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2<sup>D</sup> SESSION

# H. R. 2442

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IN THE SENATE OF THE UNITED STATES

MAY 16, 1994

Received; read twice and referred to the Committee on Environment and  
Public Works

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## AN ACT

To reauthorize economic development programs under the Public Works and Economic Development Act of 1965 and the Appalachian Regional Development Act of 1965 for fiscal years 1994 through 1996, and for other purposes.

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

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

4        (a) SHORT TITLE.—This Act may be cited as the  
5        “Economic Development Reauthorization Act of 1994”.

6        (b) TABLE OF CONTENTS.—

Sec. 1. Short title; table of contents.

### TITLE I—ECONOMIC DEVELOPMENT PROGRAMS

Sec. 101. Grants for public works and development facilities.

Sec. 102. Projects constructed under projected cost.

Sec. 103. Changed project circumstances.

Sec. 104. Other financial assistance.

Sec. 105. Technical assistance, research, and information.

- Sec. 106. Business outreach center demonstration project.
- Sec. 107. Office of Strategic Economic Development Planning and Policy.
- Sec. 108. Office of Economic Development Information.
- Sec. 109. Area eligibility.
- Sec. 110. Investment strategy.
- Sec. 111. Economic development districts.
- Sec. 112. Administration.
- Sec. 113. Expedited processing of applications.
- Sec. 114. Uniform application form.
- Sec. 115. Study of grant selection criteria.
- Sec. 116. Performance evaluations of grant recipients.
- Sec. 117. Study of guaranteed loan program.
- Sec. 118. Miscellaneous.
- Sec. 119. Acceptance of applicants' certifications.
- Sec. 120. Supervision of regional counsels.
- Sec. 121. Economic recovery for disaster areas.
- Sec. 122. Special economic development and adjustment assistance.
- Sec. 123. Treatment of revolving loan funds.
- Sec. 124. Outreach to communities adversely affected by defense base closures.
- Sec. 125. Sale of financial instruments in revolving loan funds.
- Sec. 126. Economic development challenge grants demonstration project.
- Sec. 127. Authorization of appropriations.
- Sec. 128. References to the Secretary.
- Sec. 129. Compliance with Buy American Act.
- Sec. 130. Regulatory relief.

#### TITLE II—APPALACHIAN REGIONAL DEVELOPMENT

- Sec. 201. Findings and purposes.
- Sec. 202. Meetings.
- Sec. 203. Authorizations for administrative expenses.
- Sec. 204. Extension of lease terms.
- Sec. 205. Highway system.
- Sec. 206. Supplements to Federal grant-in-aid programs.
- Sec. 207. Program development criteria.
- Sec. 208. Grants for administrative expenses and demonstration projects.
- Sec. 209. Authorization of appropriations for general program.
- Sec. 210. Definition of Appalachian region.
- Sec. 211. Extension of termination date.
- Sec. 212. Regional development task force.
- Sec. 213. Compliance with Buy American Act.

#### TITLE III—BUSINESS DEVELOPMENT ASSISTANCE

- Sec. 301. Short title.
- Sec. 302. Findings, purposes, and definitions.
- Sec. 303. Consolidation of information on technologies.
- Sec. 304. Business Development and Technology Commercialization Corporation.
- Sec. 305. Assistance to businesses in securing financing.
- Sec. 306. Savings provision.
- Sec. 307. Rule of construction.

1                   **TITLE I—ECONOMIC**  
2                   **DEVELOPMENT PROGRAMS**

3   **SEC. 101. GRANTS FOR PUBLIC WORKS AND DEVELOPMENT**  
4                   **FACILITIES.**

5           (a) DIRECT AND SUPPLEMENTARY GRANTS.—

6               (1) ELIGIBLE APPLICANTS.—Section 101(a) of  
7           the Public Works and Economic Development Act of  
8           1965 (42 U.S.C. 3131(a)) is amended in the matter  
9           preceding paragraph (1) by striking “representing  
10          any redevelopment area or part thereof” and insert-  
11          ing “acting in cooperation with officials of local gov-  
12          ernments”.

13           (2) DIRECT GRANTS.—Section 101(a)(1) of  
14          such Act (42 U.S.C. 3131(a)(1)) is amended—

15               (A) in the matter preceding subparagraph

16               (A) by inserting “design and engineering,”  
17               after “acquisition,”; and

18               (B) in subparagraph (A) by striking “or  
19               otherwise substantially further the objectives of  
20               the Economic Opportunity Act of 1964”.

21          (b) AMOUNT OF SUPPLEMENTAL GRANTS.—The last  
22          sentence of section 101(c) of such Act (42 U.S.C. 3131(c))  
23          is amended—

24               (1) by striking “area,” and inserting “area  
25               and”; and

1           (2) by striking “, and the amount of” and all  
2           that follows before the period.

3           (c) AUTHORIZATION OF APPROPRIATIONS.—Section  
4           105 of such Act (42 U.S.C. 3135) is amended to read as  
5           follows:

6           **“SEC. 105. AUTHORIZATION OF APPROPRIATIONS.**

7           “(a) IN GENERAL.—There is authorized to be appro-  
8           priated to carry out this title \$160,000,000 for fiscal year  
9           1994 and \$175,000,000 per fiscal year for each of fiscal  
10          years 1995 and 1996. Such sums shall remain available  
11          until expended.

12          “(b) LIMITATION ON EXPENDITURES IN CERTAIN  
13          AREAS.—Not more than 35 percent of the amounts appro-  
14          priated pursuant to subsection (a) in a fiscal year may  
15          be expended for projects located in areas described in sec-  
16          tion 401(a)(4).

17          “(c) LIMITATION ON EXPENDITURES FOR DESIGN  
18          AND ENGINEERING.—Not more than 20 percent of the  
19          amounts appropriated pursuant to section (a) in a fiscal  
20          year may be expended for design and engineering.”.

21          (d) SEWER FACILITIES.—Title I of such Act (42  
22          U.S.C. 3131–3137) is amended by striking section 106  
23          and redesignating section 107 as section 106.

24          (e) CONSTRUCTION COST INCREASES.—Section 106  
25          of such Act, as redesignated by subsection (d) of this sec-

1 tion, is amended by inserting a period after “such costs”  
2 and striking all that follows.

3 **SEC. 102. PROJECTS CONSTRUCTED UNDER PROJECTED**  
4 **COST.**

5 Title I of the Public Works and Economic Develop-  
6 ment Act of 1965 (42 U.S.C. 3131–3137) is amended by  
7 adding at the end the following:

8 **“SEC. 107. USE OF FUNDS IN PROJECTS CONSTRUCTED**  
9 **UNDER PROJECTED COST.**

10 “In any case where a grant (including a supplemental  
11 grant) has been made under this title for a project, and  
12 after such grant has been made but before completion of  
13 the project the cost of such project based upon the designs  
14 and specifications which were the basis of the grant has  
15 decreased because of decreases in costs, such underrun  
16 funds may be used to improve the project either directly  
17 or indirectly as determined by the Secretary.”.

18 **SEC. 103. CHANGED PROJECT CIRCUMSTANCES.**

19 Title I of the Public Works and Economic Develop-  
20 ment Act of 1965 (42 U.S.C. 3131–3137) is further  
21 amended by adding at the end the following:

22 **“SEC. 108. CHANGED PROJECT CIRCUMSTANCES.**

23 “In any case where a grant (including a supplemental  
24 grant) has been made under this title for a project, and  
25 after such grant has been made but before completion of

1 the project the purpose or scope of such project based  
2 upon the designs and specifications which were the basis  
3 of the grant has changed, the Secretary may approve the  
4 use of grant funds on such changed project if the Sec-  
5 retary determines that such changed project meets the re-  
6 quirements of this title and that such changes are nec-  
7 essary to enhance economic development in the area.”.

8 **SEC. 104. OTHER FINANCIAL ASSISTANCE.**

9 (a) PUBLIC WORKS AND DEVELOPMENT FACILITY  
10 LOANS.—

11 (1) ELIGIBLE APPLICANTS.—Section 201(a) of  
12 the Public Works and Economic Development Act of  
13 1965 (42 U.S.C. 3141(a)) is amended in the matter  
14 preceding paragraph (1) by striking “representing  
15 any redevelopment area or part thereof” and insert-  
16 ing “acting in cooperation with officials of local gov-  
17 ernments”.

18 (2) CRITERIA.—Section 201(a)(1)(C) of such  
19 Act (42 U.S.C. 3141(a)(1)(C)) is amended by strik-  
20 ing “or otherwise substantially further the objectives  
21 of the Economic Opportunity Act of 1964”.

22 (b) TERMS AND CONDITIONS.—Section 202(b) of  
23 such Act (42 U.S.C. 3142(b)) is amended—

1 (1) in paragraph (6) by striking “it is deter-  
2 mined” and inserting “the Secretary determines”;  
3 and

4 (2) in paragraph (7) by striking “hereunder for  
5 a period” and all that follows through “the foregoing  
6 restrictions on maturities” and inserting “under this  
7 section for a term of maturity of more than 25 years  
8 and no evidences of indebtedness which matures  
9 more than 25 years after the date of purchase may  
10 be purchased under this section; except that this  
11 paragraph”.

12 (c) REDEVELOPMENT AREA LOAN PROGRAM.—Title  
13 II of such Act (42 U.S.C. 3141–3144) is amended by  
14 striking section 204.

15 **SEC. 105. TECHNICAL ASSISTANCE, RESEARCH, AND INFOR-**  
16 **MATION.**

17 (a) TECHNICAL ASSISTANCE.—

18 (1) URBAN AREAS WITH POPULATIONS OF  
19 400,000 OR LESS.—Section 301(a) of the Public  
20 Works and Economic Development Act of 1965 (42  
21 U.S.C. 3151(a)) is amended by adding at the end  
22 the following: “In providing assistance under this  
23 subsection, the Secretary shall take into consider-  
24 ation the unique development needs of urban areas  
25 with populations of 400,000 or less.”.

1           (2) GRANTS FOR ADMINISTRATIVE EX-  
2 PENSES.—The last sentence of section 301(b) of  
3 such Act (42 U.S.C. 3151(b)) is amended by strik-  
4 ing “urban planning grants, authorized under the  
5 Housing Act of 1954, as amended,” and inserting  
6 “planning activities described in section 105(a)(13)  
7 of the Housing and Community Development Act of  
8 1974”.

9           (3) REPEALS.—Section 301 of such Act (42  
10 U.S.C. 3151) is amended by striking subsections (c),  
11 (e), and (f) and redesignating subsection (d) as sub-  
12 section (c).

13           (b) ECONOMIC DEVELOPMENT PLANNING.—

14           (1) DIRECT GRANTS.—The 7th sentence of sec-  
15 tion 302(a) of such Act (42 U.S.C. 3151a(a)) is  
16 amended by striking “and shall be available” and all  
17 that follows before the period at the end.

18           (2) TECHNICAL ASSISTANCE.—Section 302 of  
19 such Act (42 U.S.C. 3151a) is amended by striking  
20 subsection (b) and redesignating subsection (c) as  
21 subsection (b).

22           (3) USE OF OTHER PLANNING ASSISTANCE.—  
23 Section 302(b) of such Act, as redesignated by para-  
24 graph (2) of this subsection, is amended by striking  
25 “shall be used in accordance with the review proce-



1 nesses to access small business services provided by Fed-  
2 eral, State, and local governments.

3 “(b) ESTABLISHMENT OF CENTERS.—In conducting  
4 the demonstration project under this section, the Sec-  
5 retary shall establish 3 business outreach centers. At least  
6 1 of the centers shall be located in a rural area.

7 “(c) PURPOSE OF CENTERS.—It shall be the purpose  
8 of each business outreach center established under this  
9 section—

10 “(1) to provide a one-stop clearinghouse to as-  
11 sist isolated small businesses in accessing small busi-  
12 ness services provided by Federal, State, and local  
13 governments; and

14 “(2) to improve efficiency in the delivery of  
15 such services.

16 “(d) SERVICES TO BE PROVIDED.—Each business  
17 outreach center established under this section shall pro-  
18 vide the following services:

19 “(1) Outreach to isolated small businesses.

20 “(2) Assessment of the need of isolated small  
21 businesses for assistance services.

22 “(3) Referral of isolated small businesses to  
23 small business assistance agencies.



1 ning and Policy (hereafter in this section referred to as  
2 ‘the Office’).

3 “(b) DUTIES.—The duties of the head of the Office  
4 are as follows:

5 “(1) RESEARCH, EVALUATION, AND DEM-  
6 ONSTRATION.—To support research, evaluation, and  
7 demonstration projects to study and assess best  
8 practices in economic development and to examine  
9 trends and changes in economic conditions that af-  
10 fect regional development.

11 “(2) POLICY DEVELOPMENT.—To develop rec-  
12 ommendations on both short- and long-term policies  
13 regarding economic development issues and pro-  
14 grams, to help foster the diffusion of innovative, best  
15 practices in economic development throughout the  
16 Department of Commerce.

