

Union Calendar No. 270

103D CONGRESS
2D SESSION

H. R. 2442

[Report No. 103-423, Parts I and II]

A BILL

To reauthorize appropriations under the Public Works and Economic Development Act of 1965, as amended, to revise administrative provisions of the Act to improve the authority of the Secretary of Commerce to administer grant programs, and for other purposes.

APRIL 26, 1994

Reported from the Committee on Banking, Finance and Urban Affairs with amendments, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

Union Calendar No. 270

103^D CONGRESS
2^D SESSION

H. R. 2442

[Report No. 103-423, Parts I and II]

To reauthorize appropriations under the Public Works and Economic Development Act of 1965, as amended, to revise administrative provisions of the Act to improve the authority of the Secretary of Commerce to administer grant programs, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JUNE 16, 1993

Mr. WISE (for himself, Mr. MINETA, Mr. SHUSTER, and Ms. MOLINARI) (all by request) introduced the following bill; which was referred to the Committee on Public Works and Transportation

FEBRUARY 10, 1994

Reported with amendments, referred to the Committee on Banking, Finance and Urban Affairs for a period ending not later than April 22, 1994, for consideration of such provisions of the bill and amendments as fall within the jurisdiction of that committee pursuant to clause 1(d), rule X

[Strike out all after the enacting clause and insert the part printed in italic]

APRIL 22, 1994

Referral to the Committee on Banking, Finance and Urban Affairs extended for a period ending not later than April 26, 1994

APRIL 26, 1994

Additional sponsors: Mr. ROGERS and Mr. BARLOW

APRIL 26, 1994

Reported from the Committee on Banking, Finance and Urban Affairs with amendments, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in boldface]

[For text of introduced bill, see copy of bill as introduced on June 16, 1993]

1 *year shall be expended in areas which qualify as redevelop-*
2 *ment areas under section 401(a)(4).”.*

3 **SEC. 102. TECHNICAL ASSISTANCE, RESEARCH, AND INFOR-**
4 **MATION.**

5 *Section 303 of the Public Works and Economic Devel-*
6 *opment Act of 1965 (42 U.S.C. 3152) is amended to read*
7 *as follows:*

8 **“SEC. 303. AUTHORIZATION OF APPROPRIATIONS.**

9 *“There is authorized to be appropriated to carry out*
10 *this title \$37,100,000 for fiscal year 1994 and \$50,000,000*
11 *per fiscal year for each of fiscal years 1995 and 1996. Such*
12 *sums shall remain available until expended.”.*

13 **SEC. 103. BUSINESS OUTREACH CENTER DEMONSTRATION**
14 **PROJECT.**

15 *Title III of the Public Works and Economic Develop-*
16 *ment Act of 1965 (42 U.S.C. 3151–3153) is amended by*
17 *adding at the end the following new section:*

18 **“SEC. 305. BUSINESS OUTREACH CENTER DEMONSTRATION**
19 **PROJECT.**

20 *“(a) IN GENERAL.—The Secretary shall conduct a*
21 *project in each of fiscal years 1994 through 1996 with funds*
22 *made available under this title for the purpose of dem-*
23 *onstrating methods of assisting isolated small businesses to*
24 *access small business services provided by Federal, State,*
25 *and local governments.*

1 “(b) *ESTABLISHMENT OF CENTERS.*—In conducting
2 the demonstration project under this section, the Secretary
3 shall establish three business outreach centers.

4 “(c) *PURPOSE OF CENTERS.*—It shall be the purpose
5 of each business outreach center established under this sec-
6 tion—

7 “(1) to provide a one-stop clearinghouse to assist
8 isolated small businesses in accessing small business
9 services provided by Federal, State, and local govern-
10 ments; and

11 “(2) to improve efficiency in the delivery of such
12 services.

13 “(d) *SERVICES TO BE PROVIDED.*—Each business out-
14 reach center established under this section shall provide the
15 following services:

16 “(1) Outreach to isolated small businesses.

17 “(2) Assessment of the need of isolated small
18 businesses for assistance services.

19 “(3) Referral of isolated small businesses to small
20 business assistance agencies.

21 “(4) Preparation of materials required by iso-
22 lated small businesses for participation in small busi-
23 ness assistance programs.

24 “(5) Case management to assure follow-up and
25 quality control of business services.

1 “(6) *Coordination of networking among isolated*
2 *small businesses.*”

3 “(7) *Quality control of small business assistance*
4 *services.*”

5 “(e) *ISOLATED SMALL BUSINESS DEFINED.*—*For the*
6 *purposes of this section, the term ‘isolated small business’*
7 *means a small business that is unable to effectively access*
8 *small business services provided by Federal, State, and local*
9 *governments due to linguistic, cultural, or geographic*
10 *barriers.*”

11 **SEC. 104. REDEVELOPMENT AREAS.**

12 (a) *IN GENERAL.*—*Section 401 of the Public Works*
13 *and Economic Development Act of 1965 (42 U.S.C. 3161)*
14 *is amended to read as follows:*

15 **“SEC. 401. AREA ELIGIBILITY.**

16 “(a) *CERTIFICATION.*—*In order to qualify as a redevelop-*
17 *ment area under this Act, an applicant seeking assistance*
18 *under this Act to undertake a project for such area shall*
19 *certify, as part of an application for such assistance, that*
20 *the area on the date of submission of such application meets*
21 *one or more of the following criteria:*

22 “(1) *The area has a per capita income of 80 per-*
23 *cent or less of the national average.*”

24 “(2) *The area has an unemployment rate 1 per-*
25 *cent above the national average percentage for the*

1 *most recent 24-month period for which statistics are*
2 *available.*

3 “(3) *The area has experienced or is about to ex-*
4 *perience a sudden economic dislocation resulting in*
5 *job loss that is significant both in terms of the num-*
6 *ber of jobs eliminated and the effect upon the employ-*
7 *ment rate of the area.*

8 “(4) *The area is a community or neighborhood*
9 *(defined without regard to political or other subdivi-*
10 *sions or boundaries) which the Secretary determines*
11 *has one or more of the following conditions:*

12 “(A) *A large concentration of low-income*
13 *persons.*

14 “(B) *Rural areas having substantial out-*
15 *migration.*

16 “(C) *Substantial unemployment.*

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

23 “(c) *SPECIAL RULE.*—*An area which qualifies as a re-*
24 *development area under subsection (a)(4)—*

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

3 “(2) shall not be eligible to meet the requirements
4 of section 403(a)(1)(B).

5 “(d) *PRIOR DESIGNATIONS.*—Any designation of a re-
6 development area under this title before the date of the en-
7 actment of the Economic Development Reauthorization Act
8 of 1994 shall not be effective after such date of enactment.”.

9 (b) *CONFORMING AMENDMENTS.*—Section 101 of such
10 Act (42 U.S.C. 3131) is amended—

11 (1) in subsection (a)(1)(D) by striking “section
12 401(a)(6)” and inserting “section 401(a)(4)”; and

13 (2) in subsection (c) by striking “section
14 401(a)(6)” each place it appears and inserting “sec-
15 tion 401(a)(4)”.

16 ***SEC. 105. 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 this Act*
22 *to an applicant for a project to be undertaken in a redevel-*
23 *opment area only if the applicant submits to the Secretary,*
24 *as part of an application for such assistance, and the Sec-*
25 *retary approves an investment strategy which—*

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

3 “(2) identifies past, present, and projected future
4 economic development investments in such area and
5 public and private participants and sources of fund-
6 ing for such investments; and

7 “(3) sets forth a strategy for addressing the eco-
8 nomic problems identified pursuant to paragraph (1)
9 and describes how the strategy will solve such prob-
10 lems.”

11 (b) *ELIMINATION OF OVERALL ECONOMIC DEVELOP-*
12 *MENT PROGRAM.*—Section 202(b) of such Act (42 U.S.C.
13 3142(b)) is amended by striking paragraph (10).

14 (c) *CONFORMING AMENDMENTS.*—

15 (1) *TITLE I.*—Subparagraph (C) of section
16 101(a)(1) of such Act (42 U.S.C. 3131(a)(1)) is
17 amended to read as follows:

18 “(C) the area for which the project is to be
19 undertaken has an approved investment strategy
20 as provided by section 402 and such project is
21 consistent with such strategy; and”.

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

1 “(5) such area has an approved investment
2 strategy as provided by section 402 and the project
3 for which financial assistance is sought is consistent
4 with such strategy.”.

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

7 (A) in the fourth sentence by striking “over-
8 all State economic development plan” and in-
9 serting “State investment strategy”;

10 (B) in the fifth sentence—

11 (i) by striking “plan” each place it ap-
12 pears and inserting “strategy”; and

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

15 (C) in the sixth sentence by striking “Any
16 overall State economic development planning”
17 and inserting “Development of any State invest-
18 ment strategy”.

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

21 (A) in subsections (a)(1)(C), (a)(1)(D),
22 (a)(2)(A), (a)(3)(A), (a)(4)(B), (e), and (i) by
23 striking “overall economic development pro-
24 gram” and inserting “investment strategy”;

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

4 (C) in subsections (b) and (b)(2)(B) by
5 striking “overall economic development pro-
6 grams” and inserting “investment strategies”.

7 **SEC. 106. ECONOMIC DEVELOPMENT DISTRICTS.**

8 (a) *ECONOMIC DEVELOPMENT DISTRICT DEFINED.*—
9 Section 403(d) of the Public Works and Economic Develop-
10 ment Act of 1965 (42 U.S.C. 3171(d)) is amended by add-
11 ing at the end the following new sentence: “Such term in-
12 cludes any economic development district designated by the
13 Secretary under this section before the date of the enactment
14 of the Economic Development Reauthorization Act of
15 1994.”.

16 (b) *FUNDING.*—Section 403(g) of such Act (42 U.S.C.
17 3171(g)) is amended to read as follows:

18 “(g) *FUNDING.*—Amounts authorized to be appro-
19 priated under other sections of this Act shall be available
20 for purposes of carrying out subsections (a)(3) and (a)(4).”.

21 **SEC. 107. APPLICATIONS FOR ASSISTANCE.**

22 (a) *EXPEDITED PROCESSING.*—Title VI of the Public
23 Works and Economic Development Act of 1965 (42 U.S.C.
24 3201–3204) is amended by adding at the end the following
25 new section:

1 **“SEC. 605. EXPEDITED PROCESSING OF APPLICATIONS.**

2 “(a) *GUIDELINES.*—Not later than 60 days after the
3 date of the enactment of this section, the Assistant Secretary
4 for Economic Development shall—

5 “(1) *publish guidelines to expedite the processing*
6 *of applications for assistance under this Act; and*

7 “(2) *transmit to the Committee on Public Works*
8 *and Transportation of the House of Representatives*
9 *and the Committee on Environment and Public*
10 *Works of the Senate a report containing such guide-*
11 *lines.*

12 “(b) *CONTENTS.*—*Guidelines to be published under*
13 *subsection (a) shall, at a minimum, provide for the follow-*
14 *ing:*

15 “(1) *Increased reliance on self-certification by*
16 *applicants to establish compliance with other Federal*
17 *laws.*

18 “(2) *Greater use of uniform application forms*
19 *and procedures.*

20 “(3) *Delegation of decisionmaking authority to*
21 *regional offices.*

22 “(4) *Reduction in the time and number of re-*
23 *views conducted by other offices of the Department of*
24 *Commerce.”.*

1 *assistance under this Act to assess the recipient's perform-*
2 *ance and contribution toward job creation.*

3 *“(b) CRITERIA.—*

4 *“(1) ESTABLISHMENT.—The Secretary shall es-*
5 *tablish criteria for use in conducting evaluations*
6 *under subsection (a).*

7 *“(2) CRITERIA FOR UNIVERSITY CENTERS.—The*
8 *criteria for evaluation of a university center shall, at*
9 *a minimum, provide for an assessment of the center's*
10 *contribution to providing technical assistance, con-*
11 *ducting applied research, and disseminating results of*
12 *the center's activities.*

13 *“(3) CRITERIA FOR ECONOMIC DEVELOPMENT*
14 *DISTRICTS.—The criteria for evaluation of an eco-*
15 *nomical development district shall, at a minimum, pro-*
16 *vide for an assessment of management standards, fi-*
17 *nancial accountability, and program performance.*

18 *“(c) PEER REVIEW.—In conducting an evaluation of*
19 *a university center under subsection (a), the Secretary shall*
20 *provide for the participation of at least one other university*
21 *center on a cost-reimbursement basis.”.*

22 **SEC. 109. TRANSFER OF FUNDS.**

23 *Section 708 of the Public Works and Economic Devel-*
24 *opment Act of 1965 (42 U.S.C. 3218) is amended by adding*
25 *at the end the following new subsection:*

1 “(d) *FUNDS TRANSFERRED FROM OTHER DEPART-*
2 *MENTS AND AGENCIES.—In order to carry out the objectives*
3 *of this Act, the Secretary may accept transfers of funds from*
4 *other departments and agencies of the Federal Government*
5 *if the funds are used for the purposes for which (and in*
6 *accordance with the terms under which) the funds are spe-*
7 *cifically authorized and appropriated.”.*

8 **SEC. 110. SUPERVISION OF REGIONAL COUNSELS.**

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

12 **“SEC. 717. SUPERVISION OF REGIONAL COUNSELS.**

13 *“The Secretary shall take such actions as may be nec-*
14 *essary to ensure that individuals serving as Regional Coun-*
15 *sels of the Economic Development Administration report*
16 *directly to their respective Regional Director.”.*

17 **SEC. 111. BASE CLOSINGS AND REALIGNMENTS.**

18 *Section 903 of the Public Works and Economic Devel-*
19 *opment Act of 1965 (42 U.S.C. 3243) is amended by adding*
20 *at the end the following new subsection:*

21 “(e) *BASE CLOSINGS AND REALIGNMENTS.—*

22 “(1) *LOCATION OF PROJECTS.—In any case in*
23 *which the secretary determines a need for assistance*
24 *under subsection (a) due to the closure or realignment*
25 *of a military installation, the Secretary may make*

1 *such assistance available for projects to be carried out*
2 *on the military installation and for projects to be car-*
3 *ried out in communities adversely affected by the clo-*
4 *sure or realignment.*

5 *“(2) INTEREST IN PROPERTY.—Notwithstnading*
6 *any other provision of law, the Secretary may provide*
7 *to an eligible recipient any assistance available under*
8 *the Act for a project to be carried out on a military*
9 *installation that is closed or scheduled for closure or*
10 *realignment without requiring that the eligible recipi-*
11 *ent have title to the property or a leasehold interest*
12 *in the property for any specified term.”.*

13 **SEC. 112. TREATMENT OF REVOLVING LOAN FUNDS.**

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

16 *(1) by redesignating section 905 as section 907;*
17 *and*

18 *(2) by inserting after section 904 the following*
19 *new section:*

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

21 *“(a) IN GENERAL.—Amounts from grants under this*
22 *title which are used by an eligible recipient to establish a*
23 *revolving loan fund shall not be treated, except as provided*
24 *by subsection (b), as amounts derived from Federal funds*

1 *for the purposes of any Federal law after such amounts are*
2 *loaned from the fund to a borrower and repaid to the fund.*

3 “(b) *EXCEPTIONS.—Amounts described in subsection*
4 *(a) which are loaned from a revolving loan fund to a bor-*
5 *rower and repaid to the fund—*

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

8 “(2) *shall be subject to the financial manage-*
9 *ment, accounting, reporting, and auditing standards*
10 *which were originally applicable to such amounts.*

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

14 “(d) *PUBLIC REVIEW AND COMMENT.—Before issuing*
15 *any final guidelines or administrative manuals governing*
16 *the operation of revolving loan funds established using*
17 *amounts from grants under this title, the Secretary shall*
18 *provide reasonable opportunity for public review of and*
19 *comment on such guidelines and administrative manuals.”.*

20 ***SEC. 113. OUTREACH TO COMMUNITIES ADVERSELY AF-***
21 ***FFECTED BY DEFENSE BASE CLOSURES.***

22 *Title IX of the Public Works and Economic Develop-*
23 *ment Act of 1965 is further amended by inserting after sec-*
24 *tion 905 the following new section:*

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

3 “(a) *DESIGNATION OF AGENCY REPRESENTATIVES.*—
4 *The Assistant Secretary for Economic Development shall*
5 *designate for each State in which communities are ad-*
6 *versely affected by defense base closures an individual to*
7 *serve as a representative of the Economic Development Ad-*
8 *ministration. Such individual may be the State Economic*
9 *Development Agency Representative or another qualified*
10 *individual.*

11 “(b) *RESPONSIBILITIES.*—*Individuals appointed as*
12 *agency representatives under subsection (a) shall provide*
13 *outreach and technical assistance to communities adversely*
14 *affected by defense base closures on obtaining assistance*
15 *from the Economic Development Administration.”.*

16 **SEC. 114. SPECIAL ECONOMIC DEVELOPMENT AND ADJUST-**
17 **MENT ASSISTANCE.**

18 *Section 907 of the Public Works and Economic Devel-*
19 *opment Act of 1965, as redesignated by section 112 of this*
20 *Act, is amended to read as follows:*

21 **“SEC. 907. AUTHORIZATION OF APPROPRIATIONS.**

22 “(a) *IN GENERAL.*—*There is authorized to be appro-*
23 *priated to carry out this title \$115,542,000 for fiscal year*
24 *1994 and \$100,000,000 per fiscal year for each of fiscal*
25 *years 1995 and 1996. Such sums shall remain available*
26 *until expended.*

1 “(b) *SET-ASIDE FOR DEFENSE CONVERSION ACTIVITIES.*—Of amounts appropriated pursuant to subsection (a)
2 *TIES.*—Of amounts appropriated pursuant to subsection (a)
3 for fiscal year 1994, not less than \$80,000,000 shall be
4 available for purposes of assisting eligible recipients in ac-
5 tivities related to defense conversion.

6 “(c) *ADDITIONAL AMOUNTS.*—In addition to the ap-
7 propriations authorized by subsection (a), there are author-
8 ized to be appropriated to carry out this title such sums
9 as may be necessary to provide assistance for defense con-
10 version activities and to provide assistance in the case of
11 a natural disaster. Such sums shall remain available until
12 expended.”.

13 **SEC. 115. COMPLIANCE WITH BUY AMERICAN ACT.**

14 None of the funds made available under this title, or
15 any amendment made by this title, may be expended in
16 violation of sections 2 through 4 of the Act of March 3, 1933
17 (41 U.S.C. 10a–10c; popularly known as the “Buy Amer-
18 ican Act”), which are applicable to those funds.

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

21 **SEC. 201. FINDINGS AND PURPOSES.**

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

24 (1) in subsection (a) by striking the period at the
25 end of the sixth sentence and inserting “and in se-

1 *verely distressed and underdeveloped counties and*
2 *areas lacking resources for basic services.”; and*
3 *(2) by adding at the end the following new subsection:*
4 *“(c) The Congress further finds and declares that,*
5 *while substantial progress has been made in fulfilling many*
6 *of the objectives of this Act, rapidly changing national and*
7 *global economics over the past decade have created new*
8 *problems and challenges for rural areas throughout the Na-*
9 *tion and especially for the Appalachian region. Thus, the*
10 *problems of the region are not only to provide the infra-*
11 *structure necessary to economic and human resource devel-*
12 *opment, to develop its industry, and to generate a diversi-*
13 *fied regional economy, but to make the region’s industrial*
14 *and commercial resources more competitive in national and*
15 *world markets. It is, therefore, also the purpose of this Act*
16 *to provide a framework for coordinating Federal, State, and*
17 *local initiatives to respond to the economic competitive*
18 *challenge through improving the skills of the region’s man-*
19 *power, adapting and applying new technologies for the re-*
20 *gion’s businesses, and improving the access of the region’s*
21 *businesses to the technical and financial resources necessary*
22 *to their development while continuing to address the need*
23 *to provide basis services for the more disadvantaged areas*
24 *of the region so as to provide a fairer opportunity for the*

1 *people of the region to share the quality of life generally*
2 *enjoyed by citizens across this Nation.”.*

3 **SEC. 202. MEETINGS.**

4 *Section 101 of the Appalachian Regional Development*
5 *Act of 1965 (40 U.S.C. App. 101) is amended—*

6 *(1) in subsection (a) by adding at the end the*
7 *following: “The Commission shall conduct at least one*
8 *meeting each year with the presence of the Federal*
9 *Cochairman and at least a majority of the State*
10 *members. The Commission may conduct such addi-*
11 *tional meetings by electronic means as the Commis-*
12 *sion considers advisable.”;*

13 *(2) at the end of the third sentence of subsection*
14 *(b) by striking “present”; and*

15 *(3) at the end of the fourth sentence of subsection*
16 *(c) by striking “to be present”.*

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

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

22 *“(b) AUTHORIZATION OF APPROPRIATIONS.—*

23 *“(1) IN GENERAL.—There is authorized to be ap-*
24 *propriated to carry out this section \$3,400,000 for fis-*
25 *cal year 1994 and \$4,000,000 per fiscal year for each*

1 of fiscal years 1995 and 1996. Such sums shall re-
2 main available until expended.

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

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

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

14 **SEC. 205. HIGHWAY SYSTEM.**

15 (a) *AUTHORIZATION OF APPROPRIATIONS.*—Section
16 201(g) of the Appalachian Regional Development Act of
17 1965 (40 U.S.C. App. 201(g)) is amended to read as follows:

18 “(g) *AUTHORIZATION OF APPROPRIATIONS.*—There is
19 authorized to be appropriated to carry out this section
20 \$160,000,000 for fiscal year 1994 and \$150,000,000 per fis-
21 cal year for each of fiscal years 1995 and 1996. Such sums
22 shall remain available until expended.”.

23 (b) *FEDERAL SHARE.*—

1 (1) *GENERAL RULE.*—Section 201(h)(1) of such
2 Act (40 U.S.C. App. 201(h)(1)) is amended by strik-
3 ing “70 per centum” and inserting “80 percent”.

4 (2) *APPLICABILITY.*—The amendment made by
5 paragraph (1) shall apply to projects approved after
6 March 31, 1979.

