

103^D CONGRESS
2^D SESSION

H. R. 5243

AN ACT

To amend the Public Works and Economic Development Act of 1965 to reauthorize economic development programs, and for other purposes.

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

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

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

6 (b) TABLE OF CONTENTS.—The table of contents for
7 this Act is as follows:

- Sec. 1. Short title; table of contents.
- Sec. 2. Direct and supplementary grants.
- Sec. 3. Grants for public works facilities.
- Sec. 4. Repeal of financial assistance for sewer facilities.
- Sec. 5. Relationship of overall economic development plan to public works and development facility loans.
- Sec. 6. Elimination of overall economic development program.
- Sec. 7. Redevelopment area loan program.
- Sec. 8. Technical assistance, research, and information.
- Sec. 9. Business outreach center demonstration project.
- Sec. 10. Office of Strategic Economic Development Planning and Policy.
- Sec. 11. Office of Economic Development Information.
- Sec. 12. Authorization of appropriations for technical assistance, research, and information.
- Sec. 13. Redevelopment areas.
- Sec. 14. Annual review.
- Sec. 15. Economic development districts.
- Sec. 16. Equity between rural and urban areas.
- Sec. 17. Applications for assistance.
- Sec. 18. Performance evaluations of grant recipients.
- Sec. 19. Transfer of funds.
- Sec. 20. Extension of benefits.
- Sec. 21. Supervision of Regional Counsels.
- Sec. 22. Purpose.
- Sec. 23. Definition of eligible recipient.
- Sec. 24. Base closings and realignments.
- Sec. 25. Outreach to communities adversely affected by closures and realignments of military installations.
- Sec. 26. Treatment of revolving loan funds.
- Sec. 27. Sale of financial instruments in revolving loan funds.
- Sec. 28. Competitive communities pilot program.
- Sec. 29. Special economic development and adjustment assistance.
- Sec. 30. Compliance with Buy American Act.
- Sec. 31. Regulatory relief.

1 SEC. 2. DIRECT AND SUPPLEMENTARY GRANTS.

2 (a) GRANTS.—Section 101(a) of the Public Works
 3 and Economic Development Act of 1965 (42 U.S.C.
 4 3131(a)) is amended—

5 (1) in the matter preceding paragraph (1), by
 6 striking “representing any redevelopment area or
 7 part thereof” and inserting “acting in cooperation
 8 with an official of a local government”; and

9 (2) in paragraph (1)—

1 (A) in the matter preceding subparagraph
2 (A), by striking “acquisition, construction” and
3 inserting “acquisition, design, engineering, con-
4 struction”;

5 (B) by striking subparagraph (C) and in-
6 serting the following new subparagraph:

7 “(C) the area for which the project is to be
8 undertaken has an approved overall economic
9 development plan as provided in section 402
10 and such project is consistent with such plan;
11 and”;

12 (C) in subparagraph (D)—

13 (i) by striking “so designated under
14 section 401(a)(6),” and inserting “de-
15 scribed in section 401(a)(7),”; and

16 (ii) by striking “area.” and inserting
17 “area; and”.

18 (b) CONSIDERATIONS FOR SUPPLEMENTARY
19 GRANTS.—Section 101(c) of such Act is amended—

20 (1) in the second and third sentences, by strik-
21 ing “designated as such under section 401(a)(6) of
22 this Act.” and inserting “described in section
23 401(a)(7).”; and

24 (2) in the last sentence—

1 (A) by striking “the area, the” and insert-
2 ing “the area and the”; and

3 (B) by striking “, and the amount of such”
4 and all that follows and inserting a period.

5 **SEC. 3. GRANTS FOR PUBLIC WORKS FACILITIES.**

6 Section 105 of the Public Works and Economic De-
7 velopment Act of 1965 (42 U.S.C. 3135) is amended to
8 read as follows:

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

10 “There are authorized to be appropriated to carry out
11 this title \$195,000,000 for each of fiscal years 1995
12 through 1997. Such sums shall remain available until ex-
13 pended. Not less than 15 percent and not more than 35
14 percent of the amounts appropriated for any of fiscal years
15 1995 through 1997 under this section shall be expended
16 in redevelopment areas described in section 401(a)(7).”.

17 **SEC. 4. REPEAL OF FINANCIAL ASSISTANCE FOR SEWER**
18 **FACILITIES.**

19 (a) IN GENERAL.—Title I of the Public Works and
20 Economic Development Act of 1965 (42 U.S.C. 3131–
21 3137) is amended—

22 (1) by repealing section 106;

23 (2) by redesignating section 107 as section 104;

24 and

1 (3) by moving such section 104 to appear after
2 section 103.