17 “(3) COORDINATION.—To take a leading role in  
18 developing and promoting means for greater coordi-  
19 nation among States, regions, and local communities  
20 in the design and implementation of economic devel-  
21 opment strategies, and to work in conjunction with  
22 Federal agencies on developing and implementing  
23 means for reducing fragmentation and increase co-  
24 ordination among Federal programs that provide  
25 economic development assistance.

1       “(c) RESEARCH IN CAUSES OF LONG-TERM ECO-  
2       NOMIC DETERIORATION.—

3               “(1) IN GENERAL.—To assist in the long-range  
4       accomplishment of the purposes of this Act, the Sec-  
5       retary, in cooperation with other agencies having  
6       similar functions, shall establish and conduct a con-  
7       tinuing program of study, training, and research—

8               “(A) to assist in determining the causes  
9       of unemployment, underemployment, under-  
10       development, and chronic depression in the var-  
11       ious areas and regions of the Nation;

12              “(B) to assist in the formulation and im-  
13       plementation of national, State, and local pro-  
14       grams which will raise income levels and other-  
15       wise produce solutions to the problems resulting  
16       from these conditions; and

17              “(C) to assist in providing the personnel  
18       needed to conduct such programs.

19              “(2) MANNER OF PROVIDING STUDY, ASSIST-  
20       ANCE.—The program of study, training, and re-  
21       search may be conducted by the Secretary  
22       through—

23              “(A) members of the Secretary’s staff;

1           “(B) the payment of funds authorized for  
2 this section to other departments or agencies of  
3 the Federal Government;

4           “(C) the employment of private individ-  
5 uals, partnerships, firms, corporations, or suit-  
6 able institutions;

7           “(D) contracts entered into for such pur-  
8 poses;

9           “(E) grants to such individuals, organiza-  
10 tions, or institutions as the Secretary deter-  
11 mines to be appropriate; or

12           “(F) conferences and similar meetings or-  
13 ganized for such purposes.

14           “(3) AVAILABILITY OF RESULTS OF RE-  
15 SEARCH.—The Secretary shall make available to in-  
16 terested individuals and organizations the results of  
17 such research.

18           “(4) ANNUAL REPORT OF SECRETARY.—The  
19 Secretary shall include in the annual report under  
20 section 705 a detailed statement concerning the  
21 study and research conducted under this section, to-  
22 gether with the Secretary’s findings and conclusions  
23 and such recommendations for legislative and other  
24 action as the Secretary may consider appropriate.

25           “(d) GEOGRAPHIC ANALYSIS TOOL.—

1           “(1) IN GENERAL.—The Secretary shall, in co-  
2           operation with other appropriate Federal agencies  
3           develop a computerized geographic analysis tool that  
4           all Federal departments and agencies and grant re-  
5           cipients may use to evaluate the success of these  
6           programs.

7           “(2) REPORT.—Not later than 6 months after  
8           the date of the enactment of the Economic Develop-  
9           ment Reauthorization Act of 1994, the Secretary  
10          shall transmit to Congress a report on use of the  
11          computerized geographic analysis tool developed pur-  
12          suant to paragraph (1) by Federal departments and  
13          agencies.

14          “(e) INDEPENDENT ADVISORY COMMITTEE.—The  
15          Secretary shall establish an advisory committee made up  
16          of representatives from major State, local, and nonprofit  
17          economic development organizations as well as nationally  
18          recognized experts on innovative approaches to economic  
19          development to advise and make recommendations to the  
20          Office.

21          “(f) FEDERAL COORDINATING COUNCIL FOR ECO-  
22          NOMIC DEVELOPMENT.—

23                 “(1) IN GENERAL.—The Secretary shall estab-  
24          lish a Federal Coordinating Council for Economic

1 Development (hereafter in this section referred to as  
2 the ‘Council’).

3 “(2) COMPOSITION OF COUNCIL.—The Council  
4 shall be composed of representatives from Federal  
5 agencies involved in matters that affect regional eco-  
6 nomic development.

7 “(3) DUTIES.—The Council shall assist in pro-  
8 viding a unifying framework for economic and re-  
9 gional development efforts and develop a govern-  
10 mentwide strategic plan for economic development.

11 “(g) GRANTS AND CONTRACTS FOR DEMONSTRATION  
12 PROJECTS; PURPOSES.—The Secretary may make grants,  
13 enter into contracts, or otherwise provide funds for any  
14 demonstration project in an eligible area which the Sec-  
15 retary determines is designed to foster regional productiv-  
16 ity and growth, prevent outmigration, and otherwise carry  
17 out the purposes of this Act.”.

18 **SEC. 108. OFFICE OF ECONOMIC DEVELOPMENT INFORMA-**  
19 **TION.**

20 Title III of the Public Works and Economic Develop-  
21 ment Act of 1965 (42 U.S.C. 3151–3153) is further  
22 amended by adding at the end the following:

1 **“SEC. 306. OFFICE OF ECONOMIC DEVELOPMENT INFORMA-**  
2 **TION.**

3 “(a) ESTABLISHMENT.—The Secretary shall estab-  
4 lish the Office of Economic Development Information  
5 (hereafter in this section referred to as the ‘Office’) within  
6 the Office of Strategic Economic Development Planning  
7 and Policy.

8 “(b) DUTIES.—The duties of the head of the Office  
9 shall be—

10 “(1) to serve as a central information clearing-  
11 house on matters relating to economic development,  
12 economic adjustment, industrial retention, disaster  
13 recovery, and defense conversion programs and ac-  
14 tivities of the Federal and State governments, in-  
15 cluding political subdivisions of the States; and

16 “(2) to help potential and actual applicants for  
17 economic development, economic adjustment, disas-  
18 ter recovery, industrial retention, and defense con-  
19 version assistance under Federal, State, and local  
20 laws in locating and applying for such assistance, in-  
21 cluding financial and technical assistance.

22 “(c) INFORMATION DATA BASES.—

23 “(1) USES.—The Office shall develop informa-  
24 tion data bases for use by Federal departments and  
25 agencies. State and local governmental agencies,  
26 public and private entities, and individuals to assist

1 such agencies, entities, and individuals in the proc-  
2 ess of identifying and applying for assistance and re-  
3 sources under economic development, economic  
4 adjustment, disaster recovery, industrial retention,  
5 and defense conversion programs and activities of  
6 the Federal, State, and local governments.

7 “(2) SPECIFIC KINDS OF INFORMATION RE-  
8 QUIRED TO BE INCLUDED.—The data bases shall in-  
9 clude the following kinds of information:

10 “(A) A comprehensive compilation of all  
11 relevant information concerning available eco-  
12 nomic development, economic adjustment, disas-  
13 ter recovery, industrial retention, and defense  
14 conversion programs of the Federal Government  
15 including key contact people, descriptions of the  
16 application process, eligibility requirements and  
17 criteria, selection and followup procedures, and  
18 other such relevant information.

19 “(B) A compilation of major State and  
20 local governmental economic development, eco-  
21 nomic adjustment, disaster relief, industrial re-  
22 tention, and defense conversion assistance pro-  
23 grams, including lists of appropriate offices, of-  
24 ficers, and contact personnel connected with, or  
25 involved in, such programs.

1           “(C) A compilation of relevant and avail-  
2           able economic data and trends, including infor-  
3           mation about the national, regional, and local  
4           impacts of trade agreements, defense spending  
5           and downsizing, technological change, and other  
6           sources of substantial economic dislocation.

7           “(D) A compilation of case studies and  
8           ‘best practices’ in economic development, ad-  
9           justment, and conversion.

10          “(E) A compilation of technology utiliza-  
11          tion programs, assistance, and resources.

12          “(F) A compilation of published works  
13          (books, reports, articles, videos, and tapes), and  
14          selected texts of such works, related to all fac-  
15          ets of economic development, economic adjust-  
16          ment and defense conversion.

17          “(G) A compilation of information on case  
18          studies on early warning and intervention ef-  
19          forts.

20          “(3) POINTS OF PUBLIC ACCESS.—

21          “(A) IN GENERAL.—The Office shall es-  
22          tablish several mechanisms to assure easy ac-  
23          cess by the public and others to such data  
24          bases, and to assure that the data bases be as

1 accessible, user-friendly, culturally neutral, and  
2 affordable as possible.

3 “(B) MEANS OF ACCESS.—Access to the  
4 Office’s data services shall include the following  
5 means:

6 “(i) A toll-free nationwide telephone  
7 number to provide direct phone access to  
8 the public.

9 “(ii) On-line electronic access through  
10 existing computer network services and  
11 publicly available computer data base ac-  
12 cess facilities, such as at repository librar-  
13 ies and by direct call-in via modem.

14 “(iii) Printed manuals and orientation  
15 materials.

16 “(iv) Periodic orientation workshops  
17 available to the public.

18 “(v) On-call information specialists to  
19 address special problems requiring person-  
20 to-person assistance.

21 “(d) INTERAGENCY COORDINATION.—The Secretary  
22 shall enter into such agreements and understandings as  
23 may be necessary with other Federal departments and  
24 agencies to coordinate the accomplishment of the objec-  
25 tives of this section.”.

1 **SEC. 109. AREA ELIGIBILITY.**

2 (a) IN GENERAL.—Title IV of the Public Works and  
3 Economic Development Act of 1965 (42 U.S.C. 3161–  
4 3173) is amended by striking the heading to such title  
5 and all that follows through section 401 and inserting the  
6 following:

7 **“TITLE IV—ELIGIBILITY AND**  
8 **INVESTMENT STRATEGIES**

9 **“PART A—ELIGIBILITY**

10 **“SEC. 401. AREA ELIGIBILITY.**

11 “(a) CERTIFICATION.—In order to be eligible for as-  
12 sistance under title I or II, an applicant seeking assistance  
13 to undertake a project in an area shall certify, as part  
14 of an application for such assistance, that the area on the  
15 date of submission of such application meets 1 or more  
16 of the following criteria:

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

19 “(2) The area has an unemployment rate 1 per-  
20 cent above the national average percentage for the  
21 most recent 24-month period for which statistics are  
22 available.

23 “(3) The area has experienced or is about to  
24 experience a sudden economic dislocation resulting  
25 in job loss that is significant both in terms of the

1 number of jobs eliminated and the effect upon the  
2 employment rate of the area.

3 “(4) The area is a community or neighborhood  
4 (defined without regard to political or other subdivi-  
5 sions or boundaries) which the Secretary determines  
6 has 1 or more of the following conditions:

7 “(A) A large concentration of low-income  
8 persons.

9 “(B) Rural areas having substantial out-  
10 migration or substantial economic deterioration  
11 and unemployment.

12 “(C) Substantial unemployment.

13 “(b) DOCUMENTATION.—A certification made under  
14 subsection (a) shall be supported by Federal data, when  
15 available, and in other cases by data available through the  
16 State government. Such documentation shall be accepted  
17 by the Secretary unless it is determined to be inaccurate.  
18 The most recent statistics available shall be used.

19 “(c) SPECIAL RULE.—An area which the Secretary  
20 determines has 1 or more of the conditions described in  
21 subsection (a)(4)—

22 “(1) shall not be subject to the requirements of  
23 subparagraphs (A) and (C) of section 101(a)(1); and

24 “(2) shall not be eligible to meet the require-  
25 ments of section 403(a)(1)(B).

1       “(d) PRIOR DESIGNATIONS.—Any designation of a  
2 redevelopment area under this title made before the date  
3 of the enactment of the Economic Development Reauthor-  
4 ization Act of 1994 shall not be effective after such date  
5 of enactment.

6       “(e) DEFINITION.—For purposes of this Act, the  
7 term ‘large concentration of low-income persons’ means an  
8 area with a median family income of not more than 80  
9 percent of the national median family income.”.

10       (b) CONFORMING AMENDMENTS.—

11           (1) TITLE I.—Title I of such Act (42 U.S.C.  
12 3131–3137) is amended—

13                   (A) in section 101(a)(1) in the matter pre-  
14 ceding subparagraph (A) by striking “within a  
15 redevelopment area” and inserting “within an  
16 area described in section 401(a)”;

17                   (B) in section 101(a)(1)(D) by striking “a  
18 redevelopment area so designated under section  
19 401(a)(6)” and inserting “an area described in  
20 section 401(a)(4)”;

21                   (C) in section 101(a)(2) by striking “with-  
22 in redevelopment areas” and inserting “within  
23 areas described in section 401(a)”;

24                   (D) in each of the 2d and 3d sentences of  
25 section 101(c) by striking “a redevelopment

1 area designated as such under section 401(a)(6)  
2 of this Act” and inserting “an area described in  
3 section 401(a)(4)”;

4 (E) in the 5th sentence of section 101(c)  
5 by striking “redevelopment areas” and inserting  
6 “areas described in section 401(a)”.

