for which a  
12 distressed county designation is in effect under section  
13 226.”.

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

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

16 **SEC. 216. REPEAL OF AMENDMENTS TO HOUSING ACT OF**  
17 **1954.**

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

19 **SEC. 217. SUPPLEMENTS TO FEDERAL GRANT-IN-AID PRO-**  
20 **GRAMS.**

21 (a) AVAILABILITY OF AMOUNTS.—The first sentence  
22 of section 214(a) (40 U.S.C. App. 214(a)) is amended by  
23 striking “the President is authorized to provide funds to  
24 the Federal Cochairman to be used” and inserting “the

1 Federal Cochairman may use amounts made available to  
2 carry out this section”.

3 (b) COST SHARING.—Section 214(b) (40 U.S.C. App.  
4 214(b)) is amended—

5 (1) by striking “(b)” and inserting “(b)(1)”;  
6 and

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

8 “(2) After September 30, 1995, not more than 50  
9 percent of any project cost eligible for financial assistance  
10 under this section may be provided from funds appro-  
11 priated to carry out this Act; except that such maximum  
12 Commission contribution may be increased to 80 percent  
13 for a project to be carried out in a county for which a  
14 distressed county designation is in effect under section  
15 226.”.

16 (c) FEDERAL GRANT-IN-AID PROGRAMS DEFINED.—  
17 The first sentence of section 214(c) (40 U.S.C. App.  
18 214(c)) is amended by striking “on or before December  
19 31, 1980,”.

20 (d) LIMITATION ON COVERED ROAD PROJECTS.—  
21 The second sentence of section 214(c) is amended by in-  
22 serting “authorized by title 23, United States Code” after  
23 “road construction”.

1 **SEC. 218. PROGRAM DEVELOPMENT CRITERIA.**

2 (a) CONSIDERATIONS.—Section 224(a) (40 U.S.C.  
3 App. 224(a)) is amended by inserting before the semicolon  
4 at the end of paragraph (1) the following: “or in a severely  
5 and persistently distressed and underdeveloped county or  
6 area”.

7 (b) OUTCOME MEASUREMENTS.—Section 224(a) is  
8 further amended—

9 (1) by striking the period at the end of para-  
10 graph (5) and inserting “; and”; and

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

12 “(6) the extent to which the project design pro-  
13 vides for detailed outcome measurements by which  
14 grant expenditures may be justified.”.

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

17 “(b) LIMITATION.—No financial assistance made  
18 available under this Act may be used to assist establish-  
19 ments relocating from one area to another.”.

20 **SEC. 219. DISTRESSED AND ECONOMICALLY COMPETITIVE**  
21 **COUNTIES.**

22 Part C of title II (40 U.S.C. App. 221–225) is  
23 amended by adding at the end the following:

1 **“SEC. 226. DISTRESSED AND ECONOMICALLY COMPETITIVE**  
2 **COUNTIES.**

3 “(a) DESIGNATIONS.—Not later than 90 days after  
4 the effective date of the Economic Development Partner-  
5 ship Act of 1995, and annually thereafter, the Commis-  
6 sion, in accordance with such criteria as the Commission  
7 may establish, shall—

8 “(1) designate as ‘distressed counties’ those  
9 counties in the region that are the most severely and  
10 persistently distressed and underdeveloped; and

11 “(2) designate as ‘economically competitive  
12 counties’ those counties in the region which have at-  
13 tained substantial economic parity with the rest of  
14 the Nation.

15 “(b) PERIOD OF EFFECTIVENESS.—In making an-  
16 nual designations under subsection (a), the Commission  
17 may discontinue an existing designation at the discretion  
18 of the Commission; except that any designation of a dis-  
19 tressed county shall remain in effect for the 3-year period  
20 beginning on the date of the designation.

21 “(d) FUNDING PROHIBITION FOR PROJECTS LO-  
22 CATED IN ECONOMICALLY COMPETITIVE COUNTIES.—

23 “(1) IN GENERAL.—Except as provided by  
24 paragraph (2), no funds may be provided under this  
25 Act for a project located in a county for which an

1 economically competitive county designation is in ef-  
2 fect under this section.

3 “(2) EXCEPTIONS.—The prohibition established  
4 by paragraph (1) shall not apply to—

5 “(1) projects on the Appalachian development  
6 highway system authorized by section 201;

7 “(2) local development district administrative  
8 projects authorized by section 302(a)(1); or

9 “(3) discretionary grants authorized by section  
10 302(a).”.

11 **SEC. 220. GRANTS FOR ADMINISTRATIVE EXPENSES AND**  
12 **COMMISSION PROJECTS.**

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

15 (1) by striking “The President” and inserting  
16 “The Commission”; and

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

19 (b) COST SHARING.—Section 302(a) is further  
20 amended—

21 (1) in paragraph (1) by striking “75 per cen-  
22 tum” and inserting “50 percent”; and

23 (2) by adding at the end the following: “After  
24 September 30, 1995, not more than 50 percent of  
25 the cost of any activity eligible for financial assist-

1       ance under this section may be provided from funds  
2       appropriated to carry out this Act (or 80 percent of  
3       such costs in the case of a project to be carried out  
4       in a county for which a distressed county designa-  
5       tion is in effect under section 226); except that dis-  
6       cretionary grants by the Commission to implement  
7       significant regional initiatives, to take advantage of  
8       special development opportunities, or to respond to  
9       emergency economic distress in the region may be  
10      made without regard to such percentage limitations.  
11      The aggregate amount of discretionary grants re-  
12      ferred to in the preceding sentence in any fiscal year  
13      shall not exceed 10 percent of the amounts appro-  
14      priated under section 401 for such fiscal year.”.

15      (c) REPEALS.—Section 302 (40 U.S.C. App. 302) is  
16      amended—

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

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

20              (3) by striking subsection (e).

21      **SEC. 221. AUTHORIZATION OF APPROPRIATIONS FOR GEN-**  
22                                      **ERAL PROGRAM.**

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

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

2        “In addition to the appropriations authorized by sec-  
3 tion 105 for administrative expenses and by section 201(g)  
4 for the Appalachian development highway system and  
5 local access roads, there is authorized to be appropriated  
6 to the Commission to carry out this Act \$88,355,000 per  
7 fiscal year for each of fiscal years 1996 through 2000.  
8 Such sums shall remain available until expended.”.

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

10        Section 405 (40 U.S.C. App. 405) is amended by  
11 striking “1982” and inserting “2000”.