3 (b) CONFORMING AMENDMENT.—Section 211(b)(3)
4 of the Appalachian Regional Development Act of 1965 (40
5 U.S.C. App. 211(b)(3)) is amended in the last sentence
6 by striking “Notwithstanding” and all that follows
7 through “education-related” and inserting “An education-
8 related”.

9 **SEC. 5. RELATIONSHIP OF OVERALL ECONOMIC DEVELOP-**
10 **MENT PLAN TO PUBLIC WORKS AND DEVEL-**
11 **OPMENT FACILITY LOANS.**

12 Section 201(a) of the Public Works and Economic
13 Development Act of 1965 (42 U.S.C. 3141(a)) is amend-
14 ed—

15 (1) in the matter preceding paragraph (1), by
16 striking “representing any redevelopment area there-
17 of” and inserting “acting in cooperation with an of-
18 ficial of a local government”; and

19 (2) by striking paragraph (5) and inserting the
20 following new paragraph:

21 “(5) such area has an approved overall eco-
22 nomic development plan as provided in section 402
23 and the project for which financial assistance is
24 sought is consistent with such plan.”.

1 **SEC. 6. ELIMINATION OF OVERALL ECONOMIC DEVELOP-**
2 **MENT PROGRAM.**

3 Section 202(b) of the Public Works and Economic
4 Development Act of 1965 (42 U.S.C. 3142(b)) is amend-
5 ed—

6 (1) in paragraph (1), by striking “Such finan-
7 cial assistance shall not be extended” and inserting
8 “The applicant for such financial assistance shall in-
9 clude, in the application of the applicant for such as-
10 sistance, an assurance that the assistance will not be
11 used”; and

12 (2) in paragraph (10), by striking “there shall
13 be submitted to and approval of the Secretary an
14 overall program for the economic development of the
15 area and” and inserting “the applicant shall submit
16 to the Secretary under section 402, and obtain ap-
17 proval of, an overall economic development plan and
18 there is”.

19 **SEC. 7. REDEVELOPMENT AREA LOAN PROGRAM.**

20 (a) IN GENERAL.—Section 204(a) of the Public
21 Works and Economic Development Act of 1965 (42
22 U.S.C. 3144(a)) is amended by striking the last two sen-
23 tences.

24 (b) CONFORMING AMENDMENTS.—

25 (1) Section 2 of the Act entitled “An Act to
26 amend the Public Works and Economic Development

1 Act of 1965 to extend the authorizations for title I
2 through IV through fiscal year 1971”, approved
3 July 6, 1970 (42 U.S.C. 3162 note) is repealed.

4 (2) Section 6 of the Act entitled “An Act to
5 amend the Public Works and Economic Development
6 Act of 1965 to extend the authorizations for a one-
7 year period”, approved June 18, 1973 (42 U.S.C.
8 3162 note) is amended—

9 (A) in subsection (a), by striking “(a)”;
10 and

11 (B) by striking subsection (b).

12 **SEC. 8. TECHNICAL ASSISTANCE, RESEARCH, AND INFOR-**
13 **MATION.**

14 Section 301(a)(1) of the Public Works and Economic
15 Development Act of 1965 (42 U.S.C. 3151(a)(1)) is
16 amended by striking “areas which he has designated as
17 redevelopment areas under this Act,” and inserting “rede-
18 velopment areas,”.

19 **SEC. 9. BUSINESS OUTREACH CENTER DEMONSTRATION**
20 **PROJECT.**

21 Section 303 of the Public Works and Economic De-
22 velopment Act of 1965 (42 U.S.C. 3152) is amended to
23 read as follows:

1 **“SEC. 303. BUSINESS OUTREACH CENTER DEMONSTRATION**
2 **PROJECT.**

3 “(a) DEFINITION.—As used in this section, the term
4 ‘isolated small business’ means a small business that is
5 unable to effectively access small business services pro-
6 vided by a Federal, State, or local government due to lin-
7 guistic, cultural, or geographic barriers, as determined by
8 the Secretary.

9 “(b) DEMONSTRATION PROJECT.—Using funds made
10 available under this title, the Secretary shall conduct a
11 demonstration project in each of fiscal years 1995 through
12 1997 for the purpose of demonstrating methods of assist-
13 ing isolated small businesses to access small business serv-
14 ices provided by Federal, State, and local governments.

15 “(c) ESTABLISHMENT OF CENTERS.—In conducting
16 the demonstration project under this section, the Sec-
17 retary shall establish 3 business outreach centers. At least
18 1 of the centers shall be located in a rural area.