7 (2) TITLE II.—Title II of such Act (42 U.S.C.  
8 3141–3144) is amended—

9 (A) in section 201(a) in the matter preced-  
10 ing paragraph (1) by striking “within a redevelop-  
11 ment area” and inserting “within an area de-  
12 scribed in section 401(a)”;

13 (B) in each of paragraphs (1) and (3) of  
14 section 202(a) by striking “within a redevelop-  
15 ment area” and inserting “within an area de-  
16 scribed in section 401(a)”;

17 (C) in section 202(b)(3) by striking “rede-  
18 velopment”.

19 (3) TITLE III.—Title III of such Act (42 U.S.C.  
20 3151–3153) is amended—

21 (A) in section 301(a) by striking “(1) to  
22 areas which he has designated as redevelopment  
23 areas under this Act, and (2) to other areas  
24 which he finds” and inserting “(1) to areas  
25 which the Secretary determines are areas de-

1 scribed in section 401(a), and (2) to other areas  
2 which the Secretary finds”;

3 (B) in section 301(c), as redesignated by  
4 section 105(a) of this Act, by striking “redevelop-  
5 ment areas” both places it appears and in-  
6 serting “areas described in section 401(a)”;

7 (C) in the 1st sentence of section 302(a)  
8 by striking “a redevelopment area” and insert-  
9 ing “an area described in section 401(a)”;

10 (D) in the 2d sentence of section 302(a) by  
11 striking “redevelopment areas” and inserting  
12 “areas described in section 401(a)”.

13 (4) TITLE IV.—Title IV of such Act (42 U.S.C.  
14 3161–3173) is amended—

15 (A) in each of subparagraphs (A) and (B)  
16 of section 403(a)(1) by striking “redevelopment  
17 area” and inserting “area described in section  
18 401(a)”;

19 (B) in section 403(a)(1)(C) by striking  
20 “redevelopment areas” and inserting “areas de-  
21 scribed in section 401(a)”;

22 (C) in section 403(a)(4) in the matter pre-  
23 ceding subparagraph (A) by striking “redevelop-  
24 ment areas (designated under section 401)”

1 and inserting “areas described in section  
2 401(a)”;

3 (D) in section 403(a)(4)(A) by striking  
4 “redevelopment area” and inserting “area de-  
5 scribed in section 401(a)”;

6 (E) in section 403(h), as redesignated by  
7 section 111(c) of this Act, by striking “a rede-  
8 velopment area” each place it appears and in-  
9 serting “an area described in section 401(a)”.

10 (5) TITLE IX.—Section 902 of such Act (42  
11 U.S.C. 3242) is amended by striking “a redevelop-  
12 ment area or economic development district estab-  
13 lished under title IV of this Act” and inserting “an  
14 area described in section 401(a) or an economic de-  
15 velopment district designated under section 403”.

16 **SEC. 110 INVESTMENT STRATEGY.**

17 (a) IN GENERAL.—Section 402 of the Public Works  
18 and Economic Development Act of 1965 (42 U.S.C. 3162)  
19 is amended to read as follows:

20 **“SEC. 402. INVESTMENT STRATEGY.**

21 “The Secretary may provide assistance under title I  
22 or II to an applicant for a project to be undertaken in  
23 an area described in section 401(a) only if the applicant  
24 submits to the Secretary, as part of an application for

1 such assistance, and the Secretary approves an investment  
2 strategy 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 such area  
7 and public and private participants and sources of  
8 funding for such investments;

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

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

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

18 (b) ELIMINATION OF OVERALL ECONOMIC DEVELOP-  
19 MENT PROGRAM.—Section 202(b) of such Act (42 U.S.C.  
20 3142(b)) is amended by striking paragraph (10).

21 (c) CONFORMING AMENDMENTS.—

22 (1) TITLE I.—Subparagraph (C) of section  
23 101(a)(1) of such Act (42 U.S.C. 3131(a)(1)) is  
24 amended to read as follows:

1           “(C) the area for which the project is to be  
2           undertaken has an approved investment strat-  
3           egy as provided by section 402 and such project  
4           is consistent with such strategy; and”.

5           (2) TITLE II.—Paragraph (5) of section 201(a)  
6           of such Act (42 U.S.C. 3141(a)) is amended to read  
7           as follows:

8           “(5) such area has an approved investment  
9           strategy as provided by section 402 and the project  
10          for which financial assistance is sought is consistent  
11          with such strategy.”.

12          (3) TITLE III.—Section 302(a) of such Act (42  
13          U.S.C. 3151a(a)) is amended—

14                (A) in the 4th sentence by striking “overall  
15                State economic development plan” and inserting  
16                “State investment strategy”;

17                (B) in the 5th sentence—

18                       (i) by striking “plan” each place it  
19                       appears and inserting “strategy”; and

20                       (ii) by striking “plans” each place it  
21                       appears and inserting “strategies”; and

22                (C) in the 6th sentence by striking “Any  
23                overall State economic development planning”  
24                and inserting “Development of any State in-  
25                vestment strategy”.

1 (4) TITLE IV.—Section 403 of such Act (42  
2 U.S.C. 3171) is amended—

3 (A) in each of subsections (a)(1)(C),  
4 (a)(1)(D), (a)(2)(A), (a)(3)(A), (a)(4)(B), and  
5 (e) by striking “overall economic development  
6 program” and inserting “investment strategy”;

7 (B) in subsection (a)(1)(D) by striking  
8 “program” the second place it appears and in-  
9 serting “strategy”; and

10 (C) in each of subsections (b) and  
11 (b)(2)(B) by striking “overall economic develop-  
12 ment programs” and inserting “investment  
13 strategies”.

14 **SEC. 111. ECONOMIC DEVELOPMENT DISTRICTS.**

15 (a) ECONOMIC DEVELOPMENT DISTRICT DE-  
16 FINED.—Section 403(d) of the Public Works and Eco-  
17 nomic Development Act of 1965 (42 U.S.C. 3171(d)) is  
18 amended by adding at the end the following: “Such term  
19 includes any economic development district designated by  
20 the Secretary under this section before the date of the en-  
21 actment of the Economic Development Reauthorization  
22 Act of 1994.”.

23 (b) FUNDING.—Section 403(g) of such Act (42  
24 U.S.C. 3171(g)) is amended to read as follows:



1           “(2) DUTIES.—The Assistant Secretary ap-  
2           pointed under paragraph (1) shall perform such  
3           functions as the Secretary may prescribe.”.

4           (b) ADVISORY COMMITTEE ON REGIONAL ECONOMIC  
5 DEVELOPMENT.—Title VI of such Act (33 U.S.C. 3201–  
6 3204) is amended by striking section 602 and redesignat-  
7 ing sections 603 and 604 as sections 602 and 603, respec-  
8 tively.

9           **SEC. 113. EXPEDITED PROCESSING OF APPLICATIONS.**

10          Title VI of the Public Works and Economic Develop-  
11 ment Act of 1965 (42 U.S.C. 3201–3204) is amended by  
12 adding at the end the following:

13          **“SEC. 604. EXPEDITED PROCESSING OF APPLICATIONS.**

14          “(a) GUIDELINES.—Not later than 60 days after the  
15 date of the enactment of this section, the Assistant Sec-  
16 retary for Economic Development shall—

17                 “(1) publish guidelines to expedite the process-  
18                 ing of applications for assistance under this Act; and

19                 “(2) transmit to Congress a report containing  
20                 such guidelines.

21          “(b) CONTENTS.—Guidelines to be published under  
22 subsection (a) shall, at a minimum, provide for the follow-  
23 ing:

1           “(1) Increased reliance on self-certification by  
2 applicants to establish compliance with other Fed-  
3 eral laws.

4           “(2) Greater use of uniform application forms  
5 and procedures.

6           “(3) Delegation of decisionmaking authority to  
7 regional offices.

8           “(4) Reduction in the time and number of re-  
9 views conducted by other offices of the Department  
10 of Commerce.”.

11 **SEC. 114. UNIFORM APPLICATION FORM.**

12           Title VI of the Public Works and Economic Develop-  
13 ment Act of 1965 (42 U.S.C. 3201–3204) is further  
14 amended by adding at the end the following:

15 **“SEC. 605. UNIFORM APPLICATION FORM.**

16           “(a) DEVELOPMENT.—The Secretary shall, in co-  
17 operation with the heads of appropriate Federal depart-  
18 ments and agencies, develop a general, simplified applica-  
19 tion form for grant assistance under this Act which may  
20 be used by all Federal departments and agencies which  
21 provide grant assistance.

22           “(b) REPORT.—Not later than 6 months after the  
23 date of the enactment of this section, the Secretary shall  
24 transmit to Congress a report on use of the form devel-

1 oped pursuant to subsection (a) by Federal departments  
2 and agencies.”.

3 **SEC. 115. STUDY OF GRANT SELECTION CRITERIA.**

4 Title VI of the Public Works and Economic Develop-  
5 ment Act of 1965 (42 U.S.C. 3201–3204) is further  
6 amended by adding at the end the following:

7 **“SEC. 606. STUDY OF GRANT SELECTION CRITERIA.**

8 “(a) DEVELOPMENT OF METHOD.—The Secretary  
9 shall develop recommendations for prioritizing applica-  
10 tions and awarding funding for projects under this Act  
11 based on the relative needs of eligible areas and the capac-  
12 ity of an applicant to carry out a project, including the  
13 ability of the applicant to leverage or attract funding from  
14 the private sector and to coordinate or create partnerships  
15 with other eligible recipients.

16 “(b) CONSIDERATION.—In developing a method  
17 under subsection (a), the Secretary shall consider the dif-  
18 ferent objectives of each title of this Act.

19 “(c) REPORT TO CONGRESS.—Not later than 1 year  
20 after the date of the enactment of this section, the Sec-  
21 retary shall transmit to Congress a report containing rec-  
22 ommendations developed under subsection (a).”.

1 **SEC. 116. PERFORMANCE EVALUATIONS OF GRANT RECIPI-**  
2 **ENTS.**

3 Title VI of the Public Works and Economic Develop-  
4 ment Act of 1965 (42 U.S.C. 3201–3204) is further  
5 amended by adding at the end the following:

6 **“SEC. 607. PERFORMANCE EVALUATIONS OF GRANT RE-**  
7 **CIPIENTS.**

8 “(a) IN GENERAL.—At least once every 2 years, the  
9 Secretary shall conduct an evaluation of each university  
10 center and economic development district receiving grant  
11 assistance under this Act to assess the recipient’s perform-  
12 ance and contribution toward job creation.

13 “(b) CRITERIA.—

14 “(1) ESTABLISHMENT.—The Secretary shall es-  
15 tablish criteria for use in conducting evaluations  
16 under subsection (a).

17 “(2) CRITERIA FOR UNIVERSITY CENTERS.—  
18 The criteria for evaluation of a university center  
19 shall, at a minimum, provide for an assessment of  
20 the center’s contribution to providing technical as-  
21 sistance, conducting applied research, and dissemi-  
22 nating results of the center’s activities.

23 “(3) CRITERIA FOR ECONOMIC DEVELOPMENT  
24 DISTRICTS.—The criteria for evaluation of an eco-  
25 nomic development district shall, at a minimum, pro-



1 retary shall transmit to Congress a report on the results  
2 of the study conducted under this section, together with  
3 recommendations on whether the programs referred to in  
4 subsection (a) should be authorized as part of this Act.”.

5 **SEC. 118. MISCELLANEOUS.**

6 (a) **POWERS OF THE SECRETARY.**—Section 701 of  
7 the Public Works and Economic Development Act of 1965  
8 (42 U.S.C. 3211) is amended—

9 (1) in paragraph (4)—

10 (A) by striking “loans” the first place it  
11 appears and inserting “grants or loans”; and

12 (B) by striking “loans” the second place it  
13 appears and inserting “grants, loans,”;

14 (2) in paragraph (6) by striking “loans” and  
15 inserting “grants or loans”;

16 (3) in paragraph (7) by striking “loans” each  
17 place it appears and inserting “grants or loans”;  
18 and

19 (4) in paragraph (10)—

20 (A) by striking “section 15 of the Adminis-  
21 trative Expenses Act of 1946 (5 U.S.C. 55a).”  
22 and inserting “section 3109 of title 5, United  
23 States Code,”; and

1 (B) by striking “section 5 of such Act (5  
2 U.S.C. 73b-2)” and inserting “section 5703 of  
3 title 5, United States Code,”.

4 (b) UNFAIR COMPETITION; SAVINGS PROVISIONS.—  
5 Title VII of such Act (42 U.S.C. 3211–3225) is amended  
6 by striking sections 702 and 703 and redesignating sec-  
7 tions 704 through 714 as sections 702 through 712, re-  
8 spectively.

9 (c) TRANSFER OF FUNCTIONS.—Section 702 of such  
10 Act, as redesignated by subsection (b) of this section, is  
11 amended—

12 (1) in the heading to such section by striking  
13 “**EFFECTIVE DATE, AND LIMITATIONS ON AS-**  
14 **SISTANCE**” and inserting “**OF AREA REDEVELOP-**  
15 **MENT ADMINISTRATION**”;

16 (2) by striking “(a) The” and inserting “The”;  
17 and

18 (3) by striking subsections (b) through (e).