7 **SEC. 206. SUPPLEMENTS TO FEDERAL GRANT-IN-AID PRO-**
8 **GRAMS.**

9 (a) *AVAILABILITY OF AMOUNTS.*—The first sentence of
10 section 214(a) of the Appalachian Regional Development
11 Act of 1965 (40 U.S.C. App. 214(a)) is amended by striking
12 “the President is authorized to provide funds to the Federal
13 Cochairman to be used” and inserting “the Federal Co-
14 chairman may use amounts made available under this
15 section”.

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

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

1 **SEC. 207. PROGRAM DEVELOPMENT CRITERIA.**

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

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

11 “(b) *LIMITATION.*—No financial assistance shall be au-
12 thorized under this Act to be used to assist establishments
13 relocating from one area to another.”.

14 **SEC. 208. GRANTS FOR ADMINISTRATIVE EXPENSES AND**
15 **DEMONSTRATION PROJECTS.**

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

19 (1) by striking “The President” and inserting
20 “The Commission”; and

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

23 (b) *RESEARCH AND DEMONSTRATION PROJECTS.*—
24 Section 302(a)(3) of such Act (40 U.S.C. App. 302(a)(3))
25 is amended—

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

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

10 (3) by inserting after “demonstrations” the fol-
11 lowing: “(including demonstrations of service consoli-
12 dations and other methods of increasing efficiency of
13 local governments, the establishment and operation by
14 States, public agencies, or nonprofit development or-
15 ganizations of revolving funds for business assistance
16 loans, the establishment and operation of business in-
17 cubators and the provision of industrial facilities and
18 equipment by public agencies and nonprofit organiza-
19 tions on such terms (including terms of reasonable re-
20 covery of grant funds upon resale) as are approved by
21 the Commission, and the acquisition and development
22 of land)”.

23 (c) *SOLID WASTE DISPOSAL DEMONSTRATION*
24 *PROJECTS*.—Section 302(b) of such Act (40 U.S.C. App.

1 302(b)) is amended by adding at the end the following new
2 paragraph:

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

7 (d) REPEAL OF PROVISION ON USE OF INFORMATION FROM
8 RESEARCH AND DEVELOPMENT ACTIVITIES.—Section
9 302(e) of such Act (40 U.S.C. 302(e)) is repealed.

10 **SEC. 209. AUTHORIZATION OF APPROPRIATIONS FOR GEN-**
11 **ERAL PROGRAM.**

12 Section 401 of the Appalachian Regional Development
13 Act of 1965 (40 U.S.C. App. 401) is amended to read as
14 follows:

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

16 “In addition to the appropriations authorized in sec-
17 tion 105 for administrative expenses and in section 201(g)
18 for the Appalachian development highway system and local
19 access roads, there is authorized to be appropriated to the
20 Commission to carry out this Act \$85,600,000 per fiscal
21 year for each of fiscal years 1994, 1995, and 1996. Such
22 sums shall remain available until expended.”.

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

24 Section 403 of the Appalachian Regional Development
25 Act of 1965 (40 U.S.C. App. 403) is amended—

1 (1) *in the first undesignated paragraph (relating*
2 *to Alabama) by inserting “Hale,” after “Franklin,”;*
3 *and*

4 (2) *in the 12th undesignated paragraph (relating*
5 *to Virginia)—*

6 (A) *by inserting “Montgomery,” after*
7 *“Lee,”; and*

8 (B) *by inserting “Roanoke, Rockbridge,”*
9 *after “Pulaski,”.*

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

11 *Section 405 of the Appalachian Regional Development*
12 *Act of 1965 (40 U.S.C. App. 405) is amended by striking*
13 *“1982” and inserting “1996”.*

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

15 (a) *ESTABLISHMENT.*—*There is established a Regional*
16 *Development Task Force (hereinafter in this section referred*
17 *to as the “Task Force”).*

18 (b) *DUTIES.*—*It shall be the duty of the Task Force*
19 *to conduct a study on—*

20 (1) *the extent to which the unique characteristics*
21 *of the Appalachian Regional Commission (including*
22 *the Commission’s Federal-State partnership, program*
23 *flexibility, and regional approach) have contributed to*
24 *the achievement of the Commission’s goals; and*

1 (2) *whether or not the Commission can utilize*
2 *such characteristics to address needs which may exist*
3 *in other rural areas suffering from economic distress,*
4 *including the Lower Mississippi delta, Mexican bor-*
5 *der, and Ozark areas.*

6 (c) *MEMBERSHIP.*—

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

11 (A) *Three members appointed by the Presi-*
12 *dent.*

13 (B) *Three members appointed by the Presi-*
14 *dent pro tempore of the Senate.*

15 (C) *Three members appointed by the Speak-*
16 *er of the House of Representatives.*

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

21 (d) *FACILITIES, SUPPLIES, AND PERSONNEL.*—*Upon*
22 *the request of the Task Force, the Appalachian Regional*
23 *Commission shall provide to the Task Force any facilities,*
24 *supplies, and personnel necessary for the Task Force to*
25 *carry out its responsibilities under this Act; except that the*

1 *total cost of such facilities, supplies, and personnel shall*
2 *not exceed \$500,000.*

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

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

12 *(g) TERMINATION.—The Task Force shall terminate on*
13 *the date of transmittal of the report under subsection (f).*

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

15 *None of the funds made available under this title, or*
16 *any amendment made by this title, may be expended in*
17 *violation of sections 2 through 4 of the Act of March 3, 1933*
18 *(41 U.S.C. 10a–10c; popularly known as the “Buy Amer-*
19 *ican Act”), which are applicable to those funds.*

Amend the title so as to read: “A bill 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 SECTION 1. SHORT TITLE.

2 **This Act may be cited as the “Economic**
 3 **Development Reauthorization Act of 1994”.**

4 **TITLE I—ECONOMIC**
 5 **DEVELOPMENT PROGRAMS**

6 SEC. 101. REAUTHORIZATION OF THE EDA THROUGH THE
 7 ENACTMENT OF THE ECONOMIC DEVELOP-
 8 MENT FINANCING ACT OF 1994.

9 **The Public Works and Economic Develop-**
 10 **ment Act of 1965 (42 U.S.C. 3121, et seq.) is**
 11 **amended to read as follows:**

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

13 **“(a) SHORT TITLE.—This Act may be cited**
 14 **as the ‘Economic Development Financing Act**
 15 **of 1994’.**

16 **“(b) TABLE OF CONTENTS.—**

“Sec. 1. Short title; table of contents.

“Sec. 2. Congressional findings and Statement of purpose.

“TITLE I—GRANTS FOR PUBLIC WORKS AND
 DEVELOPMENT FACILITIES

“Sec. 101. Direct and supplementary grants.

“Sec. 102. Limitation of funds expended in any 1 State.

“Sec. 103. Authorization of appropriations.

“Sec. 104. Financial assistance for sewer facilities.

“Sec. 105. Construction cost increases.

“Sec. 106. Use of funds in projects constructed under pro-
 jected cost.

“Sec. 107. Changed project circumstances.

“TITLE II—LOANS, LOAN GUARANTEES, AND ECONOMIC
 DEVELOPMENT REVOLVING FUND

“Sec. 201. Public works and development facility loans.

“Sec. 202. Business loans and loan guarantees.

“Sec. 203. Economic development liquidating fund.

**“TITLE III—STRATEGIC PLANNING, RESEARCH,
INFORMATION, AND TECHNICAL ASSISTANCE**

**“Subtitle A—Strategic Economic Development Planning,
Research, and Information**

**“Sec. 301. Office of Strategic Economic Development Plan-
ning and Policy.**

“Sec. 302. Office of Economic Development Information.

“Sec. 303. Uniform grant application form.

**“Subtitle B—Technical Assistance and Economic Development
Planning**

“Sec. 311. Technical assistance.

“Sec. 312. Economic development planning.

“Sec. 313. Business outreach center demonstration project.

“Sec. 314. Authorization of appropriations.

“TITLE IV—ELIGIBILITY AND INVESTMENT STRATEGIES

“Sec. 401. Area eligibility.

“Sec. 402. Investment strategy.

“Sec. 403. Definition.

“Sec. 404. Funding.

“TITLE V—ADMINISTRATION

**“Sec. 501. Appointment of Assistant Secretary of Commerce
for Economic Development; compensation.**

**“Sec. 502. Consultation of Secretary with other persons
and agencies.**

“Sec. 503. Administration, operation, and maintenance.

“Sec. 504. Expedited processing of applications.

“Sec. 505. Performance evaluations of grant recipients.

“TITLE VI—MISCELLANEOUS

“Sec. 601. Powers of Secretary.

**“Sec. 602. Transfer of functions of area redevelopment ad-
ministration.**

“Sec. 603. Separability.

“Sec. 604. Definition of State.

“Sec. 605. Annual report to Congress.

“Sec. 606. Use of other facilities.

“Sec. 607. Authorization of appropriations.

“Sec. 608. Penalties.

**“Sec. 609. Employment of expeditors and administrative
employees.**

**“Sec. 610. Labor standards; rate of wages; assurance of
maintenance of standards; enforcement.**

**“Sec. 611. Maintenance of records of approved applications
for financial assistance; public inspection.**

“Sec. 612. Records and audit.

**“Sec. 613. Prohibition against a statutory construction
which might cause diminution in other Fed-
eral assistance.**

“Sec. 614. Acceptance of applicants’ certifications.

**“TITLE VII—SPECIAL ECONOMIC DEVELOPMENT AND
ADJUSTMENT ASSISTANCE**

“Subtitle A—Grants and Adjustment Assistance

“Sec. 701. Statement of purpose.

“Sec. 702. Eligible recipient defined.

“Sec. 703. Grants by Secretary.

“Sec. 704. Annual reports by recipient and secretary.

“Sec. 705. Authorization of appropriations.

“Subtitle B—Economic Development Financing

“Sec. 711. Guaranteed loan program.

“Sec. 712. Pilot equity finance program.

“Sec. 713. Treatment of revolving loan funds.

**“Sec. 714. Sale of financial instruments in revolving loan
funds.**

**“Sec. 715. Economic development challenge grants dem-
onstration project.**

“Subtitle C—Business Development Assistance

“Sec. 721. Findings, purposes, and definitions.

“Sec. 722. Consolidation of information on technologies.

**“Sec. 723. Business Development and Technology Commer-
cialization Corporation.**

“Sec. 724. Assistance to businesses in securing financing.

“Sec. 725. Technical assistance for lenders and borrowers.

1 **“SEC. 2. CONGRESSIONAL FINDINGS AND STATEMENT OF**
2 **PURPOSE.**

3 **“(a) FINDINGS.—The Congress finds that**
4 **the maintenance of the national economy at**
5 **a high level is vital to the best interests of the**
6 **United States, but that some of our regions,**
7 **counties, and communities are suffering sub-**
8 **stantial and persistent unemployment and**
9 **underemployment; that such unemployment**
10 **and underemployment cause hardship to**
11 **many individuals and their families, and**
12 **waste invaluable human resources; that to**

1 **overcome this problem the Federal Govern-**
2 **ment, in cooperation with the States, should**
3 **help areas and regions of substantial and per-**
4 **sistent unemployment and underemployment**
5 **to take effective steps in planning and financ-**
6 **ing their public works, business development,**
7 **industrial retention, and economic develop-**
8 **ment; that Federal financial assistance, in-**
9 **cluding grants for public works and develop-**
10 **ment facilities to communities, industries, en-**
11 **terprises, and individuals in areas needing**
12 **development should enable such areas to help**
13 **themselves achieve lasting improvement and**
14 **enhance the domestic prosperity by the estab-**
15 **lishment of stable and diversified local econo-**
16 **mies and improved local conditions, provided**
17 **that such assistance is preceded by and con-**
18 **sistent with sound, long-range economic plan-**
19 **ning; and that under the provisions of this Act**
20 **new employment opportunities should be cre-**
21 **ated by developing and expanding new and**
22 **existing public works and other facilities and**
23 **resources, financing business development,**
24 **and promoting industrial retention.**

1 **“(b) DECLARATION.—The Congress declares**
2 **that, in furtherance of maintaining the na-**
3 **tional economy at a high level—**

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

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

12 **“(3) such assistance be used for long-**
13 **term economic rehabilitation in areas**
14 **where long-term economic deterioration**
15 **has occurred or is taking place.**

16 **“TITLE I—GRANTS FOR PUBLIC**
17 **WORKS AND DEVELOPMENT**
18 **FACILITIES**

19 **“SEC. 101. DIRECT AND SUPPLEMENTARY GRANTS.**

20 **“(a) IN GENERAL.—Upon the application of**
21 **any State, or political subdivision thereof, In-**
22 **dian tribe, or private or public nonprofit or-**
23 **ganization or association, the Secretary of**
24 **Commerce (hereafter in this Act referred to as**
25 **the ‘Secretary’) may—**

1 **“(1) make direct grants for the acqui-**
2 **sition or development of land and im-**
3 **provements for public works, public serv-**
4 **ice, or development facility usage, and**
5 **the acquisition, design and engineering,**
6 **construction, rehabilitation, alteration,**
7 **expansion, or improvement of such facili-**
8 **ties, including related machinery and**
9 **equipment if the Secretary finds that—**

10 **“(A) the project for which finan-**
11 **cial assistance is sought will directly**
12 **or indirectly—**

13 **“(i) tend to improve the op-**
14 **portunities, in the area where**
15 **such project is or will be located,**
16 **for the successful establishment**
17 **or expansion of industrial or com-**
18 **mercial plants or facilities,**

19 **“(ii) otherwise assist in the**
20 **creation of additional long-term**
21 **employment opportunities for**
22 **such area, or**

23 **“(iii) primarily benefit the**
24 **long-term unemployed and mem-**
25 **bers of low-income families;**

1 **“(B) the project for which a grant**
2 **is requested will fulfill a pressing**
3 **need of the area, or part thereof, in**
4 **which it is, or will be, located;**

5 **“(C) the area for which a project**
6 **is to be undertaken has an approved**
7 **investment strategy and such project**
8 **is consistent with such strategy; and**

9 **“(D) in the case of an area de-**
10 **scribed in section 401(a)(4), the**
11 **project to be undertaken will provide**
12 **immediate useful work to unem-**
13 **ployed and underemployed persons**
14 **in that area; and**

15 **“(2) make supplementary grants in**
16 **order to enable the States and other enti-**
17 **ties to take maximum advantage of des-**
18 **ignated Federal grant-in-aid programs (as**
19 **hereinafter defined), direct grants-in-aid**
20 **authorized under this section, and Fed-**
21 **eral grant-in-aid programs authorized by**
22 **the Watershed Protection and Flood Pre-**
23 **vention Act and the 11 watersheds au-**
24 **thorized by the Flood Control Act of De-**
25 **cember 22, 1944, for which they are eligi-**

1 **ble but for which, because of their eco-**
2 **nomie situation, they cannot supply the**
3 **required matching share.**

4 **“(b) MAXIMUM PROPORTION OF DIRECT**
5 **GRANT FUNDS TO TOTAL PROJECT COST.—Sub-**
6 **ject to subsection (c), the amount of any direct**
7 **grant under this section for any project shall**
8 **not exceed 50 percent of the cost of such**
9 **project.**

10 **“(c) PROPORTION OF SUPPLEMENTARY GRANT**
11 **FUNDS TO TOTAL PROJECT COST; RULES AND**
12 **REGULATIONS; MAXIMUM GRANTS; REQUIRED**
13 **NON-FEDERAL SHARE.—The amount of any sup-**
14 **plementary grant under this section for any**
15 **project shall not exceed the applicable per-**
16 **centage established by regulations promul-**
17 **gated by the Secretary, but in no event shall**
18 **the non-Federal share of the aggregate cost of**
19 **any such project (including assumptions of**
20 **debt) be less than 20 percent of such cost, ex-**
21 **cept that in the case of a grant to an Indian**
22 **tribe, the Secretary may reduce the non-Fed-**
23 **eral share below such percentage or may**
24 **waive the non-Federal share. In the case of**
25 **any State or political subdivision thereof**

1 which the Secretary determines has ex-
2 hausted its effective taxing and borrowing ca-
3 pacity, the Secretary shall reduce the non-
4 Federal share below such percentage or shall
5 waive the non-Federal share in the case of
6 such a grant for a project in an area described
7 in section 401(a)(4). In the case of any commu-
8 nity development corporation which the Sec-
9 retary determines has exhausted its effective
10 borrowing capacity, the Secretary may re-
11 duce the non-Federal share below such per-
12 centage or waive the non-Federal share in the
13 case of such a grant for a project in an area
14 described in section 401(a)(4). Supplementary
15 grants shall be made by the Secretary, in ac-
16 cordance with such regulations as the Sec-
17 retary shall prescribe, by increasing the
18 amounts of direct grants authorized under
19 this section or by the payment of funds appro-
20 priated under this Act to the heads of the de-
21 partments, agencies, and instrumentalities of
22 the Federal Government responsible for the
23 administration of the applicable Federal pro-
24 grams. Notwithstanding any requirement as
25 to the amount or sources of non-Federal funds

1 **that may otherwise be applicable to the Fed-**
2 **eral program involved, funds provided under**
3 **this subsection shall be used for the sole pur-**
4 **pose of increasing the Federal contribution to**
5 **specific projects under such programs above**
6 **the fixed maximum portion of the cost of such**
7 **project otherwise authorized by the applica-**
8 **ble law. The term ‘designated Federal grant-**
9 **in-aid programs,’ as used in this subsection,**
10 **means such existing or future Federal grant-**
11 **in-aid programs assisting in the construction**
12 **or equipping of facilities as the Secretary**
13 **may, in furtherance of the purposes of this**
14 **Act, designate as eligible for allocation of**
15 **funds under this section. In determining the**
16 **amount of any supplementary grant available**
17 **to any project under this section, the Sec-**
18 **retary shall take into consideration the rel-**
19 **ative needs of the area and the nature of the**
20 **project to be assisted.**

21 **“(d) REGULATIONS; FACTORS TO BE CONSID-**
22 **ERED IN PRESCRIBING REGULATIONS.—The Sec-**
23 **retary shall prescribe regulations and proce-**
24 **dures to carry out this section which will as-**
25 **sure that adequate consideration is given to**

1 **the relative needs of eligible areas. In pre-**
2 **scribing such rules, regulations, and proce-**
3 **dures the Secretary shall consider among**
4 **other relevant factors—**

5 **“(1) the severity of the rates of unem-**
6 **ployment in the eligible areas and the du-**
7 **ration of such unemployment, and**

8 **“(2) the income levels of families and**
9 **the extent of underemployment in eligi-**
10 **ble areas.**

11 **“(e) REVIEW AND COMMENT UPON PROJECTS**
12 **BY LOCAL GOVERNMENTAL AUTHORITIES.—The**
13 **Secretary shall prescribe regulations which**
14 **will assure that appropriate local govern-**
15 **mental authorities have been given a reason-**
16 **able opportunity to review and comment**
17 **upon proposed projects under this section.**

18 **“SEC. 102. LIMITATION OF FUNDS EXPENDED IN ANY 1**
19 **STATE.**

20 **“Not more than 15 percent of the appro-**
21 **priations made pursuant to this title may be**
22 **expended in any 1 State unless the Secretary**
23 **determines that expenditures in excess of**
24 **such limitation are necessary by reason of the**

1 **occurrence of a major natural disaster in such**
2 **State.**

3 **“SEC. 103. AUTHORIZATION OF APPROPRIATIONS.**

4 **“There is authorized to be appropriated to**
5 **carry out this title \$160,000,000 for fiscal year**
6 **1994 and \$130,924,000 for fiscal year 1995.**
7 **Such sums shall remain available until ex-**
8 **ended.**

9 **“SEC. 104. FINANCIAL ASSISTANCE FOR SEWER FACILITIES.**

10 **“No financial assistance shall be extended**
11 **under this Act for sewer or other waste dis-**
12 **posal facilities unless the appropriate agency**
13 **of the State in which the project is located**
14 **certifies that such facilities meet applicable**
15 **Federal, State, interstate, or local water qual-**
16 **ity standards.**

17 **“SEC. 105. CONSTRUCTION COST INCREASES.**

18 **“In any case where a grant (including a**
19 **supplemental grant) has been made under**
20 **this title for a project and after such grant has**
21 **been made but before completion of the**
22 **project, the cost of such project based upon**
23 **the designs and specifications which were the**
24 **basis of the grant has been increased because**
25 **of increases in costs, the amount of such grant**

1 **may be increased by an amount equal to the**
2 **percentage increase, as determined by the**
3 **Secretary, in such costs.**

4 **“SEC. 106. USE OF FUNDS IN PROJECTS CONSTRUCTED**
5 **UNDER PROJECTED COST.**

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

16 **“SEC. 107. CHANGED PROJECT CIRCUMSTANCES.**

17 **“In any case where a grant (including a**
18 **supplemental grant) has been made under**
19 **this title for a project and after such grant has**
20 **been made but before completion of the**
21 **project, the purpose or scope of such project**
22 **which was the basis of the grant has changed,**
23 **the Secretary may approve the use of grant**
24 **funds on such changed project if the Sec-**
25 **retary determines such changes are necessary**

1 **“(2) the acquisition, construction, re-**
2 **habilitation, alteration, expansion, or im-**
3 **provement of such facilities, including re-**
4 **lated machinery and equipment.**

5 **“(b) CONDITIONS.—The Secretary may pro-**
6 **vide financial assistance under subsection (a)**
7 **only if the Secretary finds that—**

8 **“(1) the project for which financial as-**
9 **sistance is sought will directly or indi-**
10 **rectly—**

11 **“(A) tend to improve the opportu-**
12 **nities, in the area where such project**
13 **is or will be located, for the success-**
14 **ful establishment or expansion of in-**
15 **dustrial or commercial plants or fa-**
16 **cilities,**

17 **“(B) otherwise assist in the cre-**
18 **ation of additional long-term employ-**
19 **ment opportunities for such area, or**

20 **“(C) primarily benefit the long-**
21 **term unemployed and members of**
22 **low-income families;**

23 **“(2) the funds requested for such**
24 **project are not otherwise available from**
25 **private lenders or from other Federal**

1 **agencies on terms which in the opinion of**
2 **the Secretary will permit the accomplish-**
3 **ment of the project;**

4 **“(3) the amount of the loan plus the**
5 **amount of other available funds for such**
6 **project are adequate to ensure the com-**
7 **pletion of the project;**