19 “(d) DUTIES OF CENTERS.—Each business outreach
20 center established under this section shall—

21 “(1) provide a one-stop clearinghouse to assist
22 isolated small businesses in accessing small business
23 services provided by Federal, State, and local gov-
24 ernments; and

25 “(2) improve efficiency in the delivery of such
26 services.

1 “(e) SERVICES TO BE PROVIDED.—Each business
2 outreach center established under this section shall pro-
3 vide each of the following services:

4 “(1) Outreach to isolated small businesses.

5 “(2) Assessment of the need of isolated small
6 businesses for assistance services.

7 “(3) Referral of isolated small businesses to
8 small business assistance agencies.

9 “(4) Preparation of materials required by iso-
10 lated small businesses for participation in small
11 business assistance programs.

12 “(5) Case management to ensure follow-up and
13 quality control of business services.

14 “(6) Coordination of networking among isolated
15 small businesses.

16 “(7) Quality control of small business assist-
17 ance services.”.

18 **SEC. 10. OFFICE OF STRATEGIC ECONOMIC DEVELOPMENT**

19 **PLANNING AND POLICY.**

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

1 **“SEC. 305. OFFICE OF STRATEGIC ECONOMIC DEVELOP-**
2 **MENT PLANNING AND POLICY.**

3 “(a) ESTABLISHMENT.—The Secretary shall estab-
4 lish in the Economic Development Administration an Of-
5 fice of Strategic Economic Development Planning and Pol-
6 icy (referred to in this section as the ‘Office’).

7 “(b) DIRECTOR.—The Office shall be headed by a Di-
8 rector, who shall be appointed by the Secretary and who
9 shall report to the Assistant Secretary for Economic De-
10 velopment.

11 “(c) DUTIES.—The duties of the Director are as fol-
12 lows:

13 “(1) RESEARCH, EVALUATION, AND DEM-
14 ONSTRATION PROJECTS.—The Director shall support
15 research, evaluation, and demonstration projects to
16 study and assess best practices in economic develop-
17 ment and to examine trends and changes in eco-
18 nomic conditions that affect regional development.
19 The Director shall conduct a study of innovative eco-
20 nomic development financing tools, including loan
21 guarantees, rural development investment zones, and
22 other measures, that may be employed to further
23 economic development of States, regions, and local-
24 ities.

25 “(2) POLICY DEVELOPMENT.—The Director
26 shall develop and submit to the Secretary rec-

1 ommendations on both short- and long-term policies
2 regarding economic development issues and pro-
3 grams, to help foster the diffusion of innovative, best
4 practices in economic development throughout the
5 Department of Commerce.

6 “(3) INFORMATION AND COORDINATION.—The
7 Director shall establish procedures to ensure that
8 the Economic Development Administration assumes
9 a central role in developing and promoting means of
10 greater coordination among States, regions, and
11 local communities in the design and implementation
12 of Federal economic development programs, and to
13 foster coordination among Federal economic develop-
14 ment programs, to reduce duplication and frag-
15 mentation of Federal economic development efforts.

16 “(d) FEDERAL COORDINATING COUNCIL FOR ECO-
17 NOMIC DEVELOPMENT.—

18 “(1) IN GENERAL.—There is established a Fed-
19 eral Coordinating Council for Economic Develop-
20 ment (referred to in this subsection as the ‘Coun-
21 cil’).

22 “(2) COMPOSITION OF THE COUNCIL.—

23 “(A) IN GENERAL.—The Council shall be
24 composed of representatives from Federal agen-
25 cies, appointed by the heads of the agencies, in-

1 involved in matters that affect regional economic
2 development. The Secretary shall determine the
3 Federal agencies that are involved in matters
4 that affect regional economic development.

5 “(B) VACANCIES.—Any vacancy in the
6 Council shall not affect the powers of the Coun-
7 cil, but shall be filled in the same manner as
8 the original appointment.

9 “(3) DUTIES.—The Council shall assist the
10 Secretary in providing a unifying framework for eco-
11 nomic development efforts and shall develop a gov-
12 ernmentwide strategic plan for economic develop-
13 ment. The Council shall work to improve coordina-
14 tion of Federal economic development efforts to
15 eliminate duplication and to direct Federal resources
16 to improve economic conditions.

17 “(4) TRAVEL EXPENSES.—The members of the
18 Council shall not receive compensation for service on
19 the Council but shall be allowed travel expenses, in-
20 cluding per diem in lieu of subsistence, at rates au-
21 thorized for employees of agencies under subchapter
22 I of chapter 57 of title 5, United States Code, while
23 away from the homes or regular places of business
24 of the members in the performance of services for
25 the Council.

