

103^D CONGRESS
2^D SESSION

H. R. 4267

To reauthorize economic development programs under the Public Works and Economic 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 and Financing Act of 1994, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

APRIL 20, 1994

Mr. KANJORSKI (for himself, Mr. RIDGE, Mr. DOOLEY, Mrs. ROUKEMA, Mr. KLINK, Mr. HINCHEY, Mr. FINGERHUT, Mr. LAFALCE, Mr. HOLDEN, Mr. McHALE, Mr. BORSKI, and Mr. KLEIN) introduced the following bill; which was referred jointly to the Committees on Public Works and Transportation, Banking, Finance and Urban Affairs, the Judiciary, and Science, Space, and Technology

A BILL

To reauthorize economic development programs under the Public Works and Economic 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 and Financing Act of 1994, and for other purposes.

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

1 **SECTION 1. SHORT TITLE.**

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

4 **SEC. 2. REAUTHORIZATION OF THE PUBLIC WORKS AND**
5 **ECONOMIC DEVELOPMENT ACT OF 1965.**

6 The Public Works and Economic Development Act of
7 1965 (42 U.S.C. 3121, et seq.) is amended to read as
8 follows:

9 **“SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

10 “(a) **SHORT TITLE.**—This Act may be cited as the
11 ‘Economic Development and Financing Act of 1994’.

12 “(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 projected 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 Planning 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 and Administrator 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. Saving provisions.
- “Sec. 603. Transfer of functions of area redevelopment administration.
- “Sec. 604. Separability.
- “Sec. 605. Definition of State.
- “Sec. 606. Annual report to Congress.
- “Sec. 607. Use of other facilities.
- “Sec. 608. Authorization of appropriations.
- “Sec. 609. Penalties.
- “Sec. 610. Employment of expeditors and administrative employees.
- “Sec. 611. Labor standards; rate of wages; assurance of maintenance of standards; enforcement.
- “Sec. 612. Maintenance of records of approved applications for financial assistance; public inspection.
- “Sec. 613. Records and audit.
- “Sec. 614. Prohibition against a statutory construction which might cause diminution in other Federal assistance.
- “Sec. 615. Acceptance of applicants’ certifications.
- “Sec. 616. Supervision of regional counsels.

“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 demonstration 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 commercialization 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 the main-
 4 tenance of the national economy at a high level is vital
 5 to the best interests of the United States, but that some
 6 of our regions, counties, and communities are suffering
 7 substantial and persistent unemployment and
 8 underemployment; that such unemployment and
 9 underemployment cause hardship to many individuals and
 10 their families, and waste invaluable human resources; that
 11 to overcome this problem the Federal Government, in co-
 12 operation with the States, should help areas and regions
 13 of substantial and persistent unemployment and
 14 underemployment to take effective steps in planning and
 15 financing their public works, business development, indus-
 16 trial retention, and economic development; that Federal
 17 financial assistance, including grants for public works and
 18 development facilities to communities, industries, enter-
 19 prises, and individuals in areas needing development

1 should enable such areas to help themselves achieve last-
2 ing improvement and enhance the domestic prosperity by
3 the establishment of stable and diversified local economies
4 and improved local conditions, provided that such assist-
5 ance is preceded by and consistent with sound, long-range
6 economic planning; and that under the provisions of this
7 Act new employment opportunities should be created by
8 developing and expanding new and existing public works
9 and other facilities and resources, financing business de-
10 velopment, and promoting industrial retention.

11 “(b) DECLARATION.—The Congress declares that, in
12 furtherance of maintaining the national economy at a high
13 level—

14 “(1) the assistance authorized by this Act
15 should be made available to both rural and urban
16 areas;

17 “(2) such assistance be available for planning
18 for economic development prior to the actual occur-
19 rences of economic distress in order to avoid such
20 condition; and

21 “(3) that such assistance be used for long-term
22 economic rehabilitation in areas where long-term
23 economic deterioration has occurred or is taking
24 place.

1 **“TITLE I—GRANTS FOR PUBLIC**
2 **WORKS AND DEVELOPMENT**
3 **FACILITIES**

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

5 “(a) IN GENERAL.—Upon the application of any
6 State, or political subdivision thereof, Indian tribe, or pri-
7 vate or public nonprofit organization or association, the
8 Secretary of Commerce (hereafter in this Act referred to
9 as the ‘Secretary’) may—

10 “(1) make direct grants for the acquisition or
11 development of land and improvements for public
12 works, public service, or development facility usage,
13 and the acquisition, design and engineering, con-
14 struction, rehabilitation, alteration, expansion, or im-
15 provement of such facilities, including related ma-
16 chinery and equipment if the Secretary finds that—

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

19 “(i) tend to improve the opportunities,
20 in the area where such project is or will be
21 located, for the successful establishment or
22 expansion of industrial or commercial
23 plants or facilities,

1 “(ii) otherwise assist in the creation
2 of additional long-term employment oppor-
3 tunities for such area, or

4 “(iii) primarily benefit the long-term
5 unemployed and members of low-income
6 families or otherwise substantially further
7 the objectives of the Economic Opportunity
8 Act of 1964;

9 “(B) the project for which a grant is re-
10 quested will fulfill a pressing need of the area,
11 or part thereof, in which it is, or will be,
12 located;

13 “(C) the area for which a project is to be
14 undertaken has an approved investment strat-
15 egy and such project is consistent with such
16 strategy; and

17 “(D) in the case of an area described in
18 section 401(a)(4), the project to be undertaken
19 will provide immediate useful work to unem-
20 ployed and underemployed persons in that area;
21 and

22 “(2) make supplementary grants in order to en-
23 able the States and other entities to take maximum
24 advantage of designated Federal grant-in-aid pro-
25 grams (as hereinafter defined), direct grants-in-aid

1 authorized under this section, and Federal grant-in-
2 aid programs authorized by the Watershed Protec-
3 tion and Flood Prevention Act and the 11 water-
4 sheds authorized by the Flood Control Act of De-
5 cember 22, 1944, for which they are eligible but for
6 which, because of their economic situation, they can-
7 not supply the required matching share.

8 “(b) MAXIMUM PROPORTION OF DIRECT GRANT
9 FUNDS TO TOTAL PROJECT COST.—Subject to subsection
10 (c), the amount of any direct grant under this section for
11 any project shall not exceed 50 percent of the cost of such
12 project.

13 “(c) PROPORTION OF SUPPLEMENTARY GRANT
14 FUNDS TO TOTAL PROJECT COST; RULES AND REGULA-
15 TIONS; MAXIMUM GRANTS; REQUIRED NON-FEDERAL
16 SHARE.—The amount of any supplementary grant under
17 this section for any project shall not exceed the applicable
18 percentage established by regulations promulgated by the
19 Secretary, but in no event shall the non-Federal share of
20 the aggregate cost of any such project (including assump-
21 tions of debt) be less than 20 percent of such cost, except
22 that in the case of a grant to an Indian tribe, the Sec-
23 retary may reduce the non-Federal share below such per-
24 centage or may waive the non-Federal share. In the case
25 of any State or political subdivision thereof which the Sec-

1 retary determines has exhausted its effective taxing and
2 borrowing capacity, the Secretary shall reduce the non-
3 Federal share below such percentage or shall waive the
4 non-Federal share in the case of such a grant for a project
5 in an area described in section 401(a)(4). In the case of
6 any community development corporation which the Sec-
7 retary determines has exhausted its effective borrowing ca-
8 pacity, the Secretary may reduce the non-Federal share
9 below such percentage or waive the non-Federal share in
10 the case of such a grant for a project in an area described
11 in section 401(a)(4). Supplementary grants shall be made
12 by the Secretary, in accordance with such regulations as
13 the Secretary shall prescribe, by increasing the amounts
14 of direct grants authorized under this section or by the
15 payment of funds appropriated under this Act to the heads
16 of the departments, agencies, and instrumentalities of the
17 Federal Government responsible for the administration of
18 the applicable Federal programs. Notwithstanding any re-
19 quirement as to the amount or sources of non-Federal
20 funds that may otherwise be applicable to the Federal pro-
21 gram involved, funds provided under this subsection shall
22 be used for the sole purpose of increasing the Federal con-
23 tribution to specific projects under such programs above
24 the fixed maximum portion of the cost of such project oth-
25 erwise authorized by the applicable law. The term 'des-

1 ignated Federal grant-in-aid programs,' as used in this
2 subsection, means such existing or future Federal grant-
3 in-aid programs assisting in the construction or equipping
4 of facilities as the Secretary may, in furtherance of the
5 purposes of this Act, designate as eligible for allocation
6 of funds under this section. In determining the amount
7 of any supplementary grant available to any project under
8 this section, the Secretary shall take into consideration the
9 relative needs of the area and the nature of the project
10 to be assisted.

11 “(d) REGULATIONS; FACTORS TO BE CONSIDERED
12 IN PRESCRIBING REGULATIONS.—The Secretary shall
13 prescribe regulations and procedures to carry out this sec-
14 tion which will assure that adequate consideration is given
15 to the relative needs of eligible areas. In prescribing such
16 rules, regulations, and procedures the Secretary shall con-
17 sider among other relevant factors—

18 “(1) the severity of the rates of unemployment
19 in the eligible areas and the duration of such unem-
20 ployment, and

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

23 “(e) REVIEW AND COMMENT UPON PROJECTS BY
24 LOCAL GOVERNMENTAL AUTHORITIES.—The Secretary
25 shall prescribe regulations which will assure that appro-

1 priate local governmental authorities have been given a
2 reasonable opportunity to review and comment upon pro-
3 posed projects under this section.

4 **“SEC. 102. LIMITATION OF FUNDS EXPENDED IN ANY 1**
5 **STATE.**

6 “Not more than 15 percent of the appropriations
7 made pursuant to this title may be expended in any 1
8 State unless the Secretary determines that expenditures
9 in excess of such limitation are necessary by reason of the
10 occurrence of a major natural disaster in such State.

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

12 “There is authorized to be appropriated to carry out
13 this title \$160,000,000 for fiscal year 1994 and
14 \$130,924,000 for fiscal year 1995. Such sums shall re-
15 main available until expended.

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

17 “No financial assistance shall be extended under this
18 Act for sewer or other waste disposal facilities unless the
19 appropriate agency of the State in which the project is
20 located certifies that such facilities meet applicable Fed-
21 eral, State, interstate, or local water quality standards.

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

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

1 the project, the cost of such project based upon the de-
2 signs and specifications which were the basis of the grant
3 has been increased because of increases in costs, the
4 amount of such grant may be increased by an amount
5 equal to the percentage increase, as determined by the
6 Secretary, in such costs.

7 **“SEC. 106. USE OF FUNDS IN PROJECTS CONSTRUCTED**
8 **UNDER PROJECTED COST.**

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

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

18 “In any case where a grant (including a supplemental
19 grant) has been made under this title for a project and
20 after such grant has been made but before completion of
21 the project, the purpose or scope of such project based
22 upon the designs and specifications which were the basis
23 of the grant has changed, the Secretary may approve the
24 use of grant funds on such changed project if the Sec-

1 retary determines such changes are necessary to enhance
2 economic development in the area.

3 **“TITLE II—LOANS, LOAN GUAR-**
4 **ANTEES, AND ECONOMIC DE-**
5 **VELOPMENT REVOLVING**
6 **FUND**

7 **“SEC. 201. PUBLIC WORKS AND DEVELOPMENT FACILITY**
8 **LOANS.**

9 “(a) IN GENERAL.—Subject to subsection (b) and
10 section 401, upon the application of any State, any politi-
11 cal subdivision of any State, any Indian tribe, or any pri-
12 vate or public nonprofit organization or association, the
13 Secretary may purchase evidences of indebtedness and
14 make loans to assist in financing—

15 “(1) the purchase or development of land and
16 improvements for public works, public service, or de-
17 velopment facility usage, including public works,
18 public service, and development facility usage, to be
19 provided by agencies of the Federal Government
20 pursuant to legislation requiring that non-Federal
21 entities bear some part of the cost of providing such
22 works, service, or usage; and

23 “(2) the acquisition, construction, rehabilita-
24 tion, alteration, expansion, or improvement of such

1 facilities, including related machinery and equip-
2 ment.