19 (d) USE OF OTHER FACILITIES.—Section 706 of  
20 such Act, as redesignated by subsection (b) of this section,  
21 is amended by adding at the end the following new sub-  
22 section:

23 “(d) FUNDS TRANSFERRED FROM OTHER DEPART-  
24 MENTS AND AGENCIES.—In order to carry out the objec-  
25 tives of this Act, the Secretary may accept transfers of

1 funds from other departments and agencies of the Federal  
2 Government if the funds are used for the purposes for  
3 which (and in accordance with the terms under which) the  
4 funds are specifically authorized and appropriated. Such  
5 transferred funds shall remain available until expended  
6 and may be transferred to and merged with the appropria-  
7 tions under the heading ‘salaries and expenses’ by the Sec-  
8 retary to the extent necessary to administer the pro-  
9 gram.”.

10 (f) AUTHORIZATION OF APPROPRIATIONS.—Section  
11 707 of such Act, as redesignated by subsection (b) of this  
12 section, is amended by striking “\$25,000,000 for the fiscal  
13 year ending September 30, 1992” and inserting  
14 “\$36,000,000 for the fiscal year ending September 30,  
15 1995”.

16 (g) PENALTIES.—Section 708 of such Act, as redес-  
17 igned by subsection (b) of this section, is amended—

18 (1) in subsection (a)—

19 (A) by striking “himself” and inserting  
20 “such person”; and

21 (B) by striking “shall be punished by” and  
22 all that follows before the period and inserting  
23 “shall be fined under title 18, United States  
24 Code, imprisoned for not more than 5 years, or  
25 both”; and

1 (2) in subsection (b)—

2 (A) by striking “him” both places it ap-  
3 pears and inserting “such person”; and

4 (B) by striking “shall be punished by” and  
5 all that follows before the period and inserting  
6 “shall be fined under title 18, United States  
7 Code, imprisoned for not more than 5 years, or  
8 both”.

9 (h) RATE OF WAGES.—Section 710 of such Act, as  
10 redesignated by subsection (b) of this section, is amend-  
11 ed—

12 (1) in the 1st sentence by striking “the Davis-  
13 Bacon Act, as amended (40 U.S.C. 276a–276a–5)”  
14 and inserting “the Act of March 3, 1931, known as  
15 the Davis-Bacon Act”; and

16 (2) in the 3d sentence by striking “Reorganiza-  
17 tion Plan” and all that follows before the period and  
18 inserting “Reorganization Plan Numbered 14 of  
19 1950 and section 2 of the Act of June 13, 1934  
20 (Chapter 482; 48 Stat. 948)”.

21 (i) AREA REDEVELOPMENT ACT.—Title VII of such  
22 Act (42 U.S.C. 3211–3225) is amended by striking section  
23 715 and redesignating section 716 as section 713.

1 **SEC. 119. ACCEPTANCE OF APPLICANTS' CERTIFICATIONS.**

2 Title VII of the Public Works and Economic Develop-  
3 ment Act of 1965 (42 U.S.C. 3211–3226) is further  
4 amended by adding at the end the following:

5 **“SEC. 714. ACCEPTANCE OF APPLICANTS' CERTIFICATIONS.**

6 “The Secretary may accept, when deemed appro-  
7 priate, the applicants' certifications to meet the require-  
8 ments of this Act.”.

9 **SEC. 120. SUPERVISION OF REGIONAL COUNSELS.**

10 Title VII of the Public Works and Economic Develop-  
11 ment Act of 1965 (42 U.S.C. 3211–3226) is further  
12 amended by adding at the end the following:

13 **“SEC. 715. SUPERVISION OF REGIONAL COUNSELS.**

14 “The Secretary shall take such actions as may be  
15 necessary to ensure that individuals serving as Regional  
16 Counsels of the Economic Development Administration re-  
17 port directly to their respective Regional Director.”.

18 **SEC. 121. ECONOMIC RECOVERY FOR DISASTER AREAS.**

19 Title VIII of the Public Works and Economic Devel-  
20 opment Act of 1965 (42 U.S.C. 3231–3236) is repealed.

21 **SEC. 122. SPECIAL ECONOMIC DEVELOPMENT AND ADJUST-**  
22 **MENT ASSISTANCE.**

23 (a) **ELIGIBLE RECIPIENT DEFINED.**—Section 902 of  
24 the Public Works and Economic Development Act of 1965  
25 (42 U.S.C. 3242) is amended—

26 (1) by striking “, or” and inserting “or”; and

1           (2) by inserting before the period at the end the  
2 following: “, or at the discretion of the Secretary a  
3 public or private nonprofit organization or associa-  
4 tion”.

5           (b) GRANT AUTHORITY.—Section 903(a)(1) of such  
6 Act (42 U.S.C. 3243(a)(1)) is amended by striking “un-  
7 employment compensation (in accordance with subsection  
8 (d) of this section), rent supplements, mortgage payment  
9 assistance, research, technical assistance,” and inserting  
10 “administrative expenses, industrial retention,”.

11          (c) GRANTS FOR UNEMPLOYMENT COMPENSA-  
12 TION.—Section 903(a)(2) of such Act (42 U.S.C.  
13 3243(a)(2)) is amended—

14           (1) by striking “(2)(A) Such grants” and in-  
15 serting “(2) Such grants”; and

16           (2) by striking subparagraph (B).

17          (d) COORDINATION OF ACTIVITIES.—Section 903(c)  
18 of such Act (42 U.S.C. 3243(c)) is amended by striking  
19 “regional commissions” and inserting “other Federal pro-  
20 grams”.

21          (e) TRANSFER OF FUNDS TO SECRETARY OF  
22 LABOR.—Section 903 of such Act (42 U.S.C. 3243) is  
23 amended by striking subsection (d).

1 (f) BASE CLOSINGS AND REALIGNMENTS.—Section  
2 903 of such Act (42 U.S.C. 3243) is amended by adding  
3 at the end the following new subsection:

4 “(d) BASE CLOSINGS AND REALIGNMENTS.—

5 “(1) LOCATION OF PROJECTS.—In any case in  
6 which the Secretary determines a need for assistance  
7 under subsection (a) due to the closure or realign-  
8 ment of a military installation, the Secretary may  
9 make such assistance available for projects to be  
10 carried out on the military installation and for  
11 projects to be carried out in communities adversely  
12 affected by the closure or realignment.

13 “(2) INTEREST IN PROPERTY.—Notwithstand-  
14 ing any other provision of law, the Secretary may  
15 provide to an eligible recipient any assistance avail-  
16 able under this Act for a project to be carried out  
17 on a military installation that is closed or scheduled  
18 for closure or realignment without requiring that the  
19 eligible recipient have title to the property or a lease-  
20 hold interest in the property for any specified  
21 term.”.

22 **SEC. 123. TREATMENT OF REVOLVING LOAN FUNDS.**

23 Title IX of the Public Works and Economic Develop-  
24 ment Act of 1965 (42 U.S.C. 3241–3245) is amended—

1 (1) by redesignating section 905 as section 909;

2 and

3 (2) by inserting after section 904 the following:

4 **“SEC. 905. TREATMENT OF REVOLVING LOAN FUNDS.**

5 “(a) IN GENERAL.—Amounts from grants under this  
6 title which are used by an eligible recipient to establish  
7 a revolving loan fund shall not be treated, except as pro-  
8 vided by subsection (b), as amounts derived from Federal  
9 funds for the purposes of any Federal law after such  
10 amounts are loaned from the fund to a borrower and re-  
11 paid to the fund.

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

15 “(1) may only be used for projects which are  
16 consistent with the purposes of this title; and

17 “(2) shall be subject to the financial manage-  
18 ment, accounting, reporting, and auditing standards  
19 which were originally applicable to such amounts.

20 “(c) REGULATIONS.—Not later than 30 days after  
21 the date of the enactment of this section, the Secretary  
22 shall issue regulations to carry out subsection (a).

23 “(d) PUBLIC REVIEW AND COMMENT.—Before issu-  
24 ing any final guidelines or administrative manuals govern-  
25 ing the operation of revolving loan funds established using

1 amounts from grants under this title, the Secretary shall  
2 provide reasonable opportunity for public review of and  
3 comment on such guidelines and administrative manu-  
4 als.”.

5 **SEC. 124. OUTREACH TO COMMUNITIES ADVERSELY AF-**  
6 **FFECTED BY DEFENSE BASE CLOSURES.**

7 Title IX of the Public Works and Economic Develop-  
8 ment Act of 1965 (42 U.S.C. 3241–3245) is further  
9 amended by adding at the end the following:

10 **“SEC. 906. OUTREACH TO COMMUNITIES ADVERSELY AF-**  
11 **FFECTED BY DEFENSE BASE CLOSURES.**

12 “(a) DESIGNATION OF AGENCY REPRESENTA-  
13 TIVES.—The Assistant Secretary for Economic Develop-  
14 ment shall designate for each State in which communities  
15 are adversely affected by defense base closures an individ-  
16 ual to serve as a representative of the Economic Develop-  
17 ment Administration. Such individual may be the State  
18 Economic Development Agency Representative or another  
19 qualified individual.

20 “(b) RESPONSIBILITIES.—Individuals appointed as  
21 agency representatives under subsection (a) shall provide  
22 outreach and technical assistance to communities ad-  
23 versely affected by defense base closures on obtaining as-  
24 sistance from the Economic Development Administra-  
25 tion.”.

1 **SEC. 125. SALE OF FINANCIAL INSTRUMENTS IN REVOLV-**  
2 **ING LOAN FUNDS.**

3 Title IX of the Public Works and Economic Develop-  
4 ment Act of 1965 (42 U.S.C. 3241–3245) is further  
5 amended by adding at the end the following:

6 **“SEC. 907. SALE OF FINANCIAL INSTRUMENTS IN REVOLV-**  
7 **ING LOAN FUNDS.**

8 “Any loan, loan guarantee, equity, or other financial  
9 instrument in the portfolio of a Revolving Loan Fund may  
10 be sold, at the discretion of the grantee of the Fund, to  
11 a third party provided that the proceeds of the sale—

12 “(1) shall be deposited in the Fund and only  
13 used for projects which are consistent with the pur-  
14 poses of this title, and

15 “(2) shall be subject to the financial manage-  
16 ment, accounting, reporting, and auditing standards  
17 which were originally applicable to the financial in-  
18 strument.”.

19 **SEC. 126. ECONOMIC DEVELOPMENT CHALLENGE GRANTS**  
20 **DEMONSTRATION PROJECT.**

21 Title IX of the Public Works and Economic Develop-  
22 ment Act of 1965 (42 U.S.C. 3241–3245) is further  
23 amended by adding at the end the following:

1 **“SEC. 908. ECONOMIC DEVELOPMENT CHALLENGE GRANTS**  
2 **DEMONSTRATION PROJECT.**

3 “(a) IN GENERAL.—In order to study the feasibility  
4 and desirability of using challenge grants to generate new  
5 pools of investment capital in areas suffering from long-  
6 term economic deterioration, the Secretary shall establish  
7 a 2-year demonstration project under which the Secretary  
8 shall provide grants to selected recipients, to be matched  
9 by the recipients 1 dollar for every 2 Federal dollars, for  
10 the purpose of establishing substantially leveraged financ-  
11 ing for business development and other innovative eco-  
12 nomic development efforts.

13 “(b) FEDERAL AND COMMUNITY CONTRIBUTIONS.—

14 “(1) IN GENERAL.—The Secretary shall grant 2  
15 dollars for every 1 dollar raised by each selected re-  
16 cipient, up to \$10,000,000 per year per selected re-  
17 cipient.

18 “(2) USE OF OTHER FEDERAL FUNDS IN CON-  
19 JUNCTION WITH CHALLENGE GRANT.—Funds from  
20 other Federal programs may be used in conjunction  
21 or merged with the challenge grant and matching  
22 funds to form a larger investment fund.

23 “(c) ESTABLISHMENT AND USE OF FUNDS.—

24 “(1) ESTABLISHMENT.—For purposes of this  
25 Act, an investment fund established by a selected re-  
26 cipient consists of—

1           “(A) the economic development challenge  
2           grant received by the selected recipient;

3           “(B) the matching funds required under  
4           subsection (b); and

5           “(C) any such other funds that may be de-  
6           rived from other sources, including other Fed-  
7           eral funds.

8           “(2) USE.—An investment fund shall be used  
9           by the selected recipients for the purposes of gener-  
10          ating long-term sustainable economic development  
11          and job growth in areas identified by the selected re-  
12          cipients, pursuant to the requirements and limita-  
13          tions of eligibility and performance in subsections  
14          (d), (e), (f), (g) and (h).

15          “(d) ELIGIBLE RECIPIENTS.—The Secretary shall  
16          make grants to any eligible recipients for use in an area  
17          which must meet 1 or more of the following criteria:

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

20                 “(2) The area has an unemployment rate 1 per-  
21                 cent above the national average percentage for the  
22                 more recent 24-month period for which statistics are  
23                 available.