8 **“(4) there is a reasonable expectation**
9 **of repayment; and**

10 **“(5) such area has an approved in-**
11 **vestment strategy under section 402 and**
12 **the project for which financial assistance**
13 **is sought is consistent with such strategy.**

14 **“(c) LOAN TERMS; INTEREST RATES.—**

15 **“(1) MAXIMUM TERM OF MATURITY.—**
16 **Subject to section 601, no loan, including**
17 **renewals or extensions of any loan, shall**
18 **be made under this section for a period**
19 **exceeding 40 years, and no evidence of**
20 **indebtedness maturing more than 40**
21 **years from the date of purchase shall be**
22 **purchased under this section.**

23 **“(2) INTEREST.—Loans under this sec-**
24 **tion shall bear interest at a rate not less**
25 **than a rate determined by the Secretary**

1 **of the Treasury taking into consideration**
2 **the current average market yield on out-**
3 **standing marketable obligations of the**
4 **United States with remaining periods to**
5 **maturity comparable to the average ma-**
6 **turities of such loans, adjusted to the**
7 **nearest $\frac{1}{8}$ of 1 percent, minus not to ex-**
8 **ceed $\frac{1}{2}$ of 1 percent per annum.**

9 **“(d) AUTHORIZATION OF APPROPRIATIONS.—**
10 **There are hereby authorized to be appro-**
11 **priated such sums as may be necessary to**
12 **carry out the provisions of this section and**
13 **section 202.**

14 **“(e) REGULATIONS.—The Secretary shall**
15 **prescribe regulations which will assure that**
16 **appropriate local governmental authorities**
17 **have been given a reasonable opportunity to**
18 **review and comment upon proposed projects**
19 **under this section.**

20 **“SEC. 202. BUSINESS LOANS AND LOAN GUARANTEES.**

21 **“(a) IN GENERAL.—**

22 **“(1) FINANCIAL ASSISTANCE AUTHOR-**
23 **IZED.—Subject to section 401, the Sec-**
24 **retary may assist in the financing the**
25 **purchase or development of land and fa-**

1 **cilities (including machinery and equip-**
2 **ment) for industrial or commercial usage,**
3 **including the construction of new build-**
4 **ings, the rehabilitation of abandoned or**
5 **unoccupied buildings, and the alteration,**
6 **conversion, or enlargement of existing**
7 **buildings by—**

8 **“(A) purchasing evidences of in-**
9 **debtedness;**

10 **“(B) making loans (which for pur-**
11 **poses of this section shall include**
12 **participation in loans); and**

13 **“(C) guaranteeing loans made to**
14 **private borrowers by private lending**
15 **institutions, for any of the purposes**
16 **referred to in this paragraph upon**
17 **application of such institution and**
18 **upon such terms and conditions as**
19 **the Secretary may prescribe, except**
20 **that no such guarantee shall at any**
21 **time exceed 90 percent of the amount**
22 **of the outstanding unpaid balance of**
23 **such loan.**

24 **“(2) INTEREST SUBSIDY.—**

1 **“(A) AUTHORIZATION.—In addition**
2 **to any other financial assistance**
3 **under this subchapter, the Secretary**
4 **may, in the case of any loan guaran-**
5 **tee under authority of paragraph (1)**
6 **of this section, pay to or on behalf of**
7 **the private borrower an amount suffi-**
8 **cient to reduce up to 4 percentage**
9 **points the interest paid by such bor-**
10 **rower on such guaranteed loans.**

11 **“(B) MAXIMUM AMOUNT OF BUY-**
12 **DOWN.—No payment under this para-**
13 **graph shall result in the interest rate**
14 **being paid by a borrower on such a**
15 **guaranteed loan being less than the**
16 **rate of interest for such a loan if the**
17 **loan were made under section 201.**

18 **“(C) FREQUENCY OF PAYMENT.—**
19 **Payments made to or on behalf of**
20 **such borrower shall be made no less**
21 **often than annually.**

22 **“(3) WORKING CAPITAL LOANS AND GUAR-**
23 **ANTEES.—The Secretary may assist in fi-**
24 **nancing any industrial or commercial ac-**
25 **tivity by—**

1 **“(A) making working capital**
2 **loans;**

3 **“(B) guaranteeing working capital**
4 **loans made to private borrowers by**
5 **private lending institutions upon ap-**
6 **plication of such institution and upon**
7 **such terms and conditions as the Sec-**
8 **retary may prescribe, except that no**
9 **such guarantee shall at any time ex-**
10 **ceed 90 percent of the amount of the**
11 **outstanding unpaid balance of such**
12 **loan;**

13 **“(C) guaranteeing rental pay-**
14 **ments of leases for buildings and**
15 **equipment, except that no such guar-**
16 **antee shall exceed 90 percent of the**
17 **remaining rental payments required**
18 **by the lease; and**

19 **“(D) paying those debts with re-**
20 **spect to which a lien against property**
21 **has been legally obtained (including**
22 **the refinancing of any such debt) in**
23 **any case where the Secretary deter-**
24 **mines that the payment is essential in**
25 **order to—**

1 **“(i) save employment in a des-**
2 **ignated area;**

3 **“(ii) avoid a significant rise in**
4 **unemployment; or**

5 **“(iii) create new or increased**
6 **employment.**

7 **“(b) TERMS AND CONDITIONS.—Financial as-**
8 **sistance under this section shall be on such**
9 **terms and conditions as the Secretary deter-**
10 **mines, subject to the following restrictions**
11 **and limitations:**

12 **“(1) Such financial assistance shall**
13 **not be extended to assist establishments**
14 **relocating from 1 area to another or to**
15 **assist subcontractors whose purpose is to**
16 **divest, or whose economic success is de-**
17 **pendent upon divesting, other contrac-**
18 **tors or subcontractors of contracts there-**
19 **tofore customarily performed by them,**
20 **except that this limitation shall not be**
21 **construed as prohibiting assistance for**
22 **the expansion of an existing business en-**
23 **tity through the establishment of a new**
24 **branch, affiliate, or subsidiary of such en-**
25 **tity if the Secretary finds that the estab-**

1 **lishment of such branch, affiliate, or sub-**
2 **sidary will not result in an increase in**
3 **unemployment of the area of original lo-**
4 **cation or in any other area where such**
5 **entity conducts business operations, un-**
6 **less the Secretary has reason to believe**
7 **that such branch, affiliate, or subsidiary**
8 **is being established with the intention of**
9 **closing down the operations of the exist-**
10 **ing business entity in the area of the**
11 **business entity's original location or in**
12 **any other area where the entity conducts**
13 **such operations.**

14 **“(2) Such assistance shall be extended**
15 **only to applicants, both private and pub-**
16 **lic (including Indian tribes), which have**
17 **been approved for such assistance by an**
18 **agency or instrumentality of the State or**
19 **political subdivision thereof in which the**
20 **project to be financed is located, and**
21 **which agency or instrumentality is di-**
22 **rectly concerned with problems of eco-**
23 **nomical development in such State or sub-**
24 **division.**

1 **“(3) The project for which financial**
2 **assistance is sought shall be reasonably**
3 **calculated to provide more than a tem-**
4 **porary alleviation of unemployment or**
5 **underemployment within the area in**
6 **which the project is or will be located.**

7 **“(4) No loan or guarantee may be ex-**
8 **tended under this section unless the fi-**
9 **ancial assistance applied for is not oth-**
10 **erwise available from private lenders or**
11 **from other Federal agencies on terms**
12 **which in the opinion of the Secretary will**
13 **permit the accomplishment of the**
14 **project.**

15 **“(5) The Secretary may not make any**
16 **loan without a participation unless the**
17 **Secretary determines that the loan can-**
18 **not be made on a participation basis.**

19 **“(6) No evidences of indebtedness**
20 **may be purchased and no loans may be**
21 **made or guaranteed unless the Secretary**
22 **is determined that there is reasonable as-**
23 **surance of repayment.**

24 **“(7) Subject to section 601(a)(5), no**
25 **loan or guarantee, including any renewal**

1 or extension of a loan or guarantee, may
2 be made under this section for a term to
3 maturity of more than 25 years and no
4 evidences of indebtedness which matures
5 more than 25 years after the date of pur-
6 chase may be purchased under this sec-
7 tion, except that this paragraph shall not
8 apply to securities or obligations re-
9 ceived by the Secretary as a claimant in
10 bankruptcy or equitable reorganization
11 or as a creditor in other proceedings at-
12 tendant upon insolvency of the obligor.

13 “(8) Loans made and evidences of in-
14 debtedness purchased under this section
15 shall bear interest at a rate not less than
16 a rate determined by the Secretary of the
17 Treasury taking into consideration the
18 current average market yield on out-
19 standing marketable obligations of the
20 United States with remaining periods to
21 maturity comparable to the average ma-
22 turities of such loans, adjusted to the
23 nearest $\frac{1}{8}$ of 1 percent, plus an additional
24 charge, if any, toward covering other
25 costs of the program as the Secretary

1 **may determine to be consistent with the**
2 **purpose of this section.**

3 **“(9) Loan assistance (other than for a**
4 **working capital loan) shall not exceed 65**
5 **percent of the aggregate cost to the appli-**
6 **cant (excluding all other Federal aid in**
7 **connection with the undertaking) of ac-**
8 **quiring or developing land and facilities**
9 **(including machinery and equipment),**
10 **and of constructing, altering, converting,**
11 **rehabilitating, or enlarging the building**
12 **or buildings of the particular project, and**
13 **shall, among others, be on the condition**
14 **that—**

15 **“(A) other funds are available in**
16 **an amount which, together with the**
17 **assistance provided under this sec-**
18 **tion, shall be sufficient to pay such**
19 **aggregate cost;**

20 **“(B) not less than 15 percent of**
21 **such aggregate cost be supplied as**
22 **equity capital or as a loan repayable**
23 **in no shorter period of time and at no**
24 **faster an amortization rate than the**
25 **Federal financial assistance extended**

1 **under this section is being repaid,**
2 **and if such a loan is secured, the se-**
3 **curity for the loan shall be subordi-**
4 **nate and inferior to the lien or liens**
5 **securing such Federal financial as-**
6 **sistance;**

7 **“(C) except with respect to**
8 **projects involving financial participa-**
9 **tion by Indian tribes, not less than 5**
10 **percent of such aggregate cost shall**
11 **be supplied by the State or any agen-**
12 **cy, instrumentality, or political sub-**
13 **division of a State, or by a community**
14 **or area organization which is non-**
15 **governmental in character, unless the**
16 **Secretary shall determine in accord-**
17 **ance with objective standards pre-**
18 **scribed by regulation that all or part**
19 **of such funds are not reasonably**
20 **available to the project because of the**
21 **economic distress of the area or for**
22 **other good cause, in which case the**
23 **Secretary may waive the requirement**
24 **of this provision to the extent of such**
25 **unavailability, and allow the funds**

1 **required by this subsection to be sup-**
2 **plied by the applicant or by such**
3 **other non-Federal source as may rea-**
4 **sonably be available to the project;**
5 **and**

6 **“(D) to the extent the Secretary**
7 **finds such action necessary to en-**
8 **courage financial participation in a**
9 **particular project by other lenders**
10 **and investors, and except as other-**
11 **wise provided in subparagraph (B),**
12 **any Federal financial assistance ex-**
13 **tended under this section may be re-**
14 **payable only after other loans made**
15 **in connection with such project have**
16 **been repaid in full, and the security,**
17 **if any, for such Federal financial as-**
18 **sistance may be subordinate and infe-**
19 **rior to the lien or liens securing other**
20 **loans made in connection with the**
21 **same project.**

22 **“SEC. 203. ECONOMIC DEVELOPMENT LIQUIDATING FUND.**

23 **“The Economic Development Revolving**
24 **Fund established before the date of the enact-**
25 **ment of the Economic Development Financing**

1 **Act of 1994 shall continue to be available to**
2 **the Secretary as a liquidating account as de-**
3 **fin ed under section 502 of the Federal Credit**
4 **Reform Act of 1990 for payment of obligations**
5 **and costs in connection with financial assist-**
6 **ance extended under this Act before October**
7 **1, 1991.**

8 **“TITLE III—STRATEGIC PLAN-**
9 **NING, RESEARCH, INFORMA-**
10 **TION, AND TECHNICAL AS-**
11 **SISTANCE**

12 **“Subtitle A—Strategic Economic**
13 **Development Planning, Re-**
14 **search, and Information**

15 **“SEC. 301. OFFICE OF STRATEGIC ECONOMIC DEVELOP-**
16 **MENT PLANNING AND POLICY.**

17 **“(a) ESTABLISHMENT.—The Secretary shall**
18 **establish an Office of Strategic Economic De-**
19 **velopment Planning and Policy (hereafter in**
20 **this section referred to as ‘the Office’).**

21 **“(b) DUTIES.—The duties of the head of the**
22 **Office are as follows:**

23 **“(1) RESEARCH, EVALUATION AND DEM-**
24 **ONSTRATION.—To support research, eval-**
25 **uation and demonstration projects to**

1 study and assess best practices in eco-
2 nomic development and to examine
3 trends and changes in economic condi-
4 tions that affect regional development.

5 “(2) POLICY DEVELOPMENT.—To de-
6 velop recommendations on both short-
7 and long-term policies regarding eco-
8 nomic development issues and programs,
9 to help foster the diffusion of innovative,
10 best practices in economic development
11 throughout the Department of Com-
12 merce.

13 “(3) COORDINATION.—To take a leading
14 role in developing and promoting means
15 for greater coordination among States,
16 regions and local communities in the de-
17 sign and implementation of economic de-
18 velopment strategies, and shall work in
19 conjunction with Federal agencies on de-
20 veloping and implementing means for re-
21 ducing fragmentation and increase co-
22 ordination among Federal programs that
23 provide economic development assist-
24 ance.

1 **“(4) INFORMATION DISSEMINATION.—To**
2 **sponsor and support conferences, work-**
3 **shops, and other forums to bring together**
4 **the best scholars and practitioners in the**
5 **field to effectively disseminate knowl-**
6 **edge of the state-of-the-art in economic**
7 **development to Federal, State, and local**
8 **development organizations. It shall also**
9 **disseminate information on all aspects of**
10 **economic development through elec-**
11 **tronic and printed media, making such**
12 **information widely accessible.**

13 **“(c) RESEARCH IN CAUSES OF LONG-TERM**
14 **ECONOMIC DETERIORATION.—**

15 **“(1) IN GENERAL.—To assist in the**
16 **long-range accomplishment of the pur-**
17 **poses of this Act, the Secretary, in co-**
18 **operation with other agencies having**
19 **similar functions, shall establish and con-**
20 **duct a continuing program of study,**
21 **training, and research to—**

22 **“(A) assist in determining the**
23 **causes of unemployment, under-**
24 **employment, underdevelopment, and**

1 **chronic depression in the various**
2 **areas and regions of the Nation,**

3 **“(B) assist in the formulation and**
4 **implementation of national, State,**
5 **and local programs which will raise**
6 **income levels and otherwise produce**
7 **solutions to the problems resulting**
8 **from these conditions, and**

9 **“(C) assist in providing the per-**
10 **sonnel needed to conduct such pro-**
11 **grams.**

12 **“(2) MANNER OF PROVIDING STUDY, AS-**
13 **SISTANCE.—The program of study, train-**
14 **ing, and research may be conducted by**
15 **the Secretary through—**

16 **“(A) members of the Secretary’s**
17 **staff;**

18 **“(B) the payment of funds author-**
19 **ized for this section to other depart-**
20 **ments or agencies of the Federal Gov-**
21 **ernment;**

22 **“(C) the employment of private in-**
23 **dividuals, partnerships, firms, cor-**
24 **porations, or suitable institutions;**

1 **“(D) contracts entered into for**
2 **such purposes;**

3 **“(E) grants to such individuals,**
4 **organizations, or institutions as the**
5 **Secretary determines to be appro-**
6 **priate; or**

7 **“(F) conferences and similar**
8 **meetings organized for such pur-**
9 **poses.**

10 **“(3) AVAILABILITY OF RESULTS OF RE-**
11 **SEARCH.—The Secretary shall make avail-**
12 **able to interested individuals and organi-**
13 **zations the results of such research.**

14 **“(4) ANNUAL REPORT OF SECRETARY.—**
15 **The Secretary shall include in the annual**
16 **report under section 606 a detailed state-**
17 **ment concerning the study and research**
18 **conducted under this section together**
19 **with the Secretary’s findings and conclu-**
20 **sions and such recommendations for leg-**
21 **islative and other action as the Secretary**
22 **may consider appropriate.**

23 **“(d) GEOGRAPHIC ANALYSIS TOOL.—**

24 **“(1) IN GENERAL.—The Secretary shall,**
25 **in cooperation with other appropriate**

1 **Federal agencies develop a computerized**
2 **geographic analysis tool that all Federal**
3 **departments and agencies and grant re-**
4 **ipients may use to evaluate the success**
5 **of these programs.**

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

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

22 **“(f) FEDERAL COORDINATING COUNCIL FOR**
23 **ECONOMIC DEVELOPMENT.—**

24 **“(1) IN GENERAL.—The Secretary shall**
25 **establish a Federal Coordinating Council**

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

3 **“(2) COMPOSITION OF COUNCIL.—The**
4 **Council shall be composed of representa-**
5 **tives from the Federal agencies involved**
6 **in matters that affect regional economic**
7 **development.**

8 **“(3) DUTIES.—The council shall assist**
9 **in providing a unifying framework for**
10 **economic and regional development ef-**
11 **forts and develop a governmentwide stra-**
12 **tegic plan for economic development.**

13 **“(g) GRANTS AND CONTRACTS FOR DEM-**
14 **ONSTRATION PROJECTS; PURPOSES.—The Sec-**
15 **retary may make grants, enter into contracts,**
16 **or otherwise provide funds for any dem-**
17 **onstration project in an eligible area which**
18 **the Secretary determines is designed to foster**
19 **regional productivity and growth, prevent**
20 **outmigration, and otherwise carry out the**
21 **purposes of this Act.**

22 **“SEC. 302. OFFICE OF ECONOMIC DEVELOPMENT INFORMA-**
23 **TION.**

24 **“(a) ESTABLISHMENT.—The Secretary shall**
25 **establish the Office of Economic Development**

1 **Information (hereafter in this section re-**
2 **ferred to as the ‘Office’) within the Office of**
3 **Strategic Economic Development Planning**
4 **and Policy.**

5 **“(b) DUTIES.—The duties of the head of the**
6 **Office shall be to—**

7 **“(1) serve as a central information**
8 **clearinghouse on matters relating to eco-**
9 **nom ic development, economic adjust-**
10 **ment, industrial retention, disaster recov-**
11 **ery, and defense conversion programs**
12 **and activities of the Federal and State**
13 **governments, including political subdivi-**
14 **sions of the States; and**

15 **“(2) help potential and actual appli-**
16 **cants for economic development, eco-**
17 **nom ic adjustment, disaster recovery, in-**
18 **dustrial retention, and defense conver-**
19 **sion assistance under Federal, State and**
20 **local laws in locating and applying for**
21 **such assistance, including financial and**
22 **technical assistance.**

23 **“(c) INFORMATION DATA BASES.—**

24 **“(1) USES.—The Office shall develop**
25 **information data bases for use by Federal**

1 **departments and agencies, State and**
2 **local governmental agencies, public and**
3 **private entities, and individuals to assist**
4 **such agencies, entities, and individuals in**
5 **the process of identifying and applying**
6 **for assistance and resources under eco-**
7 **nom ic development, economic adjust-**
8 **ment, disaster recovery, industrial reten-**
9 **tion, and defense conversion programs**
10 **and activities of the Federal, State, and**
11 **local governments.**

12 **“(2) SPECIFIC KINDS OF INFORMATION**
13 **REQUIRED TO BE INCLUDED.—The data**
14 **bases shall include the following kinds of**
15 **information:**

16 **“(A) A comprehensive compilation**
17 **of all relevant information concern-**
18 **ing available economic development,**
19 **economic adjustment, disaster recov-**
20 **ery, industrial retention, and defense**
21 **conversion programs of the Federal**
22 **Government, including key contact**
23 **people, descriptions of the applica-**
24 **tion process, eligibility requirements**
25 **and criteria, selection and followup**

1 **procedures, and other such relevant**
2 **information.**

3 **“(B) A compilation of major State**
4 **and local governmental economic de-**
5 **velopment, economic adjustment, dis-**
6 **aster relief, industrial retention, and**
7 **defense conversion assistance pro-**
8 **grams, including lists of appropriate**
9 **offices, officers, and contact person-**
10 **nel connected with, or involved in,**
11 **such programs.**

12 **“(C) A compilation of relevant and**
13 **available economic data and trends,**
14 **including information about the na-**
15 **tional, regional and local impacts of**
16 **trade agreements, defense spending**
17 **and downsizing, technological**
18 **change, and other sources of substan-**
19 **tial economic dislocation.**

20 **“(D) A compilation of case studies**
21 **and ‘best practices’ in economic de-**
22 **velopment, adjustment and conver-**
23 **sion.**

24 **“(E) A compilation of technology**
25 **development, deployment, diffusion,**

1 **and commercialization programs, as-**
2 **sistance and resources provided by**
3 **Federal agencies, including listings of**
4 **technologies, processes, and other**
5 **proprietary rights owned, or held in**
6 **part, by the Federal Government, and**
7 **other such information as referred to**
8 **in section 722 and any other relevant**
9 **information, such as major State and**
10 **local programs, to assist technology**
11 **development, deployment and com-**
12 **mercialization in economic develop-**
13 **ment, adjustment and conversion ef-**
14 **forts.**

15 **“(F) A compilation of published**
16 **works (books, reports, articles, vid-**
17 **eos, and tapes), and selected texts of**
18 **such works, related to all facets of**
19 **economic development, economic ad-**
20 **justment and defense conversion.**

21 **“(G) A compilation of information**
22 **on case studies on early warning and**
23 **intervention efforts.**

24 **“(3) POINTS OF PUBLIC ACCESS.—**

1 **“(A) IN GENERAL.—The Office shall**
2 **establish several mechanisms to as-**
3 **sure easy access by the public and**
4 **others to such data bases, and to as-**
5 **sure that the data bases be as acces-**
6 **sible, user-friendly, culturally neu-**
7 **tral, and affordable as possible.**

8 **“(B) OUTREACH.—The Office shall**
9 **conduct an extensive outreach to**
10 **States and communities, and to a**
11 **wide range of constituencies, includ-**
12 **ing State and local government offi-**
13 **cial, chambers of commerce, indus-**
14 **trial organizations, labor unions, and**
15 **community-based organizations, to**
16 **publicize the existence of the data**
17 **banks and other assistance and serv-**
18 **ices provided under this section, and**
19 **how to acquire such assistance and**
20 **services, and access such data banks.**

21 **“(C) MEANS OF ACCESS.—Access to**
22 **the Office’s data services shall in-**
23 **clude the following means:**

1 **“(i) A toll-free nationwide tele-**
2 **phone number to provide direct**
3 **phone access to the public.**

4 **“(ii) On-line electronic access**
5 **through existing computer net-**
6 **work services and publicly avail-**
7 **able computer data base access**
8 **facilities, such as at repository li-**
9 **braries and by direct call-in via**
10 **modem.**

11 **“(iii) Printed manuals and ori-**
12 **entation materials.**

13 **“(iv) Periodic orientation**
14 **workshops available to the public.**

15 **“(v) On-call information spe-**
16 **cialists to address special prob-**
17 **lems requiring person-to-person**
18 **assistance.**

19 **“(d) CONSULTATIVE MEETINGS.—The Office**
20 **shall conduct, on an annual basis, consult-**
21 **ative meetings and briefings with constitu-**
22 **encies from several different types of dis-**
23 **tressed areas and regions, drawn from local**
24 **and State governments, economic develop-**
25 **ment districts, Indian tribes, business, labor,**

1 **community and public interest organizations**
2 **and academic institutions. Such meetings and**
3 **briefings shall be held in these different areas**
4 **to introduce the Office’s programs and re-**
5 **ceive comments and recommendations con-**
6 **cerning the Office’s services and how to ex-**
7 **pand and improve them.**

8 **“(e) INTERAGENCY COORDINATION.—The**
9 **Secretary shall enter into such agreements**
10 **and understandings as may be necessary with**
11 **other Federal departments and agencies to**
12 **coordinate the accomplishment of the objec-**
13 **tives of this section.**

14 **“SEC. 303. UNIFORM GRANT APPLICATION FORM.**

15 **“(a) DEVELOPMENT.—The Secretary shall,**
16 **in cooperation with the heads of appropriate**
17 **Federal departments and agencies, develop a**
18 **general, simplified application form for grant**
19 **assistance under this Act which shall be used**
20 **by all Federal departments and agencies**
21 **which provide grant assistance.**

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

1 subsection (a) by Federal departments and
2 agencies.