3 “(b) CONDITIONS.—The Secretary may provide fi-
4 nancial assistance under subsection (a) only if the Sec-
5 retary finds that—

6 “(1) the project for which financial assistance is
7 sought will directly or indirectly—

8 “(A) tend to improve the opportunities, in
9 the area where such project is or will be lo-
10 cated, for the successful establishment or ex-
11 pansion of industrial or commercial plants or
12 facilities,

13 “(B) otherwise assist in the creation of ad-
14 ditional long-term employment opportunities for
15 such area, or

16 “(C) primarily benefit the long-term unem-
17 ployed and members of low-income families or
18 otherwise substantially further the objectives of
19 the Economic Opportunity Act of 1964;

20 “(2) the funds requested for such project are
21 not otherwise available from private lenders or from
22 other Federal agencies on terms which in the opin-
23 ion of the Secretary will permit the accomplishment
24 of the project;

1 “(3) the amount of the loan plus the amount of
2 other available funds for such project are adequate
3 to ensure the completion of the project;

4 “(4) there is a reasonable expectation of repay-
5 ment; and

6 “(5) such area has an approved investment
7 strategy under section 402 and the project for which
8 financial assistance is sought is consistent with such
9 strategy.

10 “(c) LOAN TERMS; INTEREST RATES.—

11 “(1) MAXIMUM TERM OF MATURITY.—Subject
12 to section 601, no loan, including renewals or exten-
13 sions of any loan, shall be made under this section
14 for a period exceeding 40 years, and no evidence of
15 indebtedness maturing more than 40 years from the
16 date of purchase shall be purchased under this
17 section.

18 “(2) INTEREST.—Loans under this section shall
19 bear interest at a rate not less than a rate deter-
20 mined by the Secretary of the Treasury taking into
21 consideration the current average market yield on
22 outstanding marketable obligations of the United
23 States with remaining periods to maturity com-
24 parable to the average maturities of such loans, ad-

1 justed to the nearest $\frac{1}{8}$ of 1 percent, minus not to
2 exceed $\frac{1}{2}$ of 1 percent per annum.

3 “(d) AUTHORIZATION OF APPROPRIATIONS.—There
4 are hereby authorized to be appropriated such sums as
5 may be necessary to carry out the provisions of this section
6 and section 202.

7 “(e) REGULATIONS.—The Secretary shall prescribe
8 regulations which will assure that appropriate local gov-
9 ernmental authorities have been given a reasonable oppor-
10 tunity to review and comment upon proposed projects
11 under this section.

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

13 “(a) IN GENERAL.—

14 “(1) FINANCIAL ASSISTANCE AUTHORIZED.—

15 Subject to section 401, the Secretary may assist in
16 the financing the purchase or development of land
17 and facilities (including machinery and equipment)
18 for industrial or commercial usage, including the
19 construction of new buildings, the rehabilitation of
20 abandoned or unoccupied buildings, and the alter-
21 ation, conversion, or enlargement of existing build-
22 ings by—

23 “(A) purchasing evidences of indebtedness;

1 “(B) making loans (which for purposes of
2 this section shall include participation in loans);
3 and

4 “(C) guaranteeing loans made to private
5 borrowers by private lending institutions, for
6 any of the purposes referred to in this para-
7 graph upon application of such institution and
8 upon such terms and conditions as the Sec-
9 retary may prescribe, except that no such guar-
10 antee shall at any time exceed 90 percent of the
11 amount of the outstanding unpaid balance of
12 such loan.

13 “(2) INTEREST SUBSIDY.—

14 “(A) AUTHORIZATION.—In addition to any
15 other financial assistance under this sub-
16 chapter, the Secretary may, in the case of any
17 loan guarantee under authority of paragraph
18 (1) of this section, pay to or on behalf of the
19 private borrower an amount sufficient to reduce
20 up to 4 percentage points the interest paid by
21 such borrower on such guaranteed loans.

22 “(B) MAXIMUM AMOUNT OF BUY-DOWN.—
23 No payment under this paragraph shall result
24 in the interest rate being paid by a borrower on
25 such a guaranteed loan being less than the rate

1 of interest for such a loan if the loan were
2 made under section 201.

3 “(C) FREQUENCY OF PAYMENT.—Pay-
4 ments made to or on behalf of such borrower
5 shall be made no less often than annually.

6 “(3) WORKING CAPITAL LOANS AND GUARAN-
7 TEES.—The Secretary may assist in financing any
8 industrial or commercial activity by—

9 “(A) making working capital loans;

10 “(B) guaranteeing working capital loans
11 made to private borrowers by private lending
12 institutions upon application of such institution
13 and upon such terms and conditions as the Sec-
14 retary may prescribe, except that no such guar-
15 antee shall at any time exceed 90 percent of the
16 amount of the outstanding unpaid balance of
17 such loan;

18 “(C) guaranteeing rental payments of
19 leases for buildings and equipment, except that
20 no such guarantee shall exceed 90 percent of
21 the remaining rental payments required by the
22 lease;

23 “(D) paying those debts with respect to
24 which a lien against property has been legally
25 obtained (including the refinancing of any such

1 debt) in any case where the Secretary deter-
2 mines that the payment is essential in order
3 to—

4 “(i) save employment in a designated
5 area;

6 “(ii) avoid a significant rise in unem-
7 ployment; or

8 “(iii) create new or increased employ-
9 ment.

10 “(b) TERMS AND CONDITIONS.—Financial assistance
11 under this section shall be on such terms and conditions
12 as the Secretary determines, subject to the following re-
13 strictions and limitations:

14 “(1) Such financial assistance shall not be ex-
15 tended to assist establishments relocating from 1
16 area to another or to assist subcontractors whose
17 purpose is to divest, or whose economic success is
18 dependent upon divesting, other contractors or sub-
19 contractors of contracts theretofore customarily per-
20 formed by them, except that this limitation shall not
21 be construed as prohibiting assistance for the expan-
22 sion of an existing business entity through the estab-
23 lishment of a new branch, affiliate, or subsidiary of
24 such entity if the Secretary finds that the establish-
25 ment of such branch, affiliate, or subsidiary will not

1 result in an increase in unemployment of the area of
2 original location or in any other area where such en-
3 tity conducts business operations, unless the Sec-
4 retary has reason to believe that such branch, affili-
5 ate, or subsidiary is being established with the inten-
6 tion of closing down the operations of the existing
7 business entity in the area of the business entity's
8 original location or in any other area where the
9 entity conducts such operations.

10 “(2) Such assistance shall be extended only to
11 applicants, both private and public (including Indian
12 tribes), which have been approved for such assist-
13 ance by an agency or instrumentality of the State or
14 political subdivision thereof in which the project to
15 be financed is located, and which agency or instru-
16 mentality is directly concerned with problems of eco-
17 nomic development in such State or subdivision.

18 “(3) The project for which financial assistance
19 is sought shall be reasonably calculated to provide
20 more than a temporary alleviation of unemployment
21 or underemployment within the area in which the
22 project is or will be located.

23 “(4) No loan or guarantee may be extended
24 under this section unless the financial assistance ap-
25 plied for is not otherwise available from private lend-

1 ers or from other Federal agencies on terms which
2 in the opinion of the Secretary will permit the ac-
3 complishment of the project.

4 “(5) The Secretary may not make any loan
5 without a participation unless the Secretary deter-
6 mines that the loan cannot be made on a participa-
7 tion basis.

8 “(6) No evidences of indebtedness may be pur-
9 chased and no loans may be made or guaranteed un-
10 less the Secretary is determined that there is reason-
11 able assurance of repayment.

12 “(7) Subject to section 601(a)(5), no loan or
13 guarantee, including any renewal or extension of a
14 loan or guarantee, may be made under this section
15 for a term to maturity of more than 25 years and
16 no evidences of indebtedness which matures more
17 than 25 years after the date of purchase may be
18 purchased under this section, except that this para-
19 graph not apply to securities or obligations received
20 by the Secretary as a claimant in bankruptcy or eq-
21 uitable reorganization or as a creditor in other pro-
22 ceedings attendant upon insolvency of the obligor.

23 “(8) Loans made and evidences of indebtedness
24 purchased under this section shall bear interest at a
25 rate not less than a rate determined by the Sec-

1 retary of the Treasury taking into consideration the
2 current average market yield on outstanding market-
3 able obligations of the United States with remaining
4 periods to maturity comparable to the average matu-
5 rities of such loans, adjusted to the nearest $\frac{1}{8}$ of 1
6 percent, plus an additional charge, if any, toward
7 covering other costs of the program as the Secretary
8 may determine to be consistent with the purpose of
9 this section.

10 “(9) Loan assistance (other than for a working
11 capital loan) shall not exceed 65 percent of the ag-
12 gregate cost to the applicant (excluding all other
13 Federal aid in connection with the undertaking) of
14 acquiring or developing land and facilities (including
15 machinery and equipment), and of constructing, al-
16 tering, converting, rehabilitating, or enlarging the
17 building or buildings of the particular project, and
18 shall, among others, be on the condition that—

19 “(A) other funds are available in an
20 amount which, together with the assistance pro-
21 vided under this section, shall be sufficient to
22 pay such aggregate cost;

23 “(B) not less than 15 percent of such ag-
24 gregate cost be supplied as equity capital or as
25 a loan repayable in no shorter period of time

1 and at no faster an amortization rate than the
2 Federal financial assistance extended under this
3 section is being repaid, and if such a loan is se-
4 cured, the security for the loan shall be subordi-
5 nate and inferior to the lien or liens securing
6 such Federal financial assistance;

7 “(C) except with respect to projects involv-
8 ing financial participation by Indian tribes, not
9 less than 5 percent of such aggregate cost shall
10 be supplied by the State or any agency, instru-
11 mentality, or political subdivision of a State, or
12 by a community or area organization which is
13 nongovernmental in character, unless the Sec-
14 retary shall determine in accordance with objec-
15 tive standards prescribed by regulation that all
16 or part of such funds are not reasonably avail-
17 able to the project because of the economic dis-
18 tress of the area or for other good cause, in
19 which case the Secretary may waive the require-
20 ment of this provision to the extent of such un-
21 availability, and allow the funds required by
22 this subsection to be supplied by the applicant
23 or by such other non-Federal source as may
24 reasonably be available to the project; and

1 “(D) to the extent the Secretary finds such
2 action necessary to encourage financial partici-
3 pation in a particular project by other lenders
4 and investors, and except as otherwise provided
5 in subparagraph (B), any Federal financial as-
6 sistance extended under this section may be re-
7 payable only after other loans made in connec-
8 tion with such project have been repaid in full,
9 and the security, if any, for such Federal finan-
10 cial assistance may be subordinate and inferior
11 to the lien or liens securing other loans made
12 in connection with the same project.

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

14 “The Economic Development Revolving Fund estab-
15 lished before the date of the enactment of the Economic
16 Development and Financing Act of 1994 shall continue
17 to be available to the Secretary as a liquidating account
18 as defined under section 502 of the Federal Credit Reform
19 Act of 1990 for payment of obligations and costs in con-
20 nection with financial assistance extended under this Act
21 before October 1, 1991.

1 **“TITLE III—STRATEGIC PLAN-**
2 **NING, RESEARCH, INFORMA-**
3 **TION, AND TECHNICAL AS-**
4 **SISTANCE**

5 **“Subtitle A—Strategic Economic**
6 **Development Planning, Re-**
7 **search, and Information**

8 **“SEC. 301. OFFICE OF STRATEGIC ECONOMIC DEVELOP-**
9 **MENT PLANNING AND POLICY.**

10 “(a) ESTABLISHMENT.—The Secretary shall estab-
11 lish an Office of Strategic Economic Development Plan-
12 ning and Policy (hereafter in this section referred to as
13 ‘the Office’).

14 “(b) DUTIES.—The duties of the administrator of the
15 Office are as follows:

16 “(1) RESEARCH, EVALUATION AND DEM-
17 ONSTRATION.—To support research, evaluation and
18 demonstration projects to study and assess best
19 practices in economic development and to examine
20 trends and changes in economic conditions that ef-
21 fect regional development.

22 “(2) POLICY DEVELOPMENT.—To develop rec-
23 ommendations on both short- and long-term policies
24 regarding economic development issues and pro-
25 grams, to help foster the diffusion of innovative, best

1 practices in economic development throughout the
2 Department of Commerce.

3 “(3) COORDINATION.—To take a leading role in
4 developing and promoting means for greater coordi-
5 nation among States, regions and local communities
6 in the design and implementation of economic devel-
7 opment strategies, and shall work in conjunction
8 with Federal agencies on developing and implement-
9 ing means for reducing fragmentation and increase
10 coordination among Federal programs that provide
11 economic development assistance.

12 “(4) INFORMATION DISSEMINATION.—To spon-
13 sor and support conferences, workshops, and other
14 forums to bring together the best scholars and prac-
15 titioners in the field to effectively disseminate knowl-
16 edge of the state-of-the-art in economic development
17 to Federal, State, and local development organiza-
18 tions. It shall also disseminate information on all as-
19 pects of economic development through electronic
20 and printed media, making such information widely
21 accessible.

