

105TH CONGRESS  
1ST SESSION

# H. R. 1429

To reauthorize and amend the Appalachian Regional Development Act of  
1965.

---

## IN THE HOUSE OF REPRESENTATIVES

APRIL 24, 1997

Mr. SHUSTER (for himself, Mr. OBERSTAR, Mr. KIM, and Mr. TRAFICANT)  
(all by request) introduced the following bill; which was referred to the  
Committee on Transportation and Infrastructure

---

## A BILL

To reauthorize and amend 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; REFERENCES.**

4       (a) **SHORT TITLE.**—This Act may be cited as the  
5 “Appalachian Regional Development Act Amendments of  
6 1997”.

7       (b) **REFERENCES.**—Except as otherwise expressly  
8 provided, whenever in this Act an amendment is expressed  
9 in terms of an amendment to a section or other provision,  
10 the reference shall be considered to be made to a section

1 or other provision of the Appalachian Regional Develop-  
2 ment Act of 1965 (40 U.S.C. App. 1 et seq.).

3 **SEC. 2. FINDINGS AND PURPOSES.**

4 (a) **ELIMINATION OF GROWTH CENTER REQUIRE-**  
5 **MENT.**—Section 2 (40 U.S.C. App. 2) is amended by de-  
6 leting the sixth sentence of subsection (a).

7 (b) **1997 STATEMENT OF PURPOSE.**—Section 2 (40  
8 U.S.C. App. 2) is further amended by deleting subsection  
9 (b) and substituting the following:

10 “(b) The Congress further finds and declares that,  
11 while substantial progress had been made in fulfilling  
12 many of the objectives of this Act, rapidly changing na-  
13 tional and global economies over the past decade have cre-  
14 ated new challenges for rural areas throughout the Nation  
15 and especially for the Appalachian region. It is, therefore,  
16 also the purpose of this Act to assist Appalachia to become  
17 a region with an educated and trained work force, healthy  
18 people, a sound physical infrastructure, a dynamic eco-  
19 nomic base, and the local and regional capacity to be eco-  
20 nomically self-sustaining. In carrying out this Act, the  
21 Commission shall be an advocate for and partner with the  
22 people of Appalachia and shall seek to achieve a viable  
23 and self-sustaining economy for the region in accordance  
24 with the following principles:

1           “(1) The most valuable investment that can be  
2           made in the region is in its people.

3           “(2) Entrepreneurial economies that focus on  
4           high-value-added goods and services offer the best  
5           future for many parts of the region.

6           “(3) Strategies and objectives should take into  
7           consideration participation in the global economy.

8           “(4) Economic development should be commu-  
9           nity-based and should emphasize local decision mak-  
10          ing.

11          “(5) Commission investments should take ad-  
12          vantage of technology and telecommunications appli-  
13          cations.

14          “(6) The Commission shall promote an atmos-  
15          phere of open and productive communication among  
16          all stakeholders in the Region.

17          “(7) The Commission shall focus special atten-  
18          tion on the areas of greatest need.”.

19   **SEC. 3. 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 Co-Chairman  
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 as follows:

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

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

12 (c) DECISIONS REQUIRING A QUORUM.—Section  
13 101(b) (40 U.S.C. App. 101(b)) is amended by striking  
14 the third sentence and inserting the following: “No deci-  
15 sion involving Commission policy, approval of State, re-  
16 gional, or subregional development plans or implementing  
17 investment programs, any modification or revision of the  
18 Appalachian Regional Commission Code, any allocation of  
19 funds among the States, or the criteria for the designation  
20 of counties as distressed or economically strong under sec-  
21 tion 226 may be made without a quorum of State mem-  
22 bers.”.

1 **SEC. 4. AUTHORIZATIONS FOR ADMINISTRATIVE EX-**  
2 **PENSES.**

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

5 “(b) AUTHORIZATION OF APPROPRIATIONS.—

6 “(1) IN GENERAL.—There is authorized to be  
7 appropriated to carry out this section \$3,645,000 for  
8 fiscal year 1998 and such sums as may be necessary  
9 for each of fiscal years 1999 through 2002. Such  
10 sums shall remain available until expended.