3 **“Subtitle B—Technical Assistance**
4 **and Economic Development**
5 **Planning**

6 **“SEC. 311. TECHNICAL ASSISTANCE.**

7 **“(a) IN GENERAL.—In carrying out the du-**
8 **ties of the Secretary under this Act, the Sec-**
9 **retary may provide technical assistance**
10 **which would be useful in alleviating or pre-**
11 **venting conditions of excessive unemploy-**
12 **ment or underemployment to areas which the**
13 **Secretary finds have substantial need for**
14 **such assistance, including assistance for**
15 **project planning and feasibility studies, man-**
16 **agement and operational assistance, and stud-**
17 **ies evaluating the needs of, and developing**
18 **potentialities for, economic growth of such**
19 **areas.**

20 **“(b) PROCEDURES AND TERMS.—**

21 **“(1) MANNER OF PROVIDING ASSIST-**
22 **ANCE.—Assistance may be provided by the**
23 **Secretary through—**

24 **“(A) members of the Secretary’s**
25 **staff;**

1 **“(B) the payment of funds author-**
2 **ized for this section to other depart-**
3 **ments or agencies of the Federal Gov-**
4 **ernment;**

5 **“(C) the employment of private in-**
6 **dividuals, partnerships, firms, cor-**
7 **porations, or suitable institutions;**

8 **“(D) contracts entered into for**
9 **such purposes; or**

10 **“(E) grants-in-aid to appropriate**
11 **public or private nonprofit State,**
12 **area, district, or local organizations.**

13 **“(2) REPAYMENT TERMS.—The Sec-**
14 **retary, in the Secretary’s discretion, may**
15 **require the repayment of assistance pro-**
16 **vided under this subsection and pre-**
17 **scribe the terms and conditions of such**
18 **repayment.**

19 **“(c) GRANTS COVERING ADMINISTRATIVE EX-**
20 **PENSES.—**

21 **“(1) IN GENERAL.—The Secretary may**
22 **make grants to defray not to exceed 75**
23 **percent of the administrative expenses of**
24 **organizations which he determines to be**
25 **qualified to receive grants-in-aid under**

1 subsection (a), except that in the case of
2 a grant under this subsection to an In-
3 dian tribe the Secretary is authorized to
4 defray up to 100 percent of such ex-
5 penses.

6 “(2) DETERMINATION OF NON-FEDERAL
7 SHARE.—In determining the amount of the
8 non-Federal share of administrative costs
9 or expenses, the Secretary shall give due
10 consideration to all contributions both in
11 cash and in kind, fairly evaluated, includ-
12 ing space, equipment, and services.

13 “(3) USE OF GRANTS WITH PLANNING
14 GRANTS.—Where practicable, grants-in-aid
15 authorized under this subsection shall be
16 used in conjunction with other available
17 planning grants, such as planning activi-
18 ties described in section 105(a)(13) of the
19 Housing and Community Development
20 Act of 1974 and highway planning and re-
21 search grants authorized under the Fed-
22 eral Aid Highway Act of 1962, to assure
23 adequate and effective planning and eco-
24 nomical use of funds.

1 **“(d) AVAILABILITY OF TECHNICAL INFORMA-**
2 **TION; FEDERAL PROCUREMENT.—The Secretary**
3 **shall aid areas by furnishing to interested in-**
4 **dividuals, communities, industries, and enter-**
5 **prises within such areas any assistance, tech-**
6 **anical information, market research, or other**
7 **forms of assistance, information, or advice**
8 **which would be useful in alleviating or pre-**
9 **venting conditions of excessive unemploy-**
10 **ment or underemployment within such areas.**
11 **The Secretary may furnish the procurement**
12 **divisions of the various departments, agen-**
13 **cies, and other instrumentalities of the Fed-**
14 **eral Government with a list containing the**
15 **names and addresses of business firms which**
16 **are desirous of obtaining Government con-**
17 **tracts for the furnishing of supplies or serv-**
18 **ices, and designating the supplies and serv-**
19 **ices such firms are engaged in providing.**

20 **“SEC. 312. ECONOMIC DEVELOPMENT PLANNING.**

21 **“(a) DIRECT GRANTS.—**

22 **“(1) IN GENERAL.—The Secretary may,**
23 **upon application of any State, or city, or**
24 **other political subdivision of a State, or**
25 **sub-State planning and development or-**

1 **ganization (including an economic devel-**
2 **opment district), make direct grants to**
3 **such State, city, other political subdivi-**
4 **sion, or organization to pay up to 80 per-**
5 **cent of the cost for economic develop-**
6 **ment planning.**

7 **“(2) PLANNING PROJECTS SPECIFICALLY**
8 **INCLUDED.—The planning for cities, other**
9 **political subdivisions, and sub-State plan-**
10 **ning and development organizations (in-**
11 **cluding an economic development dis-**
12 **trict) assisted under this section shall in-**
13 **clude systematic efforts to reduce unem-**
14 **ployment and increase incomes.**

15 **“(3) PLANNING PROCESS.—The planning**
16 **shall be a continuous process involving**
17 **public officials and private citizens in**
18 **analyzing local economies, defining de-**
19 **velopment goals, determining project op-**
20 **portunities, and formulating and imple-**
21 **menting a development program.**

22 **“(4) COOPERATIVE DEVELOPMENT OF IN-**
23 **VESTMENT STRATEGY.—Any State invest-**
24 **ment strategy prepared with assistance**
25 **under this section shall be prepared co-**

1 **operatively by the State, the political sub-**
2 **divisions of the State, and the economic**
3 **development districts located in whole or**
4 **in part within such State.**

5 **“(5) STATE CERTIFICATION.—Upon com-**
6 **pletion of any such strategy, the State**
7 **shall certify to the Secretary that—**

8 **“(A) in the preparation of such**
9 **State investment strategy, the local**
10 **and economic development district**
11 **strategies were considered and, to the**
12 **fullest extent possible, such State**
13 **strategy is consistent with such local**
14 **and economic development district**
15 **strategies; and**

16 **“(B) such State strategy is consist-**
17 **ent with such local and economic de-**
18 **velopment district strategies, or, if**
19 **such State strategy is not consistent**
20 **with such local and economic devel-**
21 **opment district strategies, all of the**
22 **inconsistencies of the State strategy**
23 **with the local and economic develop-**
24 **ment district strategies, and the jus-**

1 **tification for each of these inconsis-**
2 **encies.**

3 **“(6) COMPREHENSIVE PLANNING PROC-**
4 **ESS.—The development of any State in-**
5 **vestment strategy shall be a part of a**
6 **comprehensive planning process that**
7 **shall consider the provisions of public**
8 **works to—**

9 **“(A) stimulate and channel devel-**
10 **opment, economic opportunities, and**
11 **choices for individuals;**

12 **“(B) support sound land use;**

13 **“(C) enhance and protect the en-**
14 **vironment including the conservation**
15 **and preservation of open spaces and**
16 **environmental quality;**

17 **“(D) provide public services; and**

18 **“(E) balance physical and human**
19 **resources through the management**
20 **and control of physical development.**

21 **“(7) COORDINATION OF ASSISTANCE**
22 **UNDER 311(c).—The assistance available**
23 **under this section may be provided in ad-**
24 **dition to assistance available under sec-**

1 **tion 311(c) but shall not supplant such as-**
2 **sistance.**

3 **“(8) ANNUAL REPORT BY RECIPIENT.—**
4 **Each State receiving assistance under**
5 **this subsection shall submit to the Sec-**
6 **retary an annual report on the planning**
7 **process assisted under this subsection.**

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

14 **“SEC. 313. BUSINESS OUTREACH CENTER DEMONSTRATION**
15 **PROJECT.**

16 **“(a) IN GENERAL.—The Secretary shall con-**
17 **duct a project in each of fiscal years 1994**
18 **through 1996 with funds made available**
19 **under this title for the purpose of demonstrat-**
20 **ing methods of assisting isolated small busi-**
21 **nesses to access small business services pro-**
22 **vided by Federal, State, and local govern-**
23 **ments.**

24 **“(b) ESTABLISHMENT OF CENTERS.—In con-**
25 **ducting the demonstration project under this**

1 **section, the Secretary shall establish 3 busi-**
2 **ness outreach centers. At least 2 of these busi-**
3 **ness outreach centers shall be established in**
4 **rural areas.**

5 **“(c) PURPOSE OF CENTERS.—It shall be the**
6 **purpose of each business outreach center es-**
7 **tablished under this section—**

8 **“(1) to provide a one-stop clearing-**
9 **house to assist isolated small businesses**
10 **in accessing small business services pro-**
11 **vided by Federal, State, and local govern-**
12 **ments; and**

13 **“(2) to improve efficiency in the deliv-**
14 **ery of such services.**

15 **“(d) SERVICES TO BE PROVIDED.—Each**
16 **business outreach center established under**
17 **this section shall provide the following serv-**
18 **ices:**

19 **“(1) Outreach to isolated small busi-**
20 **nesses.**

21 **“(2) Assessment of the need of iso-**
22 **lated small businesses for assistance serv-**
23 **ices.**

1 **“(3) Referral of isolated small busi-**
2 **nesses to small business assistance agen-**
3 **cies.**

4 **“(4) Preparation of materials required**
5 **by isolated small businesses for participa-**
6 **tion in small business assistance pro-**
7 **grams.**

8 **“(5) Case management to assure fol-**
9 **low up and quality control of business**
10 **services.**

11 **“(6) Coordination of networking**
12 **among isolated small businesses.**

13 **“(7) Quality control of small business**
14 **assistance services.**

15 **“(e) ISOLATED SMALL BUSINESS DEFINED.—**
16 **For the purposes of this section, the term ‘iso-**
17 **lated small business’ means a small business**
18 **that is unable to effectively access small busi-**
19 **ness services provided by Federal, State, and**
20 **local governments due to linguistic, cultural,**
21 **or geographic barriers.**

22 **“SEC. 314. AUTHORIZATION OF APPROPRIATIONS.**

23 **“There is authorized to be appropriated to**
24 **carry out this title \$37,100,000 for fiscal year**

1 **1994 and \$50,000,000 for fiscal year 1995. Such**
2 **sums shall remain available until expended.**

3 **“TITLE IV—ELIGIBILITY AND**
4 **INVESTMENT STRATEGIES**

5 **“SEC. 401. AREA ELIGIBILITY.**

6 **“(a) CERTIFICATION.—In order to be eligi-**
7 **ble for assistance under title I or II, an appli-**
8 **cant seeking assistance to undertake a project**
9 **shall certify, as part of an application for such**
10 **assistance, that, as of the date of submission**
11 **of such application, the area in which the**
12 **project is located meets 1 or more of the fol-**
13 **lowing criteria:**

14 **“(1) The area has a per capita income**
15 **of 80 percent or less of the national aver-**
16 **age.**

17 **“(2) The area has an unemployment**
18 **rate 1 percent above the national average**
19 **percentage for the most recent 24-month**
20 **period for which statistics are available.**

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

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

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

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

10 **“(B) Rural areas having substan-**
11 **tial outmigration or substantial eco-**
12 **nom ic deterioration and unemploy-**
13 **ment or underemployment.**

14 **“(C) Substantial unemployment.**

15 **“(b) DOCUMENTATION.—A certification**
16 **made under subsection (a) shall be supported**
17 **by Federal data, when available, and in other**
18 **cases by data available through the State gov-**
19 **ernment. Such documentation shall be accept-**
20 **ed by the Secretary unless it is determined to**
21 **be inaccurate. The most recent statistics**
22 **available shall be used.**

23 **“(c) SPECIAL RULE.—No area which meets**
24 **the criteria of subsection (a) shall be subject**

1 to the requirements of subparagraphs (A) and
2 (C) of section 101(a)(1).

3 “(d) DEFINITION.—For purposes of this Act,
4 the term ‘large concentration of low-income
5 persons’ means an area with a median family
6 income of not more than 80 percent of the na-
7 tional median family income.

8 “SEC. 402. INVESTMENT STRATEGY.

9 “The Secretary may provide assistance
10 under this Act to an applicant for a project to
11 be undertaken in an area only if the applicant
12 submits to the Secretary, as part of an appli-
13 cation for such assistance, and the Secretary
14 approves an investment strategy which—

15 “(1) identifies the economic develop-
16 ment problems to be addressed using
17 such assistance;

18 “(2) identifies past, present, and pro-
19 jected future economic development in-
20 vestments in such area and public and
21 private participants and sources of fund-
22 ing for such investments;

23 “(3) sets forth a strategy for address-
24 ing the economic problems identified
25 pursuant to paragraph (1) and describes

1 **how the strategy will solve such prob-**
2 **lems;**

3 **“(4) provides a description of the**
4 **project necessary to implement the strat-**
5 **egy, estimates of costs and time tables;**
6 **and**

7 **“(5) provides a summary of public**
8 **and private resources expected to be**
9 **available for such project.**

10 **“SEC. 403. DEFINITION.**

11 **“For purposes of this Act, the term ‘eco-**
12 **nomical development district’ means—**

13 **“(1) an economic development district**
14 **designated before the date of enactment**
15 **of the Economic Development Financing**
16 **Act of 1994 under section 403(a) of the**
17 **Public Works and Economic Development**
18 **Act of 1965, as in effect on the day before**
19 **such date; and**

20 **“(2) any district within a State**
21 **which—**

22 **“(A) is designated by the Sec-**
23 **retary;**

24 **“(B) is of sufficient size or popu-**
25 **lation and contains sufficient re-**

1 **sources to foster economic develop-**
2 **ment on a scale involving more than**
3 **1 county; and**

4 **“(C) does not contain within its**
5 **boundaries any part of another eco-**
6 **nomi c development district des-**
7 **ignated under subparagraph (A).**

8 **“SEC. 404. FUNDING.**

9 **“Amounts authorized to be appropriated**
10 **under other sections of this Act shall be avail-**
11 **able for the purposes of carrying out this title.**

12 **“TITLE V—ADMINISTRATION**

13 **“SEC. 501. APPOINTMENT OF ASSISTANT SECRETARY OF**
14 **COMMERCE FOR ECONOMIC DEVELOPMENT;**
15 **COMPENSATION.**

16 **“(a) ADMINISTRATION OF ACT.—The Sec-**
17 **retary shall, with the assistance of an Assist-**
18 **ant Secretary of Commerce, administer this**
19 **Act.**

20 **“(b) APPOINTMENT OF ASSISTANT SEC-**
21 **RETARY.—**

22 **“(1) IN GENERAL.—The Assistant Sec-**
23 **retary whose position is established**
24 **under subsection (a) shall be appointed**

1 **by the President, by and with the advice**
2 **and consent of the Senate.**

3 **“(2) DUTIES.—The Assistant Secretary**
4 **appointed under paragraph (1) shall per-**
5 **form such functions as the Secretary may**
6 **prescribe.**

7 **“SEC. 502. CONSULTATION OF SECRETARY WITH OTHER**
8 **PERSONS AND AGENCIES.**

9 **“(a) CONSULTATION ON PROBLEMS RELATING**
10 **TO UNEMPLOYMENT.—The Secretary may, from**
11 **time to time, call together and confer with**
12 **any persons, including representatives of**
13 **labor, management, agriculture, and govern-**
14 **ment, who can assist in meeting the problems**
15 **of area and regional unemployment or**
16 **underemployment.**

17 **“(b) CONSULTATION ON ADMINISTRATION OF**
18 **ACT.—The Secretary may make provision for**
19 **such consultation with interested depart-**
20 **ments and agencies as he may deem appro-**
21 **priate in the performance of the functions**
22 **vested in him by this Act.**

1 **“SEC. 503. ADMINISTRATION, OPERATION, AND MAINTEN-**
2 **NANCE.**

3 **“No Federal assistance shall be approved**
4 **under this Act unless the Secretary is satis-**
5 **fied that the project for which Federal assist-**
6 **ance is granted will be properly and effi-**
7 **ciently administered, operated, and main-**
8 **tained.**

9 **“SEC. 504. EXPEDITED PROCESSING OF APPLICATIONS.**

10 **“(a) GUIDELINES.—Not later than 60 days**
11 **after the date of the enactment of the Eco-**
12 **nomic Development Financing Act of 1994, the**
13 **Assistant Secretary for Economic Develop-**
14 **ment shall—**

15 **“(1) publish guidelines to expedite the**
16 **processing of applications for assistance**
17 **under this Act; and**

18 **“(2) transmit to the Committee on**
19 **Public Works and Transportation and the**
20 **Committee on Banking, Finance and**
21 **Urban Affairs of the House of Represent-**
22 **atives and the Committee on Environ-**
23 **ment and Public Works and the Commit-**
24 **tee on Banking, Housing, and Urban Af-**
25 **airs of the Senate a report containing**
26 **such guidelines.**

1 **“(b) CONTENTS.—Guidelines to be pub-**
2 **lished under subsection (a) shall, at a mini-**
3 **imum, provide for the following:**

4 **“(1) Increased reliance on self-certifi-**
5 **cation by applicants to establish compli-**
6 **ance with other Federal laws.**

7 **“(2) Greater use of uniform applica-**
8 **tion forms and procedures.**

9 **“(3) Delegation of decisionmaking au-**
10 **thority to regional offices.**

11 **“(4) Reduction in the time and num-**
12 **ber of reviews conducted by other offices**
13 **of the Department of Commerce.**

14 **“SEC. 505. PERFORMANCE EVALUATIONS OF GRANT RE-**
15 **CIPIENTS.**

16 **“(a) IN GENERAL.—At least once every 2**
17 **years, the Secretary shall conduct an evalua-**
18 **tion of each university center and economic**
19 **development district receiving grant assist-**
20 **ance under this Act to assess the recipient’s**
21 **performance and contribution toward job cre-**
22 **ation.**

23 **“(b) CRITERIA.—**

1 **“(1) ESTABLISHMENT.—The Secretary**
2 **shall establish criteria for use in conduct-**
3 **ing evaluations under subsection (a).**

4 **“(2) CRITERIA FOR UNIVERSITY CEN-**
5 **TERS.—The criteria for evaluation of a**
6 **university center shall, at a minimum,**
7 **provide for an assessment of the center’s**
8 **contribution to providing technical as-**
9 **sistance, conducting applied research,**
10 **and disseminating results of the center’s**
11 **activities.**

12 **“(3) CRITERIA FOR ECONOMIC DEVELOP-**
13 **MENT DISTRICTS.—The criteria for evalua-**
14 **tion of an economic development district**
15 **shall, at a minimum, provide for an as-**
16 **essment of management standards, fi-**
17 **nancial accountability, and program per-**
18 **formance.**

19 **“(c) PEER REVIEW.—In conducting an eval-**
20 **uation of a university center under sub-**
21 **section (a), the Secretary shall provide for the**
22 **participation of at least 1 other university**
23 **center on a cost-reimbursement basis.**

1 **“TITLE VI—MISCELLANEOUS**

2 **“SEC. 601. POWERS OF SECRETARY.**

3 **“(a) IN GENERAL.—In performing the du-**
4 **ties of the Secretary under this Act, the Sec-**
5 **retary may—**

6 **“(1) adopt, alter, and use a seal, which**
7 **shall be judicially noticed;**

8 **“(2) hold such hearings, sit and act at**
9 **such times and places, and take such tes-**
10 **timony, as the Secretary may deem advis-**
11 **able;**

12 **“(3) request directly from any execu-**
13 **tive department, bureau, agency, board,**
14 **commission, office, independent estab-**
15 **lishment, or instrumentality information,**
16 **suggestions, estimates, and statistics**
17 **needed to carry out the purposes of this**
18 **Act; and each department, bureau, agen-**
19 **cy, board, commission, office, establish-**
20 **ment or instrumentality is authorized to**
21 **furnish such information, suggestions, es-**
22 **timates, and statistics directly to the Sec-**
23 **retary;**