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

24 “(1) IN GENERAL.—To assist in the long-range
25 accomplishment of the purposes of this Act, the Sec-

1 retary, in cooperation with other agencies having
2 similar functions, shall establish and conduct a con-
3 tinuing program of study, training, and research
4 to—

5 “(A) assist in determining the causes of
6 unemployment, underemployment, under-
7 development, and chronic depression in the var-
8 ious areas and regions of the Nation,

9 “(B) assist in the formulation and imple-
10 mentation of national, State, and local pro-
11 grams which will raise income levels and other-
12 wise produce solutions to the problems resulting
13 from these conditions, and

14 “(C) assist in providing the personnel
15 needed to conduct such programs.

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

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

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

1 “(C) the employment of private individ-
2 uals, partnerships, firms, corporations, or suit-
3 able institutions;

4 “(D) contracts entered into for such pur-
5 poses;

6 “(E) grants to such individuals, organiza-
7 tions, or institutions as the Secretary deter-
8 mines to be appropriate; or

9 “(F) conferences and similar meetings or-
10 ganized for such purposes.

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

15 “(4) ANNUAL REPORT OF SECRETARY.—The
16 Secretary shall include in the annual report under
17 section 606 a detailed statement concerning the
18 study and research conducted under this section to-
19 gether with the Secretary’s findings and conclusions
20 and such recommendations for legislative and other
21 action as the Secretary may consider appropriate.

22 “(d) GEOGRAPHIC ANALYSIS TOOL.—

23 “(1) IN GENERAL.—The Secretary shall, in co-
24 operation with other appropriate Federal agencies
25 develop a computerized geographic analysis tool that

1 all Federal departments and agencies and grant re-
2 cipients may use to evaluate the success of these
3 programs.

4 “(2) REPORT.—Not later than 6 months after
5 the date of the enactment of the Economic Develop-
6 ment and Financing Act of 1994, the Secretary shall
7 transmit to Congress a report on use of the comput-
8 erized geographic analysis tool developed pursuant to
9 paragraph (1) by Federal departments and agencies.

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

17 “(f) FEDERAL COORDINATING COUNCIL FOR ECO-
18 NOMIC DEVELOPMENT.—

19 “(1) IN GENERAL.—The Secretary shall estab-
20 lish a Federal Coordinating Council for Economic
21 Development (hereafter in this section referred to as
22 the ‘Council’).

23 “(2) COMPOSITION OF COUNCIL.—The Council
24 shall be composed of representatives from the Fed-

1 eral agencies involved in matters that affect regional
2 economic development.

3 “(3) DUTIES.—The council shall assist in pro-
4 viding a unifying framework for economic and re-
5 gional development efforts and develop a govern-
6 mentwide strategic plan for economic development.

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

14 **“SEC. 302. OFFICE OF ECONOMIC DEVELOPMENT INFORMA-**
15 **TION.**

16 “(a) ESTABLISHMENT.—The Secretary shall estab-
17 lish the Office of Economic Development Information
18 (hereafter in this section referred to as the ‘Office’) within
19 the Office of Strategic Economic Development Planning
20 and Policy.

21 “(b) DUTIES.—The duties of the administrator of the
22 Office shall be to—

23 “(1) serve as a central information clearing-
24 house on matters relating to economic development,
25 economic adjustment, industrial retention, disaster

1 recovery, and defense conversion programs and ac-
2 tivities of the Federal and State governments, in-
3 cluding political subdivisions of the States; and

4 “(2) help potential and actual applicants for
5 economic development, economic adjustment, disas-
6 ter recovery, industrial retention, and defense con-
7 version assistance under Federal, State and local
8 laws in locating and applying for such assistance, in-
9 cluding financial and technical assistance.

10 “(c) INFORMATION DATA BASES.—

11 “(1) USES.—The Office shall develop informa-
12 tion data bases for use by Federal departments and
13 agencies, State and local governmental agencies,
14 public and private entities, and individuals to assist
15 such agencies, entities, and individuals in the proc-
16 ess of identifying and applying for assistance and re-
17 sources under economic development, economic ad-
18 justment, disaster recovery, industrial retention, and
19 defense conversion programs and activities of the
20 Federal, State, and local governments.

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

24 “(A) A comprehensive compilation of all
25 relevant information concerning available eco-

1 nomic development, economic adjustment, disaster
2 ter recovery, industrial retention, and defense
3 conversion programs of the Federal Govern-
4 ment, including key contact people, descriptions
5 of the application process, eligibility require-
6 ments and criteria, selection and followup pro-
7 cedures, and other such relevant information.

8 “(B) A compilation of major State and
9 local governmental economic development, eco-
10 nomic adjustment, disaster relief, industrial re-
11 tention, and defense conversion assistance pro-
12 grams, including lists of appropriate offices, of-
13 ficers, and contact personnel connected with, or
14 involved in, such programs.

15 “(C) A compilation of relevant economic
16 data and trends, including information about
17 the national, regional and local impacts of trade
18 agreements, defense spending and downsizing,
19 technological change, and other sources of sub-
20 stantial economic dislocation.

21 “(D) A compilation of case studies and
22 ‘best practices’ in economic development, ad-
23 justment and conversion.

24 “(E) A compilation of technology develop-
25 ment, deployment, diffusion, and commer-

1 cialization programs, assistance and resources
2 provided by Federal agencies, including listings
3 of patents, licenses, and technologies, and proc-
4 esses owned, or held in part, by the Federal
5 Government, and other such information as re-
6 ferred to in section 722 and any other relevant
7 information, such as major State and local pro-
8 grams, to assist technology development, de-
9 ployment and commercialization in economic de-
10 velopment, adjustment and conversion efforts.

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

16 “(G) A compilation of information on case
17 studies on early warning and intervention
18 efforts.

19 “(3) POINTS OF PUBLIC ACCESS.—

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

1 “(B) OUTREACH.—The Office shall con-
2 duct an extensive outreach to States and com-
3 munities, and to a wide range of constituencies,
4 including State and local government officials,
5 chambers of commerce, industrial organizations,
6 labor unions, and community-based organiza-
7 tions, to publicize the existence of the data
8 banks and other assistance and services pro-
9 vided under this section, and how to acquire
10 such assistance and services, and access such
11 data banks.

12 “(C) MEANS OF ACCESS.—Access to the
13 Office’s data services shall include the following
14 means:

15 “(i) A toll-free nationwide telephone
16 number to provide direct phone access to
17 the public.

18 “(ii) On-line electronic access through
19 existing computer network services and
20 publicly available computer data base ac-
21 cess facilities, such as at repository librar-
22 ies and by direct call-in via modem.

23 “(iii) Printed manuals and orientation
24 materials.

1 “(iv) Periodic orientation workshops
2 available to the public.

3 “(v) On-call information specialists to
4 address special problems requiring person-
5 to-person assistance.

6 “(d) CONSULTATIVE MEETINGS.—The Office shall
7 conduct, on an annual basis, consultative meetings and
8 briefings with constituencies from several different types
9 of distressed areas and regions, drawn from local and
10 State governments, economic development districts, Indian
11 tribes, business, labor, community and public interest or-
12 ganizations and academic institutions. Such meetings and
13 briefings shall be held in these different areas to introduce
14 the Office’s programs and receive comments and rec-
15 ommendations concerning the Office’s services and how to
16 expand and improve them.

17 “(e) INTERAGENCY COORDINATION.—The Secretary
18 shall enter into such agreements and understandings as
19 may be necessary with other Federal departments and
20 agencies to coordinate the accomplishment of the objec-
21 tives of this section.

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

23 “(a) DEVELOPMENT.—The Secretary shall, in co-
24 operation with the heads of appropriate Federal depart-
25 ments and agencies, develop a general, simplified applica-

1 tion form for grant assistance under this Act which may
2 be used by all Federal departments and agencies which
3 provide grant assistance.

4 “(b) REPORT.—Not later than 6 months after the
5 date of the enactment of this section, the Secretary shall
6 transmit to Congress a report on use of the form devel-
7 oped pursuant to subsection (a) by Federal departments
8 and agencies.

9 **“Subtitle B—Technical Assistance**
10 **and Economic Development**
11 **Planning**

12 **“SEC. 311. TECHNICAL ASSISTANCE.**

13 “(a) IN GENERAL.—In carrying out the duties of the
14 Secretary under this Act, the Secretary may provide tech-
15 nical assistance which would be useful in alleviating or
16 preventing conditions of excessive unemployment or
17 underemployment to areas which the Secretary finds have
18 substantial need for such assistance, including assistance
19 for project planning and feasibility studies, management
20 and operational assistance, and studies evaluating the
21 needs of, and developing potentialities for, economic
22 growth of such areas.

23 “(b) PROCEDURES AND TERMS.—

1 “(1) MANNER OF PROVIDING ASSISTANCE.—As-
2 sistance may be provided by the Secretary
3 through—

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

5 “(B) the payment of funds authorized for
6 this section to other departments or agencies of
7 the Federal Government;

8 “(C) the employment of private individ-
9 uals, partnerships, firms, corporations, or suit-
10 able institutions;

11 “(D) contracts entered into for such pur-
12 poses; or

13 “(E) grants-in-aid to appropriate public or
14 private nonprofit State, area, district, or local
15 organizations.

16 “(2) REPAYMENT TERMS.—The Secretary, in
17 the Secretary’s discretion, may require the repay-
18 ment of assistance provided under this subsection
19 and prescribe the terms and conditions of such re-
20 payment.

21 “(c) GRANTS COVERING ADMINISTRATIVE EX-
22 PENSES.—

23 “(1) IN GENERAL.—The Secretary may make
24 grants to defray not to exceed 75 percent of the ad-
25 ministrative expenses of organizations which he de-

1 termines to be qualified to receive grants-in-aid
2 under subsection (a), except that in the case of a
3 grant under this subsection to an Indian tribe the
4 Secretary is authorized to defray up to 100 percent
5 of such expenses.

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

12 “(3) USE OF GRANTS WITH PLANNING
13 GRANTS.—Where practicable, grants-in-aid author-
14 ized under this subsection shall be used in conjunc-
15 tion with other available planning grants, such as
16 urban planning grants authorized under the Housing
17 Act of 1954 and highway planning and research
18 grants authorized under the Federal Aid Highway
19 Act of 1962, to assure adequate and effective plan-
20 ning and economical use of funds.

21 “(d) AVAILABILITY OF TECHNICAL INFORMATION;
22 FEDERAL PROCUREMENT.—The Secretary shall aid areas
23 by furnishing to interested individuals, communities, in-
24 dustries, and enterprises within such areas any assistance,
25 technical information, market research, or other forms of

1 assistance, information, or advice which would be useful
2 in alleviating or preventing conditions of excessive unem-
3 ployment or underemployment within such areas. The Sec-
4 retary may furnish the procurement divisions of the var-
5 ious departments, agencies, and other instrumentalities of
6 the Federal Government with a list containing the names
7 and addresses of business firms which are desirous of ob-
8 taining Government contracts for the furnishing of sup-
9 plies or services, and designating the supplies and services
10 such firms are engaged in providing.

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

12 “(a) DIRECT GRANTS.—

13 “(1) IN GENERAL.—The Secretary may, upon
14 application of any State, or city, or other political
15 subdivision of a State, or sub-State planning and de-
16 velopment organization (including an economic de-
17 velopment district or any area described in section
18 401(a)(4)), to make direct grants to such State, city,
19 other political subdivision, or organization pay up to
20 80 percent of the cost for economic development
21 planning.

22 “(2) PLANNING PROJECTS SPECIFICALLY IN-
23 CLUDED.—The planning for cities, other political
24 subdivisions, and sub-State planning and develop-
25 ment organizations (including an economic develop-

1 ment district or an area described in section
2 401(a)(4)) assisted under this section shall include
3 systematic efforts to reduce unemployment and in-
4 crease incomes.

5 “(3) PLANNING PROCESS.—The planning shall
6 be a continuous process involving public officials and
7 private citizens in analyzing local economies, defin-
8 ing development goals, determining project opportu-
9 nities, and formulating and implementing a develop-
10 ment program.

11 “(4) COOPERATIVE DEVELOPMENT OF INVEST-
12 MENT STRATEGY.—Any State investment strategy
13 prepared with assistance under this section shall be
14 prepared cooperatively by the State, the political
15 subdivisions of the State, and the economic develop-
16 ment districts and areas described in section
17 401(a)(4) located in whole or in part within such
18 State.