1 “(5) FACILITIES, SUPPLIES, AND PERSON-
2 NEL.—

3 “(A) IN GENERAL.—Upon the request of
4 the Council, the Secretary shall provide to the
5 Council any facilities, supplies, and personnel
6 necessary for the Council to carry out the re-
7 sponsibilities of the Council under this sub-
8 section.

9 “(B) DETAILS.—In the case of a detail of
10 a Federal Government employee under para-
11 graph (1), the employee may be detailed to the
12 Council without reimbursement. The detail shall
13 be without interruption or loss of civil service
14 status or privilege.

15 “(6) HEARINGS.—The Council may hold such
16 hearings, sit and act at such times and places, take
17 such testimony, and receive such evidence as the
18 Council considers advisable to carry out this sub-
19 section.

20 “(7) INFORMATION FROM FEDERAL AGEN-
21 CIES.—The Council may secure directly from any
22 Federal department or agency such information as
23 the Council considers necessary to carry out this
24 subsection. Upon request of the Council, the head of

1 such department or agency shall furnish such infor-
2 mation to the Council.

3 “(8) POSTAL SERVICES.—The Council may use
4 the United States mails in the same manner and
5 under the same conditions as other departments and
6 agencies of the Federal Government.

7 “(9) TERMINATION.—The Council shall termi-
8 nate 1 year after the date of the establishment of
9 the Council.”.

10 **SEC. 11. OFFICE OF ECONOMIC DEVELOPMENT INFORMA-**
11 **TION.**

12 Title III of the Public Works and Economic Develop-
13 ment Act of 1965 (42 U.S.C. 3151–3153) (as amended
14 by section 10) is further amended by adding at the end
15 the following new section:

16 **“SEC. 306. OFFICE OF ECONOMIC DEVELOPMENT INFORMA-**
17 **TION.**

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

22 “(b) RESPONSIBILITIES.—The Office shall—

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

1 retention, and defense reinvestment programs and
2 activities 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 rein-
7 vestment 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
18 adjustment, disaster recovery, industrial retention,
19 and defense reinvestment programs and activities of
20 the Federal, State, and local governments.

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

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

1 nomic development, economic adjustment, disas-
2 ter recovery, industrial retention, and defense
3 reinvestment programs of the Federal Govern-
4 ment, including key contact personnel, descrip-
5 tions of the application process, eligibility re-
6 quirements and criteria, selection and followup
7 procedures, and other such relevant informa-
8 tion.

9 “(B) A compilation of major State and
10 local governmental economic development, eco-
11 nomic adjustment, disaster recovery, industrial
12 retention, and defense reinvestment assistance
13 programs, including lists of appropriate offices,
14 officers, and contact personnel connected with,
15 or involved in, such programs.

16 “(C) A compilation of relevant and avail-
17 able economic data and trends, including infor-
18 mation about the national, regional, and local
19 impacts of trade agreements, defense spending
20 and downsizing, technological change, and other
21 sources of substantial economic dislocation.

22 “(D) A compilation of case studies and
23 best practices in economic development, adjust-
24 ment, and reinvestment.

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

3 “(F) A compilation of published works
4 (books, reports, articles, videos, and tapes), and
5 selected texts of such works, related to all fac-
6 ets of economic development, economic adjust-
7 ment, and defense reinvestment.

8 “(G) A compilation of information on case
9 studies on early warning and intervention ef-
10 forts.

11 “(3) POINTS OF PUBLIC ACCESS.—

12 “(A) IN GENERAL.—The Office shall es-
13 tablish several means to ensure easy access by
14 the public and others to such data bases, and
15 to ensure that the data bases be as accessible,
16 user-friendly, culturally neutral, and affordable
17 as possible.

18 “(B) MEANS OF ACCESS.—Access to the
19 data services of the Office shall include each of
20 the following means:

21 “(i) A toll-free nationwide telephone
22 number to provide direct phone access to
23 the public.

24 “(ii) On-line electronic access through
25 existing computer network services and

1 publicly available computer data base ac-
2 cess facilities, such as at repository librar-
3 ies and by direct call-in via modem.

4 “(iii) Printed manuals and orientation
5 materials.

6 “(iv) Periodic orientation workshops
7 available to the public.

8 “(v) On-call information specialists to
9 address special problems requiring person-
10 to-person assistance.