24 **“(4) under regulations prescribed by**
25 **the Secretary, assign or sell at public or**

1 **private sale, or otherwise dispose of for**
2 **cash or credit, in the Secretary's discre-**
3 **tion and upon such terms and conditions**
4 **and for such consideration as the Sec-**
5 **retary determines to be reasonable, any**
6 **evidence of debt, contract, claim, per-**
7 **sonal property, or security assigned to or**
8 **held by the Secretary in connection with**
9 **grants or loans made or evidences of in-**
10 **debtedness purchased under this Act,**
11 **and collect or compromise all obligations**
12 **assigned to or held by him in connection**
13 **with such grants, loans, or evidences of**
14 **indebtedness until such time as such obli-**
15 **gations may be referred to the Attorney**
16 **General for suit or collection;**

17 **“(5) further extend the maturity of or**
18 **renew any loan made or evidence of in-**
19 **debtedness purchased under this Act, be-**
20 **yond the periods stated in such loan or**
21 **evidence of indebtedness or in this Act,**
22 **for additional periods not to exceed 10**
23 **years, if such extension or renewal will**
24 **aid in the orderly liquidation of such**
25 **loan or evidence of indebtedness;**

1 **“(6) deal with, complete, renovate, im-**
2 **prove, modernize, insure, rent, or sell for**
3 **cash or credit, upon such terms and con-**
4 **ditions and for such consideration as the**
5 **Secretary determines to be reasonable,**
6 **any real or personal property conveyed**
7 **to, or otherwise acquired by, the Sec-**
8 **retary in connection with grants or loans**
9 **made or evidences of indebtedness pur-**
10 **chased under this Act;**

11 **“(7) pursue to final collection, by way**
12 **of compromise or other administrative**
13 **action, prior to reference to the Attorney**
14 **General, all claims against 3d parties as-**
15 **signed to the Secretary in connection**
16 **with grants or loans made or evidences of**
17 **indebtedness purchased under this Act;**

18 **“(8) acquire, in any lawful manner,**
19 **any property (real, personal, or mixed,**
20 **tangible or intangible), whenever nec-**
21 **essary or appropriate to the conduct of**
22 **activities under this Act;**

23 **“(9) in addition to any powers, func-**
24 **tions, privileges, and immunities other-**
25 **wise vested in the Secretary, take any ac-**

1 **tion, including the procurement of the**
2 **services of attorneys by contract, deter-**
3 **mined by the Secretary to be necessary**
4 **or desirable in making, purchasing, serv-**
5 **icing, compromising, modifying, liquidat-**
6 **ing, or otherwise administratively deal-**
7 **ing with or realizing on loans made or**
8 **evidences of indebtedness purchased**
9 **under this Act;**

10 **“(10) employ experts and consultants**
11 **or organizations as authorized by section**
12 **3109 of title 5, compensate individuals so**
13 **employed at rates not in excess of \$100**
14 **per diem, including travel time, and**
15 **allow them, while away from their homes**
16 **or regular places of business, travel ex-**
17 **penses (including per diem in lieu of sub-**
18 **sistence) as authorized by section 5703 of**
19 **title 5 for persons in the Government**
20 **service employed intermittently, while so**
21 **employed, except that contracts for such**
22 **employment may be renewed annually;**

23 **“(11) sue and be sued in any court of**
24 **record of a State having general jurisdic-**
25 **tion or in any United States district**

1 **court, and jurisdiction is conferred upon**
2 **such district court to determine such**
3 **controversies without regard to the**
4 **amount in controversy; but no attach-**
5 **ment, injunction, garnishment, or other**
6 **similar process, mesne or final, shall be**
7 **issued against the Secretary or his prop-**
8 **erty; and**

9 **“(12) establish such regulations and**
10 **procedures as the Secretary may deem**
11 **appropriate in carrying out the provi-**
12 **sions of this Act.**

13 **“(b) DEFICIENCY JUDGMENTS.—The author-**
14 **ity under paragraph (7) of subsection (a) to**
15 **pursue claims shall include the authority to**
16 **obtain deficiency judgments or otherwise in**
17 **the case of mortgages assigned to the Sec-**
18 **retary.**

19 **“(c) INAPPLICABILITY OF CERTAIN OTHER RE-**
20 **QUIREMENTS.—Section 3709 of the Revised**
21 **Statutes of the United States shall not apply**
22 **to any contract of hazard insurance or to any**
23 **purchase or contract for services or supplies**
24 **on account of property obtained by the Sec-**
25 **retary as a result of grants or loans made or**

1 **evidences of indebtedness purchased under**
2 **this Act if the premium for the insurance or**
3 **the amount of the insurance does not exceed**
4 **\$1,000.**

5 **“(d) POWERS OF CONVEYANCE AND EXECU-**
6 **TION.—The power to convey and to execute, in**
7 **the name of the Secretary, deeds of convey-**
8 **ance, deeds of release, assignments and satis-**
9 **factions of mortgages, and any other written**
10 **instrument relating to real or personal prop-**
11 **erty or any interest therein acquired by the**
12 **Secretary pursuant to the provisions of this**
13 **Act may be exercised by the Secretary, or by**
14 **any officer or agent appointed by the Sec-**
15 **retary for such purpose, without the execu-**
16 **tion of any express delegation of power or**
17 **power of attorney.**

18 **“(e) RULE OF CONSTRUCTION.—No provision**
19 **of this section shall be construed to except the**
20 **activities under this Act from the application**
21 **of sections 507(b), 517 and 2679 of title 28.**

22 **“SEC. 602. TRANSFER OF FUNCTIONS OF AREA REDEVELOP-**
23 **MENT ADMINISTRATION.**

24 **“The functions, powers, duties, and au-**
25 **thorities and the assets, funds, contracts,**

1 **loans, liabilities, commitments, authoriza-**
2 **tions, allocations, and records which are vest-**
3 **ed in or authorized to be transferred to the**
4 **Secretary of the Treasury under section 29(b)**
5 **of the Area Redevelopment Act, and all func-**
6 **tions, powers, duties, and authorities under**
7 **section 29(c) of such Act are hereby vested in**
8 **the Secretary.**

9 **“SEC. 603. SEPARABILITY.**

10 **“Notwithstanding any other evidence of**
11 **the intent of Congress, it is hereby declared**
12 **to be the intent of Congress that if any provi-**
13 **sion of this Act or the application thereof to**
14 **any persons or circumstances shall be ad-**
15 **judged by any court of competent jurisdiction**
16 **to be invalid, such judgment shall not affect,**
17 **impair, or invalidate the remainder of this Act**
18 **or its application to other persons and cir-**
19 **cumstances, but shall be confined in its oper-**
20 **ation to the provision of this Act or the appli-**
21 **cation thereof to the persons and cir-**
22 **cumstances directly involved in the con-**
23 **troversy in which such judgment shall have**
24 **been rendered.**

1 **“SEC. 604. DEFINITION OF STATE.**

2 **“For purposes of this Act, the terms ‘State’**
3 **and ‘United States’ include the several States,**
4 **the District of Columbia, the Commonwealth**
5 **of Puerto Rico, the Virgin Islands, Guam, and**
6 **American Samoa.**

7 **“SEC. 605. ANNUAL REPORT TO CONGRESS.**

8 **“The Secretary shall make a comprehen-**
9 **sive and detailed annual report to the Con-**
10 **gress of his operations under this Act for each**
11 **fiscal year beginning with the fiscal year end-**
12 **ing September 30, 1995. Such report shall be**
13 **printed and shall be transmitted to the Con-**
14 **gress not later than July 1 of the year follow-**
15 **ing the fiscal year with respect to which such**
16 **report is made.**

17 **“SEC. 606. USE OF OTHER FACILITIES.**

18 **“(a) DELEGATION OF FUNCTIONS TO OTHER**
19 **FEDERAL DEPARTMENTS AND AGENCIES.—The**
20 **Secretary may delegate to the heads of other**
21 **departments and agencies of the Federal Gov-**
22 **ernment any of the Secretary’s functions,**
23 **powers, and duties under this Act as he may**
24 **deem appropriate, and to authorize the re-**
25 **delegation of such functions, powers, and du-**

1 ties by the heads of such departments and
2 agencies.

3 **“(b) DEPARTMENT AND AGENCY EXECUTION**
4 **OF DELEGATED AUTHORITY.—**Departments and
5 **agencies of the Federal Government shall ex-**
6 **ercise their powers, duties, and functions in**
7 **such manner as will assist in carrying out the**
8 **objectives of this Act.**

9 **“(c) TRANSFER OF FUNDS.—**

10 **“(1) TRANSFER BETWEEN DEPART-**
11 **MENTS.—**Funds authorized to be appro-
12 **priated under this Act may be trans-**
13 **ferred between departments and agencies**
14 **of the Government, if such funds are used**
15 **for the purposes for which they are spe-**
16 **cifically authorized and appropriated.**

17 **“(2) TRANSFER FOR OTHER PURPOSES**
18 **UNDER THIS ACT.—**Funds authorized to be
19 **appropriated under this Act may be**
20 **transferred between functions estab-**
21 **lished under different titles of this Act, if**
22 **such funds are used for the purposes for**
23 **which they are specifically authorized**
24 **and appropriated. Such transferred funds**
25 **shall remain available until expended,**

1 **and may be transferred to and merged**
2 **with the appropriations under the head-**
3 **ing ‘salaries and expenses’ by the Sec-**
4 **retary to the extent necessary to admin-**
5 **ister the program.**

6 **“(d) FUNDS TRANSFERRED FROM OTHER DE-**
7 **PARTMENTS AND AGENCIES.—In order to carry**
8 **out the objectives of this Act, the Secretary**
9 **may accept transfers of funds from other de-**
10 **partments and agencies of the Federal Gov-**
11 **ernment if the funds are used for the pur-**
12 **poses for which (and in accordance with the**
13 **terms under which) the funds are specifically**
14 **authorized and appropriated. Such trans-**
15 **ferred funds shall remain available until ex-**
16 **pende, and may be transferred to and**
17 **merged with the appropriations under the**
18 **heading ‘salaries and expenses’ by the Sec-**
19 **retary to the extent necessary to administer**
20 **the program.**

21 **“SEC. 607. AUTHORIZATION OF APPROPRIATIONS.**

22 **“There are hereby authorized to be appro-**
23 **priated such sums as may be necessary to**
24 **carry out those provisions of the Act for**
25 **which specific authority for appropriations is**

1 not otherwise provided in this Act except that
2 there are hereby authorized to be appro-
3 priated to carry out those provisions of the
4 Act for which specific authority for appro-
5 priations is not otherwise provided in this Act
6 not to exceed \$36,000,000 for the fiscal year
7 ending September 30, 1995. Appropriations
8 authorized under this Act shall remain avail-
9 able until expended unless otherwise pro-
10 vided by appropriations Acts. Amounts au-
11 thorized to be appropriated under this sec-
12 tion may be used to support a personnel level
13 of up to 375 full-time equivalents and to 'buy-
14 out' existing employees without the loss of the
15 full-time equivalent positions filled by such
16 employees. Funds appropriated to carry out
17 the purposes of this Act are authorized to be
18 expended for the payment of all obligations
19 and expenditures arising from actions to pro-
20 tect the Government's interest in grant prop-
21 erty.

22 "SEC. 608. PENALTIES.

23 "(a) FALSE STATEMENTS; SECURITY OVER-
24 VALUATION.—Whoever makes any statement
25 knowing it to be false, or whoever willfully

1 **overvalues any security, for the purpose of**
2 **obtaining for such person or for any applicant**
3 **any financial assistance under this Act or any**
4 **extension of any such assistance by renewal,**
5 **deferment, or action, or otherwise, or the ac-**
6 **ceptance, release, or substitution of security**
7 **for such assistance, or for the purpose of in-**
8 **fluencing in any way the action of the Sec-**
9 **retary, or for the purpose of obtaining money,**
10 **property, or anything of value, under this Act,**
11 **shall be fined under title 18, United States**
12 **Code, imprisoned for not more than 5 years,**
13 **or both.**

14 **“(b) EMBEZZLEMENT AND FRAUD-RELATED**
15 **CRIMES.—Whoever, being connected in any ca-**
16 **capacity with the Secretary, in the administra-**
17 **tion of this Act—**

18 **“(1) embezzles, abstracts, purloins, or**
19 **willfully misapplies any moneys, funds,**
20 **securities, or other things of value,**
21 **whether belonging to such person or**
22 **pledged or otherwise entrusted to such**
23 **person;**

24 **“(2) with intent to defraud the Sec-**
25 **retary or any other body politic or cor-**

1 **porate, or any individual, or to deceive**
2 **any officer, auditor, or examiner, makes**
3 **any false entry in any book, report, or**
4 **statement of or to the Secretary, or with-**
5 **out being duly authorized draws any**
6 **order or issues, puts forth, or assigns any**
7 **note, debenture, bond, or other obliga-**
8 **tion, or draft, bill of exchange, mortgage,**
9 **judgment, or decree thereof;**

10 **“(3) with intent to defraud partici-**
11 **pates or shares in or receives directly or**
12 **indirectly any money, profit, property, or**
13 **benefit through any transaction, loan,**
14 **grant, commission, contract, or any other**
15 **act of the Secretary; or**

16 **“(4) gives any unauthorized informa-**
17 **tion concerning any future action or plan**
18 **of the Secretary which might affect the**
19 **value of securities, or having such knowl-**
20 **edge invests or speculates, directly or in-**
21 **directly, in the securities or property of**
22 **any company or corporation receiving**
23 **loans, grants, or other assistance from**
24 **the Secretary,**

1 **shall be fined under title 18, United States**
2 **Code, imprisoned for not more than 5 years,**
3 **or both.**

4 **“SEC. 609. EMPLOYMENT OF EXPEDITERS AND ADMINIS-**
5 **TRATIVE EMPLOYEES.**

6 **“No financial assistance shall be extended**
7 **by the Secretary under this Act to any busi-**
8 **ness enterprise unless the owners, partners,**
9 **or officers of such business enterprise—**

10 **“(1) certify to the Secretary the**
11 **names of any attorneys, agents, and other**
12 **persons engaged by or on behalf of such**
13 **business enterprise for the purpose of ex-**
14 **pediting applications made to the Sec-**
15 **retary for assistance of any sort, under**
16 **this Act, and the fees paid or to be paid**
17 **to any such person; and**

18 **“(2) execute an agreement binding**
19 **such business enterprise, for a period of**
20 **2 years after such assistance is rendered**
21 **by the Secretary to such business enter-**
22 **prise, to refrain from employing, ten-**
23 **dering any office or employment to, or re-**
24 **taining for professional services, any per-**
25 **son who, on the date such assistance or**

1 **any part thereof was rendered, or within**
2 **the 1-year period ending on such date,**
3 **shall have served as an officer, attorney,**
4 **agent, or employee, occupying a position**
5 **or engaging in activities which the Sec-**
6 **retary determines involves discretion**
7 **with respect to the granting of assistance**
8 **under this Act.**

9 **“SEC. 610. LABOR STANDARDS; RATE OF WAGES; ASSUR-**
10 **ANCE OF MAINTENANCE OF STANDARDS; EN-**
11 **FORCEMENT.**

12 **“All laborers and mechanics employed by**
13 **contractors or subcontractors on projects as-**
14 **sisted by the Secretary under this Act shall be**
15 **paid wages at rates not less than those pre-**
16 **vailing on similar construction in the locality**
17 **as determined by the Secretary of Labor in ac-**
18 **cordance with the Act of March 3, 1931,**
19 **known as the Davis-Bacon Act. The Secretary**
20 **shall not extend any financial assistance**
21 **under this Act for such a project without first**
22 **obtaining adequate assurance that these**
23 **labor standards will be maintained upon the**
24 **construction work. The Secretary of Labor**
25 **shall have, with respect to the labor stand-**

1 **ards specified in this provision, the authority**
2 **and functions set forth in Reorganization**
3 **Plan Numbered 14 of 1950 and section 2 of the**
4 **Act of June 13, 1934 (Chapter 482; 48 Stat.**
5 **948).**

6 **“SEC. 611. MAINTENANCE OF RECORDS OF APPROVED AP-**
7 **PLICATIONS FOR FINANCIAL ASSISTANCE;**
8 **PUBLIC INSPECTION.**

9 **“(a) MAINTENANCE OF RECORD REQUIRED.—**
10 **The Secretary shall maintain as a permanent**
11 **part of the records of the Department of Com-**
12 **merce a list of applications approved for fi-**
13 **nancial assistance under this Act, which shall**
14 **be kept available for public inspection during**
15 **the regular business hours of the Department**
16 **of Commerce.**

17 **“(b) POSTING TO LIST.—The following infor-**
18 **mation shall be posted in such list as soon as**
19 **each application is approved:**

20 **“(1) The name of the applicant and, in**
21 **the case of corporate applications, the**
22 **names of the officers and directors of the**
23 **corporation.**

1 **“(2) The amount and duration of the**
2 **loan or grant for which application is**
3 **made.**

4 **“(3) The purposes for which the pro-**
5 **ceeds of the loan or grant are to be used.**

6 **“(4) A general description of the secu-**
7 **rity offered in the case of a loan.**

8 **“SEC. 612. RECORDS AND AUDIT.**

9 **“(a) RECORDKEEPING AND DISCLOSURE RE-**
10 **QUIREMENTS.—Each recipient of assistance**
11 **under this Act shall keep such records as the**
12 **Secretary shall prescribe, including records**
13 **which fully disclose the amount and the dis-**
14 **position by such recipient of the proceeds of**
15 **such assistance, the total cost of the project**
16 **or undertaking in connection with which**
17 **such assistance is given or used, and the**
18 **amount and nature of that portion of the cost**
19 **of the project or undertaking supplied by**
20 **other sources, and such other records as will**
21 **facilitate an effective audit.**

22 **“(b) ACCESS TO BOOKS FOR EXAMINATION**
23 **AND AUDIT.—The Secretary and the Comptrol-**
24 **ler General of the United States, or any of**
25 **their duly authorized representatives, shall**

1 **have access for the purpose of audit and ex-**
2 **amination to any books, documents, papers,**
3 **and records of the recipient that are perti-**
4 **nent to assistance received under this Act.**

5 **“SEC. 613. PROHIBITION AGAINST A STATUTORY CON-**
6 **STRUCTION WHICH MIGHT CAUSE DIMINU-**
7 **TION IN OTHER FEDERAL ASSISTANCE.**

8 **“All financial and technical assistance au-**
9 **thorized under this Act shall be in addition to**
10 **any Federal assistance previously authorized,**
11 **and no provision hereof shall be construed as**
12 **authorizing or permitting any reduction or**
13 **diminution in the proportional amount of**
14 **Federal assistance to which any State or any**
15 **other entity eligible under this Act would oth-**
16 **erwise be entitled under the provisions of any**
17 **other Act.**

18 **“SEC. 614. ACCEPTANCE OF APPLICANTS’ CERTIFICATIONS.**

19 **“The Secretary may accept, when deemed**
20 **appropriate, the applicants’ certifications to**
21 **meet the requirements of this Act.**

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

4 **“Subtitle A—Grants and**
5 **Adjustment Assistance**

6 **“SEC. 701. STATEMENT OF PURPOSE.**

7 **“The purpose of this title is to provide**
8 **special economic development and adjust-**
9 **ment assistance programs to help State and**
10 **local areas meet special needs arising from**
11 **actual or threatened severe unemployment**
12 **arising from economic dislocation, including**
13 **unemployment arising from actions of the**
14 **Federal Government and from compliance**
15 **with environmental requirements which re-**
16 **move economic activities from a locality, and**
17 **economic adjustment problems resulting from**
18 **severe changes in economic conditions (in-**
19 **cluding long-term economic deterioration),**
20 **and to encourage cooperative intergovern-**
21 **mental action to prevent or solve economic**
22 **adjustment problems. Nothing in this title is**
23 **intended to replace the efforts of the eco-**
24 **nomic adjustment program of the Department**
25 **of Defense.**

1 **“SEC. 702. ELIGIBLE RECIPIENT DEFINED.**

2 **“As used in this title, the term ‘eligible re-**
3 **ciipient’ means an economic development dis-**
4 **trict (as defined in section 411), an Indian**
5 **tribe, a State, a city or other political subdivi-**
6 **sion of a State, or a consortium of such politi-**
7 **cal subdivisions, or a public or private non-**
8 **profit organization or association.**

9 **“SEC. 703. GRANTS BY SECRETARY.**

10 **“(a) IN GENERAL.—**

11 **“(1) DIRECT GRANTS.—The Secretary**
12 **may make grants directly to any eligible**
13 **recipient in an area which—**

14 **“(A) the Secretary has determined**
15 **has experienced, or may reasonably**
16 **be foreseen to be about to experience,**
17 **a special need to meet an expected**
18 **rise in unemployment, or other eco-**
19 **nomical adjustment problems (includ-**
20 **ing those caused by any action or de-**
21 **cision of the Federal Government); or**

22 **“(B) the Secretary determines has**
23 **demonstrated long-term economic de-**
24 **terioration, to carry out or develop a**
25 **plan which—**

1 **“(i) meets the requirements of**
2 **subsection (b); and**

3 **“(ii) is approved by the Sec-**
4 **retary to use such grants for any**
5 **of the following:**

6 **“(I) Public facilities.**

7 **“(II) Public services.**

8 **“(III) Business develop-**
9 **ment.**

10 **“(IV) Industrial retention.**

11 **“(V) Planning.**

12 **“(VI) Research.**

13 **“(VII) Technical assist-**
14 **ance.**

15 **“(VIII) Administrative ex-**
16 **penses.**

17 **“(IX) Training.**

18 **“(X) Relocation of individ-**
19 **uals and businesses.**

20 **“(XI) Assistance to busi-**
21 **ness through trade adjust-**
22 **ment assistance centers.**

23 **“(XII) Other assistance**
24 **which demonstrably furthers**
25 **the economic development**

1 **and adjustment objectives of**
2 **this title.**

3 **“(2) DIRECT EXPENDITURE OR REDIS-**
4 **TRIBUTION BY RECIPIENT.—Grants under**
5 **paragraph (1) may be used in direct ex-**
6 **penditures by the eligible recipient or**
7 **through redistribution by it to public and**
8 **private entities in grants, loans, loan**
9 **guarantees, payments to reduce interest**
10 **on loan guarantees, or other appropriate**
11 **assistance, but no grant shall be made by**
12 **an eligible recipient to a private profit-**
13 **making entity.**