11 “(2) EXPENSES OF THE FEDERAL CO-CHAIR-  
12 MAN.—Of the amounts appropriated pursuant to  
13 paragraph (1), not to exceed \$1,225,000 for fiscal  
14 year 1998 and such sums as may be necessary for  
15 each of fiscal years 1999 through 2002 shall be  
16 available for expenses of the Federal Co-Chairman,  
17 the Federal Co-Chairman’s alternate, and the Fed-  
18 eral Co-Chairman’s staff.”.

19 **SEC. 5. COMPENSATION OF EMPLOYEES.**

20 Section 106(2) (40 U.S.C. App. 106(2)) is amended  
21 by striking “the salary of the alternate to the Federal Co-  
22 Chairman on the Commission as provided in section 101”  
23 and inserting “the maximum rate for the Senior Executive  
24 Service under section 5382 of title 5, United States Code,  
25 including any applicable locality-based comparability pay-

1 ment that may be authorized under section 5304(h)(2)(c)  
2 of such title 5.”.

3 **SEC. 6. EXTENSION OF LEASE TERMS.**

4 Section 106(7) (40 U.S.C. App. 106(7)) is amended  
5 by striking “1982” and inserting “2002”.

6 **SEC. 7. HIGHWAY SYSTEM.**

7 (a) AUTHORIZATION OF APPROPRIATIONS.—Section  
8 201(g) (40 U.S.C. App. 201(g)) is amended to read as  
9 follows:

10 “(g) AUTHORIZATION OF APPROPRIATIONS.—There  
11 is authorized to be appropriated to carry out this section  
12 \$90,000,000 for fiscal year 1998 and such sums as may  
13 be necessary for each of fiscal years 1999 through 2002.  
14 Such sums shall remain available until expended.”.

15 (b) COST SHARING—GENERAL RULE.—Section  
16 201(h)(1) (40 U.S.C. App. 201(h)(1)) is amended by  
17 striking “70 per centum” and inserting “80 percent”.

18 **SEC. 8. SUPPLEMENTS TO FEDERAL GRANT-IN-AID PRO-**  
19 **GRAMS; FUNDING LIMITATION.**

20 (a) AVAILABILITY OF AMOUNTS.—The first sentence  
21 of section 214(a) (40 U.S.C. App. 214(a)) is amended by  
22 striking “the President is authorized to provide funds to  
23 the Federal Co-Chairman to be used” and inserting in lieu  
24 thereof “the Federal Co-Chairman may use amounts made  
25 available to carry out this Act”.

1 (b) FEDERAL GRANT-IN-AID PROGRAMS DEFINED.—

2 The first sentence of section 214(c) (40 U.S.C. App.  
3 214(c)) is amended by striking “on or before December  
4 31, 1980,”.

5 (c) LIMITATION ON COVERED ROAD PROJECTS.—

6 The second sentence of section 214(c) is amended by in-  
7 serting “authorized by title 23, United States Code” after  
8 “road construction”.

9 **SEC. 9. PROGRAM DEVELOPMENT CRITERIA.**

10 (a) CONSIDERATIONS.—Section 224(a) (40 U.S.C.  
11 App. 224(a)) is amended by inserting before the semicolon  
12 at the end of paragraph (1) the following: “or in a severely  
13 and persistently distressed and underdeveloped county or  
14 area”.

15 (b) OUTCOME MEASUREMENTS.—Section 224(a) is  
16 further amended by striking the period at the end of para-  
17 graph (5) and inserting in lieu thereof a semicolon and  
18 adding the following: “and (6) the extent to which the  
19 project design provides for detailed outcome measure-  
20 ments by which grant expenditures may be evaluated.”.