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

16 **SEC. 12. AUTHORIZATION OF APPROPRIATIONS FOR TECH-**
17 **NICAL ASSISTANCE, RESEARCH, AND INFOR-**
18 **MATION.**

19 Title III of the Public Works and Economic Develop-
20 ment Act of 1965 (42 U.S.C. 3151–3153) (as amended
21 by section 11) is further amended by adding at the end
22 the following new section:

23 **“SEC. 307. AUTHORIZATION OF APPROPRIATIONS.**

24 “There are authorized to be appropriated to carry out
25 this title \$50,000,000 for each of fiscal years 1995

1 through 1997. Such sums shall remain available until ex-
2 pended.”.

3 **SEC. 13. REDEVELOPMENT AREAS.**

4 Section 401 of the Public Works and Economic De-
5 velopment Act of 1965 (42 U.S.C. 3161) is amended to
6 read as follows:

7 **“SEC. 401. AREA ELIGIBILITY.**

8 “(a) CERTIFICATION.—An applicant seeking assist-
9 ance under title I or II to undertake a project for an area
10 shall certify, as part of an application for such assistance,
11 that the area on the date of submission of such application
12 meets 1 or more of the following criteria:

13 “(1) The per capita income of the area is
14 80 percent or less of the per capita income of the
15 United States.

16 “(2) The average rate of unemployment in the
17 area (seasonally adjusted), as determined by the
18 Secretary of Labor for the most recent 24-month pe-
19 riod for which statistics are available, minus the na-
20 tional average rate of unemployment (seasonally ad-
21 justed), as so determined, is equal to or exceeds 1
22 percent.

23 “(3) The average rate of unemployment in the
24 area (seasonally adjusted), as determined by the
25 Secretary of Labor for the most recent 12-month pe-

1 riod for which statistics are available, minus the na-
2 tional average rate of unemployment (seasonally ad-
3 justed), as so determined, is equal to or exceeds 2
4 percent.

5 “(4) The area has experienced or is about to
6 experience a sudden economic dislocation resulting
7 in job loss that is significant both in terms of the
8 number of jobs eliminated and the effect on the rate
9 of unemployment in the area (if information on such
10 rate is available), as such rate is determined by the
11 Secretary of Labor.

12 “(5) The population growth rate of the United
13 States, as determined by the Secretary of Commerce
14 for an appropriate period, minus the population
15 growth rate of the area, as so determined, is equal
16 to or exceeds 3 percent.

17 “(6) The area has experienced a decline in total
18 employment that is equal to or exceeds 2 percent
19 over the most recent 5-year period for which statis-
20 tics are available, as such employment is determined
21 by the Secretary of Labor, acting through the Com-
22 missioner of Labor Statistics.

23 “(7) The area is a community or neighborhood
24 (defined without regard to political or other subdivi-

1 sions or boundaries) that the Secretary determines
2 has 1 or more of the following conditions:

3 “(A) A large concentration of low-income
4 persons.

5 “(B) A rural or urban area having sub-
6 stantial outmigration or substantial economic
7 deterioration and unemployment.

8 “(C) Substantial unemployment.

9 “(b) DOCUMENTATION.—

10 “(1) DATA AND STATISTICS.—A certification
11 made under subsection (a) shall be supported by
12 Federal data, if available, and in other cases by data
13 available through the appropriate State government.
14 The applicant shall use the most recent statistics
15 available to support the certification.

16 “(2) ACCEPTANCE OF DATA.—The Secretary
17 shall accept the data unless the Secretary deter-
18 mines that the data are inaccurate.

19 “(c) SPECIAL RULE.—With respect to a redevelop-
20 ment area described in subsection (a)(7)—

21 “(1) the project to be carried out in the area
22 shall not be subject to section 101(a)(1)(A);

23 “(2) the area shall not be subject to section
24 101(a)(1)(C); and

1 “(3) the area shall not be considered to be a re-
2 development area for purposes of section
3 403(a)(1)(B).

4 “(d) PRIOR DESIGNATION.—Any designation of a re-
5 development area for the purposes of this Act that was
6 made before the date of enactment of the Economic Devel-
7 opment Reauthorization Act of 1994 shall not be effective
8 after such date.

9 “(e) DEFINITION.—As used in this Act, the term ‘re-
10 development area’ means an area that is the subject of
11 a certification that is—

12 “(1) described in subsection (a); and

13 “(2) submitted by an applicant as part of an
14 application for assistance—

15 “(A) that is described in subsection (a);

16 and

17 “(B) for which the applicant obtains the
18 approval of the Secretary.”.