24                 “(3) The area has been determined by the Sec-  
25                 retary to have at least 1 of the following conditions:

1           “(A) A large concentration of low-income  
2           persons (as defined in section 401(e)).

3           “(B) Areas having substantial outmigra-  
4           tion.

5           “(C) Substantial underemployment or un-  
6           employment.

7 An eligible recipient may include any local government or  
8 group of local governments, economic development dis-  
9 trict, Indian tribe, public or private nonprofit organization  
10 or association, community-based organization, business or  
11 worker organization, or any consortium of such entities,  
12 that is able to demonstrate to the satisfaction of the Sec-  
13 retary that they can carry out the objectives of this pro-  
14 gram pursuant to the criteria and requirements estab-  
15 lished in this section.

16       “(e) SELECTION OF DEMONSTRATION PROJECTS.—

17           “(1) IN GENERAL.—The Secretary shall make  
18           grants to selected recipients from 3 areas suffering  
19           from long-term economic distress.

20           “(2) DISTRIBUTION.—One selected recipient  
21           shall be from a rural area which has been subjected  
22           to long-term economic distress as a result of a major  
23           decline in the region’s key industries, 1 from an area  
24           that is a combination of rural, small metropolitan,  
25           and suburban communities, and 1 from an urban

1 area with excessive unemployment, concentrated pov-  
2 erty, and high crime.

3 “(3) INDUSTRIAL RETENTION STRATEGY RE-  
4 QUIREMENT.—Of the 3 recipients described in para-  
5 graph (2), at least 1 of the projects selected shall in-  
6 clude an industrial retention strategy. The selected  
7 recipient from a rural area shall not be required to  
8 have an industrial retention strategy.

9 “(f) GRANT SELECTION PROCESS.—

10 “(1) NATIONAL COMPETITION.—The Secretary  
11 shall select recipients of the challenge grants  
12 through a nationally competitive process.

13 “(2) ELIGIBILITY REQUIREMENT.—Each se-  
14 lected recipient must submit a comprehensive strat-  
15 egy for generating sustained, long-term economic  
16 growth and for both preserving and creating high-  
17 quality jobs.

18 “(3) PREFERENCE FOR CERTAIN PROJECTS.—  
19 The Secretary shall give preference to eligible recipi-  
20 ents which—

21 “(A) utilize the Federal grant plus match-  
22 ing funds to further leverage private and public  
23 capital to create an even larger economic devel-  
24 opment investment fund;

1           “(B) represent consortia or partnerships  
2           comprised of at least 2 or more of the groups  
3           identified in subsection (d); or

4           “(C) intend to use their investment funds  
5           to finance or leverage financing for new busi-  
6           ness development and startups, industrial serv-  
7           ices, industrial modernization of local-based  
8           firms or industrial retention (including em-  
9           ployee stock ownership plans and worker or  
10          management buyouts), or other economic devel-  
11          opment strategies that illustrate ‘best practices’  
12          in economic development.

13          “(4) BROAD-BASED PARTICIPATION TO BE EN-  
14          COURAGED.—The Secretary shall strongly encourage  
15          broad-based participation of public and private enti-  
16          ties within an area in the development and imple-  
17          mentation of the challenge grant proposals submit-  
18          ted by eligible recipients.

19          “(g) LIMITATIONS.—The investment funds estab-  
20          lished by the selected recipients shall—

21                 “(1) not be used to permit units of State and  
22                 local government to offer tax inducements to attract  
23                 businesses to locate in the area; and

24                 “(2) be subject to the same conditions described  
25                 in section 202(b)(1).

1 No area may receive an economic development challenge  
2 grant if it has been designated an empowerment or enter-  
3 prise community under section 13301 of the Omnibus  
4 Budget Reconciliation Act of 1993.

5 “(h) PERFORMANCE EVALUATIONS; REPORT TO  
6 CONGRESS.—

7 “(1) EVALUATION OF EFFECTIVENESS.—The  
8 Secretary shall conduct performance evaluations of  
9 the demonstration challenge grant project to assess  
10 the effectiveness of this kind of program in generat-  
11 ing sustained economic growth and job creation in  
12 areas of the Nation experiencing long-term economic  
13 distress.

14 “(2) REPORT.—Based on the evaluations con-  
15 ducted pursuant to paragraph (1), the Secretary  
16 shall submit an annual report to Congress with rec-  
17 ommendations for expansion, modification or termi-  
18 nation of the program.

19 “(i) AUTHORIZATION OF APPROPRIATIONS.—Of the  
20 funds authorized to be appropriated under section 909,  
21 there are authorized to be appropriated \$25,000,000 per  
22 fiscal year for fiscal years 1995 and 1996 to carry out  
23 this section. Such sums shall remain available until ex-  
24 pended.”.

1 **SEC. 127. AUTHORIZATION OF APPROPRIATIONS.**

2 Section 909 of the Public Works and Economic De-  
3 velopment Act of 1965, as redesignated by section 122 of  
4 this Act, is amended to read as follows:

5 **“SEC. 909. AUTHORIZATION OF APPROPRIATIONS.**

6 “(a) IN GENERAL.—There is authorized to be appro-  
7 priated to carry out this title \$115,542,000 for fiscal year  
8 1994 and \$81,000,000 per fiscal year for each of fiscal  
9 years 1995 and 1996. Such sums shall remain available  
10 until expended.

11 “(b) SET-ASIDE FOR DEFENSE CONVERSION ACTIVI-  
12 TIES.—Of amounts appropriated pursuant to subsection  
13 (a) for fiscal year 1994, not less than \$80,000,000 shall  
14 be available for purposes of assisting eligible recipients in  
15 activities related to defense conversion.

16 “(c) ADDITIONAL AMOUNTS.—In addition to the ap-  
17 propriations authorized by subsection (a), there are au-  
18 thorized to be appropriated to carry out this title such  
19 sums as may be necessary to provide assistance for de-  
20 fense conversion activities and to provide assistance in the  
21 case of a natural disaster. Such sums shall remain avail-  
22 able until expended.”.

23 **SEC. 128. REFERENCES TO THE SECRETARY.**

24 (a) REFERENCES TO “HE”.—The Public Works and  
25 Economic Development Act of 1965 (42 U.S.C. 3121 et

1 seq.) is amended by striking “he” and inserting “the Sec-  
2 retary” in each of the following:

3 (1) Section 101(a)(1).

4 (2) The 4th sentence of section 101(c).

5 (3) Section 201(a).

6 (4) Section 202(b)(5).

7 (5) Section 202(b)(9)(B).

8 (6) The 1st sentence of section 301(b).

9 (7) Section 602(b), as redesignated by section  
10 112(b) of this Act.

11 (8) Section 701(2).

12 (9) Section 701(4).

13 (10) Section 701(12)

14 (11) Section 706, as redesignated by section  
15 117(b) of this Act.

16 (b) REFERENCES TO “HIS”.—Such Act is further  
17 amended by striking “his” and inserting “the Secretary’s”  
18 in each of the following:

19 (1) The 3d and 4th sentences of section 301(a).

20 (2) Section 701(4).

21 (3) Section 705, as redesignated by section  
22 117(b) of this Act.

23 (4) Section 903(c).

1 (c) REFERENCES TO “HIM”.—Such Act is further  
2 amended by striking “him” and inserting “the Secretary”  
3 in each of the following:

4 (1) Section 602(b), as redesignated by section  
5 112(b) of this Act.

6 (2) Section 701(4) each place it appears.

7 (3) Section 701(6).

8 (4) Section 701(7) both places it appears.

9 (5) Section 701(9) both places it appears.

10 (d) OTHER REFERENCES.—Such Act is further  
11 amended—

12 (1) in section 701 in the matter preceding para-  
13 graph (1) by striking “his duties” and inserting “the  
14 duties of the Secretary”;

15 (2) in section 701(4) by striking “he shall de-  
16 termine” and inserting “the Secretary determines”;

17 (3) in section 701(6) by striking “he shall de-  
18 termine” and inserting “the Secretary shall deter-  
19 mine”; and

20 (4) in section 701(11) by striking “his prop-  
21 erty” and all that follows before the semicolon and  
22 inserting “the Secretary’s property”.

23 **SEC. 129. COMPLIANCE WITH BUY AMERICAN ACT.**

24 None of the funds made available under this title, or  
25 any amendment made by this title, may be expended in

1 violation of sections 2 through 4 of the Act of March 3,  
2 1933 (41 U.S.C. 10a–10c; popularly known as the “Buy  
3 American Act”), which are applicable to those funds. The  
4 Secretary of Commerce shall provide to each recipient of  
5 such funds notice of the requirements specified in this sec-  
6 tion and information on methods to comply with such re-  
7 quirements.

8 **SEC. 130. REGULATORY RELIEF.**

9       The Administrator shall, upon petition from an entity  
10 impacted adversely by Federal regulations on matters of  
11 economic development as described in this Act, notify the  
12 departments and agencies involved with promulgating and  
13 administering those regulations and suggest to those de-  
14 partments and agencies that regulations be waived which  
15 interfere with economic development. Nothing in this sec-  
16 tion shall affect the ability of the Administrator to carry  
17 out his duties otherwise provided by law.

18                   **TITLE II—APPALACHIAN**  
19                   **REGIONAL DEVELOPMENT**

20 **SEC. 201. FINDINGS AND PURPOSES.**

21       Section 2 of the Appalachian Regional Development  
22 Act of 1965 (40 U.S.C. App. 2) is amended—

23                   (1) in subsection (a) by striking the period at  
24                   the end of the 6th sentence and inserting “and in

1 severely distressed and underdeveloped counties and  
2 areas lacking resources for basic services.”; and

3 (2) by adding at the end the following new sub-  
4 section:

5 “(c) The Congress further finds and declares that,  
6 while substantial progress has been made in fulfilling  
7 many of the objectives of this Act, rapidly changing na-  
8 tional and global economics over the past decade have cre-  
9 ated new problems and challenges for rural areas through-  
10 out the Nation and especially for the Appalachian region.  
11 Thus, the problems of the region are not only to provide  
12 the infrastructure necessary to economic and human re-  
13 source development, to develop its industry, and to gen-  
14 erate a diversified regional economy, but to make the re-  
15 gion’s industrial and commercial resources more competi-  
16 tive in national and world markets. It is, therefore, also  
17 the purpose of this Act to provide a framework for coordi-  
18 nating Federal, State, and local initiatives to respond to  
19 the economic competitive challenge through improving the  
20 skills of the region’s manpower, adapting and applying  
21 new technologies for the region’s businesses, and improv-  
22 ing the access of the region’s businesses to the technical  
23 and financial resources necessary to their development  
24 while continuing to address the need to provide basic serv-  
25 ices for the more disadvantaged areas of the region so as

1 to provide a fairer opportunity for the people of the region  
2 to share the quality of life generally enjoyed by citizens  
3 across this Nation.”.

4 **SEC. 202. MEETINGS.**

5 Section 101 of the Appalachian Regional Develop-  
6 ment Act of 1965 (40 U.S.C. App. 101) is amended—

7 (1) in subsection (a) by adding at the end the  
8 following:

9 “The Commission shall conduct at least one meeting each  
10 year with the presence of the Federal Cochairman and at  
11 least a majority of the State members. The Commission  
12 may conduct such additional meetings by electronic means  
13 as the Commission considers advisable.”;

14 (2) at the end of the third sentence of sub-  
15 section (b) by striking “present”; and

16 (3) at the end of the fourth sentence of sub-  
17 section (c) by striking “to be present”.

18 **SEC. 203. AUTHORIZATIONS FOR ADMINISTRATIVE EX-**  
19 **PENSES.**

20 Section 105(b) of the Appalachian Regional Develop-  
21 ment Act of 1965 (40 U.S.C. App. 105(b)) is amended  
22 to read as follows:

23 “(b) AUTHORIZATION OF APPROPRIATIONS.—

24 “(1) IN GENERAL.—There is authorized to be  
25 appropriated to carry out this section \$3,400,000 for

1 fiscal year 1994 and \$3,600,000 per fiscal year for  
2 each of fiscal years 1995 and 1996. Such sums shall  
3 remain available until expended.

4 “(2) EXPENSES OF FEDERAL COCHAIRMAN.—  
5 Of amounts appropriated pursuant to paragraph (1),  
6 not to exceed \$1,102,000 for fiscal year 1994 and  
7 not to exceed \$1,500,000 per fiscal year for each of  
8 fiscal years 1995 and 1996 shall be available for ex-  
9 penses of the Federal Cochairman, the Federal Co-  
10 chairman’s alternate, and the Federal Cochairman’s  
11 staff.”.

12 **SEC. 204. EXTENSION OF LEASE TERMS.**

13 Section 106(7) of the Appalachian Regional Develop-  
14 ment Act of 1965 (40 U.S.C. App. 106(7)) is amended  
15 by striking “1982” and inserting “1996”.