14 **“(3) RESEARCH AND TECHNICAL ASSIST-**
15 **ANCE.—The Secretary may conduct re-**
16 **search or provide technical assistance for**
17 **purposes of this title directly through**
18 **members of the Secretary’s staff or**
19 **through the payment of funds to other**
20 **departments or agencies of the Federal**
21 **Government.**

22 **“(b) CRITERIA FOR APPROVAL OF PLAN.—No**
23 **plan shall be approved by the Secretary**
24 **under this section unless the plan—**

1 **“(1) identifies each economic develop-**
2 **ment and adjustment need of the area for**
3 **which assistance is sought under this**
4 **title;**

5 **“(2) describes each activity planned**
6 **to meet each such need;**

7 **“(3) explains the details of the method**
8 **of carrying out each such planned activ-**
9 **ity;**

10 **“(4) contains assurances satisfactory**
11 **to the Secretary that the proceeds from**
12 **the repayment of loans made by the eligi-**
13 **ble recipient with funds granted under**
14 **this title will be used for economic devel-**
15 **opment or adjustment; and**

16 **“(5) be in such form and contain such**
17 **additional information as the Secretary**
18 **shall prescribe.**

19 **“(c) COORDINATION OF ACTIVITIES WITH**
20 **OTHER FEDERAL PROGRAMS, REGIONAL COMMIS-**
21 **SIONS, STATES, ETC.—The Secretary to the ex-**
22 **tent practicable shall coordinate the activities**
23 **relating to the requirements for plans and**
24 **making grants, loans, and loan guarantees**
25 **under this title with other Federal programs,**

1 **States, economic development districts and**
2 **other appropriate planning and development**
3 **organizations.**

4 **“(d) PRIORITIZING NEEDS AND SELECTION**
5 **CRITERIA FOR ASSISTANCE.—**

6 **“(1) IN GENERAL.—The Secretary shall**
7 **prescribe regulations and procedures to**
8 **carry out this title which establish a**
9 **method to prioritize applications and**
10 **award funding in a manner which takes**
11 **into consideration the relative needs of**
12 **eligible areas and the capacity of the ap-**
13 **plicant organizations.**

14 **“(2) FACTORS TO BE CONSIDERED.—In**
15 **prescribing such regulations and proce-**
16 **dures the Secretary shall consider among**
17 **other relevant factors—**

18 **“(A) the severity of the current**
19 **and anticipated rates of unemploy-**
20 **ment in the eligible areas and the**
21 **current and anticipated duration of**
22 **such unemployment;**

23 **“(B) the income levels of families**
24 **and the extent of underemployment**
25 **in eligible areas;**

1 **“(C) the economic development**
2 **record of the applicant organization,**
3 **including the organization’s prior ex-**
4 **perience and its capacity to leverage**
5 **or attract funding from the private**
6 **sector;**

7 **“(D) the ability of the applicant**
8 **organization to raise funds necessary**
9 **to meet any matching requirements**
10 **applicable to the assistance provided**
11 **under this title;**

12 **“(E) how the applicant organiza-**
13 **tion will coordinate or create part-**
14 **nerships with other organizations in**
15 **the community and the extent to**
16 **which the applicant will increase the**
17 **resources for economic development**
18 **activities through such coordination**
19 **or by forging partnerships with pri-**
20 **vate financial institutions;**

21 **“(F) the applicant organization’s**
22 **record in targeting assistance to eco-**
23 **nomically distressed communities;**
24 **and**

1 **“(G) the unique development**
2 **needs of urban areas with popu-**
3 **lations of 400,000 or less.**

4 **“(e) BASE CLOSINGS AND REALIGNMENTS.—**

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

15 **“(2) INTEREST IN PROPERTY.—Notwith-**
16 **standing any other provision of law, the**
17 **Secretary may provide to an eligible re-**
18 **ipient any assistance available under**
19 **this Act for a project to be carried out on**
20 **a military installation that is closed or**
21 **scheduled for closure or realignment**
22 **without requiring that the eligible recipi-**
23 **ent have title to the property or a lease-**
24 **hold interest in the property for any**
25 **specified term.**

1 **“SEC. 704. ANNUAL REPORTS BY RECIPIENT AND SEC-**
2 **RETARY.**

3 **“(a) RECIPIENT’S REPORT.—Each eligible**
4 **recipient which receives assistance under**
5 **this title shall annually during the period**
6 **such assistance continues make a full and**
7 **complete report to the Secretary, in such**
8 **manner as the Secretary shall prescribe, and**
9 **such report shall contain an evaluation of the**
10 **effectiveness of the economic assistance pro-**
11 **vided under this title in meeting the need it**
12 **was designed to alleviate and the purposes of**
13 **this title.**

14 **“(b) SECRETARY’S REPORT.—The Secretary**
15 **shall include in the annual report pursuant to**
16 **section 3217 of this title a consolidated report**
17 **with his recommendations, if any, on the as-**
18 **sistance authorized under this title, in a form**
19 **which he deems appropriate.**

20 **“SEC. 705. AUTHORIZATION OF APPROPRIATIONS.**

21 **“(a) IN GENERAL.—There is authorized to**
22 **be appropriated to carry out this title**
23 **\$115,542,000 for fiscal year 1994 and**
24 **\$124,800,000 for fiscal year 1995. Such sums**
25 **shall remain available until expended.**

1 **“(b) SET-ASIDE FOR DEFENSE CONVERSION**
2 **ACTIVITIES.—Of amounts appropriated pursu-**
3 **ant to subsection (a) for fiscal year 1994, not**
4 **less than \$80,000,000 shall be available for**
5 **purposes of assisting eligible recipients in ac-**
6 **tivities related to defense conversion.**

7 **“(c) ADDITIONAL AMOUNTS.—In addition to**
8 **the appropriations authorized by subsection**
9 **(a), there is authorized to be appropriated to**
10 **carry out this title such sums as may be nec-**
11 **essary to provide assistance for defense con-**
12 **version activities and to provide assistance in**
13 **the case of a natural disaster. Such sums shall**
14 **remain available until expended.**

15 **“Subtitle B—Economic**
16 **Development Financing**

17 **“SEC. 711. GUARANTEED LOAN PROGRAM.**

18 **“(a) IN GENERAL.—To the extent the Sec-**
19 **retary deems it appropriate to carry out the**
20 **purposes of this title, the Secretary may guar-**
21 **antee loans made to private borrowers by pri-**
22 **vate lending institutions, community develop-**
23 **ment financial institutions, and other lenders**
24 **as the Secretary considers appropriate, ex-**
25 **cept that the Secretary may guarantee loans**

1 of less than \$750,000 only if the borrower is
2 not eligible for a loan guarantee under the
3 Small Business Act.

4 “(b) ELIGIBLE ACTIVITIES.—Activities for
5 which loans may be guaranteed under this
6 title include the development of land and fa-
7 cilities (including machinery and equipment)
8 for industrial or commercial usage (such as
9 the construction of new buildings and the re-
10 habilitation of abandoned or unoccupied
11 buildings, and alterations, conversion, or en-
12 largement of existing buildings), or for the
13 provision of working capital.

14 “(c) TERMS AND CONDITIONS.—

15 “(1) IN GENERAL.—The Secretary may
16 make such guarantees upon application
17 of the lenders and upon such terms and
18 conditions as the Secretary may pre-
19 scribe, except that no such guarantee
20 shall at any time exceed 90 percent of the
21 amount of the outstanding unpaid bal-
22 ance of such loans.

23 “(2) PRESUMPTION OF VALIDITY.—Guar-
24 antees under paragraph (1) shall be con-
25 clusive evidence that the guarantee has

1 **been properly obtained, that the underlying**
2 **ing loan qualifies for such guarantee, and**
3 **that, but for fraud or material misrepresenta-**
4 **tion by the holder, such guarantee**
5 **will be presumed to be valid, legal, and**
6 **enforceable.**

7 **“(3) FULL FAITH AND CREDIT OF U.S.—**
8 **Guarantees under paragraph (1) shall**
9 **have the full faith and credit of the United**
10 **States Government.**

11 **“(4) LENDER RESPONSIBILITIES.—No**
12 **guarantee may be provided unless the**
13 **lender is responsible and makes adequate**
14 **provision for servicing the loan on rea-**
15 **sonable terms and for protecting the fi-**
16 **nanacial interest of the United States.**

17 **“(5) PROHIBITION ON CERTAIN LOAN**
18 **GUARANTEES.—No loan may be guaranteed**
19 **if the proceeds of such loan are excluded**
20 **from gross income for the purposes of**
21 **Chapter 1 of the Internal Revenue Code**
22 **of 1986 or if the guarantee provides suffi-**
23 **cient collateral or security, as determined**
24 **by the Secretary, for other obligations**
25 **the income from which is so excluded.**

1 **“(d) PREFERRED LENDER PREFERENCE.—To**
2 **the extent feasible, the Secretary shall con-**
3 **duct the guarantee program established**
4 **under this section on a preferred lender basis**
5 **and authorize lenders, in accordance with**
6 **agreements entered into between the Sec-**
7 **retary and such lenders, to take such actions**
8 **on the Secretary’s behalf as the Secretary**
9 **deems appropriate, including the determina-**
10 **tion of eligibility and creditworthiness and**
11 **loan monitoring, collection and liquidation.**

12 **“SEC. 712. PILOT EQUITY FINANCE PROGRAM.**

13 **“(a) IN GENERAL.—In order to study the**
14 **feasibility and desirability of a program of eq-**
15 **uity financing, the Secretary shall establish a**
16 **5-year pilot program under which the Sec-**
17 **retary may, either directly or through grants**
18 **made to eligible recipients (as defined in sec-**
19 **tion 702), purchase or commit to purchase**
20 **nonvoting equity instruments, with or with-**
21 **out equity warrants, or commit to guarantee**
22 **the payment of up to 50 percent of the re-**
23 **demption price of, and dividends on, such eq-**
24 **uity instruments of private United States**
25 **businesses or nonprofit organizations and as-**

1 **sociations for the purpose of providing cap-**
2 **ital for any project which is consistent with**
3 **the provisions of this title.**

4 **“(b) ESTABLISHMENT OF FUND.—For pur-**
5 **poses of conducting the pilot program pro-**
6 **vided under subsection (a), the Secretary**
7 **shall establish an Equity Investment Revolv-**
8 **ing Fund to carry out the purposes of this sec-**
9 **tion.**

10 **“(c) DISPOSAL OF EQUITY INSTRUMENTS.—**
11 **The Secretary shall endeavor to dispose of**
12 **any equity instruments purchased or guaran-**
13 **teed under this section within the 10-year pe-**
14 **riod beginning on the date of the acquisition**
15 **of such interest.**

16 **“(d) USE OF PAYMENTS.—**

17 **“(1) USE OF PAYMENTS TO THE SEC-**
18 **RETARY.—Amounts received by the Sec-**
19 **retary from the payment of dividends**
20 **and the redemption of equity instruments**
21 **shall be deposited in the Equity Invest-**
22 **ment Revolving Fund and shall be avail-**
23 **able to make or guarantee additional eq-**
24 **uity investments consistent with this sec-**
25 **tion.**

1 **“(2) USE OF PAYMENTS TO ELIGIBLE RE-**
2 **CIPIENT INTERMEDIARIES.—Of the amounts**
3 **received by eligible recipient**
4 **intermediaries from the payment of divi-**
5 **dends and the redemption of equity in-**
6 **struments—**

7 **“(A) up to 50 percent may be re-**
8 **tained by such organizations to make**
9 **or guarantee additional equity invest-**
10 **ments consistent with this section;**
11 **and**

12 **“(B) no less than 50 percent shall**
13 **be returned to the Secretary to be de-**
14 **posited into the Fund established**
15 **under subsection (b) to make or guar-**
16 **antee additional equity investments**
17 **consistent with this section.**

18 **“(e) INVESTMENT OF EXCESS FUNDS.—If the**
19 **Secretary determines that the amount of**
20 **money in the Fund exceeds the current re-**
21 **quirements of the Fund, the Secretary may di-**
22 **rect the Secretary of the Treasury to invest**
23 **such amounts in obligations of the United**
24 **States, in obligations guaranteed by the**
25 **United States Government, or in such other**

1 **obligations or securities of the United States**
2 **as the Secretary of the Treasury deems appro-**
3 **priate.**

4 **“(f) AUTHORIZATION OF APPROPRIATIONS.—**
5 **Of the funds authorized to be appropriated**
6 **under section 705, there are authorized to be**
7 **appropriated \$10,000,000 for fiscal year 1995,**
8 **to carry out this section. Such sums shall re-**
9 **main available until expended.**

10 **“SEC. 713. TREATMENT OF REVOLVING LOAN FUNDS.**

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

19 **“(b) EXCEPTION.—Amounts described in**
20 **subsection (a) which are loaned from a revolv-**
21 **ing loan fund to a borrower and repaid to the**
22 **fund—**

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

1 **“(1) IN GENERAL.—The Secretary shall**
2 **grant 2 dollars for every 1 dollar raised**
3 **by each selected recipient, up to**
4 **\$10,000,000 per year per selected recipi-**
5 **ent.**

6 **“(2) USE OF OTHER FEDERAL FUNDS IN**
7 **CONJUNCTION WITH CHALLENGE GRANT.—**
8 **Funds from other Federal programs may**
9 **be used in conjunction or merged with**
10 **the challenge grant and matching funds**
11 **to form a larger investment fund.**

12 **“(c) ESTABLISHMENT AND USE OF FUNDS.—**

13 **“(1) ESTABLISHMENT.—For purposes of**
14 **this Act, an investment fund established**
15 **by a selected recipient consists of—**

16 **“(A) the economic development**
17 **challenge grant received by the se-**
18 **lected recipient;**

19 **“(B) the matching funds required**
20 **under subsection (b); and**

21 **“(C) any such other funds that**
22 **may be derived from other sources,**
23 **including other Federal funds.**

24 **“(2) USE.—An investment fund shall**
25 **be used by the selected recipients for the**

1 **purposes of generating long-term sustain-**
2 **able economic development and job**
3 **growth in areas identified by the selected**
4 **recipients, pursuant to the requirements**
5 **and limitations of eligibility and perform-**
6 **ance in subsections (d), (e), (f), (g) and**
7 **(h).**

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

12 **“(1) The area has a per capita income**
13 **of 80 percent or less of the national aver-**
14 **age.**

15 **“(2) The area has an unemployment**
16 **rate 1 percent above the national average**
17 **percentage for the more recent 24-month**
18 **period for which statistics are available.**

19 **“(3) The area has been determined by**
20 **the Secretary to have at least 1 of the fol-**
21 **lowing conditions:**

22 **“(A) A large concentration of low-**
23 **income persons (as defined in section**
24 **401(e)).**

1 **“(B) Areas having substantial out-**
2 **migration.**

3 **“(C) Substantial underemploy-**
4 **ment or unemployment.**

5 **An eligible recipient may include any local**
6 **government or group of local governments,**
7 **economic development district, Indian tribe,**
8 **public or private nonprofit organization or**
9 **association, community-based organization,**
10 **business or worker organization, or any con-**
11 **sortium of such entities, that is able to dem-**
12 **onstrate to the satisfaction of the Secretary**
13 **that they can carry out the objectives of this**
14 **program pursuant to the criteria and require-**
15 **ments established in this section.**

16 **“(e) SELECTION OF DEMONSTRATION**
17 **PROJECTS.—**

18 **“(1) IN GENERAL.—The Secretary shall**
19 **make grants to selected recipients from 4**
20 **to 5 areas suffering from long-term eco-**
21 **nomical distress.**

22 **“(2) DISTRIBUTION.—At least 1 selected**
23 **recipient shall be from a rural area, 1**
24 **from a declining industrial area, 1 from**
25 **an area that is a combination of rural,**

1 **small metropolitan, and suburban com-**
2 **munities, and 1 from an urban area with**
3 **excessive unemployment, concentrated**
4 **poverty, and high crime.**

5 **“(3) INDUSTRIAL RETENTION STRATEGY**
6 **REQUIREMENT.—Of the 4 recipients de-**
7 **scribed in paragraph (2), at least 1 of the**
8 **projects selected shall include an indus-**
9 **trial retention strategy.**

10 **“(f) GRANT SELECTION PROCESS.—**

11 **“(1) NATIONAL COMPETITION.—The Sec-**
12 **retary shall select recipients of the chal-**
13 **lenge grants through a nationally com-**
14 **petitive process.**

15 **“(2) ELIGIBILITY REQUIREMENT.—Each**
16 **selected recipient must submit a com-**
17 **prehensive strategy for generating sus-**
18 **tained, long-term economic growth and**
19 **for both preserving and creating high-**
20 **quality jobs.**

21 **“(3) PREFERENCE FOR CERTAIN**
22 **PROJECTS.—The Secretary shall give pref-**
23 **erence to eligible recipients which—**

24 **“(A) utilize the Federal grant plus**
25 **matching funds to further leverage**

1 **private and public capital to create**
2 **an even larger economic development**
3 **investment fund;**

4 **“(B) represent consortia or part-**
5 **nerships comprised of at least 2 or**
6 **more of the groups identified in sub-**
7 **section (d); or**

8 **“(C) intend to use their invest-**
9 **ment funds to finance or leverage fi-**
10 **nancing for new business develop-**
11 **ment and startups, industrial serv-**
12 **ices, industrial modernization of**
13 **local-based firms or industrial reten-**
14 **tion (including employee stock own-**
15 **ership plans and worker or manage-**
16 **ment buyouts), or other economic de-**
17 **velopment strategies that illustrate**
18 **‘best practices’ in economic develop-**
19 **ment.**

20 **“(4) BROAD-BASED PARTICIPATION TO BE**
21 **ENCOURAGED.—The Secretary shall strong-**
22 **ly encourage broad-based participation of**
23 **public and private entities within an area**
24 **in the development and implementation**

1 **of the challenge grant proposals submit-**
2 **ted by eligible recipients.**

3 **“(g) LIMITATIONS.—The investment funds**
4 **established by the selected recipients shall—**

5 **“(1) not be used to permit units of**
6 **State and local government to offer tax**
7 **inducements to attract businesses to lo-**
8 **cate in the area; and**

9 **“(2) be subject to the same conditions**
10 **described in section 202(b)(1).**

11 **No area may receive an economic develop-**
12 **ment challenge grant if it has been designated**
13 **an empowerment or enterprise community**
14 **under section 13301 of the Omnibus Budget**
15 **Reconciliation Act of 1993.**

16 **“(h) PERFORMANCE EVALUATIONS; REPORT**
17 **TO CONGRESS.—**

18 **“(1) EVALUATION OF EFFECTIVENESS.—**
19 **The Secretary shall conduct performance**
20 **evaluations of the demonstration chal-**
21 **lenge grant project to assess the effec-**
22 **tiveness of this kind of program in gener-**
23 **ating sustained economic growth and job**
24 **creation in areas of the Nation experienc-**
25 **ing long-term economic distress.**

1 **in whole or part, by the Federal Govern-**
2 **ment.**

3 **“(2) If commercialized, these tech-**
4 **nologies, processes, and other propri-**
5 **etary rights owned, or held in whole or**
6 **part, by the Federal Government hold the**
7 **potential to be a significant tool to foster**
8 **economic development and to create sig-**
9 **nificant numbers of new jobs at good**
10 **wages for American workers.**

11 **“(3) The Federal Government has not**
12 **been sufficiently effective in encouraging**
13 **the commercialization of these tech-**
14 **nologies, processes, and other propri-**
15 **etary rights owned, or held in whole or**
16 **part, by the Federal Government.**

17 **“(4) The Federal Government does**
18 **not have an effective mechanism to en-**
19 **courage the commercialization of these**
20 **technologies, processes, and other propri-**
21 **etary rights by businesses located in**
22 **parts of the Nation in need of economic**
23 **development.**

24 **“(5) Throughout the Federal Govern-**
25 **ment, there is no single inventory or**

1 **source of information on technologies,**
2 **processes, and other proprietary rights**
3 **owned, or held in whole or part, by the**
4 **Federal Government.**

5 **“(6) Information on technologies,**
6 **processes, and other proprietary rights**
7 **owned, or held in whole or part, by the**
8 **Federal Government is not standardized**
9 **in form or content, is separately main-**
10 **tained by numerous Federal agencies and**
11 **departments, and is not easily accessible**
12 **by the public.**

13 **“(7) Businesses and entrepreneurs in**
14 **areas in need of economic development**
15 **are largely unaware of the existence of**
16 **these technologies, processes, and other**
17 **proprietary rights and largely unaware**
18 **of the possibilities for obtaining the**
19 **rights to these technologies, processes,**
20 **and other proprietary rights for the pur-**
21 **pose of commercialization.**

22 **“(8) It is in the economic interest of**
23 **the United States to facilitate the private**
24 **sector commercialization of technologies,**
25 **processes, and other proprietary rights**

1 **by United States businesses located in**
2 **areas in need of economic development.**

3 **“(9) Greater effectiveness will be**
4 **achieved through the utilization of the**
5 **private sector corporate structure and**
6 **profit incentives in facilitating the com-**
7 **mercialization of technologies, processes,**
8 **and other proprietary rights than can**
9 **reasonably be expected by the Federal**
10 **Government performing this function.**

11 **“(b) PURPOSES.—The purposes of this sub-**
12 **title are as follows:**

13 **“(1) To provide assistance to private-**
14 **sector United States businesses, located**
15 **in areas in need of economic develop-**
16 **ment, to commercialize technologies,**
17 **processes, and other proprietary rights**
18 **owned, or held in whole or part, by the**
19 **Federal Government.**

20 **“(2) To create new employment op-**
21 **portunities by facilitating the commer-**
22 **cialization of technologies, processes, and**
23 **other proprietary rights by United States**
24 **businesses and entrepreneurs in areas in**
25 **need of economic development.**

1 **“(3) To develop a single, comprehen-**
2 **sive data base of information on tech-**
3 **nologies, processes, and other propri-**
4 **etary rights owned, or held in whole or**
5 **part, by the Federal Government, which**
6 **is standardized and easily accessible.**

7 **“(4) To heighten the awareness of**
8 **United States businesses and entre-**
9 **preneurs of the availability for commer-**
10 **cialization of technologies, processes, and**
11 **other proprietary rights owned, or held**
12 **in whole or part, by the Federal Govern-**
13 **ment.**

14 **“(c) DEFINITIONS.—For purposes of this**
15 **subtitle, the following definitions shall apply:**

16 **“(1) SECRETARY.—The term ‘Secretary’**
17 **means the Secretary of Commerce.**

18 **“(2) CORPORATION.—The term ‘Cor-**
19 **poration’ means the Business Develop-**
20 **ment and Technology Commercialization**
21 **Corporation established under this sub-**
22 **title.**

23 **“(3) BOARD.—The term ‘Board’ means**
24 **the Board of Directors of the Business**

1 **Development and Technology Commer-**
2 **cialization Corporation.**

3 **“(4) QUALIFIED CONCERN.—The term**
4 **‘qualified concern’ means a United**
5 **States-based consortium, a private United**
6 **States business, or an educational institu-**
7 **tion participating in a joint project with**
8 **1 or more private United States busi-**
9 **nesses, for the development and commer-**
10 **cialization of technologies, processes, and**
11 **other proprietary rights—**

12 **“(A) owned or held in whole or**
13 **part by Federal departments, agen-**
14 **cies, or government-controlled cor-**
15 **porations;**

16 **“(B) developed in Federal labora-**
17 **tories;**

18 **“(C) arising in the course of feder-**
19 **ally funded research at educational**
20 **institutions, other units of govern-**
21 **ment, or with private concerns; or**

22 **“(D) which are made available to**
23 **the Federal Government by private**
24 **concerns.**

1 “SEC. 722. CONSOLIDATION OF INFORMATION ON TECH-
2 NOLOGIES.