19 **SEC. 14. ANNUAL REVIEW.**

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

1 **“SEC. 402. OVERALL ECONOMIC DEVELOPMENT PLAN AND**
2 **INVESTMENT STRATEGY.**

3 “(a) OVERALL ECONOMIC DEVELOPMENT PLAN AND
4 INVESTMENT STRATEGY.—The Secretary may provide as-
5 sistance under title I or II to an applicant for a project
6 to be undertaken in an area only if the applicant has pre-
7 pared and submitted to the Secretary, and obtained ap-
8 proval of, an overall economic development plan or an in-
9 vestment strategy. Such an overall economic development
10 plan or investment strategy shall—

11 “(1) identify the economic development prob-
12 lems to be addressed using such assistance;

13 “(2) identify past, present, and projected fur-
14 ther economic development investments in such area
15 and public and private participants and sources of
16 funding for such investments; and

17 “(3) set forth a strategy for addressing the eco-
18 nomic development problems identified pursuant to
19 paragraph (1) and describe how the strategy will
20 solve such problems.

21 “(b) APPLICATION REQUIREMENTS.—In submitting
22 an application for assistance under title I or II, an appli-
23 cant shall describe how the proposed project implements
24 the plan or strategy, provide estimates of costs and time-
25 tables for completion for the project, and provide a sum-

1 mary of public and private resources expected to be avail-
2 able for the project.

3 “(c) EXISTING PLANS AND INVESTMENT STRATE-
4 GIES.—To the maximum extent practicable, the Secretary
5 shall approve under subsection (a) overall economic devel-
6 opment plans, and overall economic development pro-
7 grams, that were approved by the Secretary under this
8 Act before the date of enactment of the Economic Devel-
9 opment Reauthorization Act of 1994 and that substan-
10 tially meet the requirements of this section.

11 “(d) DEFINITION.—As used in this Act, the term
12 ‘economic development plan’ includes—

13 “(1) a plan or program described in subsection
14 (c) and submitted for approval under subsection (a);
15 and

16 “(2) an investment strategy submitted for ap-
17 proval under subsection (a) in lieu of such a plan.”.

18 (b) CONFORMING AMENDMENTS.—

19 (1) TRADE ACT OF 1974.—Section 273(c)(2) of
20 the Trade Act of 1974 (19 U.S.C. 2373(c)(2)) is
21 amended—

22 (A) by striking “overall economic develop-
23 ment program” and inserting “overall economic
24 development plan or investment strategy”; and

1 (B) by striking “section 202(b)(10)” and
2 inserting “section 402”.

3 (2) COMMUNITY ECONOMIC DEVELOPMENT ACT
4 OF 1981.—Section 626(b)(1) of the Community Eco-
5 nomic Development Act of 1981 (42 U.S.C.
6 9815(b)(1)) is amended—

7 (A) by striking “Publc” and inserting
8 “Public”;

9 (B) by striking “overall economic develop-
10 ment program” and inserting “overall economic
11 development plan or investment strategy”; and

12 (C) by striking “section 202(b)(10)” and
13 inserting “section 402”.

14 **SEC. 15. ECONOMIC DEVELOPMENT DISTRICTS.**

15 (a) RELATIONSHIP TO OVERALL ECONOMIC DEVEL-
16 OPMENT PLANS.—Section 403 of the Public Works and
17 Economic Development Act of 1965 (42 U.S.C. 3171) is
18 amended—

19 (1) in subsections (a)(1)(C), (a)(1)(D),
20 (a)(2)(A), (a)(3)(A), (a)(4)(B), (e), and (i) by strik-
21 ing “overall economic development program” and in-
22 serting “overall economic development plan”;

23 (2) in subsection (a)(1)(D), by striking “pro-
24 gram” the second place the term appears and insert-
25 ing “plan”; and

1 (3) in subsections (b) and (b)(2)(B), by striking
2 “overall economic development programs” and in-
3 serting “overall economic development plans”.

4 (b) RELATIONSHIP TO REDEVELOPMENT AREA.—
5 Section 403(a)(4) of such Act is amended by striking
6 “(designated under section 401)”.

7 (c) ECONOMIC DEVELOPMENT DISTRICT DE-
8 FINED.—Section 403(d) of such Act is amended by adding
9 at the end the following new sentence: “Such term in-
10 cludes any economic development district designated by
11 the Secretary under this section before the date of enact-
12 ment of the Economic Development Reauthorization Act
13 of 1994, unless the Secretary terminates the designa-
14 tion.”.

15 (d) FUNDING.—Section 403 of such Act is amend-
16 ed—

17 (1) by striking subsection (g) and inserting the
18 following new subsection:

19 “(g) Amounts authorized to be appropriated under
20 other sections of this Act shall be available for purposes
21 of carrying out paragraphs (3) and (4) of subsection (a).”;

22 (2) by striking subsection (h); and

23 (3) by redesignating subsections (i) and (j) as
24 subsections (h) and (i), respectively.