16 **SEC. 205. HIGHWAY SYSTEM.**

17 (a) AUTHORIZATION OF APPROPRIATIONS.—Section  
18 201(g) of the Appalachian Regional Development Act of  
19 1965 (40 U.S.C. App. 201(g)) is amended to read as fol-  
20 lows:

21 “(g) AUTHORIZATION OF APPROPRIATIONS.—There  
22 is authorized to be appropriated to carry out this section  
23 \$160,000,000 for fiscal year 1994, \$100,000,000 for each  
24 of fiscal years 1995 and 1996, and such additional sums

1 as may be necessary for each of fiscal years 1995 and  
2 1996. Such sums shall remain available until expended.”.

3 (b) FEDERAL SHARE.—

4 (1) GENERAL RULE.—Section 201(h)(1) of  
5 such Act (40 U.S.C. App. 201(h)(1)) is amended by  
6 striking “70 per centum” and inserting “80 per  
7 cent”.

8 (2) APPLICABILITY.—The amendment made by  
9 paragraph (1) shall apply to projects approved after  
10 March 31, 1979.

11 **SEC. 206. SUPPLEMENTS TO FEDERAL GRANT-IN-AID PRO-**  
12 **GRAMS.**

13 (a) AVAILABILITY OF AMOUNTS.—The first sentence  
14 of section 214(a) of the Appalachian Regional Develop-  
15 ment Act of 1965 (40 U.S.C. App. 214(a)) is amended  
16 by striking “the President is authorized to provide funds  
17 to the Federal Cochairman to be used” and inserting “the  
18 Federal Cochairman may use amounts made available  
19 under this section”.

20 (b) FEDERAL GRANT-IN-AID PROGRAMS DEFINED.—  
21 The first sentence of section 214(c) of such Act (40 U.S.C.  
22 App. 214(c)) is amended by striking “on or before Decem-  
23 ber 31, 1980,”.

24 (c) LIMITATION ON COVERED ROAD PROJECTS.—  
25 The second sentence of section 214(c) of such Act is

1 amended by inserting “authorized by title 23, United  
2 States Code” after “road construction”.

3 **SEC. 207. PROGRAM DEVELOPMENT CRITERIA.**

4 (a) CONSIDERATIONS.—Section 224(a) of the Appa-  
5 lachian Regional Development Act of 1965 (40 U.S.C.  
6 App. 224(a)) is amended by inserting before the semicolon  
7 at the end of paragraph (1) the following: “or in a severely  
8 distressed and underdeveloped county or area lacking re-  
9 sources for basic services”.

10 (b) REMOVAL OF LIMITATIONS.—Section 224(b) of  
11 such Act (40 U.S.C. App. 224(b)) is amended to read as  
12 follows:

13 “(b) LIMITATION.—No financial assistance shall be  
14 authorized under this Act to be used to assist establish-  
15 ments relocating from one area to another.”.

16 **SEC. 208. GRANTS FOR ADMINISTRATIVE EXPENSES AND**  
17 **DEMONSTRATION PROJECTS.**

18 (a) AVAILABILITY OF AMOUNTS.—Section 302(a) of  
19 the Appalachian Regional Development Act of 1965 (40  
20 U.S.C. App. 302(a)) is amended—

21 (1) by striking “The President” and inserting  
22 “The Commission”; and

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

1 (b) RESEARCH AND DEMONSTRATION PROJECTS.—  
2 Section 302(a)(3) of such Act (40 U.S.C. App. 302(a)(3))  
3 is amended—

4 (1) by inserting after “technical assistance” the  
5 following: “(including technical assistance for busi-  
6 ness development and stabilization and application  
7 of technologies (including telecommunication tech-  
8 nologies) and productivity improvement)”;

9 (2) by inserting after “training programs” the  
10 following: “(including on-site employee training and  
11 programs to upgrade employability of the region’s  
12 people)”;

13 (3) by inserting after “demonstrations” the fol-  
14 lowing: “(including demonstrations of service con-  
15 solidations and other methods of increasing effi-  
16 ciency of local governments, the establishment and  
17 operation by States, public agencies, or nonprofit de-  
18 velopment organizations of revolving funds for busi-  
19 ness assistance loans, the establishment and oper-  
20 ation of business incubators and the provision of in-  
21 dustrial facilities and equipment by public agencies  
22 and nonprofit organizations on such terms (includ-  
23 ing terms of reasonable recovery of grant funds  
24 upon resale) as are approved by the Commission,  
25 and the acquisition and development of land)”.

1 (c) SOLID WASTE DISPOSAL DEMONSTRATION  
2 PROJECTS.—Section 302(b) of such Act (40 U.S.C. App.  
3 302(b)) is amended by adding at the end the following  
4 new paragraph:

5 “(5) The Commission shall carry out projects at not  
6 less than 2 sites in the Appalachian region for the purpose  
7 of demonstrating solid waste disposal techniques in rural  
8 areas.”.

9 (d) REPEAL OF PROVISION ON USE OF INFORMATION  
10 FROM RESEARCH AND DEVELOPMENT ACTIVITIES.—Sec-  
11 tion 302(e) of such Act (40 U.S.C. 302(e)) is repealed.

12 **SEC. 209. AUTHORIZATION OF APPROPRIATIONS FOR GEN-**  
13 **ERAL PROGRAM.**

14 Section 401 of the Appalachian Regional Develop-  
15 ment Act of 1965 (40 U.S.C. App. 401) is amended to  
16 read as follows:

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

18 “In addition to the appropriations authorized in sec-  
19 tion 105 for administrative expenses and in section 201(g)  
20 for the Appalachian development highway system and  
21 local access roads, there is authorized to be appropriated  
22 to the Commission to carry out this Act \$83,400,000 per  
23 fiscal year for each of fiscal years 1994, 1995, and 1996.  
24 Such sums shall remain available until expended.”.

1 **SEC. 210. DEFINITION OF APPALACHIAN REGION.**

2 Section 403 of the Appalachian Regional Develop-  
3 ment Act of 1965 (40 U.S.C. App. 403) is amended—

4 (1) in the 1st undesignated paragraph (relating  
5 to Alabama) by inserting “Hale,;” after “Franklin,;”;  
6 and

7 (2) in the 12th undesignated paragraph (relat-  
8 ing to Virginia)—

9 (A) by inserting “Montgomery,” after  
10 “Lee,;” and

11 (B) by inserting “Roanoke, Rockbridge,”  
12 after “Pulaski,;”.

13 **SEC. 211. EXTENSION OF TERMINATION DATE.**

14 Section 405 of the Appalachian Regional Develop-  
15 ment Act of 1965 (40 U.S.C. App. 405) is amended by  
16 striking “1982” and inserting “1996”.

17 **SEC. 212. REGIONAL DEVELOPMENT TASK FORCE.**

18 (a) ESTABLISHMENT.—There is established a Re-  
19 gional Development Task Force (hereinafter in this sec-  
20 tion referred to as the “Task Force”).

21 (b) DUTIES.—It shall be the duty of the Task Force  
22 to conduct a study on—

23 (1) the extent to which the unique characteris-  
24 tics of the Appalachian Regional Commission (in-  
25 cluding the Commission’s Federal-State partnership,  
26 program flexibility, and regional approach) have con-

1 tributed to the achievement of the Commission's  
2 goals; and

3 (2) whether or not such characteristics may be  
4 used to address needs which may exist in other rural  
5 areas suffering from economic distress, including the  
6 Lower Mississippi delta, Mexican border, and Ozark  
7 areas.

8 (c) MEMBERSHIP.—

9 (1) VOTING MEMBERS.—The Task Force shall  
10 be composed of 9 voting members appointed, not  
11 later than 90 days after the date of the enactment  
12 of this Act, as follows:

13 (A) Three members appointed by the  
14 President.

15 (B) Three members appointed by the  
16 President pro tempore of the Senate.

17 (C) Three members appointed by the  
18 Speaker of the House of Representatives.

19 (2) EX OFFICIO MEMBERS.—The Federal and  
20 State Cochairmen of the Appalachian Regional Com-  
21 mission shall serve as ex officio, nonvoting members  
22 of the Task Force.

23 (d) FACILITIES, SUPPLIES, AND PERSONNEL.—Upon  
24 the request of the Task Force, the Appalachian Regional  
25 Commission shall provide to the Task Force any facilities,

1 supplies, and personnel necessary for the Task Force to  
2 carry out its responsibilities under this Act; except that  
3 the total cost of such facilities, supplies, and personnel  
4 shall not exceed \$500,000.

5 (e) USE OF OTHER STUDIES.—In conducting the  
6 study under subsection (b), the Commission shall incor-  
7 porate the results of other studies on the needs of rural  
8 areas described in subsection (b) and shall not duplicate  
9 such studies.

10 (f) REPORT.—Not later than 9 months after the date  
11 of the first meeting of the Task Force, the Task Force  
12 shall transmit to Congress a report on the results of the  
13 study conducted under subsection (b).

14 (g) TERMINATION.—The Task Force shall terminate  
15 on the date of transmittal of the report under subsection  
16 (f).

17 **SEC. 213. COMPLIANCE WITH BUY AMERICAN ACT.**

18 None of the funds made available under this title, or  
19 any amendment made by this title, may be expended in  
20 violation of sections 2 through 4 of the Act of March 3,  
21 1933 (41 U.S.C. 10a–10c; popularly known as the “Buy  
22 American Act”), which are applicable to those funds. The  
23 Appalachian Regional Commission shall provide to each  
24 recipient of such funds notice of the requirements specified

1 in this section and information on methods to comply with  
2 such requirements.

3 **TITLE III—BUSINESS**  
4 **DEVELOPMENT ASSISTANCE**

5 **SEC. 301. SHORT TITLE.**

6 This title may be cited as the “Economic Growth and  
7 Technology Commercialization Act of 1994”.

8 **SEC. 302. FINDINGS, PURPOSES, AND DEFINITIONS.**

9 (a) FINDINGS.—The Congress hereby finds the fol-  
10 lowing:

11 (1) Through its support and funding of re-  
12 search and development in this Nation’s Federal  
13 agencies, laboratories, and educational institutions,  
14 the Federal Government has fostered the creation of  
15 thousands of technologies, processes, and other pro-  
16 prietary rights owned, or held in whole or part, by  
17 the Federal Government.

18 (2) If commercialized, these technologies, proc-  
19 esses, and other proprietary rights owned, or held in  
20 whole or part, by the Federal Government hold the  
21 potential to be a significant tool to foster economic  
22 growth and to create significant numbers of new  
23 jobs at good wages for American workers.

24 (3) Throughout the Federal Government, there  
25 is no single inventory or source of information on

1 technologies, processes, and other proprietary rights  
2 owned, or held in whole or part, by the Federal Gov-  
3 ernment.

4 (4) Information on technologies, processes, and  
5 other proprietary rights owned, or held in whole or  
6 part, by the Federal Government is not standardized  
7 in form or content, is separately maintained by nu-  
8 merous Federal agencies and departments, and is  
9 not easily accessible by the public.

10 (5) Businesses and entrepreneurs in areas in  
11 need of economic growth and revitalization are large-  
12 ly unaware of the existence of these technologies,  
13 processes, and other proprietary rights and largely  
14 unaware of the possibilities for obtaining the rights  
15 to these technologies, processes, and other propri-  
16 etary rights for the purpose of commercialization.

17 (6) It is in the economic interest of the United  
18 States to facilitate the private sector commercializa-  
19 tion of technologies, processes, and other proprietary  
20 rights by United States businesses located in areas  
21 in need of economic growth and revitalization.

22 (7) Greater effectiveness may be achieved  
23 through the utilization of the private sector cor-  
24 porate structure and profit incentives in facilitating  
25 the commercialization of technologies, processes, and

1 other proprietary rights than can reasonably be ex-  
2 pected by the Federal Government performing this  
3 function.

4 (b) PURPOSES.—The purposes of this title are as  
5 follows:

6 (1) To provide assistance to private-sector  
7 United States businesses, located in areas in need of  
8 economic stabilization and revitalization, to commer-  
9 cialize technologies, processes, and other proprietary  
10 rights owned, or held in whole or part, by the Fed-  
11 eral Government.

12 (2) To create new employment opportunities by  
13 facilitating the commercialization of technologies,  
14 processes, and other proprietary rights by United  
15 States businesses and entrepreneurs in areas in need  
16 of economic growth and revitalization.

17 (3) To develop a single, comprehensive data  
18 base of information on technologies, processes, and  
19 other proprietary rights owned, or held in whole or  
20 part, by the Federal Government, which is standard-  
21 ized and easily accessible.

22 (4) To heighten the awareness of United States  
23 businesses and entrepreneurs of the availability for  
24 commercialization of technologies, processes, and

1 other proprietary rights owned, or held in whole or  
2 part, by the Federal Government.

3 (c) DEFINITIONS.—For purposes of this title, the fol-  
4 lowing definitions shall apply:

5 (1) SECRETARY.—The term “Secretary” means  
6 the Secretary of Commerce.

7 (2) CORPORATION.—The term “Corporation”  
8 means the Business Development and Technology  
9 Commercialization Corporation established under  
10 this title.