19 “(5) STATE CERTIFICATION.—Upon completion
20 of any such strategy, the State shall certify to the
21 Secretary that—

22 “(A) in the preparation of such State in-
23 vestment strategy, the local and economic devel-
24 opment district strategies were considered and,
25 to the fullest extent possible, such State strat-

1 egy is consistent with such local and economic
2 development district strategies; and

3 “(B) such State strategy is consistent with
4 such local and economic development district
5 strategies, or, if such State strategy is not con-
6 sistent with such local and economic develop-
7 ment district strategies, all of the inconsist-
8 encies of the State strategy with the local and
9 economic development district strategies, and
10 the justification for each of these inconsist-
11 encies.

12 “(6) COMPREHENSIVE PLANNING PROCESS.—
13 The development of any State investment strategy
14 shall be a part of a comprehensive planning process
15 that shall consider the provisions of public works
16 to—

17 “(A) stimulate and channel development,
18 economic opportunities, and choices for individ-
19 uals;

20 “(B) support sound land use;

21 “(C) enhance and protect the environment
22 including the conservation and preservation of
23 open spaces and environmental quality;

24 “(D) provide public services; and

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

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

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

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

13 “(d) SERVICES TO BE PROVIDED.—Each business
14 outreach center established under this section shall pro-
15 vide the 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
20 small business assistance agencies.

21 “(4) Preparation of materials required by iso-
22 lated small businesses for participation in small
23 business 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 assist-
4 ance services.

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

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

12 “‘There is authorized to be appropriated to carry out
13 this title \$37,100,000 for fiscal year 1994 and
14 \$50,000,000 for fiscal year 1995. Such sums shall remain
15 available until expended.

16 **“TITLE IV—ELIGIBILITY AND**
17 **INVESTMENT STRATEGIES**

18 **“SEC. 401. AREA ELIGIBILITY.**

19 “(a) CERTIFICATION.—In order to be eligible for as-
20 sistance under title I or II, an applicant seeking assistance
21 to undertake a project shall certify, as part of an applica-
22 tion for such assistance, that, as of the date of submission
23 of such application, the area in which the project is located
24 meets 1 or more of the following criteria:

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

3 “(2) The area has an unemployment rate 1 per-
4 cent above the national average percentage for the
5 most recent 24-month period for which statistics are
6 available.

7 “(3) The area has experienced or is about to
8 experience a sudden economic dislocation resulting
9 in job loss that is significant both in terms of the
10 number of jobs eliminated and the effect upon the
11 employment rate of the area.

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

16 “(A) A large concentration of low-income
17 persons.

18 “(B) Rural areas having substantial out-
19 migration.

20 “(C) Substantial unemployment.

21 “(b) DOCUMENTATION.—A certification made under
22 subsection (a) shall be supported by Federal data, when
23 available, and in other cases by data available through the
24 State government. Such documentation shall be accepted

1 by the Secretary unless it is determined to be inaccurate.

2 The most recent statistics available shall be used.

3 “(c) SPECIAL RULE.—No area which meets the cri-
4 teria of subsection (a) shall be subject to the requirements
5 of subparagraphs (A) and (C) of section 101(a)(1).

6 “(d) PRIOR DESIGNATIONS.—Any designation of a
7 redevelopment area under this title made before the date
8 of the enactment of the Economic Development and Fi-
9 nancing Act of 1994 shall not be effective after such date
10 of enactment.

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

15 **“SEC. 402. INVESTMENT STRATEGY.**

16 “The Secretary may provide assistance under this
17 Act to an applicant for a project to be undertaken in an
18 area only if the applicant submits to the Secretary, as part
19 of an application for such assistance, and the Secretary
20 approves an investment strategy which—

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

23 “(2) identifies past, present, and projected fu-
24 ture economic development investments in such area

1 and public and private participants and sources of
2 funding for such investments;

3 “(3) sets forth a strategy for addressing the
4 economic problems identified pursuant to paragraph
5 (1) and describes how the strategy will solve such
6 problems;

7 “(4) provides a description of the project nec-
8 essary to implement the strategy, estimates of costs
9 and time tables; and

10 “(5) provides a summary of public and private
11 resources expected to be available for such project.

12 **“SEC. 403. DEFINITION.**

13 “For purposes of this Act, the term ‘economic devel-
14 opment district’ means—

15 “(1) an economic development district des-
16 igned before the date of enactment of the Eco-
17 nomic Development and Financing Act of 1994
18 under section 403(a) of the Public Works and Eco-
19 nomic Development Act of 1965, as in effect on the
20 day before such date; and

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

22 “(A) is designated by the Secretary;

23 “(B) is of sufficient size or population and
24 contains sufficient resources to foster economic

1 development on a scale involving more than 1
2 county; and

3 “(C) does not contain within its boundaries
4 any part of another economic development dis-
5 trict designated under subparagraph (A).

6 **“SEC. 404. FUNDING.**

7 “Amounts authorized to be appropriated under other
8 sections of this Act shall be available for the purposes of
9 carrying out this title.

10 **“TITLE V—ADMINISTRATION**

11 **“SEC. 501. APPOINTMENT OF ASSISTANT SECRETARY OF**
12 **COMMERCE AND ADMINISTRATOR FOR ECO-**
13 **NOMIC DEVELOPMENT; COMPENSATION.**

14 “(a) ADMINISTRATION OF ACT.—The Secretary shall
15 administer this Act and, with the assistance of an Assist-
16 ant Secretary of Commerce, in addition to those already
17 provided for, shall supervise and direct the Administrator
18 appointed pursuant to subsection (c).

19 “(b) APPOINTMENT OF ASSISTANT SECRETARY.—

20 “(1) IN GENERAL.—The Assistant Secretary
21 whose position is established under subsection (a)
22 shall be appointed by the President, by and with the
23 advice and consent of the Senate.

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

4 “(c) ADMINISTRATOR FOR ECONOMIC DEVELOP-
5 MENT.—There shall be appointed by the President, by and
6 with the advice and consent of the Senate, an Adminis-
7 trator for Economic Development who—

8 “(1) shall be compensated at the rate provided
9 for level V of the Federal Executive Salary Schedule
10 under section 5316 of title 5, United States Code;
11 and

12 “(2) shall perform such duties as are assigned
13 by the Secretary.

14 **“SEC. 502. CONSULTATION OF SECRETARY WITH OTHER**
15 **PERSONS AND AGENCIES.**

16 “(a) CONSULTATION ON PROBLEMS RELATING TO
17 UNEMPLOYMENT.—The Secretary may, from time to time,
18 call together and confer with any persons, including rep-
19 resentatives of labor, management, agriculture, and gov-
20 ernment, who can assist in meeting the problems of area
21 and regional unemployment or underemployment.

22 “(b) CONSULTATION ON ADMINISTRATION OF ACT.—
23 The Secretary may make provision for such consultation
24 with interested departments and agencies as he may deem

1 appropriate in the performance of the functions vested in
2 him by this Act.

3 **“SEC. 503. ADMINISTRATION, OPERATION, AND MAINTEN-**
4 **NANCE.**

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

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

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

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

16 “(2) transmit to the Committee on Public
17 Works and Transportation and the Committee on
18 Banking, Finance and Urban Affairs of the House
19 of Representatives and the Committee on Environ-
20 ment and Public Works and the Committee on
21 Banking, Housing, and Urban Affairs of the Senate
22 a report containing such guidelines.

23 “(b) CONTENTS.—Guidelines to be published under
24 subsection (a) shall, at a minimum, provide for the
25 following:

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

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

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

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

11 **“SEC. 505. PERFORMANCE EVALUATIONS OF GRANT RE-**
12 **CIPIENTS.**

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

18 “(b) CRITERIA.—

19 “(1) ESTABLISHMENT.—The Secretary shall es-
20 tablish criteria for use in conducting evaluations
21 under subsection (a).

22 “(2) CRITERIA FOR UNIVERSITY CENTERS.—
23 The criteria for evaluation of a university center
24 shall, at a minimum, provide for an assessment of
25 the center’s contribution to providing technical as-

1 sistance, conducting applied research, and dissemi-
2 nating results of the center’s activities.

3 “(3) CRITERIA FOR ECONOMIC DEVELOPMENT
4 DISTRICTS.—The criteria for evaluation of an eco-
5 nomic development district shall, at a minimum, pro-
6 vide for an assessment of management standards, fi-
7 nancial accountability, and program performance.

8 “(c) PEER REVIEW.—In conducting an evaluation of
9 a university center under subsection (a), the Secretary
10 shall provide for the participation of at least 1 other uni-
11 versity center on a cost-reimbursement basis.

12 **“TITLE VI—MISCELLANEOUS**

13 **“SEC. 601. POWERS OF SECRETARY.**

14 “(a) IN GENERAL.—In performing the duties of the
15 Secretary under this Act, the Secretary may—

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

18 “(2) hold such hearings, sit and act at such
19 times and places, and take such testimony, as the
20 Secretary may deem advisable;

21 “(3) request directly from any executive depart-
22 ment, bureau, agency, board, commission, office,
23 independent establishment, or instrumentality infor-
24 mation, suggestions, estimates, and statistics needed
25 to carry out the purposes of this Act; and each de-

1 partment, bureau, agency, board, commission, office,
2 establishment or instrumentality is authorized to
3 furnish such information, suggestions, estimates,
4 and statistics directly to the Secretary;

5 “(4) under regulations prescribed by the Sec-
6 retary, assign or sell at public or private sale, or oth-
7 erwise dispose of for cash or credit, in the Sec-
8 retary’s discretion and upon such terms and condi-
9 tions and for such consideration as the Secretary de-
10 termines to be reasonable, any evidence of debt, con-
11 tract, claim, personal property, or security assigned
12 to or held by the Secretary in connection with grants
13 or loans made or evidences of indebtedness pur-
14 chased under this Act, and collect or compromise all
15 obligations assigned to or held by him in connection
16 with such grants, loans, or evidences of indebtedness
17 until such time as such obligations may be referred
18 to the Attorney General for suit or collection;

19 “(5) further extend the maturity of or renew
20 any loan made or evidence of indebtedness pur-
21 chased under this Act, beyond the periods stated in
22 such loan or evidence of indebtedness or in this Act,
23 for additional periods not to exceed 10 years, if such
24 extension or renewal will aid in the orderly liquida-
25 tion of such loan or evidence of indebtedness;

1 “(6) deal with, complete, renovate, improve,
2 modernize, insure, rent, or sell for cash or credit,
3 upon such terms and conditions and for such consid-
4 eration as the Secretary determines to be reasonable,
5 any real or personal property conveyed to, or other-
6 wise acquired by, the Secretary in connection with
7 grants or loans made or evidences of indebtedness
8 purchased under this Act;

9 “(7) pursue to final collection, by way of com-
10 promise or other administrative action, prior to ref-
11 erence to the Attorney General, all claims against 3d
12 parties assigned to the Secretary in connection with
13 grants or loans made or evidences of indebtedness
14 purchased under this Act;

15 “(8) acquire, in any lawful manner, any prop-
16 erty (real, personal, or mixed, tangible or intangi-
17 ble), whenever necessary or appropriate to the con-
18 duct of activities under section 201, 202, 311, or
19 411;

20 “(9) in addition to any powers, functions, privi-
21 leges, and immunities otherwise vested in the Sec-
22 retary, take any action, including the procurement of
23 the services of attorneys by contract, determined by
24 the Secretary to be necessary or desirable in making,
25 purchasing, servicing, compromising, modifying, liq-

1 uidating, or otherwise administratively dealing with
2 or realizing on loans made or evidences of indebted-
3 ness purchased under this Act;

4 “(10) employ experts and consultants or organi-
5 zations as authorized by section 3109 of title 5,
6 compensate individuals so employed at rates not in
7 excess of \$100 per diem, including travel time, and
8 allow them, while away from their homes or regular
9 places of business, travel expenses (including per
10 diem in lieu of subsistence) as authorized by section
11 5703 of title 5 for persons in the Government serv-
12 ice employed intermittently, while so employed, ex-
13 cept that contracts for such employment may be re-
14 newed annually;

15 “(11) sue and be sued in any court of record
16 of a State having general jurisdiction or in any Unit-
17 ed States district court, and jurisdiction is conferred
18 upon such district court to determine such con-
19 troversies without regard to the amount in con-
20 troversy; but no attachment, injunction, garnish-
21 ment, or other similar process, mesne or final, shall
22 be issued against the Secretary or his property; and

23 “(12) establish such regulations and procedures
24 as the Secretary may deem appropriate in carrying
25 out the provisions of this Act.

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

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

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

1 “(e) RULE OF CONSTRUCTION.—No provision of this
2 section shall be construed to except the activities under
3 this Act from the application of sections 507(b), 517 and
4 2679 of title 28.