3 “(a) ESTABLISHMENT OF DATA.—The Sec-
4 retary shall establish and maintain an inte-
5 grated, comprehensive data base describing
6 all technologies, processes, and other propri-
7 etary rights owned, or held in whole or part,
8 by the Federal Government, or which origi-
9 nated in the course of federally funded re-
10 search in which the Federal Government has
11 an interest.

12 “(b) STANDARDIZATION AND ACCESSIBILITY
13 OF INFORMATION.—The Secretary shall take
14 such steps as are necessary to ensure that the
15 information contained in the data base estab-
16 lished under subsection (a) is in a standard-
17 ized form, is accessible and usable in a man-
18 ner as simple and easy to use as possible, rec-
19 ognizing the needs of small- and medium-
20 sized businesses.

21 “(c) RESPONSIBILITIES.—In carrying out
22 this section, the Secretary shall—

23 “(1) consult with and, to the extent
24 practicable, utilize the capabilities of
25 other executive agencies, as appropriate,

1 to ensure the efficient and effective im-
2 plementation of this section; and

3 “(2) explore, with other executive
4 agencies, ways to avoid duplication of ef-
5 fort by consolidating the administration
6 of the program established by this sec-
7 tion with any other similar Federal pro-
8 gram, and as part of such consolidation
9 may delegate administrative functions, as
10 necessary and appropriate, to another ex-
11 ecutive agency.

12 “(d) OTHER FEDERAL AGENCIES.—Other ex-
13 ecutive agencies shall provide such informa-
14 tion, and in such form, as determined by the
15 Secretary and shall cooperate with the Sec-
16 retary in carrying out this section.

17 “(e) ACCESS TO THE DATA BASE.—

18 “(1) ACCESS TO THE DATA BASE BY THE
19 CORPORATION.—Except as provided in
20 paragraph (3), the Secretary shall pro-
21 vide unlimited access to the data base es-
22 tablished under this section to the Busi-
23 ness Development and Technology Com-
24 mercialization Corporation established
25 under this part, without fee, to assist the

1 **Corporation in meeting its responsibilities under this part.**

2 **“(2) ACCESS TO THE DATA BASE BY THE**
3 **PUBLIC.—Except as provided in paragraph**
4 **(3), the Secretary shall, by regulation, de-**
5 **velop and implement procedures provid-**
6 **ing for access to the data base estab-**
7 **lished under this section to members of**
8 **the general public.**

9 **“(3) RESTRICTIONS.—If, in consultation**
10 **with the heads of other executive agen-**
11 **cies, the Secretary determines that access**
12 **by the Corporation or any other person**
13 **to information contained in the data base**
14 **established under this section would—**

15 **“(A) threaten national security;**
16 **“(B) violate the proprietary rights**
17 **of any private interest; or**

18 **“(C) be otherwise inappropriate,**
19 **the Secretary shall take such steps as the**
20 **Secretary may determine to be appro-**
21 **priate to limit access to the information**
22 **in the data base described in subpara-**
23 **graph (A), (B), or (C) to the Corporation**
24 **or any other person.**

25

1 **“(f) REVIEW OF CURRENT FEDERAL TECH-**
2 **NOLOGY TRANSFER EFFORTS.—**

3 **“(1) IN GENERAL.—The Secretary shall**
4 **conduct a review of all technology trans-**
5 **fer and commercialization activities with-**
6 **in all Federal departments, agencies, and**
7 **laboratories, or which are otherwise sup-**
8 **ported by Federal funds. This review**
9 **shall identify those activities which may**
10 **overlap or duplicate the technology**
11 **transfer and commercialization activities**
12 **provided for under this subtitle.**

13 **“(2) REPORTS.—Before the end of the**
14 **1-year period beginning on the date of**
15 **the enactment of the Economic Develop-**
16 **ment Financing Act of 1994, the Secretary**
17 **shall issue a report to the Congress de-**
18 **scribing in detail—**

19 **“(A) the findings of the review di-**
20 **rected under paragraph (1),**

21 **“(B) the funding levels of each ex-**
22 **isting Federal technology transfer**
23 **and commercialization activities, and**

24 **“(C) recommendations for the**
25 **modification or elimination of any ex-**

1 **isting Federal technology transfer**
2 **and commercialization activities**
3 **which he finds to be duplicative of**
4 **the activities provided for under this**
5 **subtitle.**

6 **“SEC. 723. BUSINESS DEVELOPMENT AND TECHNOLOGY**
7 **COMMERCIALIZATION CORPORATION.**

8 **“(a) ESTABLISHMENT OF CORPORATION.—**

9 **“(1) IN GENERAL.—There shall be es-**
10 **tablished a Business Development and**
11 **Technology Commercialization Corpora-**
12 **tion (hereafter in this section referred to**
13 **as the ‘Corporation’).**

14 **“(2) PURPOSE.—The Corporation shall**
15 **be operated for the purpose of fostering**
16 **economic growth, assisting in the cre-**
17 **ation of new employment opportunities,**
18 **and strengthening the industrial base of**
19 **the United States by providing credit for**
20 **businesses and by facilitating the trans-**
21 **fer and commercialization of tech-**
22 **nologies, processes, and other propri-**
23 **etary rights—**

24 **“(A) owned or held in whole or**
25 **part by Federal departments, agen-**

1 **cies, or government controlled cor-**
2 **porations;**

3 **“(B) developed in Federal labora-**
4 **tories;**

5 **“(C) arising in the course of feder-**
6 **ally funded research at educational**
7 **institutions, other units of govern-**
8 **ment, or with private concerns; and**

9 **“(D) which are made available by**
10 **private concerns.**

11 **“(3) CORPORATION NOT AN ESTABLISH-**
12 **MENT OF THE UNITED STATES.—The Cor-**
13 **poration shall not be an agency or estab-**
14 **lishment of the United States.**

15 **“(b) PROCESS OF ORGANIZATION.—**

16 **“(1) INCORPORATION.—**

17 **“(A) IN GENERAL.—The Secretary**
18 **of Commerce, the Secretary of Labor,**
19 **and the Administrator of the Small**
20 **Business Administration shall serve**
21 **as the incorporators of the Business**
22 **Development and Technology Com-**
23 **mercialization Corporation and as**
24 **the initial members of the Board of**
25 **Directors established under sub-**

1 **section (c)(1) until their successors**
2 **are elected and qualified.**

3 **“(B) NECESSARY ACTION AUTHOR-**
4 **IZED.—The incorporators referred to**
5 **in subparagraph (A) shall take such**
6 **other actions as may be necessary to**
7 **establish the Corporation, including**
8 **the filing of articles of incorporation.**

9 **“(2) OWNERSHIP OF THE CORPORA-**
10 **TION.—**

11 **“(A) RETENTION OF FEDERAL GOV-**
12 **ERNMENT INTEREST.—The Federal Gov-**
13 **ernment shall retain a 60 percent**
14 **nonvoting equity ownership of the**
15 **Corporation, except as otherwise pro-**
16 **vided under this subtitle.**

17 **“(B) SOLICITATION OF PROPOSALS**
18 **FOR EQUITY INVESTMENT AND MANAGE-**
19 **MENT.—Before the end of the 6-month**
20 **period beginning on the date of the**
21 **enactment of the Economic Develop-**
22 **ment Financing Act of 1994, the Sec-**
23 **retary of Commerce shall solicit pro-**
24 **posals for the sale of the remaining**
25 **40 percent of the equity ownership in**

1 **the Corporation to a United States**
2 **private entity or consortium which**
3 **will assume the management and op-**
4 **eration of the Corporation.**

5 **“(C) DEADLINE FOR TRANSFER.—The**
6 **sale of the equity ownership interests**
7 **pursuant to paragraph (3) shall be**
8 **completed before the end of the 6-**
9 **month period beginning on the date**
10 **of the enactment of the Economic De-**
11 **velopment Financing Act of 1994.**

12 **“(D) SUBSEQUENT STOCK OFFER-**
13 **ING.—Any subsequent stock offering**
14 **in the Corporation will be managed**
15 **in such a manner that 60 percent of**
16 **such offering is conveyed as**
17 **nonvoting equity ownership, without**
18 **cost, to the Federal Government.**

19 **“(3) SELECTION CRITERIA AND PROCE-**
20 **DURES FOR THE SALE OF 40 PERCENT OF THE**
21 **EQUITY IN THE CORPORATION.—**

22 **“(A) IN GENERAL.—The President,**
23 **in consultation with the Secretary of**
24 **Commerce, shall make the final selec-**
25 **tion of a proposal for the sale of 40**

1 **percent of the equity in the Corpora-**
2 **tion, as provided under this sub-**
3 **section.**

4 **“(B) CRITERIA FOR SELECTING A**
5 **PROPOSAL TO RECOMMEND TO THE**
6 **PRESIDENT.—In selecting a proposal to**
7 **recommend to the President for the**
8 **sale of 40 percent of the equity in the**
9 **Corporation, as described in subpara-**
10 **graph (A), the Secretary of Commerce**
11 **shall take into consideration the fol-**
12 **lowing factors—**

13 **“(i) the quality of the oper-**
14 **ational plan;**

15 **“(ii) the soundness of the fi-**
16 **nancing of the organization and**
17 **of the operational plan;**

18 **“(iii) the qualifications of, and**
19 **the diversity of talents and skills**
20 **represented by, the submitters of**
21 **the proposal, including the extent**
22 **to which a combination of organi-**
23 **zations is submitting a joint pro-**
24 **posal;**

1 “(iv) whether a State govern-
2 ment, or unit of a State govern-
3 ment, is participating financially
4 with the organization submitting
5 a proposal;

6 “(v) the intentions of the sub-
7 mitters of the proposal to locate
8 the headquarters of the Corpora-
9 tion in an area which is not lo-
10 cated in the 50 largest Metropoli-
11 tan Statistical Areas, based on the
12 1990 Census; and

13 “(vi) such other factors as the
14 incorporators determine to be ap-
15 propriate in meeting the objec-
16 tives of this Act.

17 “(C) PROCEDURES FOR SELECTING A
18 PROPOSAL TO RECOMMEND TO THE
19 PRESIDENT.—In selecting a proposal to
20 recommend to the President for the
21 sale of 40 percent of the equity in the
22 Corporation, as described in subpara-
23 graph (A), the Secretary of Commerce
24 shall ensure that in the selection
25 process—

1 **“(i) not less than 3 proposals**
2 **are identified as proposals to re-**
3 **ceive further consideration, as**
4 **provided in clauses (ii) and (iii),**
5 **except that, if fewer than 3 pro-**
6 **posals are received, each of them**
7 **shall receive further consider-**
8 **ation;**

9 **“(ii) a review procedure is im-**
10 **plemented under which the spon-**
11 **sors of the proposals identified in**
12 **clause (i) are provided an oppor-**
13 **tunity to make personal presen-**
14 **tations of their proposals to the**
15 **Secretary or the Secretary’s des-**
16 **ignee; and**

17 **“(iii) individual negotiations**
18 **for the revision of proposals iden-**
19 **tified in clause (i) may be entered**
20 **into.**

21 **“(4) CONVERSION OF NONVOTING EQUITY**
22 **TO VOTING EQUITY.—Before the solicitation**
23 **for proposals in accordance with para-**
24 **graph (2)(B), the Secretary shall pre-**
25 **scribe regulations setting forth the cir-**

1 **cumstances under which the Federal**
2 **Government’s 60 percent nonvoting eq-**
3 **uity ownership may be converted into**
4 **voting equity ownership in order to meet**
5 **the objectives of this Act or otherwise**
6 **protect the interests of the American tax-**
7 **payers.**

8 **“(c) DIRECTORS, OFFICERS, AND EMPLOY-**
9 **EES.—**

10 **“(1) BOARD OF DIRECTORS.—**

11 **“(A) APPOINTMENT AND NUMBER.—**

12 **The Corporation shall be under the**
13 **management of a Board of Directors**
14 **(hereafter in this section referred to**
15 **as the ‘Board’) consisting of individ-**
16 **uals who are citizens of the United**
17 **States, of whom 1 shall be elected by**
18 **the Board to serve as chairperson.**

19 **“(B) TERM.—The members of the**
20 **Board shall be elected annually by**
21 **the stockholders of the Corporation.**

22 **“(C) PROHIBITION ON CONFLICTS OF**
23 **INTEREST.—**

24 **“(i) IN GENERAL.—A director**
25 **may not participate in the delib-**

1 **erations on, or vote on, a matter**
2 **regarding an application, claim,**
3 **or other matter pending before**
4 **the Corporation if, to the direc-**
5 **tor’s knowledge, the director, the**
6 **director’s spouse, minor child,**
7 **parent, sibling, or partner, or any**
8 **organization, other than the Cor-**
9 **poration, in which the director is**
10 **serving as an officer, director,**
11 **trustee, partner, or employee, or**
12 **any person with whom the direc-**
13 **tor is negotiating or has any ar-**
14 **rangement concerning perspec-**
15 **tive employment, has a financial**
16 **interest in the matter.**

17 **“(ii) CONSEQUENCE OF VIOLA-**
18 **TION.—A director who violates**
19 **this subparagraph shall be sub-**
20 **ject to removal from the Board,**
21 **but such a violation shall not im-**
22 **pair, nullify, or otherwise affect**
23 **the validity of any otherwise law-**
24 **ful action by the Corporation in**
25 **which such director participated.**

1 **“(D) COMPENSATION OF THE**
2 **BOARD.—**

3 **“(i) AMOUNT.—The rate of com-**
4 **pen- sation of members of the**
5 **Board shall be fixed by the stock-**
6 **holders of the Corporation.**

7 **“(ii) FUNDS.—Funds for such**
8 **compensation shall be drawn**
9 **from the capital and earnings of**
10 **the Corporation.**

11 **“(E) BYLAWS.—The Board may**
12 **adopt and amend bylaws governing**
13 **the operation of the Corporation in a**
14 **manner consistent with the provi-**
15 **sions of this title and the articles of**
16 **incorporation of the Corporation.**

17 **“(2) OFFICERS AND EMPLOYEES.—**

18 **“(A) APPOINTMENT.—The Board**
19 **shall appoint a chief executive offi-**
20 **cer, who shall have the authority to**
21 **appoint such other officers and em-**
22 **ployees as the officer determines to**
23 **be necessary to carry out the provi-**
24 **sions of this section and the functions**
25 **of the Corporation.**

1 **“(B) PROHIBITION ON CONFLICTS OF**
2 **INTEREST.—**

3 **“(i) IN GENERAL.—An officer or**
4 **employee may not participate in a**
5 **matter regarding an application,**
6 **claim, or other matter pending**
7 **before the Corporation if, to such**
8 **person’s knowledge, the person,**
9 **the person’s spouse, minor child,**
10 **parent, sibling, or partner, or an**
11 **organization, other than the Cor-**
12 **poration, in which the person is**
13 **servng as an officer, director,**
14 **trustee, partner, or employee, or**
15 **any person with whom the person**
16 **is negotiating or has any arrange-**
17 **ment concerning perspective em-**
18 **ployment, has a financial interest**
19 **in the matter.**

20 **“(ii) CONSEQUENCE OF VIOLA-**
21 **TION.—An officer or employee who**
22 **violates this subparagraph shall**
23 **be subject to termination, but**
24 **such a violation shall not impair,**
25 **nullify, or otherwise affect the va-**

1 **lidity of any otherwise lawful ac-**
2 **tion by the Corporation in which**
3 **such officer or employee partici-**
4 **pated.**

5 **“(C) COMPENSATION OF OFFICERS**
6 **AND EMPLOYEES.—**

7 **“(i) IN GENERAL.—Subject to**
8 **clause (i), the rate of compensa-**
9 **tion of the chief executive officer,**
10 **and all officers and employees, of**
11 **the Corporation shall be fixed by**
12 **the Board.**

13 **“(ii) DELEGATION TO C.E.O.—At**
14 **the discretion of the Board, the**
15 **Board may delegate to the chief**
16 **executive officer, subject to the**
17 **provisions of subparagraph (B),**
18 **the authority to fix the rate of**
19 **compensation for other officers**
20 **and employees.**

21 **“(D) SOURCE OF FUNDS FOR COM-**
22 **PENSATION.—Funds for compensation**
23 **for the chief executive officer, and for**
24 **all officers and employees, shall be**

1 **drawn from the capital and earnings**
2 **of the Corporation.**

3 **“(E) TENURE.—Officers and em-**
4 **ployees shall serve at the pleasure of**
5 **the Board.**

6 **“(d) GENERAL POWERS.—The Corporation**
7 **shall have the power to do the following:**

8 **“(1) Have succession in the name of**
9 **the Corporation.**

10 **“(2) Adopt, alter, and use a corporate**
11 **seal.**

12 **“(3) Sue and be sued in the name of**
13 **the Corporation.**

14 **“(4) Make and carry out contracts.**

15 **“(5) Exercise such other incidental**
16 **powers not inconsistent with this section**
17 **that are necessary or appropriate to**
18 **carry out the purposes and functions of**
19 **the Corporation, including the usual**
20 **powers conferred upon a corporation by**
21 **the District of Columbia Business Cor-**
22 **poration Act.**

23 **“(6) Modify the name of the Corpora-**
24 **tion.**

25 **“(e) PROMOTION OF TECHNOLOGIES.—**

1 **“(1) MARKETING OF TECHNOLOGIES.—**

2 **The Corporation shall undertake an ag-**
3 **gressive, multifaceted outreach program**
4 **to increase awareness of the availability**
5 **of technologies, processes, and other pro-**
6 **prietary rights to qualified concerns**
7 **under this subtitle. This program shall**
8 **emphasize the use of new information**
9 **technologies, including the utilization of**
10 **cable television and the modern elec-**
11 **tronic media, and the data base estab-**
12 **lished under this subtitle.**

13 **“(2) UTILIZATION OF CABLE TELE-**
14 **VISION.—**

15 **“(A) IN GENERAL.—In implement-**
16 **ing the outreach program provided**
17 **under paragraph (1), the Corporation**
18 **shall enter into contracts for the es-**
19 **tablishment of a cable television net-**
20 **work devoted to marketing efforts for**
21 **the commercialization of tech-**
22 **nologies, processes, and other propri-**
23 **etary rights—**

24 **“(i) owned or held in whole or**
25 **part by Federal departments,**

1 **agencies, or government con-**
2 **trolled corporations,**

3 **“(ii) developed in Federal lab-**
4 **oratories,**

5 **“(iii) arising in the course of**
6 **federally funded research at edu-**
7 **cational institutions, other units**
8 **of government or with private**
9 **concerns; and**

10 **“(iv) which are otherwise**
11 **made available to the government**
12 **by private concerns.**

13 **“(B) PROMOTIONAL FEES.—Under**
14 **terms negotiated between the Sec-**
15 **retary and the Corporation, the Sec-**
16 **retary is authorized to make pay-**
17 **ments to the Corporation for pro-**
18 **motional fees for the production of**
19 **segments for broadcast over cable tel-**
20 **evision, or other appropriate media,**
21 **which identify—**

22 **“(i) the technologies described**
23 **in paragraph (A);**

24 **“(ii) their potential commer-**
25 **cial applications; and**

1 **“(iii) methods available for ob-**
2 **taining additional information on**
3 **the technologies.**

4 **“(3) TECHNICAL ASSISTANCE.—**

5 **“(A) IN GENERAL.—The Corpora-**
6 **tion shall, upon request, provide tech-**
7 **nical assistance and services, as ap-**
8 **propriate and needed, to qualified**
9 **concerns under this subtitle.**

10 **“(B) FEES.—The Corporation**
11 **may—**

12 **“(i) charge fees for technical**
13 **assistance and services provided**
14 **under this section in amounts suf-**
15 **ficient to cover the reasonable**
16 **cost of such assistance and serv-**
17 **ices; and**

18 **“(ii) waive such fees on a case-**
19 **by-case basis.**

20 **“(4) OUTREACH TO SPECIFIC AREAS AND**
21 **SMALL BUSINESSES.—The Corporation shall**
22 **seek to ensure that qualified concerns**
23 **and small businesses located in areas de-**
24 **termined by the Secretary of Commerce**
25 **to have a depressed economy or chron-**

1 **ically high unemployment are notified of**
2 **the availability of assistance through the**
3 **program established under this section**
4 **and, to the extent practicable, to encour-**
5 **age and facilitate the participation of**
6 **such qualified concerns and small busi-**
7 **nesses in such program.**

8 **“(f) AUTHORITY TO REPRESENT THE GOVERN-**
9 **MENT.—**

10 **“(1) IN GENERAL.—In accordance with**
11 **regulations prescribed by the Secretary,**
12 **the Corporation shall act as an agent,**
13 **and represent the interests, of the Fed-**
14 **eral Government in facilitating the trans-**
15 **fer of technologies, processes, and other**
16 **proprietary rights to qualified concerns**
17 **under this Act.**

18 **“(2) RIGHTS OF QUALIFIED CONCERNS.—**
19 **In accordance with regulations promul-**
20 **gated by the Secretary, the Corporation**
21 **is authorized to convey, to qualified con-**
22 **cerns, under terms and conditions to be**
23 **negotiated between the Corporations and**
24 **qualified concerns, such rights which**
25 **may be necessary and appropriate to fa-**

1 **cilitate the commercialization of tech-**
2 **nologies, processes, and other propri-**
3 **etary rights as provided under this Act.**

4 **“(3) MINIMUM RIGHTS OF THE FEDERAL**
5 **GOVERNMENT.—In the conveyance of**
6 **rights to qualified concerns as provided**
7 **for under paragraph (2), the Corporation**
8 **shall ensure the following:**

9 **“(A) The conveyance agreement**
10 **contains language providing for the**
11 **right of the Corporation to revoke the**
12 **rights provided under paragraph (2)**
13 **if—**

14 **“(i) the qualified concern does**
15 **not demonstrate that it is under-**
16 **taking a good faith effort to**
17 **achieve the commercialization of**
18 **the technology, process, or other**
19 **proprietary right; or**

20 **“(ii) the Secretary certifies**
21 **that the interests of national se-**
22 **curity or the general welfare of**
23 **the American people necessitates**
24 **the revocation of such rights.**

1 **“(B) The Federal Government re-**
2 **tains a license to such technologies,**
3 **processes, and other proprietary**
4 **rights for the Government’s own use.**

5 **“(C) The Federal Government re-**
6 **ceives in compensation for the con-**
7 **veyance of such rights—**

8 **“(i) royalty fees;**

9 **“(ii) partial equity ownership**
10 **in the qualified concerns to whom**
11 **such rights are conveyed;**

12 **“(iii) the right to share in the**
13 **earnings of the qualified entity**
14 **proportionate to the value of the**
15 **rights so conveyed; or**

16 **“(iv) a sum of money or other**
17 **compensation that the Corpora-**
18 **tion determines to be appro-**
19 **priate.**

20 **“(g) FINANCING OF CORPORATION.—**

21 **“(1) CAPITAL STOCK.—The Corporation**
22 **may issue and have outstanding, in such**
23 **amounts as it shall determine, shares of**
24 **capital stock, without par value, which**

1 shall carry voting rights and be eligible
2 for dividends.