11 (3) BOARD.—The term “Board” means the  
12 Board of Directors of the Business Development and  
13 Technology Commercialization Corporation.

14 (4) QUALIFIED CONCERN.—The term “qualified  
15 concern” means a United States-based consortium, a  
16 private United States business, or an educational in-  
17 stitution participating in a joint project with 1 or  
18 more private United States businesses, for the devel-  
19 opment and commercialization of technologies, proc-  
20 esses, and other proprietary rights—

21 (A) owned or held in whole or part by Fed-  
22 eral departments, agencies, or government-con-  
23 trolled corporations;

24 (B) developed in Federal laboratories;

1 (C) arising in the course of federally fund-  
2 ed research at educational institutions, other  
3 units of government, or with private concerns;  
4 or

5 (D) which are made available to the Fed-  
6 eral Government by private concerns.

7 **SEC. 303. CONSOLIDATION OF INFORMATION ON TECH-**  
8 **NOLOGIES.**

9 (a) ESTABLISHMENT OF DATA.—The Secretary shall  
10 establish and maintain an integrated, comprehensive data  
11 base describing all technologies, processes, and other pro-  
12 prietary rights owned, or held in whole or part, by the  
13 Federal Government, or which originated in the course of  
14 federally funded research in which the Federal Govern-  
15 ment has an interest.

16 (b) STANDARDIZATION AND ACCESSIBILITY OF IN-  
17 FORMATION.—The Secretary shall take such steps as are  
18 necessary to ensure that the information contained in the  
19 data base established under subsection (a) is in a stand-  
20 ardized form, is accessible and usable in a manner as sim-  
21 ple and easy to use as possible, recognizing the needs of  
22 small- and medium-sized businesses.

23 (c) RESPONSIBILITIES.—In carrying out this section,  
24 the Secretary shall—

1           (1) consult with and, to the extent practicable,  
2           utilize the capabilities of other executive agencies, as  
3           appropriate, to ensure the efficient and effective im-  
4           plementation of this section; and

5           (2) explore, with other executive agencies, ways  
6           to avoid duplication of effort by consolidating the  
7           administration of the program established by this  
8           section with any other similar Federal program, and  
9           as part of such consolidation may delegate adminis-  
10          trative functions, as necessary and appropriate, to  
11          another executive agency.

12          (d) OTHER FEDERAL AGENCIES.—Other executive  
13          agencies shall provide such information, and in such form,  
14          as determined by the Secretary and shall cooperate with  
15          the Secretary in carrying out this section.

16          (e) ACCESS TO THE DATA BASE.—

17                 (1) ACCESS TO THE DATA BASE BY THE COR-  
18                 PORATION.—Except as provided in paragraph (3),  
19                 the Secretary shall provide unlimited access to the  
20                 data base established under this section to the Busi-  
21                 ness Development and Technology Commercializa-  
22                 tion Corporation established under this part, without  
23                 fee, to assist the Corporation in meeting its respon-  
24                 sibilities under this part.

1           (2) ACCESS TO THE DATA BASE BY THE PUB-  
2           LIC.—Except as provided in paragraph (3), the Sec-  
3           retary shall, by regulation, develop and implement  
4           procedures providing for access to the data base es-  
5           tablished under this section to members of the gen-  
6           eral public.

7           (3) RESTRICTIONS.—If, in consultation with the  
8           heads of other executive agencies, the Secretary de-  
9           termines that access by the Corporation or any other  
10          person to information contained in the data base es-  
11          tablished under this section would—

12                   (A) threaten national security;

13                   (B) violate the proprietary rights of any  
14          private interest; or

15                   (C) be otherwise inappropriate,

16          the Secretary shall take such steps as the Secretary  
17          may determine to be appropriate to limit access to  
18          the information in the data base described in sub-  
19          paragraph (A), (B), or (C) to the Corporation or  
20          any other person.

21          (f) GAO REVIEW OF CURRENT FEDERAL TECH-  
22          NOLOGY UTILIZATION AND COMMERCIALIZATION EF-  
23          FORTS.—

24                   (1) IN GENERAL.—The Comptroller General of  
25          the United States shall conduct a review of all tech-

1 nology utilization and commercialization activities  
2 within all Federal departments, agencies, and lab-  
3 oratories, or which are otherwise supported by Fed-  
4 eral funds. This review shall identify those activities  
5 which may overlap or duplicate the technology utili-  
6 zation and commercialization activities provided for  
7 under this title.

8 (2) REPORTS.—Before the end of the 1-year pe-  
9 riod beginning on the date of the enactment of this  
10 Act, the Comptroller General shall issue a report to  
11 the Congress describing in detail—

12 (A) the findings of the review directed  
13 under paragraph (1),

14 (B) the funding levels of each existing  
15 Federal technology utilization and commer-  
16 cialization activities, and

17 (C) recommendations for the modification  
18 or elimination of any existing Federal tech-  
19 nology utilization and commercialization activi-  
20 ties which the Comptroller General finds to be  
21 duplicative of the activities provided for under  
22 this title.

1 **SEC. 304. BUSINESS DEVELOPMENT AND TECHNOLOGY**  
2 **COMMERCIALIZATION CORPORATION.**

3 (a) ASSESSMENT OF TECHNOLOGY UTILIZATION AND  
4 COMMERCIALIZATION PROGRAMS OF THE FEDERAL GOV-  
5 ERNMENT.—

6 (1) IN GENERAL.—The Director of the Office of  
7 Science and Technology Policy in the Executive Of-  
8 fice of the President shall—

9 (A) assess the performance of technology  
10 utilization and commercialization programs of  
11 the Federal Government as of the date of the  
12 enactment of this Act;

13 (B) evaluate the advantages and disadvan-  
14 tages of a centralized as opposed to a decentral-  
15 ized approach to technology utilization and  
16 commercialization; and

17 (C) develop recommendations on ways to  
18 improve the technology utilization and commer-  
19 cialization efforts of the Federal Government.

20 (2) REPORT.—The Director of the Office of  
21 Science and Technology Policy shall submit a report  
22 containing the findings, conclusions, and rec-  
23 ommendations of the Director pursuant to para-  
24 graph (1) to the President, the Committee on Bank-  
25 ing, Finance and Urban Affairs and the Committee  
26 on Science, Space, and Technology of the House of

1 Representatives, and the Committee on Commerce,  
2 Science, and Transportation of the Senate.

3 (3) CONSULTATION.—In carrying out the duties  
4 of the Director under paragraph (1), the Director  
5 shall consult with interested agencies and depart-  
6 ment of the Federal Government.

7 (b) IMPROVED INTEGRATION OF TECHNOLOGY COM-  
8 Mercialization Programs and Federal Programs  
9 TO ASSIST ECONOMICALLY DISTRESSED COMMUNITIES.—

10 (1) IN GENERAL.—The Secretary shall identify  
11 ways to promote more effective integration of Fed-  
12 eral policies and programs relating to technology uti-  
13 lization and commercialization with Federal policies  
14 and programs for assisting economically distressed  
15 communities establish stable and diversified local  
16 economies.

17 (2) REPORT.—The Secretary shall submit a re-  
18 port containing any findings, conclusions, and rec-  
19 ommendations of the Secretary pursuant to para-  
20 graph (1) to the President, the Committee on Bank-  
21 ing, Finance and Urban Affairs and the Committee  
22 on Science, Space, and Technology of the House of  
23 Representatives, and the Committee on Commerce,  
24 Science, and Transportation of the Senate.

25 (c) ESTABLISHMENT OF CORPORATION.—

1 (1) IN GENERAL.—Not later than the earlier  
2 of—

3 (A) the end of the 12-month period begin-  
4 ning on the date of the enactment of this Act;  
5 or

6 (B) the end of the 30-day period beginning  
7 on the date the report of the Director of the Of-  
8 fice of Science and Technology Policy is submit-  
9 ted to the President pursuant to subsection  
10 (a)(2),

11 the President shall provide for the establishment of  
12 a corporation to be known as the “Business Devel-  
13 opment and Technology Commercialization Corpora-  
14 tion” (hereafter in this title referred to as the “Cor-  
15 poration”), unless the President, after consideration  
16 of such report, makes a finding that the establish-  
17 ment of the Corporation would impair the operation  
18 of the Federal policies and programs relating to  
19 technology utilization and commercialization.

20 (2) REPORT TO CONGRESS.—If the President  
21 makes a finding described in paragraph (1) with re-  
22 spect to the establishment of the Corporation, the  
23 President shall transmit a report describing the  
24 basis for the finding to the Committee on Banking,  
25 Finance and Urban Affairs and the Committee on

1 Science, Space, and Technology of the House of  
2 Representatives, and the Committee on Commerce,  
3 Science, and Transportation of the Senate.

4 (3) PURPOSE.—The Corporation shall be oper-  
5 ated for the purpose of fostering economic growth,  
6 assisting in the creation of new employment oppor-  
7 tunities, and strengthening the industrial base of the  
8 United States by facilitating the utilization and com-  
9 mercialization of technologies, processes, and other  
10 proprietary rights—

11 (A) owned or held in whole or part by Fed-  
12 eral departments, agencies, or government-con-  
13 trolled corporations;

14 (B) developed in Federal laboratories;

15 (C) arising in the course of federally fund-  
16 ed research at educational institutions, other  
17 units of government, or with private concerns;  
18 and

19 (D) which are made available by private  
20 concerns.

21 (4) CORPORATION NOT AN ESTABLISHMENT OF  
22 THE UNITED STATES.—The Corporation shall not be  
23 an agency or establishment of the United States.

24 (d) PROCESS OF ORGANIZATION.—

25 (1) INCORPORATION.—

1 (A) IN GENERAL.—The Secretary, the Sec-  
2 retary of Labor, and the Administrator of the  
3 Small Business Administration shall—

4 (i) provide for the establishment of  
5 the Corporation under the business cor-  
6 poration laws of such State as the Presi-  
7 dent determines to be appropriate; and

8 (ii) serve as the incorporators of the  
9 Corporation and as the initial members of  
10 the board of directors of the Corporation  
11 until their successors are elected and quali-  
12 fied.

13 (B) NECESSARY ACTION AUTHORIZED.—  
14 The incorporators referred to in subparagraph  
15 (A) shall take such other actions as may be nec-  
16 essary to establish the Corporation.

17 (C) REVIEW OF PROPOSED ORGANIZATION  
18 OF CORPORATION.—The President shall request  
19 the National Academy of Public Administration  
20 to—

21 (i) review the proposed organization of  
22 the Corporation to ensure that the organi-  
23 zation plan conforms with sound principles  
24 of administration; and

1           (ii) submit a report to the President  
2           in a timely manner with the Academy's  
3           such findings, conclusions, and rec-  
4           ommendations the Academy may determine  
5           to be appropriate.

6           (2) PRIVATIZATION OF THE CORPORATION.—

7           (A) IN GENERAL.—Following the establish-  
8           ment of the Corporation, the Corporation shall  
9           be converted to private ownership and manage-  
10          ment in such form and manner as the President  
11          determines to be appropriate, after consulting  
12          with the Committee on Banking, Finance and  
13          Urban Affairs and the Committee on Science,  
14          Space, and Technology of the House of Rep-  
15          resentatives, and the Committee on Commerce,  
16          Science, and Transportation of the Senate.

17          (B) SOLICITATION OF PROPOSALS FOR  
18          CONVERSION.—The President shall solicit pro-  
19          posals for the conversion of the Corporation to  
20          private ownership and management.

21          (3) SELECTION CRITERIA AND PROCEDURES.—

22          (A) IN GENERAL.—The President, in con-  
23          sultation with the Secretary, shall make the  
24          final selection of a proposal for the conversion

1 of the Corporation to private ownership and  
2 management.

3 (B) CRITERIA FOR SELECTING A PRO-  
4 POSAL TO RECOMMEND TO THE PRESIDENT.—  
5 In selecting a proposal to recommend to the  
6 President for the conversion of the Corporation,  
7 as described in subparagraph (A), the Secretary  
8 shall take into consideration the following fac-  
9 tors—

10 (i) the quality of the operational plan;

11 (ii) the soundness of the financing of  
12 the organization and of the operational  
13 plan;

14 (iii) the qualifications of, and the di-  
15 versity of talents and skills represented by,  
16 the submitters of the proposal, including  
17 the extent to which a combination of orga-  
18 nizations is submitting a joint proposal;

19 (iv) whether a State government, or  
20 unit of a State government, is participat-  
21 ing financially with the organization sub-  
22 mitting a proposal;

23 (v) the intentions of the submitters of  
24 the proposal to locate the headquarters of  
25 the Corporation in an area which is not lo-

1 cated in the 50 largest Metropolitan Sta-  
2 tistical Areas, based on the 1990 Census;  
3 and

4 (vi) such other factors as the  
5 incorporators determine to be appropriate  
6 in meeting the purposes of this title.