1 **SEC. 16. EQUITY BETWEEN RURAL AND URBAN AREAS.**

2 Title IV of the Public Works and Economic Develop-
3 ment Act of 1965 (42 U.S.C. 3161 et seq.) is amended
4 by adding at the end the following new part:

5 **“PART E—EQUITY BETWEEN RURAL AND URBAN**
6 **AREAS**

7 **“SEC. 406. ALLOCATIONS BASED ON THE LEVEL OF ECO-**
8 **NOMIC DISTRESS OF AN AREA.**

9 “Not later than 6 months after the date of enactment
10 of the Economic Development Reauthorization Act of
11 1994, the Secretary shall issue and implement regulations
12 containing criteria and procedures to prioritize allocations
13 of Federal assistance made under this Act, so that, not-
14 withstanding any other provision of this Act, the level of
15 economic distress of an area, not a preference for a geo-
16 graphic area or a specific type of economic distress, is the
17 primary factor considered by the Secretary in determining
18 whether the area receives an allocation of Federal assist-
19 ance under this Act.”.

20 **SEC. 17. APPLICATIONS FOR ASSISTANCE.**

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

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

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

5 “(1) develop and publish in the Federal Reg-
6 ister guidelines that establish procedures to expedite
7 the processing of applications for assistance under
8 this Act; and

9 “(2) transmit to the Committee on Public
10 Works and Transportation of the House of Rep-
11 resentatives and the Committee on Environment and
12 Public Works of the Senate a report containing such
13 guidelines.

14 “(b) CONTENTS.—Guidelines to be developed and
15 published under subsection (a) shall, at a minimum, pro-
16 vide for—

17 “(1) increased reliance on self-certification by
18 applicants for such assistance to establish compli-
19 ance with other Federal laws;

20 “(2) greater use of uniform application forms
21 and procedures;

22 “(3) delegation of decisionmaking authority to
23 regional offices of the Economic Development Ad-
24 ministration; and

25 “(4) reduction in the time and number of re-
26 views conducted by offices of the Department of

1 Commerce other than the Economic Development
2 Administration.”.

3 (b) UNIFORM APPLICATION FORM.—Title VI of such
4 Act (as amended by subsection (a)) is further amended
5 by adding at the end the following new section:

6 **“SEC. 606. UNIFORM APPLICATION FORM.**

7 “(a) DEVELOPMENT.—The Secretary shall, in co-
8 operation with the heads of appropriate Federal depart-
9 ments and agencies, develop a general, simplified applica-
10 tion form for grant assistance under this Act that may
11 be used by all Federal departments and agencies that pro-
12 vide grant assistance.

13 “(b) REPORT.—Not later than 180 days after the
14 date of enactment of this section, the Secretary shall
15 transmit to Congress a report on use of the form devel-
16 oped pursuant to subsection (a) by Federal departments
17 and agencies.”.

18 **SEC. 18. PERFORMANCE EVALUATIONS OF GRANT RECIPI-**
19 **ENTS.**

20 Title VI of the Public Works and Economic Develop-
21 ment Act of 1965 (42 U.S.C. 3201–3204) (as amended
22 by subsections (a) and (b) of section 17) is further amend-
23 ed by adding at the end the following new section:

1 **“SEC. 607. PERFORMANCE EVALUATIONS OF GRANT RE-**
2 **CIPIENTS.**

3 “(a) IN GENERAL.—At least once every 2 years, the
4 Secretary shall conduct an evaluation of each university
5 center receiving assistance under title III (referred to in
6 this section as a ‘university center’) and economic develop-
7 ment district receiving grant assistance under this Act to
8 assess the performance and contribution toward job cre-
9 ation of the recipient.

10 “(b) CRITERIA.—

11 “(1) ESTABLISHMENT.—The Secretary shall es-
12 tablish criteria for use in conducting evaluations
13 under subsection (a).

14 “(2) CRITERIA FOR UNIVERSITY CENTERS.—
15 The criteria for evaluation of a university center
16 shall, at a minimum, provide for an assessment of
17 the contribution of the center to providing technical
18 assistance, conducting applied research, and dissemi-
19 nating results of the activities of the center.

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

25 “(c) PEER REVIEW.—In conducting an evaluation of
26 a university center under subsection (a), the Secretary

1 shall provide for the participation in the evaluation of at
2 least 1 other university center on a cost-reimbursement
3 basis.”.