3 “(2) NONVOTING SECURITY ISSUES AND
4 CERTIFICATES OF INDEBTEDNESS.—The Cor-
5 poration may issue, in addition to the
6 stock authorized by paragraph (1) of this
7 section, nonvoting securities, bonds, de-
8 bentures, and other certificates of indebt-
9 edness as it may determine.

10 “(h) CONSULTATION WITH FEDERAL AGEN-
11 CIES, AND WITH PRIVATE PARTIES.—

12 “(1) CONSULTATION WITH FEDERAL
13 AGENCIES.—In carrying out this title, the
14 Board and the Corporation shall consult
15 frequently with the Secretary of Com-
16 merce, and such Federal agencies and de-
17 partments as is appropriate, to ensure co-
18 ordination and the maximum utilization
19 of all related Federal resources to pro-
20 mote technology transfer and commer-
21 cialization.

22 “(2) CONSULTATION WITH PRIVATE PAR-
23 TIES.—In carrying out this section, the
24 Board and the Corporation shall solicit
25 comments from private parties, including

1 **representatives of finance, industry, and**
2 **organized labor on the role of the Cor-**
3 **poration and the needs of private parties.**

4 **“(i) AUDIT BY COMPTROLLER GENERAL.—The**
5 **Comptroller General of the United States may**
6 **audit the financial transactions of the Cor-**
7 **poration. For the purposes of carrying out**
8 **such an audit, the Comptroller General shall**
9 **have access to all books, records, and prop-**
10 **erty belonging to, or in the possession of, the**
11 **Corporation. In the case of a person or entity**
12 **which has entered into a financial relation-**
13 **ship with the Corporation, the Comptroller**
14 **General shall have access only to those books,**
15 **records, and property belonging to, or in the**
16 **possession of, the person or entity which per-**
17 **tain to the Corporation and which are nec-**
18 **essary to carry out the audit. The Comptroller**
19 **General shall make a report of each such**
20 **audit to the Congress and the President.**

21 **“(j) ADMINISTRATION.—**

22 **“(1) HEARINGS.—The Board may hold**
23 **such hearings, sit and act at such times**
24 **and places, take such testimony, receive**
25 **such evidence, and publish or otherwise**

1 **distribute so much of its proceedings and**
2 **reports as it may deem advisable.**

3 **“(2) OFFICE SPACE AND EQUIPMENT.—**
4 **The Board may acquire, furnish, and**
5 **equip such office space as it determines**
6 **necessary.**

7 **“(3) NECESSARY EXPENSES.—The Board**
8 **may incur such necessary expenses and**
9 **exercise such powers as are consistent**
10 **and reasonably required to perform its**
11 **functions.**

12 **“(4) RECORDS.—To the extent per-**
13 **mitted by law, all appropriate records**
14 **and papers of the Board shall be made**
15 **available for public inspection.**

16 **“(5) AID FROM FEDERAL AGENCIES.—**
17 **Upon the request of the Board, the head**
18 **of a Federal department or agency is au-**
19 **thorized to—**

20 **“(A) furnish to the Board such in-**
21 **formation as the Board deems nec-**
22 **essary for carrying out its functions**
23 **and as is available to the agency; and**

24 **“(B) detail for temporary duty, on**
25 **a reimbursable basis, such personnel**

1 **as the Board deems necessary to**
2 **carry out its functions.**

3 **“(k) MISCELLANEOUS PROVISIONS.—**

4 **“(1) JURISDICTION.—**

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

13 **“(B) CITIZENSHIP OF CORPORA-**
14 **TION.—The Corporation shall be**
15 **deemed to be a citizen only of the**
16 **District of Columbia for the purpose**
17 **of determining the original jurisdic-**
18 **tion of the district courts of the Unit-**
19 **ed States in civil actions to which the**
20 **Corporation is a party.**

21 **“(2) BUSINESS ACTIVITY AND QUALIFICA-**
22 **TION.—The Corporation shall be deemed**
23 **to be qualified to do business in each**
24 **State in which it performs any activity**
25 **authorized under this title.**

1 **“SEC. 724. ASSISTANCE TO BUSINESSES IN SECURING FI-**
2 **NANCING.**

3 **“(a) INFORMATION CLEARINGHOUSE.—The**
4 **Corporation established under this subtitle**
5 **shall act as a one-stop clearinghouse for infor-**
6 **mation to assist qualified concerns identify**
7 **sources of business development and tech-**
8 **nology commercialization financing available**
9 **through the Federal Government as well as**
10 **through applicable State and local govern-**
11 **ment programs and through private sources.**

12 **“(b) AGENT OF THE FEDERAL GOVERN-**
13 **MENT.—The Corporation may act as an agent**
14 **of the Federal Government for purposes of ac-**
15 **cepting applications for financial assistance**
16 **and their submission to the appropriate Fed-**
17 **eral agency on behalf of a qualified concern.**

18 **“SEC. 725. TECHNICAL ASSISTANCE FOR LENDERS AND**
19 **BORROWERS.**

20 **“(a) IN GENERAL.—The Corporation shall,**
21 **upon request, provide technical assistance**
22 **and services, as appropriate and needed, to**
23 **lenders and borrowers under this title, and**
24 **shall ensure that such lenders and borrowers**
25 **have ready access to appropriate assistance**

1 **in order to aid such lenders and borrowers in**
2 **achieving the purposes of this subtitle.**

3 **“(b) FEES.—The Corporation may—**

4 **“(1) charge fees for technical assist-**
5 **ance and services provided under this**
6 **section in amounts sufficient to cover the**
7 **reasonable cost of such assistance and**
8 **services; and**

9 **“(2) waive such fees on a case-by-case**
10 **basis.”.**

11 **SEC. 102. COMPLIANCE WITH BUY AMERICAN ACT.**

12 **None of the funds made available under**
13 **this title, or any amendment made by this**
14 **title, may be expended in violation of sections**
15 **2 through 4 of the Act of March 3, 1933 (41**
16 **U.S.C. 10a-10c; popularly known as the “Buy**
17 **American Act”), which are applicable to those**
18 **funds.**

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

21 **SEC. 201. FINDINGS AND PURPOSES.**

22 **Section 2 of the Appalachian Regional De-**
23 **velopment Act of 1965 (40 U.S.C. App. 2) is**
24 **amended—**

1 **(1) in subsection (a) by striking the**
2 **period at the end of the 6th sentence and**
3 **inserting “and in severely distressed and**
4 **underdeveloped counties and areas lack-**
5 **ing resources for basic services.”; and**

6 **(2) by adding at the end the following**
7 **new subsection:**

8 **“(c) The Congress further finds and de-**
9 **clares that, while substantial progress has**
10 **been made in fulfilling many of the objectives**
11 **of this Act, rapidly changing national and**
12 **global economics over the past decade have**
13 **created new problems and challenges for**
14 **rural areas throughout the Nation and espe-**
15 **cially for the Appalachian region. Thus, the**
16 **problems of the region are not only to provide**
17 **the infrastructure necessary to economic and**
18 **human resource development, to develop its**
19 **industry, and to generate a diversified re-**
20 **gional economy, but to make the region’s in-**
21 **dustrial and commercial resources more com-**
22 **petitive in national and world markets. It is,**
23 **therefore, also the purpose of this Act to pro-**
24 **vide a framework for coordinating Federal,**
25 **State, and local initiatives to respond to the**

1 **economic competitive challenge through im-**
2 **proving the skills of the region’s manpower,**
3 **adapting and applying new technologies for**
4 **the region’s businesses, and improving the ac-**
5 **cess of the region’s businesses to the technical**
6 **and financial resources necessary to their de-**
7 **velopment while continuing to address the**
8 **need to provide basic services for the more**
9 **disadvantaged areas of the region so as to**
10 **provide a fairer opportunity for the people of**
11 **the region to share the quality of life gen-**
12 **erally enjoyed by citizens across this Nation.”.**

13 **SEC. 202. MEETINGS.**

14 **Section 101 of the Appalachian Regional**
15 **Development Act of 1965 (40 U.S.C. App. 101)**
16 **is amended—**

17 **(1) in subsection (a) by adding at the**
18 **end the following:**

19 **“The Commission shall conduct at least 1**
20 **meeting each year with the presence of the**
21 **Federal Cochairman and at least a majority of**
22 **the State members. The Commission may con-**
23 **duct such additional meetings by electronic**
24 **means as the Commission considers advis-**
25 **able.”;**

1 **(2) at the end of the 3d sentence of**
2 **subsection (b) by striking “present”; and**
3 **(3) at the end of the 4th sentence of**
4 **subsection (c) by striking “to be present”.**

5 **SEC. 203. AUTHORIZATIONS FOR ADMINISTRATIVE EX-**
6 **PENSES.**

7 **Section 105(b) of the Appalachian Re-**
8 **gional Development Act of 1965 (40 U.S.C.**
9 **App. 105(b)) is amended to read as follows:**

10 **“(b) AUTHORIZATION OF APPROPRIATIONS.—**

11 **“(1) IN GENERAL.—There is authorized**
12 **to be appropriated to carry out this sec-**
13 **tion \$3,400,000 for fiscal year 1994 and**
14 **\$3,600,000 for fiscal year 1995. Such sums**
15 **shall remain available until expended.**

16 **“(2) EXPENSES OF FEDERAL COCHAIR-**
17 **MAN.—Of amounts appropriated pursuant**
18 **to paragraph (1), not to exceed \$1,102,000**
19 **for fiscal year 1994 and not to exceed**
20 **\$1,500,000 for fiscal year 1995 shall be**
21 **available for expenses of the Federal Co-**
22 **chairman, the Federal Cochairman’s al-**
23 **ternate, and the Federal Cochairman’s**
24 **staff.”.**

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

2 **Section 106(7) of the Appalachian Re-**
3 **gional Development Act of 1965 (40 U.S.C.**
4 **App. 106(7)) is amended by striking “1982” and**
5 **inserting “1995”.**

6 **SEC. 205. HIGHWAY SYSTEM.**

7 **(a) AUTHORIZATION OF APPROPRIATIONS.—**

8 **Section 201(g) of the Appalachian Regional**
9 **Development Act of 1965 (40 U.S.C. App.**
10 **201(g)) is amended to read as follows:**

11 **“(g) AUTHORIZATION OF APPROPRIATIONS.—**

12 **There is authorized to be appropriated to**
13 **carry out this section \$160,000,000 for fiscal**
14 **year 1994 and \$100,000,000 for fiscal year 1995.**
15 **Such sums shall remain available until ex-**
16 **pended.”.**

17 **(b) FEDERAL SHARE.—**

18 **(1) GENERAL RULE.—Section 201(h)(1)**
19 **of such Act (40 U.S.C. App. 201(h)(1)) is**
20 **amended by striking “70 per centum” and**
21 **inserting “80 percent”.**

22 **(2) APPLICABILITY.—The amendment**
23 **made by paragraph (1) shall apply to**
24 **projects approved after March 31, 1979.**

1 **SEC. 206. SUPPLEMENTS TO FEDERAL GRANT-IN-AID PRO-**
2 **GRAMS.**

3 **(a) AVAILABILITY OF AMOUNTS.—The 1st**
4 **sentence of section 214(a) of the Appalachian**
5 **Regional Development Act of 1965 (40 U.S.C.**
6 **App. 214(a)) is amended by striking “the**
7 **President is authorized to provide funds to**
8 **the Federal Cochairman to be used” and in-**
9 **serting “the Federal Cochairman may use**
10 **amounts made available under this section”.**

11 **(b) FEDERAL GRANT-IN-AID PROGRAMS DE-**
12 **FINED.—The 1st sentence of section 214(c) of**
13 **such Act (40 U.S.C. App. 214(c)) is amended by**
14 **striking “on or before December 31, 1980,”.**

15 **(c) LIMITATION ON COVERED ROAD**
16 **PROJECTS.—The 2d sentence of section 214(c)**
17 **of such Act is amended by inserting “author-**
18 **ized by title 23, United States Code” after**
19 **“road construction”.**

20 **SEC. 207. PROGRAM DEVELOPMENT CRITERIA.**

21 **(a) CONSIDERATIONS.—Section 224(a) of the**
22 **Appalachian Regional Development Act of**
23 **1965 (40 U.S.C. App. 224(a)) is amended by in-**
24 **serting before the semicolon at the end of**
25 **paragraph (1) the following: “or in a severely**

1 **distressed and underdeveloped county or**
2 **area lacking resources for basic services”.**

3 **(b) REMOVAL OF LIMITATIONS.—Section**
4 **224(b) of such Act (40 U.S.C. App. 224(b)) is**
5 **amended to read as follows:**

6 **“(b) LIMITATION.—No financial assistance**
7 **shall be authorized under this Act to be used**
8 **to assist establishments relocating from 1**
9 **area to another.”.**

10 **SEC. 208. GRANTS FOR ADMINISTRATIVE EXPENSES AND**
11 **DEMONSTRATION PROJECTS.**

12 **(a) AVAILABILITY OF AMOUNTS.—Section**
13 **302(a) of the Appalachian Regional Develop-**
14 **ment Act of 1965 (40 U.S.C. App. 302(a)) is**
15 **amended—**

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

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

21 **(b) RESEARCH AND DEMONSTRATION**
22 **PROJECTS.—Section 302(a)(3) of such Act (40**
23 **U.S.C. App. 302(a)(3)) is amended—**

24 **(1) by inserting after “technical as-**
25 **sistance” the following: “(including tech-**

1 **nical assistance for business development**
2 **and stabilization and application of tech-**
3 **nologies (including telecommunication**
4 **technologies) and productivity improve-**
5 **ment)”;**

6 **(2) by inserting after “training pro-**
7 **grams” the following: “(including on-site**
8 **employee training and programs to up-**
9 **grade employability of the region’s peo-**
10 **ple)”; and**

11 **(3) by inserting after “demonstra-**
12 **tions” the following: “(including dem-**
13 **onstrations of service consolidations and**
14 **other methods of increasing efficiency of**
15 **local governments, the establishment and**
16 **operation by States, public agencies, or**
17 **nonprofit development organizations of**
18 **revolving funds for business assistance**
19 **loans, the establishment and operation of**
20 **business incubators and the provision of**
21 **industrial facilities and equipment by**
22 **public agencies and nonprofit organiza-**
23 **tions on such terms (including terms of**
24 **reasonable recovery of grant funds upon**
25 **resale) as are approved by the Commis-**

1 **sion, and the acquisition and develop-**
2 **ment of land)”.**

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

7 **“(5) The Commission shall carry out**
8 **projects at not less than 2 sites in the Appa-**
9 **lachian region for the purpose of demonstrat-**
10 **ing solid waste disposal techniques in rural**
11 **areas.”.**

12 **(d) REPEAL OF PROVISION ON USE OF INFOR-**
13 **MATION FROM RESEARCH AND DEVELOPMENT AC-**
14 **TIVITIES.—Section 302(e) of such Act (40 U.S.C.**
15 **302(e)) is repealed.**

16 **SEC. 209. AUTHORIZATION OF APPROPRIATIONS FOR GEN-**
17 **ERAL PROGRAM.**

18 **Section 401 of the Appalachian Regional**
19 **Development Act of 1965 (40 U.S.C. App. 401)**
20 **is amended to read as follows:**

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

22 **“In addition to the appropriations author-**
23 **ized in section 105 for administrative ex-**
24 **penses and in section 201(g) for the Appalach-**
25 **ian development highway system and local ac-**

1 cess roads, there is authorized to be appro-
2 priated to the Commission to carry out this
3 Act \$83,400,000 per fiscal year for each of fis-
4 cal years 1994 and 1995. Such sums shall re-
5 main available until expended.”.

6 SEC. 210. DEFINITION OF APPALACHIAN REGION.

7 Section 403 of the Appalachian Regional
8 Development Act of 1965 (40 U.S.C. App. 403)
9 is amended—

10 (1) in the 1st undesignated paragraph
11 (relating to Alabama) by inserting “Hale,”
12 after “Franklin,”; and

13 (2) in the 12th undesignated para-
14 graph (relating to Virginia)—

15 (A) by inserting “Montgomery,”
16 after “Lee,”; and

17 (B) by inserting “Roanoke,
18 Rockbridge,” after “Pulaski,”.

19 SEC. 211. EXTENSION OF TERMINATION DATE.

20 Section 405 of the Appalachian Regional
21 Development Act of 1965 (40 U.S.C. App. 405)
22 is amended by striking “1982” and inserting
23 “1995”.

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

2 **(a) ESTABLISHMENT.—There is established**
3 **a Regional Development Task Force (herein-**
4 **after in this section referred to as the “Task**
5 **Force”).**

6 **(b) DUTIES.—It shall be the duty of the**
7 **Task Force to conduct a study on—**

8 **(1) the extent to which the unique**
9 **characteristics of the Appalachian Re-**
10 **gional Commission (including the Com-**
11 **mission’s Federal-State partnership, pro-**
12 **gram flexibility, and regional approach)**
13 **have contributed to the achievement of**
14 **the Commission’s goals; and**

15 **(2) whether or not the Commission**
16 **can utilize such characteristics to ad-**
17 **dress needs which may exist in other**
18 **rural areas suffering from economic dis-**
19 **tress, including the Lower Mississippi**
20 **delta, Mexican border, and Ozark areas.**

21 **(c) MEMBERSHIP.—**

22 **(1) VOTING MEMBERS.—The Task Force**
23 **shall be composed of 9 voting members**
24 **appointed, not later than 90 days after**
25 **the date of the enactment of this Act, as**
26 **follows:**

1 **(A) 3 members appointed by the**
2 **President.**

3 **(B) 3 members appointed by the**
4 **President pro tempore of the Senate.**

5 **(C) 3 members appointed by the**
6 **Speaker of the House of Representa-**
7 **tives.**

8 **(2) EX OFFICIO MEMBERS.—The Federal**
9 **and State Cochairmen of the Appalachian**
10 **Regional Commission shall serve as ex**
11 **officio, nonvoting members of the Task**
12 **Force.**

13 **(d) FACILITIES, SUPPLIES, AND PERSONNEL.—**
14 **Upon the request of the Task Force, the Appa-**
15 **lachian Regional Commission shall provide to**
16 **the Task Force any facilities, supplies, and**
17 **personnel necessary for the Task Force to**
18 **carry out its responsibilities under this Act;**
19 **except that the total cost of such facilities,**
20 **supplies, and personnel shall not exceed**
21 **\$500,000.**

22 **(e) USE OF OTHER STUDIES.—In conducting**
23 **the study under subsection (b), the Commis-**
24 **sion shall incorporate the results of other**
25 **studies on the needs of rural areas described**

1 **in subsection (b) and shall not duplicate such**
2 **studies.**

3 **(f) REPORT.—Not later than 9 months after**
4 **the date of the first meeting of the Task Force,**
5 **the Task Force shall transmit to Congress a**
6 **report on the results of the study conducted**
7 **under subsection (b).**

8 **(g) TERMINATION.—The Task Force shall**
9 **terminate on the date of transmittal of the re-**
10 **port under subsection (f).**

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

12 **None of the funds made available under**
13 **this title, or any amendment made by this**
14 **title, may be expended in violation of sections**
15 **2 through 4 of the Act of March 3, 1933 (41**
16 **U.S.C. 10a-10c; popularly known as the “Buy**
17 **American Act”), which are applicable to those**
18 **funds.**

Amend the title so as to read: “A bill 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 and 1995, to reenact the Public Works and Economic Development Act of 1965 as the Economic Development Financing Act of 1994, and for other purposes.”.

HR 2442 RH—2

HR 2442 RH—3

HR 2442 RH—4

HR 2442 RH—5

HR 2442 RH—6

HR 2442 RH—7

HR 2442 RH—8

HR 2442 RH—9

HR 2442 RH—10

HR 2442 RH—11

HR 2442 RH—12

HR 2442 RH—13