7 (C) PROCEDURES FOR SELECTING A PRO-  
8 POSAL TO RECOMMEND TO THE PRESIDENT.—

9 In selecting a proposal to recommend to the  
10 President for the conversion of the Corporation,  
11 as described in subparagraph (A), the Secretary  
12 shall ensure that in the selection process—

13 (i) not less than 3 proposals are iden-  
14 tified as proposals to receive further con-  
15 sideration, as provided in clauses (ii) and  
16 (iii), except that, if fewer than 3 proposals  
17 are received, each of them shall receive fur-  
18 ther consideration;

19 (ii) a review procedure is implemented  
20 under which the sponsors of the proposals  
21 identified in clause (i) are provided an op-  
22 portunity to make personal presentations  
23 of their proposals to the Secretary or the  
24 Secretary's designee; and

1 (iii) individual negotiations for the re-  
2 vision of proposals identified in clause (i)  
3 may be entered into.

4 (4) WARRANTS FOR PARTICIPATION IN  
5 GAINS.—The President may, in connection with any  
6 contract or agreement for converting the Corpora-  
7 tion to private ownership and contingent on the fi-  
8 nancial success of the Corporation, retain the right  
9 to participate in the financial gains of the Corpora-  
10 tion in such amounts as the President may deter-  
11 mine to be appropriate, after consulting with the  
12 Committee on Banking, Finance and Urban Affairs  
13 and the Committee on Science, Space, and Tech-  
14 nology of the House of Representatives, and the  
15 Committee on Commerce, Science, and Transpor-  
16 tation of the Senate.

17 (e) PROHIBITION ON CONFLICTS OF INTEREST.—

18 (1) IN GENERAL.—An officer or employee of  
19 the Corporation may not participate in a matter re-  
20 garding an application, claim, or other matter pend-  
21 ing before the Corporation if, to such person's  
22 knowledge, the person, the person's spouse, minor  
23 child, parent, sibling, or partner, or an organization,  
24 other than the Corporation, in which the person is  
25 serving as an officer, director, trustee, partner, or

1 employee, or any person with whom the person is ne-  
2 negotiating or has any arrangement concerning per-  
3 spective employment, has a financial interest in the  
4 matter.

5 (2) CONSEQUENCE OF VIOLATION.—An officer  
6 or employee who violates this subsection shall be  
7 subject to termination, but such a violation shall not  
8 impair, nullify, or otherwise affect the validity of any  
9 otherwise lawful action by the Corporation in which  
10 such officer or employee participated.

11 (f) GENERAL POWERS.—In addition to the usual  
12 powers conferred upon a corporation under the business  
13 corporation laws of the State in which the Corporation is  
14 incorporated, the Corporation shall have such other inci-  
15 dental powers not inconsistent with this section that are  
16 necessary or appropriate to carry out the purposes and  
17 functions of the Corporation.

18 (g) PROMOTION OF TECHNOLOGIES.—

19 (1) MARKETING OF TECHNOLOGIES.—The Cor-  
20 poration shall undertake an aggressive, multifaceted  
21 outreach program to increase awareness of the avail-  
22 ability of technologies, processes, and other propri-  
23 etary rights to qualified concerns under this title.  
24 This program shall emphasize the use of new infor-  
25 mation technologies, including the utilization of

1 cable television and the modern electronic media,  
2 and the data base established under this title.

3 (2) UTILIZATION OF CABLE TELEVISION.—

4 (A) IN GENERAL.—In implementing the  
5 outreach program provided under paragraph  
6 (1), the Corporation shall enter into negotia-  
7 tions for the utilization of cable television for  
8 marketing efforts for the commercialization of  
9 technologies, processes, and other proprietary  
10 rights—

11 (i) owned or held in whole or part by  
12 Federal departments, agencies, or govern-  
13 ment controlled corporations;

14 (ii) develop in Federal laboratories;

15 (iii) arising in the course of federally  
16 funded research at educational institutions,  
17 other units of government or with private  
18 concerns; and

19 (iv) which are otherwise made avail-  
20 able to the government by private con-  
21 cerns.

22 (B) PROMOTIONAL FEES.—Under terms  
23 negotiated between the Secretary and the Cor-  
24 poration, the Secretary is authorized to make  
25 payments to the Corporation for promotional

1 fees for the production of segments for broad-  
2 cast over cable television, or other appropriate  
3 media, which identify—

4 (i) the technologies described in para-  
5 graph (A);

6 (ii) their potential commercial applica-  
7 tions; and

8 (iii) methods available for obtaining  
9 additional information on the technologies.

10 (3) TECHNICAL ASSISTANCE.—The Corporation  
11 shall, upon request, provide technical assistance and  
12 services, as appropriate and needed, to qualified con-  
13 cerns under this title.

14 (4) OUTREACH TO SPECIFIC AREAS AND SMALL  
15 BUSINESSES.—The Corporation shall seek to ensure  
16 that qualified concerns and small businesses located  
17 in areas determined by the Secretary to have a de-  
18 pressed economy or chronically high unemployment  
19 are notified of the availability of assistance through  
20 the program established under this section and, to  
21 the extent practicable, to encourage and facilitate  
22 the participation of such qualified concerns and  
23 small businesses in such program.

24 (h) AUTHORITY TO REPRESENT THE GOVERN-  
25 MENT.—

1           (1) IN GENERAL.—In accordance with regula-  
2           tions prescribed by the Secretary, the Corporation  
3           shall act as an agent, and represent the interests, of  
4           the Federal Government in facilitating the utiliza-  
5           tion of technologies, processes, and other proprietary  
6           rights by qualified concerns under this title.

7           (2) RIGHTS OF QUALIFIED CONCERNS.—In ac-  
8           cordance with regulations promulgated by the Sec-  
9           retary, the Corporation may convey, to qualified con-  
10          cerns, under terms and conditions to be negotiated  
11          between the Corporations and qualified concerns,  
12          such rights which may be necessary and appropriate  
13          to facilitate the utilization and commercialization of  
14          technologies, processes, and other proprietary rights  
15          as provided under this title.

16          (3) MINIMUM RIGHTS OF THE FEDERAL GOV-  
17          ERNMENT.—In the conveyance of rights to qualified  
18          concerns as provided for under paragraph (2), the  
19          Corporation shall ensure the following:

20                 (A) The conveyance agreement contains  
21                 language providing for the rights of the Cor-  
22                 poration to revoke the rights provided under  
23                 paragraph (2) if—

24                         (i) the qualified concern does not  
25                         demonstrate that it is undertaking a good

1           faith effort to achieve the utilization and  
2           commercialization of the technology, proc-  
3           ess, or other proprietary right; or

4                   (ii) the Secretary certifies that the in-  
5           terests of national security or the general  
6           welfare of the American people necessitates  
7           the revocation of such rights.

8           (B) The Federal Government retains a li-  
9           cense to such technologies, processes, and other  
10          proprietary rights for the Government's own  
11          use.

12          (C) The Federal Government receives in  
13          compensation for the conveyance of such  
14          rights—

15                   (i) royalties;

16                   (ii) the right to share in the earnings  
17                  of the qualified entity proportionate to the  
18                  value of the rights so conveyed; or

19                   (iii) a sum of money or other com-  
20                  pensation that the Corporation determines  
21                  to be appropriate.

22          (4) AGENT'S FEES.—Under such terms as the  
23          Secretary and the Corporation may negotiate, after  
24          consulting with the Committee on Banking, Finance  
25          and Urban Affairs and the Committee on Science,

1 Space, and Technology of the House of Representa-  
2 tives, and the Committee on Commerce, Science, and  
3 Transportation of the Senate, the Corporation may  
4 retain a percentage of any royalties or other com-  
5 pensation accruing to the Federal Government in  
6 connection with any licensing agreement entered into  
7 by the Corporation on behalf of the Federal Govern-  
8 ment.

9 (i) CONSULTATION WITH FEDERAL AGENCIES, AND  
10 WITH PRIVATE PARTIES.—

11 (1) CONSULTATION WITH FEDERAL AGEN-  
12 CIES.—In carrying out this title, the Board and the  
13 Corporation shall consult frequently with the Sec-  
14 retary, and such Federal agencies and departments  
15 as is appropriate, to ensure coordination and the  
16 maximum utilization of all related Federal resources  
17 to promote technology utilization and commercializa-  
18 tion.

19 (2) CONSULTATION WITH PRIVATE PARTIES.—  
20 In carrying out this title, the Board and the Cor-  
21 poration shall solicit comments from private parties,  
22 including representatives of finance, industry, and  
23 organized labor on the role of the Corporation and  
24 the needs of private parties.

1           (j) AUDIT BY COMPTROLLER GENERAL.—The Comp-  
2 troller General of the United States may audit the finan-  
3 cial transactions of the Corporation. For the purposes of  
4 carrying out such an audit, the Comptroller General shall  
5 have access to all books, records, and property belonging  
6 to, or in the possession of, the Corporation. In the case  
7 of a person or entity which has entered into a financial  
8 relationship with the Corporation, the Comptroller Gen-  
9 eral shall have access only to those books, records, and  
10 property belonging to, or the possession of, the person or  
11 entity which pertain to the Corporation and which are nec-  
12 essary to carry out the audit. The Comptroller General  
13 shall make a report of each audit to the Congress and  
14 the President.

15           (k) INFORMATION AND OTHER ASSISTANCE FROM  
16 FEDERAL AGENCIES.—Upon the request of the Corpora-  
17 tion, the head of a Federal department or agency is au-  
18 thorized to—

19                 (1) furnish to the Corporation such information  
20                 which is available to the agency as the Board deems  
21                 necessary for carrying out its functions; and

22                 (2) detail for temporary duty, on a reimburs-  
23                 able basis, such personnel as the Corporations deter-  
24                 mines to be necessary to carry out its functions.

25           (l) MISCELLANEOUS PROVISIONS.—

1 (1) JURISDICTION.—

2 (A) IN GENERAL.—Whenever the Corpora-  
3 tion is a party to any civil action under this  
4 title, such action shall be deemed to arise under  
5 the laws of the United States. No attachment  
6 or execution may be issued against the Corpora-  
7 tion, or any property thereof, prior to entry of  
8 final judgment.

9 (B) CITIZENSHIP OF CORPORATION.—The  
10 Corporation shall be deemed to be a citizen of  
11 the District of Columbia for the purpose of de-  
12 termining the original jurisdiction of the district  
13 courts of the United States in civil actions to  
14 which the Corporation is a party.

15 (2) BUSINESS ACTIVITY AND QUALIFICATION.—  
16 The Corporation shall be deemed to be qualified to  
17 do business in each State in which it performs any  
18 activity authorized under this title.

19 (m) UTILIZATION OF CORPORATION.—It is the sense  
20 of the Congress that all Federal departments, agencies,  
21 institutions of higher education, and laboratories, and all  
22 institutions of higher education and laboratories which are  
23 otherwise supported by Federal funds, should use the serv-  
24 ices of the Corporation to the maximum extent possible.

1 **SEC. 305. ASSISTANCE TO BUSINESSES IN SECURING**  
2 **FINANCING.**

3 (a) INFORMATION CLEARINGHOUSE.—The Corpora-  
4 tion established under this title shall act as a one-stop  
5 clearinghouse for information to assist qualified concerns  
6 identify sources of business development and technology  
7 commercialization financing available through the Federal  
8 Government as well as through applicable State and local  
9 government programs and through private sources.

10 (b) AGENT OF THE FEDERAL GOVERNMENT.—The  
11 Corporation may act as an agent of the Federal Govern-  
12 ment for purposes of accepting applications for financial  
13 assistance and their submission to the appropriate Federal  
14 agency on behalf of a qualified concern.

15 (c) TECHNICAL ASSISTANCE FOR LENDERS AND  
16 BORROWERS.—The Corporation shall, upon request, pro-  
17 vide technical assistance and services, as appropriate and  
18 needed, to lenders and borrowers under this title, and shall  
19 ensure that such lenders and borrowers have ready access  
20 to appropriate assistance in order to aid such lenders and  
21 borrowers in achieving the purposes of this title.

22 **SEC. 306. SAVINGS PROVISION.**

23 It is the intent of the Congress that this title shall  
24 be construed as complementing any other provision of  
25 Federal law relating to the licensing, utilization, or com-  
26 mercialization of the use of technology and shall not be

1 construed as superseding any such provision, except as  
 2 otherwise provided in this title.

3 **SEC. 307. RULE OF CONSTRUCTION.**

4 Nothing in this Act or this title shall be construed  
 5 by the President, the Secretary of Commerce, the Cor-  
 6 poration, any Federal agency or department, or any court  
 7 to affect, alter, amend, modify, or change, or apply to,  
 8 any program or activity (or any technology developed, de-  
 9 rived, or provided through or under such program or activ-  
 10 ity by any means of any kind) of the Department of En-  
 11 ergy, the Department of Transportation, the Department  
 12 of Health and Human Services, or the Environmental Pro-  
 13 tection Agency or any office, bureau, commission, labora-  
 14 tory or facility of such agencies or departments.

Passed the House of Representatives May 12, 1994.

Attest: DONNALD K. ANDERSON,  
*Clerk.*

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