5 **“SEC. 602. SAVING PROVISIONS.**

6 “(a) EFFECT OF ADOPTION OF ACT ON OTHER AC-
7 TIONS.—No suit, action, or other proceeding lawfully com-
8 menced by or against the Administrator or any other offi-
9 cer of the Area Redevelopment Administration in the Ad-
10 ministrator’s or officer’s official capacity or in relation to
11 the discharge of the Administrator’s official duties under
12 the Area Redevelopment Act shall abate by reason of the
13 taking effect of the provisions of this Act, but the court
14 may, on motion or supplemental petition filed at any time
15 within 12 months after such taking effect, showing a ne-
16 cessity for the survival of such suit, action, or other pro-
17 ceeding to obtain a settlement of the questions involved,
18 allow the same to be maintained by or against the Sec-
19 retary or the Administrator or such other officer of the
20 Department of Commerce as may be appropriate.

21 “(b) TREATMENT OF POWERS AND DUTIES.—Except
22 as may be otherwise expressly provided in this Act, all
23 powers and authorities conferred by this Act shall be cu-
24 mulative and additional to and not in derogation of any
25 powers and authorities otherwise existing.

1 “(c) CONTINUED EFFECTIVENESS OF PRIOR REGU-
2 LATIONS, ETC.—All rules, regulations, orders, authoriza-
3 tions, delegations, or other actions duly issued, made, or
4 taken by or pursuant to applicable law, prior to August
5 26, 1965, by any agency, officer, or office pertaining to
6 any functions, powers, and duties under the Area Redevel-
7 opment Act shall continue in full force and effect after
8 August 26, 1965, until modified or rescinded by the Sec-
9 retary or such other officer of the Department of Com-
10 merce as, in accordance with applicable law, may be
11 appropriate.

12 **“SEC. 603. TRANSFER OF FUNCTIONS OF AREA REDEVELOP-**
13 **MENT ADMINISTRATION.**

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

22 **“SEC. 604. SEPARABILITY.**

23 “Notwithstanding any other evidence of the intent of
24 Congress, it is hereby declared to be the intent of Congress
25 that if any provision of this Act or the application thereof

1 to any persons or circumstances shall be adjudged by any
2 court of competent jurisdiction to be invalid, such judg-
3 ment shall not affect, impair, or invalidate the remainder
4 of this Act or its application to other persons and cir-
5 cumstances, but shall be confined in its operation to the
6 provision of this Act or the application thereof to the per-
7 sons and circumstances directly involved in the con-
8 troversy in which such judgment shall have been rendered.

9 **“SEC. 605. DEFINITION OF STATE.**

10 “For purposes of this Act, the terms ‘State’ and
11 ‘United States’ include the several States, the District of
12 Columbia, the Commonwealth of Puerto Rico, the Virgin
13 Islands, Guam, and American Samoa.

14 **“SEC. 606. ANNUAL REPORT TO CONGRESS.**

15 “The Secretary shall make a comprehensive and de-
16 tailed annual report to the Congress of his operations
17 under this Act for each fiscal year beginning with the fis-
18 cal year ending June 30, 1966. Such report shall be print-
19 ed and shall be transmitted to the Congress not later than
20 April 1 of the year following the fiscal year with respect
21 to which such report is made.

22 **“SEC. 607. USE OF OTHER FACILITIES.**

23 “(a) DELEGATION OF FUNCTIONS TO OTHER FED-
24 ERAL DEPARTMENTS AND AGENCIES.—The Secretary
25 may delegate to the heads of other departments and agen-

1 cies of the Federal Government any of the Secretary's
2 functions, powers, and duties under this Act as he may
3 deem appropriate, and to authorize the redelegation of
4 such functions, powers, and duties by the heads of such
5 departments and agencies.

6 “(b) DEPARTMENT AND AGENCY EXECUTION OF
7 DELEGATED AUTHORITY.—Departments and agencies of
8 the Federal Government shall exercise their powers, du-
9 ties, and functions in such manner as will assist in carry-
10 ing out the objectives of this Act.

11 “(c) TRANSFER OF FUNDS.—

12 “(1) TRANSFER BETWEEN DEPARTMENTS.—
13 Funds authorized to be appropriated under this Act
14 may be transferred between departments and agen-
15 cies of the Government, if such funds are used for
16 the purposes for which they are specifically author-
17 ized and appropriated.

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

1 propriations under the heading ‘salaries and ex-
2 penses’ by the Secretary to the extent that the total
3 amount of such transfer and merger shall not exceed
4 5 percent of such transferred funds.

5 “(d) FUNDS TRANSFERRED FROM OTHER DEPART-
6 MENTS AND AGENCIES.—In order to carry out the objec-
7 tives of this Act, the Secretary may accept transfers of
8 funds from other departments and agencies of the Federal
9 Government if the funds are used for the purposes for
10 which (and in accordance with the terms under which) the
11 funds are specifically authorized and appropriated.

12 **“SEC. 608. AUTHORIZATION OF APPROPRIATIONS.**

13 “‘There are hereby authorized to be appropriated such
14 sums as may be necessary to carry out those provisions
15 of the Act for which specific authority for appropriations
16 is not otherwise provided in this Act except that there are
17 hereby authorized to be appropriated to carry out those
18 provisions of the Act for which specific authority for ap-
19 propriations is not otherwise provided in this Act not to
20 exceed \$36,000,000 for the fiscal year ending September
21 30, 1995. Appropriations authorized under this Act shall
22 remain available until expended unless otherwise provided
23 by appropriations Acts. Amounts authorized to be appro-
24 priated under this section may be used to support a per-
25 sonnel level of up to 375 full-time equivalents and to ‘buy-

1 out' existing employees without the loss of the full-time
2 equivalent positions filled by such employees. Funds ap-
3 propriated to carry out the purposes of this Act are au-
4 thorized to be expended for the payment of all obligations
5 and expenditures arising from actions to protect the Gov-
6 ernment's interest in grant property.

7 **“SEC. 609. PENALTIES.**

8 “(a) FALSE STATEMENTS; SECURITY OVER-
9 VALUATION.—Whoever makes any statement knowing it
10 to be false, or whoever willfully overvalues any security,
11 for the purpose of obtaining for such person or for any
12 applicant any financial assistance under section 101, 201,
13 202, or 411 or any extension of any such assistance by
14 renewal, deferment, or action, or otherwise, or the accept-
15 ance, release, or substitution of security for such assist-
16 ance, or for the purpose of influencing in any way the ac-
17 tion of the Secretary, or for the purpose of obtaining
18 money, property, or anything of value, under this Act,
19 shall be punished by a fine under title 18, United States
20 Code, imprisoned for not more than 5 years, or both.

21 “(b) EMBEZZLEMENT AND FRAUD-RELATED
22 CRIMES.—Whoever, being connected in any capacity with
23 the Secretary, in the administration of this Act—

24 “(1) embezzles, abstracts, purloins, or willfully
25 misapplies any moneys, funds, securities, or other

1 things of value, whether belonging to such person or
2 pledged or otherwise entrusted to such person;

3 “(2) with intent to defraud the Secretary or
4 any other body politic or corporate, or any individ-
5 ual, or to deceive any officer, auditor, or examiner,
6 makes any false entry in any book, report, or state-
7 ment of or to the Secretary, or without being duly
8 authorized draws any order or issues, puts forth, or
9 assigns any note, debenture, bond, or other obliga-
10 tion, or draft, bill of exchange, mortgage, judgment,
11 or decree thereof;

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

17 “(4) gives any unauthorized information con-
18 cerning any future action or plan of the Secretary
19 which might affect the value of securities, or having
20 such knowledge invests or speculates, directly or in-
21 directly, in the securities or property of any com-
22 pany or corporation receiving loans, grants, or other
23 assistance from the Secretary,

24 shall be fined under title 18, United States Code, impris-
25 oned for not more than 5 years, or both.

1 **“SEC. 610. EMPLOYMENT OF EXPEDITERS AND ADMINIS-**
2 **TRATIVE EMPLOYEES.**

3 “No financial assistance shall be extended by the Sec-
4 retary under section 101, 201, 202, or 411 to any business
5 enterprise unless the owners, partners, or officers of such
6 business enterprise—

7 “(1) certify to the Secretary the names of any
8 attorneys, agents, and other persons engaged by or
9 on behalf of such business enterprise for the purpose
10 of expediting applications made to the Secretary for
11 assistance of any sort, under this Act, and the fees
12 paid or to be paid to any such person; and

13 “(2) execute an agreement binding such busi-
14 ness enterprise, for a period of 2 years after such
15 assistance is rendered by the Secretary to such busi-
16 ness enterprise, to refrain from employing, tendering
17 any office or employment to, or retaining for profes-
18 sional services, any person who, on the date such as-
19 sistance or any part thereof was rendered, or within
20 the 1-year period ending on such date, shall have
21 served as an officer, attorney, agent, or employee,
22 occupying a position or engaging in activities which
23 the Secretary determines involves discretion with re-
24 spect to the granting of assistance under this Act.

1 **“SEC. 611. LABOR STANDARDS; RATE OF WAGES; ASSUR-**
2 **ANCE OF MAINTENANCE OF STANDARDS; EN-**
3 **FORCEMENT.**

4 “All laborers and mechanics employed by contractors
5 or subcontractors on projects assisted by the Secretary
6 under this Act shall be paid wages at rates not less than
7 those prevailing on similar construction in the locality as
8 determined by the Secretary of Labor in accordance with
9 the Act of March 3, 1931, known as the Davis-Bacon Act.
10 The Secretary shall not extend any financial assistance
11 under section 101, 201, 202, 411, or 703 for such a
12 project without first obtaining adequate assurance that
13 these labor standards will be maintained upon the con-
14 struction work. The Secretary of Labor shall have, with
15 respect to the labor standards specified in this provision,
16 the authority and functions set forth in Reorganization
17 Plan Numbered 14 of 1950 and section 2 of the Act of
18 June 13, 1934 (Chapter 482; 48 Stat. 948).

19 **“SEC. 612. MAINTENANCE OF RECORDS OF APPROVED AP-**
20 **PLICATIONS FOR FINANCIAL ASSISTANCE;**
21 **PUBLIC INSPECTION.**

22 “(a) MAINTENANCE OF RECORD REQUIRED.—The
23 Secretary shall maintain as a permanent part of the
24 records of the Department of Commerce a list of applica-
25 tions approved for financial assistance under section 3131,
26 3141, 3142, or 3171 of this title, which shall be kept avail-

1 able for public inspection during the regular business
2 hours of the Department of Commerce.

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

6 “(1) The name of the applicant and, in the case
7 of corporate applications, the names of the officers
8 and directors of the corporation.

9 “(2) The amount and duration of the loan or
10 grant for which application is made.

11 “(3) The purposes for which the proceeds of the
12 loan or grant are to be used.

13 “(4) A general description of the security of-
14 fered in the case of a loan.

15 **“SEC. 613. RECORDS AND AUDIT.**

16 “(a) RECORDKEEPING AND DISCLOSURE REQUIRE-
17 MENTS.—Each recipient of assistance under this Act shall
18 keep such records as the Secretary shall prescribe, includ-
19 ing records which fully disclose the amount and the dis-
20 position by such recipient of the proceeds of such assist-
21 ance, the total cost of the project or undertaking in con-
22 nection with which such assistance is given or used, and
23 the amount and nature of that portion of the cost of the
24 project or undertaking supplied by other sources, and such
25 other records as will facilitate an effective audit.

1 Counsels of the Economic Development Administration re-
2 port directly to their respective Regional Director.

3 **“TITLE VII—SPECIAL ECONOMIC**
4 **DEVELOPMENT AND ADJUST-**
5 **MENT ASSISTANCE**

6 **“Subtitle A—Grants and**
7 **Adjustment Assistance**

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

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

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

2 “As used in this title, the term ‘eligible recipient’
3 means an economic development district (as defined in
4 section 411), an Indian tribe, a State, a city or other polit-
5 ical subdivision of a State, or a consortium of such politi-
6 cal subdivisions, or a public or private nonprofit organiza-
7 tion or association.

8 **“SEC. 703. GRANTS BY SECRETARY.**

9 “(a) IN GENERAL.—

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

13 “(A) the Secretary has determined has ex-
14 perience, or may reasonably be foreseen to be
15 about to experience, a special need to meet an
16 expected rise in unemployment, or other eco-
17 nomic adjustment problems (including those
18 caused by any action or decision of the Federal
19 Government); or

20 “(B) the Secretary determines has dem-
21 onstrated long-term economic deterioration, to
22 carry out or develop a plan which—

23 “(i) meets the requirements of sub-
24 section (b); and

25 “(ii) is approved by the Secretary to
26 use such grants for any of the following:

- 1 “(I) Public facilities.
- 2 “(II) Public services.
- 3 “(III) Business development.
- 4 “(IV) Industrial retention.
- 5 “(V) Planning.
- 6 “(VI) Research.
- 7 “(VII) Technical assistance.
- 8 “(VIII) Administrative expenses.
- 9 “(IX) Training.
- 10 “(X) Relocation of individuals
11 and businesses.
- 12 “(XI) Assistance to business
13 through trade adjustment assistance
14 centers.
- 15 “(XII) Other assistance which
16 demonstrably furthers the economic
17 development and adjustment objec-
18 tives of this title.