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

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

1 **SEC. 10. DISTRESSED AND ECONOMICALLY STRONG COUN-**  
2 **TIES.**

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

5 **“SEC. 226. DISTRESSED AND ECONOMICALLY STRONG**  
6 **COUNTIES.**

7 “(a) DESIGNATIONS.—Not later than 90 days after  
8 the effective date of the Appalachian Regional Develop-  
9 ment Act Amendments of 1997, and annually thereafter,  
10 the Commission, in accordance with such criteria as the  
11 Commission may establish, shall—

12 “(1) designate as ‘distressed counties’ those  
13 counties in the region that are the most severely and  
14 persistently distressed and underdeveloped; and

15 “(2) designate two categories of economically  
16 strong counties, as follows:

17 “(A) ‘competitive counties’ which shall be  
18 those counties in the region which are ap-  
19 proaching economic parity with the rest of the  
20 Nation; and

21 “(B) ‘attainment counties’ which shall be  
22 those counties in the region which have attained  
23 or exceeded economic parity with the rest of the  
24 Nation.

25 “(b) DISTRESSED COUNTIES.—In program and  
26 project development and implementation and in the alloca-

1 tion of appropriations made available to carry out this Act,  
2 the Commission shall give special consideration to the  
3 needs of those counties for which a distressed designation  
4 is in effect under this section.

5 “(c) FUNDING PROHIBITION FOR PROJECTS LO-  
6 CATED IN ECONOMICALLY STRONG COUNTIES.—

7 “(1) COMPETITIVE COUNTIES.—Except as pro-  
8 vided by paragraphs (3) and (4), assistance under  
9 this Act will be limited to no more than 30 percent  
10 of project cost for a project located in a county for  
11 which a competitive county designation is in effect  
12 under this section.

13 “(2) ATTAINMENT COUNTIES.—Except as pro-  
14 vided by paragraphs (3) and (4), no funds may be  
15 provided under this Act for a project located in a  
16 county for which an attainment county designation  
17 is in effect under this section.

18 “(3) EXCEPTIONS.—The prohibitions estab-  
19 lished by paragraphs (1) and (2) shall not apply  
20 to—

21 “(A) projects on the Appalachian develop-  
22 ment highway system authorized by section  
23 201;

24 “(B) local development district administra-  
25 tive projects authorized by section 302(a)(1); or

1           “(C) a multicounty project that includes a  
2           county or counties designated as ‘competitive’  
3           or ‘attainment’ under this section provided all  
4           participating counties share in the costs and  
5           benefits of the project.

6           “(4) WAIVER.—The prohibitions established by  
7           paragraphs (1) and (2) may be waived by the Com-  
8           mission for a particular project upon a showing of  
9           one or more of the following:

10           “(A) The existence of a significant pocket  
11           of distress in the part of the county in which  
12           the project is located.

13           “(B) A significant decline in economic con-  
14           ditions affecting the county which is not re-  
15           flected in current designation data.

16           “(C) The existence of a significant poten-  
17           tial benefit from the project in areas of the re-  
18           gion outside the designated county.”.

19 **SEC. 11. GRANTS FOR ADMINISTRATIVE EXPENSES AND**  
20 **DEMONSTRATION PROJECTS; AVAILABILITY**  
21 **OF AMOUNTS.**

22           Section 302(a) (40 U.S.C. App. 302(a)) is amend-  
23 ed—

24           (1) by striking “The President” and inserting  
25           “The Commission”; and

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

3 **SEC. 12. AUTHORIZATION OF APPROPRIATIONS FOR GEN-**  
4 **ERAL PROGRAM.**

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

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

8           “In addition to the appropriations authorized by sec-  
9 tion 105 for administrative expenses and by section 201(g)  
10 for the Appalachian development highway system and  
11 local access roads, there is authorized to be appropriated  
12 to the Commission to carry out this Act \$71,355,000 for  
13 fiscal year 1998 and such sums as may be necessary for  
14 each of fiscal years 1999 through 2002. Such sums shall  
15 remain available until expended.”.

16 **SEC. 13. EXTENSION OF TERMINATION DATE.**

17           Section 405 (40 U.S.C. App. 405) is amended by  
18 striking “1982” and inserting “2002”.

19 **SEC. 14. EFFECTIVE DATE.**

20           This Act and the amendments made by this Act shall  
21 take effect October 1, 1997.

○