19 “(2) DIRECT EXPENDITURE OR REDISTRIBU-
20 TION BY RECIPIENT.—Grants under paragraph (1)
21 may be used in direct expenditures by the eligible re-
22 cipient or through redistribution by it to public and
23 private entities in grants, loans, loan guarantees,
24 payments to reduce interest on loan guarantees, or
25 other appropriate assistance, but no grant shall be

1 made by an eligible recipient to a private profit-
2 making entity.

3 “(3) RESEARCH AND TECHNICAL ASSIST-
4 ANCE.—The Secretary may conduct research or pro-
5 vide technical assistance for purposes of this title di-
6 rectly through members of the Secretary’s staff or
7 through the payment of funds to other departments
8 or agencies of the Federal Government.

9 “(b) CRITERIA FOR APPROVAL OF PLAN.—No plan
10 shall be approved by the Secretary under this section un-
11 less the plan—

12 “(1) identifies each economic development and
13 adjustment need of the area for which assistance is
14 sought under this title;

15 “(2) describes each activity planned to meet
16 each such need;

17 “(3) explains the details of the method of carry-
18 ing out each such planned activity;

19 “(4) contains assurances satisfactory to the
20 Secretary that the proceeds from the repayment of
21 loans made by the eligible recipient with funds
22 granted under this title will be used for economic de-
23 velopment or adjustment; and

24 “(5) be in such form and contain such addi-
25 tional information as the Secretary shall prescribe.

1 “(c) COORDINATION OF ACTIVITIES WITH OTHER
2 FEDERAL PROGRAMS, REGIONAL COMMISSIONS, STATES,
3 ETC.—The Secretary to the extent practicable shall co-
4 ordinate the activities relating to the requirements for
5 plans and making grants and loans under this title with
6 other Federal programs, regional commissions, States,
7 economic development districts and other appropriate
8 planning and development organizations.

9 “(d) PRIORITIZING NEEDS AND SELECTION CRI-
10 TERIA FOR ASSISTANCE.—

11 “(1) IN GENERAL.—The Secretary shall pre-
12 scribe regulations and procedures to carry out this
13 title which establish a method to prioritize applica-
14 tions and award funding in a manner which takes
15 into consideration the relative needs of eligible areas
16 and the capacity of the applicant organizations.

17 “(2) FACTORS TO BE CONSIDERED.—In pre-
18 scribing such regulations and procedures the Sec-
19 retary shall consider among other relevant factors—

20 “(A) the severity of the current and antici-
21 pated rates of unemployment in the eligible
22 areas and the current and anticipated duration
23 of such unemployment;

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

1 “(C) the economic development records of
2 the applicant organization, including the organi-
3 zation’s prior experience and its capacity to
4 leverage or attract funding from the private
5 sector;

6 “(D) the ability of the applicant organiza-
7 tion to raise funds necessary to meet any
8 matching requirements applicable to the assist-
9 ance provided under this title;

10 “(E) how the applicant organization will
11 coordinate or create partnerships with other or-
12 ganizations in the community and the extent to
13 which the applicant will increase the resources
14 for economic development activities through
15 such coordination or by forging partnerships
16 with private financial institutions; and

17 “(F) the applicant organization’s record in
18 targeting assistance to economically distressed
19 communities.

20 “(e) BASE CLOSINGS AND REALIGNMENTS.—

21 “(1) LOCATION OF PROJECTS.—In any case in
22 which the Secretary determines a need for assistance
23 under subsection (a) due to the closure or realign-
24 ment of a military installation, the Secretary may
25 make such assistance available for projects to be

1 carried out on the military installation and for
2 projects to be carried out in communities adversely
3 affected by the closure or realignment.

4 “(2) INTEREST IN PROPERTY.—Notwithstand-
5 ing any other provision of law, the Secretary may
6 provide to an eligible recipient any assistance avail-
7 able under this Act for a project to be carried out
8 on a military installation that is closed or scheduled
9 for closure or realignment without requiring that the
10 eligible recipient have title to the property or a lease-
11 hold interest in the property for any specified term.

12 **“SEC. 704. ANNUAL REPORTS BY RECIPIENT AND SEC-**
13 **RETARY.**

14 “(a) RECIPIENT’S REPORT.—Each eligible recipient
15 which receives assistance under this title shall annually
16 during the period such assistance continues make a full
17 and complete report to the Secretary, in such manner as
18 the Secretary shall prescribe, and such report shall contain
19 an evaluation of the effectiveness of the economic assist-
20 ance provided under this title in meeting the need it was
21 designed to alleviate and the purposes of this title.

22 “(b) SECRETARY’S REPORT.—The Secretary shall in-
23 clude in the annual report pursuant to section 3217 of
24 this title a consolidated report with his recommendations,

1 if any, on the assistance authorized under this title, in
2 a form which he deems appropriate.

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

4 “(a) IN GENERAL.—There is authorized to be appro-
5 priated to carry out this title \$115,542,000 for fiscal year
6 1994 and \$124,800,000 for fiscal year 1995. Such sums
7 shall remain available until expended.

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

13 “(c) ADDITIONAL AMOUNTS.—In addition to the ap-
14 propriations authorized by subsection (a), there is author-
15 ized to be appropriated to carry out this title such sums
16 as may be necessary to provide assistance for defense con-
17 version activities and to provide assistance in the case of
18 a natural disaster. Such sums shall remain available until
19 expended.

20 **“Subtitle B—Economic**
21 **Development Financing**

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

23 “(a) IN GENERAL.—To the extent the Secretary
24 deems it appropriate to carry out the purposes of this title,
25 the Secretary may guarantee loans made to private bor-

1 rowers by private lending institutions, community develop-
2 ment financial institutions, and other lenders as the Sec-
3 retary considers appropriate.

4 “(b) ELIGIBLE ACTIVITIES.—Activities for which
5 loans may be guaranteed under this title include the devel-
6 opment of land and facilities (including machinery and
7 equipment) for industrial or commercial usage (such as
8 the construction of new buildings and the rehabilitation
9 of abandoned or unoccupied buildings, and alterations,
10 conversion, or enlargement of existing buildings), or for
11 the provision of working capital.

12 “(c) TERMS AND CONDITIONS.—

13 “(1) IN GENERAL.—The Secretary may make
14 such guarantees upon application of the lenders and
15 upon such terms and conditions as the Secretary
16 may prescribe, except that no such guarantee shall
17 at any time exceed 90 percent of the amount of the
18 outstanding unpaid balance of such loans.

19 “(2) PRESUMPTION OF VALIDITY.—Guarantees
20 under paragraph (1) shall be conclusive evidence
21 that the guarantee has been properly obtained, that
22 the underlying loan qualifies for such guarantee, and
23 that, but for fraud or material misrepresentation by
24 the holder, such guarantee will be presumed to be
25 valid, legal, and enforceable.

1 “(3) FULL FAITH AND CREDIT OF U.S.—Guar-
2 antees under paragraph (1) shall have the full faith
3 and credit of the United States Government.

4 “(4) LENDER RESPONSIBILITIES.—No guaran-
5 tee may be provided unless the lender is responsible
6 and makes adequate provision for servicing the loan
7 on reasonable terms and for protecting the financial
8 interest of the United States.

9 “(5) PROHIBITION ON CERTAIN LOAN GUARAN-
10 TEES.—No loan may be guaranteed if the proceeds
11 of such loan are excluded from gross income for the
12 purposes of Chapter 1 of the Internal Revenue Code
13 of 1986 or if the guarantee provides sufficient collat-
14 eral or security, as determined by the Secretary, for
15 other obligations the income from which is so
16 excluded.

17 “(d) PREFERRED LENDER PREFERENCE.—To the
18 extent feasible, the Secretary shall conduct the guarantee
19 program established under this subsection on a preferred
20 lender basis and authorize lenders, in accordance with
21 agreements entered into between the Secretary and such
22 lenders, to take such actions on the Secretary’s behalf as
23 the Secretary deems appropriate, including, but not lim-
24 ited to, the determination of eligibility and credit worthi-
25 ness and loan monitoring, collection and liquidation.

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

2 “(a) IN GENERAL.—In order to study the feasibility
3 and desirability of a program of equity financing, the Sec-
4 retary shall establish a 5-year pilot program under which
5 the Secretary may, either directly or through grants made
6 to eligible recipients (as defined in section 702), purchase
7 or commit to purchase nonvoting equity instruments, with
8 or without equity warrants or commit to guarantee the
9 payment of up to 50 percent of the redemption price of,
10 and dividends on, such equity instruments of private Unit-
11 ed States businesses or nonprofit organizations and asso-
12 ciations for the purpose of providing capital for any
13 project which is consistent with the provisions of this title.

14 “(b) ESTABLISHMENT OF FUND.—For purposes of
15 conducting the pilot program provided under subsection
16 (a), the Secretary shall establish an Equity Investment
17 Revolving Fund to carry out the purposes of this section.

18 “(c) DISPOSAL OF EQUITY INSTRUMENTS.—The Sec-
19 retary shall endeavor to dispose of any equity instruments
20 purchased or guaranteed under this section within the 10-
21 year period beginning on the date of the acquisition of
22 such interest.

23 “(d) USE OF PAYMENTS.—

24 “(1) USE OF PAYMENTS TO THE SECRETARY.—
25 Amounts received by the Secretary from the pay-
26 ment of dividends and the redemption of equity in-

1 struments shall be deposited in the Equity Invest-
2 ment Revolving Fund and shall be available to make
3 or guarantee additional equity investments consist-
4 ent with this section.

5 “(2) USE OF PAYMENTS TO ELIGIBLE RECIPI-
6 ENT INTERMEDIARIES.—Of the amounts received by
7 eligible recipient intermediaries from the payment of
8 dividends and the redemption of equity instru-
9 ments—

10 “(A) up to 50 percent may be retained by
11 such organizations to make or guarantee addi-
12 tional equity investments consistent with this
13 section; and

14 “(B) no less than 50 percent shall be re-
15 turned to the Secretary to be deposited into the
16 Fund established under subsection (b) to make
17 or guarantee additional equity investments con-
18 sistent with this section.

19 “(e) INVESTMENT OF EXCESS FUNDS.—If the Sec-
20 retary determines that the amount of money in the Fund
21 exceeds the current requirements of the Fund, the Sec-
22 retary may direct the Secretary of the Treasury to invest
23 such amounts in obligations of the United States, in obli-
24 gations guaranteed by the United States Government, or

1 in such other obligations or securities of the United States
2 as the Secretary of the Treasury deems appropriate.

3 “(f) AUTHORIZATION OF APPROPRIATIONS.—In addi-
4 tion to the funds authorized to be appropriated under sec-
5 tion 705, there are authorized to be appropriated
6 \$10,000,000 for fiscal year 1995, to carry out this section.
7 Such sums shall remain available until expended.

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

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

16 “(b) EXCEPTION.—Amounts described in subsection
17 (a) which are loaned from a revolving loan fund to a bor-
18 rower and repaid to the fund—

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

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

1 **“SEC. 715. ECONOMIC DEVELOPMENT CHALLENGE GRANTS**
2 **DEMONSTRATION PROJECT.**

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

13 “(b) FEDERAL AND COMMUNITY CONTRIBUTIONS.—

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

16 “(e) SELECTION OF DEMONSTRATION PROJECTS.—

17 “(1) IN GENERAL.—The Secretary shall make
18 grants to selected recipients from 3 to 5 areas suf-
19 fering from long-term economic distress.

20 “(2) DISTRIBUTION.—At least 1 selected recipi-
21 ent shall be from a rural area, 1 from a declining
22 industrial area, and 1 from an area that is a com-
23 bination of rural, small metropolitan, and suburban
24 communities.

1 “(3) INDUSTRIAL RETENTION STRATEGY RE-
2 QUIREMENT.—Of the 3 recipients described in para-
3 graph (2), at least 1 of the projects selected shall in-
4 clude an industrial retention strategy.

5 “(f) GRANT SELECTION PROCESS.—

6 “(1) NATIONAL COMPETITION.—The Secretary
7 shall select recipients of the challenge grants
8 through a nationally competitive process.

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

14 “(3) PREFERENCE FOR CERTAIN PROJECTS.—
15 The Secretary shall give preference to eligible recipi-
16 ents which—

17 “(A) utilize Federal the grant plus match-
18 ing funds to further leverage private and public
19 capital to create an even larger economic devel-
20 opment investment fund;

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

24 “(C) intend to use their investment funds
25 to finance or leverage financing for new busi-

1 ness development and startups, industrial serv-
2 ices, industrial modernization of local-based
3 firms or industrial retention (including em-
4 ployee stock ownership plans and worker or
5 management buyouts), or other economic devel-
6 opment strategies that illustrate ‘best practices’
7 in economic development.

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

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

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

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

21 No area may receive an economic development challenge
22 grant if it has been designated an empowerment or enter-
23 prise community under section 13301 of the Omnibus
24 Budget Reconciliation Act of 1993.

1 “(1) Through its support and funding of re-
2 search and development in this Nation’s Federal
3 agencies, laboratories, and educational institutions,
4 the Federal Government has fostered the creation of
5 thousands of patents, licenses, technologies, and
6 processes owned, or held in whole or part, by the
7 Federal Government.

8 “(2) If commercialized, these patents, licenses,
9 technologies, and processes owned, or held in whole
10 or part, by the Federal Government hold the poten-
11 tial to be a significant tool to foster economic devel-
12 opment and to create significant numbers of new
13 jobs at good wages for American workers.

14 “(3) The Federal Government has not been suf-
15 ficiently effective in encouraging the commercializa-
16 tion of these patents, licenses, technologies, and
17 processes owned, or held in whole or part, by the
18 Federal Government.

19 “(4) The Federal Government does not have an
20 effective mechanism to encourage the commercializa-
21 tion of these patents, licenses, technologies, and
22 processes by businesses located in parts of the Na-
23 tion in need of economic development.

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

1 on patents, licenses, technologies, and processes
2 owned, or held in whole or part, by the Federal
3 Government.

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

10 “(7) Businesses and entrepreneurs in areas in
11 need of economic development are largely unaware of
12 the existence of these patents, licenses, technologies,
13 and processes, and largely unaware of the possibili-
14 ties for obtaining the rights to these patents, li-
15 censes, technologies, and processes for the purpose
16 of commercialization.

17 “(8) It is in the economic interest of the United
18 States to facilitate the private sector commercializa-
19 tion of patents, licenses, technologies, and processes
20 by United States businesses located in areas in need
21 of economic development.

22 “(9) Greater effectiveness will be achieved
23 through the utilization of the private sector cor-
24 porate structure and profit incentives in facilitating
25 the commercialization of patents, licenses, tech-

1 nologies, and processes than can reasonably be ex-
2 pected by the Federal Government performing this
3 function.

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

6 “(1) To provide assistance to private-sector
7 United States businesses, located in areas in need of
8 economic development, to commercialize patents, li-
9 censes, technologies, and processes owned, or held in
10 whole or part, by the Federal Government.

11 “(2) To create new employment opportunities
12 by facilitating the commercialization of patents, li-
13 censes, technologies, and processes by United States
14 businesses and entrepreneurs in areas in need of
15 economic development.

16 “(3) To develop a single, comprehensive data
17 base of information on patents, licenses, tech-
18 nologies, and processes owned, or held in whole or
19 part, by the Federal Government, which is standard-
20 ized and easily accessible.

21 “(4) To heighten the awareness of United
22 States businesses and entrepreneurs of the availabil-
23 ity for commercialization of patents, licenses, tech-
24 nologies, and processes owned, or held in whole or
25 part, by the Federal Government.

1 “(c) DEFINITIONS.—For purposes of this subtitle,
2 the following definitions shall apply:

3 “(1) SECRETARY.—The term ‘Secretary’ means
4 the Secretary of Commerce.

5 “(2) CORPORATION.—The term ‘Corporation’
6 means the Business Development and Technology
7 Commercialization Corporation established under
8 this subtitle.

9 “(3) BOARD.—The term ‘Board’ means the
10 Board of Directors of the Business Development and
11 Technology Commercialization Corporation.

12 “(4) QUALIFIED CONCERN.—The term ‘quali-
13 fied concern’ means a United States-based consor-
14 tium, a private United States business, or an edu-
15 cational institution participating in a joint project
16 with 1 or more private United States businesses, for
17 the development and commercialization of patents,
18 licenses, processes, and technologies—

19 “(A) owned or held in whole or part by
20 Federal departments, agencies, or government-
21 controlled corporations;

22 “(B) developed in Federal laboratories;

23 “(C) arising in the course of federally
24 funded research at educational institutions,

1 other units of government, or with private con-
2 cerns; or

3 “(D) which are made available to the Fed-
4 eral Government by private concerns.

5 **“SEC. 722. CONSOLIDATION OF INFORMATION ON TECH-**
6 **NOLOGIES.**

7 “(a) ESTABLISHMENT OF DATA.—The Secretary
8 shall establish and maintain an integrated, comprehensive
9 data base describing all patents, licenses, technologies, and
10 processes owned, or held in whole or part, by the Federal
11 Government, or which originated in the course of federally
12 funded research in which the Federal Government has an
13 interest.

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

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

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

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

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

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

14 “(e) ACCESS TO THE DATA BASE.—

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

23 “(2) ACCESS TO THE DATA BASE BY THE PUB-
24 LIC.—Except as provided in paragraph (3), the Sec-
25 retary shall, by regulation, develop and implement

1 procedures providing for access to the data base es-
2 tablished under this section to members of the gen-
3 eral public.

4 “(3) RESTRICTIONS.—If, in consultation with
5 the heads of other executive agencies, the Secretary
6 determines that access by the Corporation or any
7 other person to information contained in the data
8 base established under this section would—

9 “(A) threaten national security;

10 “(B) violate the proprietary rights of any
11 private interest; or

12 “(C) be otherwise inappropriate,

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

18 “(f) REVIEW OF CURRENT FEDERAL TECHNOLOGY
19 TRANSFER EFFORTS.—

20 “(1) IN GENERAL.—The Secretary shall con-
21 duct a review of all technology transfer and commer-
22 cialization activities within all Federal departments,
23 agencies, and laboratories, or which are otherwise
24 supported by federal funds. This review shall iden-
25 tify those activities which may overlap or duplicate

1 the technology transfer and commercialization activi-
2 ties provided for under this subtitle.

3 “(2) REPORTS.—Before the end of the 1-year
4 period beginning on the date of the enactment of the
5 Economic Development and Financing Act of 1994,
6 the Secretary shall issue a report to the Congress
7 describing in detail—

8 “(A) the findings of the review directed
9 under paragraph (1),

10 “(B) the funding levels of each existing
11 federal technology transfer and commercializa-
12 tion activities, and

13 “(C) recommendations for the modification
14 or elimination of any existing federal technology
15 transfer and commercialization activities which
16 he finds to be duplicative of the activities pro-
17 vided for under this subtitle.

18 **“SEC. 723. BUSINESS DEVELOPMENT AND TECHNOLOGY**

19 **COMMERCIALIZATION CORPORATION.**

20 “(a) ESTABLISHMENT OF CORPORATION.—

21 “(1) IN GENERAL.—There shall be established
22 a Business Development and Technology Commer-
23 cialization Corporation (hereafter in this section re-
24 ferred to as the ‘Corporation’).

1 “(2) PURPOSE.—The Corporation shall be oper-
2 ated for the purpose of fostering economic growth,
3 assisting in the creation of new employment oppor-
4 tunities, and strengthening the industrial base of the
5 United States by providing credit for businesses and
6 by facilitating the transfer and commercialization of
7 patents, licenses, processes, and technologies—

8 “(A) owned or held in whole or part by
9 Federal departments, agencies, or government
10 controlled corporations;

11 “(B) developed in Federal laboratories;

12 “(C) arising in the course of federally
13 funded research at educational institutions,
14 other units of government, or with private con-
15 cerns; and

16 “(D) which are made available by private
17 concerns.

18 “(3) CORPORATION NOT AN ESTABLISHMENT
19 OF THE UNITED STATES.—The Corporation shall
20 not be an agency or establishment of the United
21 States.

22 “(b) PROCESS OF ORGANIZATION.—

23 “(1) INCORPORATION.—

24 “(A) IN GENERAL.—The Secretary of
25 Commerce, the Secretary of Labor, and the Ad-

1 administrator of the Small Business Administra-
2 tion shall serve as the incorporators of the
3 Business Development and Technology Com-
4 mercialization Corporation and as the initial
5 members of the Board of Directors established
6 under subsection (c)(1) until their successors
7 are elected and qualified.

8 “(B) NECESSARY ACTION AUTHORIZED.—

9 The incorporators referred to in subparagraph
10 (A) shall take such other actions as may be nec-
11 essary to establish the Corporation, including
12 the filing of articles of incorporation.

13 “(2) OWNERSHIP OF THE CORPORATION.—

14 “(A) RETENTION OF FEDERAL GOVERN-
15 MENT INTEREST.—The Federal Government
16 shall retain a 60 percent nonvoting equity own-
17 ership of the Corporation, except as otherwise
18 provided under this subtitle.

19 “(B) SOLICITATION OF PROPOSALS FOR
20 EQUITY INVESTMENT AND MANAGEMENT.—Be-
21 fore the end of the 6-month period beginning on
22 the date of the enactment of the Economic De-
23 velopment and Financing Act of 1994, the Sec-
24 retary of Commerce shall solicit proposals for
25 the sale of the remaining 40 percent of the eq-

1 uity ownership in the Corporation to a United
2 States private entity or consortium which will
3 assume the management and operation of the
4 Corporation.

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

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

17 “(3) SELECTION CRITERIA AND PROCEDURES
18 FOR THE SALE OF 40 PERCENT OF THE EQUITY IN
19 THE CORPORATION.—

20 “(A) IN GENERAL.—The President, in con-
21 sultation with the Secretary of Commerce, shall
22 make the final selection of a proposal for the
23 sale of 40 percent of the equity in the Corpora-
24 tion, as provided under this subsection.

1 “(B) CRITERIA FOR SELECTING A PRO-
2 POSAL TO RECOMMEND TO THE PRESIDENT.—

3 In selecting a proposal to recommend to the
4 President for the sale of 40 percent of the eq-
5 uity in the Corporation, as described in sub-
6 paragraph (A), the Secretary of Commerce shall
7 take into consideration the following factors—

8 “(i) the quality of the operational
9 plan;

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

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

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

22 “(v) the intentions of the submitters
23 of the proposal to locate the headquarters
24 of the Corporation in an area which is not
25 located in the 50 largest Metropolitan Sta-

1 tistical Areas, based on the 1990 Census;
2 and

3 “(vi) such other factors as the
4 incorporators determine to be appropriate
5 in meeting the objectives of this Act.

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

8 In selecting a proposal to recommend to the
9 President for the sale of 40 percent of the eq-
10 uity in the Corporation, as described in sub-
11 paragraph (A), the Secretary of Commerce shall
12 ensure that in the selection process—

13 “(i) not less than 3 proposals are
14 identified as proposals to receive further
15 consideration, as provided in clauses (ii)
16 and (iii), except that, if fewer than 3 pro-
17 posals are received, each of them shall re-
18 ceive further consideration;

19 “(ii) a review procedure is imple-
20 mented under which the sponsors of the
21 proposals identified in clause (i) are pro-
22 vided an opportunity to make personal
23 presentations of their proposals to the Sec-
24 retary or the Secretary’s designee; and

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

4 “(4) CONVERSION OF NONVOTING EQUITY TO
5 VOTING EQUITY.—Before the solicitation for propos-
6 als in accordance with paragraph (2)(B), the Sec-
7 retary shall prescribe regulations setting forth the
8 circumstances under which the Federal Govern-
9 ment’s 60 percent nonvoting equity ownership may
10 be converted into voting equity ownership in order to
11 meet the objectives of this Act or otherwise protect
12 the interests of the American taxpayers.

13 “(c) DIRECTORS, OFFICERS, AND EMPLOYEES.—

14 “(1) BOARD OF DIRECTORS.—

15 “(A) APPOINTMENT AND NUMBER.—The
16 Corporation shall be under the management of
17 a Board of Directors (hereafter in this section
18 referred to as the ‘Board’) consisting of individ-
19 uals who are citizens of the United States, of
20 whom 1 shall be elected by the Board to serve
21 as chairperson.

22 “(B) TERM.—The members of the Board
23 shall be elected annually by the stockholders of
24 the Corporation.

1 “(C) PROHIBITION ON CONFLICTS OF IN-
2 TEREST.—

3 “(i) IN GENERAL.—A director may
4 not participate in the deliberations on, or
5 vote on, a matter regarding an application,
6 claim, or other matter pending before the
7 Corporation if, to the director’s knowledge,
8 the director, the director’s spouse, minor
9 child, parent, sibling, or partner, or any
10 organization, other than the Corporation,
11 in which the director is serving as an offi-
12 cer, director, trustee, partner, or employee,
13 or any person with whom the director is
14 negotiating or has any arrangement con-
15 cerning perspective employment, has a fi-
16 nancial interest in the matter.

17 “(ii) CONSEQUENCE OF VIOLATION.—
18 A director who violates this subparagraph
19 shall be subject to removal from the
20 Board, but such a violation shall not im-
21 pair, nullify, or otherwise affect the valid-
22 ity of any otherwise lawful action by the
23 Corporation in which such director partici-
24 pated.

25 “(D) COMPENSATION OF THE BOARD.—

1 “(i) AMOUNT.—The rate of compensa-
2 tion of members of the Board shall be
3 fixed by the stockholders of the Corpora-
4 tion.

5 “(ii) FUNDS.—Funds for such com-
6 pensation shall be drawn from the capital
7 and earnings of the Corporation.

8 “(E) BYLAWS.—The Board may adopt and
9 amend bylaws governing the operation of the
10 Corporation in a manner consistent with the
11 provisions of this title and the articles of incor-
12 poration of the Corporation.

13 “(2) OFFICERS AND EMPLOYEES.—

14 “(A) APPOINTMENT.—The Board shall ap-
15 point a chief executive officer, who shall have
16 the authority to appoint such other officers and
17 employees as the officer determines to be nec-
18 essary to carry out the provisions of this section
19 and the functions of the Corporation.

20 “(B) PROHIBITION ON CONFLICTS OF IN-
21 TEREST.—

22 “(i) IN GENERAL.—An officer or em-
23 ployee may not participate in a matter re-
24 garding an application, claim, or other
25 matter pending before the Corporation if,

1 to such person's knowledge, the person, the
2 person's spouse, minor child, parent, sib-
3 ling, or partner, or an organization, other
4 than the Corporation, in which the person
5 is serving as an officer, director, trustee,
6 partner, or employee, or any person with
7 whom the person is negotiating or has any
8 arrangement concerning perspective em-
9 ployment, has a financial interest in the
10 matter.

11 “(ii) CONSEQUENCE OF VIOLATION.—

12 An officer or employee who violates this
13 subparagraph shall be subject to termi-
14 nation, but such a violation shall not im-
15 pair, nullify, or otherwise affect the valid-
16 ity of any otherwise lawful action by the
17 Corporation in which such officer or em-
18 ployee participated.

19 “(C) COMPENSATION OF OFFICERS AND

20 EMPLOYEES.—

21 “(i) IN GENERAL.—Subject to clause

22 (i), the rate of compensation of the chief
23 executive officer, and all officers and em-
24 ployees, of the Corporation shall be fixed
25 by the Board.

1 “(ii) DELEGATION TO C.E.O.—At the
2 discretion of the Board, the Board may
3 delegate to the chief executive officer, sub-
4 ject to the provisions of subparagraph (B),
5 the authority to fix the rate of compensa-
6 tion for other officers and employees.

7 “(D) SOURCE OF FUNDS FOR COMPENSA-
8 TION.—Funds for compensation for the chief
9 executive officer, and for all officers and em-
10 ployees, shall be drawn from the capital and
11 earnings of the Corporation.

12 “(E) TENURE.—Officers and employees
13 shall serve at the pleasure of the Board.

14 “(d) GENERAL POWERS.—The Corporation shall
15 have the power to do the following:

16 “(1) Have succession in the name of the Cor-
17 poration.

18 “(2) Adopt, alter, and use a corporate seal.

19 “(3) Sue and be sued in the name of the Cor-
20 poration.

21 “(4) Make and carry out contracts.

22 “(5) Exercise such other incidental powers not
23 inconsistent with this section that are necessary or
24 appropriate to carry out the purposes and functions
25 of the Corporation, including the usual powers con-

1 ferred upon a corporation by the District of Colum-
2 bia Business Corporation Act.

3 “(6) Modify the name of the Corporation.

4 “(e) PROMOTION OF TECHNOLOGIES.—

5 “(1) MARKETING OF TECHNOLOGIES.—The
6 Corporation shall undertake an aggressive,
7 multifaceted outreach program to increase awareness
8 of the availability of patents, licenses, processes, and
9 technologies to qualified concerns under this subtitle.
10 This program shall emphasize the use of new infor-
11 mation technologies, including the utilization of
12 cable television and the modern electronic media,
13 and the data base established under this subtitle.

14 “(2) UTILIZATION OF CABLE TELEVISION.—

15 “(A) IN GENERAL.—In implementing the
16 outreach program provided under paragraph
17 (1), the Corporation shall enter into contracts
18 for the establishment of a cable television net-
19 work devoted to marketing efforts for the com-
20 mercialization of patents, licenses, processes,
21 and technologies—

22 “(i) owned or held in whole or part by
23 Federal departments, agencies, or govern-
24 ment controlled corporations,

1 “(ii) developed in Federal labora-
2 tories,

3 “(iii) arising in the course of federally
4 funded research at educational institutions,
5 other units of government or with private
6 concerns; and

7 “(iv) which are otherwise made avail-
8 able to the government by private con-
9 cerns.

10 “(B) PROMOTIONAL FEES.—Under terms
11 negotiated between the Secretary and the Cor-
12 poration, the Secretary is authorized to make
13 payments to the Corporation for promotional
14 fees for the production of segments for broad-
15 cast over cable television, or other appropriate
16 media, which identify—

17 “(i) the technologies described in
18 paragraph (A);

19 “(ii) their potential commercial appli-
20 cations; and

21 “(iii) methods available for obtaining
22 additional information on the technologies.

23 “(3) TECHNICAL ASSISTANCE.—

24 “(A) IN GENERAL.—The Corporation shall,
25 upon request, provide technical assistance and

1 services, as appropriate and needed, to qualified
2 concerns under this subtitle.

3 “(B) FEES.—The Corporation may—

4 “(i) charge fees for technical assist-
5 ance and services provided under this sec-
6 tion in amounts sufficient to cover the rea-
7 sonable cost of such assistance and serv-
8 ices; and

9 “(ii) waive such fees on a case-by-case
10 basis.

11 “(4) OUTREACH TO SPECIFIC AREAS.—The
12 Corporation shall seek to ensure that qualified con-
13 cerns located in areas determined by the Secretary
14 of Commerce to have a depressed economy or chron-
15 ically high unemployment are notified of the avail-
16 ability assistance through the program established
17 under this section and, to the extent practicable, to
18 encourage and facilitate the participation of such
19 qualified concerns in such program.

20 “(f) AUTHORITY TO REPRESENT THE GOVERN-
21 MENT.—

22 “(1) IN GENERAL.—In accordance with regula-
23 tions prescribed by the Secretary, the Corporation
24 shall act as an agent, and represent the interests, of
25 the Federal Government in facilitating the transfer

1 of patents, licenses, processes, and technologies to
2 qualified concerns under this Act.

3 “(2) RIGHTS OF QUALIFIED CONCERNS.—In ac-
4 cordance with regulations promulgated by the Sec-
5 retary, the Corporation is authorized to convey, to
6 qualified concerns, under terms and conditions to be
7 negotiated between the Corporations and qualified
8 concerns, title, exclusive license, nonexclusive license,
9 or other rights which may be necessary and appro-
10 priate to facilitate the commercialization of patents,
11 licenses, processes, and technologies as provided
12 under this Act.

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

17 “(A) The conveyance agreement contains
18 language providing for the right of the Corpora-
19 tion to revoke the rights provided under para-
20 graph (2) if—

21 “(i) the qualified concern does not
22 demonstrate that it is undertaking a good
23 faith effort to achieve the commercializa-
24 tion of the patent, license, process, or tech-
25 nology; or

1 “(ii) the Secretary certifies that the
2 interests of national security or the general
3 welfare of the American people necessitates
4 the revocation of such rights.

5 “(B) The Federal Government retains a li-
6 cense to such patents, processes, and tech-
7 nologies for its own use.

8 “(C) The Federal Government receives in
9 compensation for the conveyance of such
10 rights—

11 “(i) royalty fees;

12 “(ii) partial equity ownership in the
13 qualified concerns to whom such rights are
14 conveyed;

15 “(iii) the right to share in the earn-
16 ings of the qualified entity proportionate to
17 the value of the rights so conveyed; or

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

21 “(g) FINANCING OF CORPORATION.—

22 “(1) CAPITAL STOCK.—The Corporation may
23 issue and have outstanding, in such amounts as it
24 shall determine, shares of capital stock, without par

1 value, which shall carry voting rights and be eligible
2 for dividends.

3 “(2) NONVOTING SECURITY ISSUES AND CER-
4 TIFICATES OF INDEBTEDNESS.—The Corporation
5 may issue, in addition to the stock authorized by
6 paragraph (1) of this section, nonvoting securities,
7 bonds, debentures, and other certificates of indebted-
8 ness as it may determine.

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

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

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

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

15 “(j) ADMINISTRATION.—

16 “(1) HEARINGS.—The Board may hold such
17 hearings, sit and act at such times and places, take
18 such testimony, receive such evidence, and publish or
19 otherwise distribute so much of its proceedings and
20 reports as it may deem advisable.

21 “(2) OFFICE SPACE AND EQUIPMENT.—The
22 Board may acquire, furnish, and equip such office
23 space as it determines necessary.

24 “(3) NECESSARY EXPENSES.—The Board may
25 incur such necessary expenses and exercise such

1 powers as are consistent and reasonably required to
2 perform its functions.

3 “(4) RECORDS.—To the extent permitted by
4 law, all appropriate records and papers of the Board
5 shall be made available for public inspection.

6 “(5) AID FROM FEDERAL AGENCIES.—Upon the
7 request of the Board, the head of a Federal depart-
8 ment or agency is authorized to—

9 “(A) furnish to the Board such informa-
10 tion as the Board deems necessary for carrying
11 out its functions and as is available to the agen-
12 cy; and

13 “(B) detail for temporary duty, on a reim-
14 bursable basis, such personnel as the Board
15 deems necessary to carry out its functions.

16 “(k) MISCELLANEOUS PROVISIONS.—

17 “(1) JURISDICTION.—

18 “(A) IN GENERAL.—Whenever the Cor-
19 poration is a party to any civil action under this
20 title, such action shall be deemed to arise under
21 the laws of the United States. No attachment
22 or execution may be issued against the Corpora-
23 tion, or any property thereof, prior to entry of
24 final judgment.

1 “(B) CITIZENSHIP OF CORPORATION.—The
2 Corporation shall be deemed to be a citizen only
3 of the District of Columbia for the purpose of
4 determining the original jurisdiction of the dis-
5 trict courts of the United States in civil actions
6 to which the Corporation is a party.

7 “(2) BUSINESS ACTIVITY AND QUALIFICA-
8 TION.—The Corporation shall be deemed to be quali-
9 fied to do business in each State in which it per-
10 forms any activity authorized under this title.

11 **“SEC. 724. ASSISTANCE TO BUSINESSES IN SECURING FI-**
12 **NANCING.**

13 “(a) INFORMATION CLEARINGHOUSE.—The Corpora-
14 tion established under this subtitle shall act as a one-stop
15 clearinghouse for information to assist qualified concerns
16 identify sources of business development and technology
17 commercialization financing available through the Federal
18 Government as well as through applicable State and local
19 government programs and through private sources.

20 “(b) AGENT OF THE FEDERAL GOVERNMENT.—The
21 Corporation may act as an agent of the Federal Govern-
22 ment for purposes of accepting applications for financial
23 assistance and their submission to the appropriate Federal
24 agency on behalf of a qualified concern.

1 **“SEC. 725. TECHNICAL ASSISTANCE FOR LENDERS AND**
 2 **BORROWERS.**

3 “(a) IN GENERAL.—The Corporation shall, upon re-
 4 quest, provide technical assistance and services, as appro-
 5 priate and needed, to lenders and borrowers under this
 6 title, and shall ensure that such lenders and borrowers
 7 have ready access to appropriate assistance in order to aid
 8 such lenders and borrowers in achieving the purposes of
 9 this subtitle.

10 “(b) FEES.—The Corporation may—

11 “(1) charge fees for technical assistance and
 12 services provided under this section in amounts suf-
 13 ficient to cover the reasonable cost of such assist-
 14 ance and services; and

15 “(2) waive such fees on a case-by-case basis.”.

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