4 **SEC. 19. TRANSFER OF FUNDS.**

5 Section 708 of the Public Works and Economic De-
6 velopment Act of 1965 (42 U.S.C. 3218) is amended by
7 adding at the end the following new subsection:

8 “(d) Notwithstanding any other provision of law, the
9 Secretary may accept such transfers of funds from other
10 departments and agencies of the Federal Government as
11 the Secretary determines to be appropriate and use such
12 funds to carry out objectives of this Act, if the Secretary
13 uses the funds to carry out objectives for which (and in
14 accordance with the terms under which) the funds are spe-
15 cifically authorized and appropriated. Not more than 5
16 percent of such funds may be transferred to the account
17 relating to salaries and expenses of the Economic Develop-
18 ment Administration.”.

19 **SEC. 20. EXTENSION OF BENEFITS.**

20 Section 715 of the Public Works and Economic De-
21 velopment Act of 1965 (42 U.S.C. 3225) is amended by
22 striking “such areas as may be designated as ‘redevelop-
23 ment areas’ or ‘economic development centers’ under the
24 authority of section 401 or 403 of this Act:” and inserting
25 “redevelopment areas and such areas as may be des-

1 ignated as ‘economic development centers’ under section
2 403.’’.

3 **SEC. 21. SUPERVISION OF REGIONAL COUNSELS.**

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

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

8 “The Secretary shall take such actions as may be
9 necessary to ensure that individuals serving as Regional
10 Counsels of the Economic Development Administration re-
11 port directly to their respective Regional Directors, except
12 that the General Counsel shall have authority to make de-
13 terminations relating to the technical legal ability of the
14 individuals.”.

15 **SEC. 22. PURPOSE.**

16 The first sentence of section 901 of the Public Works
17 and Economic Development Act of 1965 (42 U.S.C. 3241)
18 is amended by striking “It is the purpose of this title”
19 and inserting “The purposes of title I and of this title
20 are”.

21 **SEC. 23. DEFINITION OF ELIGIBLE RECIPIENT.**

22 Section 902 of the Public Works and Economic De-
23 velopment Act of 1965 (42 U.S.C. 3242) is amended to
24 read as follows:

1 **“SEC. 902. DEFINITION.**

2 “As used in this title, the term ‘eligible recipient’
3 means a redevelopment area, an economic development
4 district, an Indian tribe, a State, a city or other political
5 subdivision of a State, a consortium of such political sub-
6 divisions, a public or private nonprofit organization, or a
7 public or private nonprofit association.”.

8 **SEC. 24. BASE CLOSINGS AND REALIGNMENTS.**

9 Section 903 of the Public Works and Economic De-
10 velopment Act of 1965 (42 U.S.C. 3243) is amended—

11 (1) in the matter following subparagraph (B) of
12 subsection (a)(1), by striking “unemployment com-
13 pensation (in accordance with subsection (d) of this
14 section), rent supplements, mortgage payment as-
15 sistance, research,” and inserting “administrative
16 expenses, industrial retention,”; and

17 (2) by adding at the end the following new sub-
18 section:

19 “(e)(1) In any case in which the Secretary determines
20 that a need exists for assistance under subsection (a) due
21 to the closure or realignment of a military installation, or
22 for an industrial, a community, or a workforce adjustment
23 due to a reduction in amounts made available under or
24 termination of a defense contract, the Secretary may make
25 such assistance available to an eligible recipient for a
26 project to be carried out on the military installation, for

1 a project to be carried out in a community adversely af-
2 fected by the closure or realignment, or for defense conver-
3 sion activities.

4 “(2) Notwithstanding any other provision of law, the
5 Secretary may provide to an eligible recipient any assist-
6 ance available under this title for a project to be carried
7 out on a military installation that is closed or scheduled
8 for closure or realignment, or for defense conversion ac-
9 tivities, without requiring that the eligible recipient have
10 title to the property on which the installation is located
11 or the activities will be carried out, or a leasehold interest
12 in the property, for any specified term.”.

13 **SEC. 25. OUTREACH TO COMMUNITIES ADVERSELY AF-**
14 **FFECTED BY CLOSURES AND REALIGNMENTS**
15 **OF MILITARY INSTALLATIONS.**

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

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

19 and

20 (2) by inserting after section 904 the following

21 new section:

1 **“SEC. 905. OUTREACH TO COMMUNITIES ADVERSELY AF-**
2 **FFECTED BY CLOSURES AND REALIGNMENTS**
3 **OF MILITARY INSTALLATIONS.**

4 “(a) DESIGNATION OF AGENCY REPRESENTA-
5 TIVES.—The Assistant Secretary for Economic Develop-
6 ment shall designate for each State in which communities
7 are adversely affected by closures and realignments of
8 military installations, an individual to serve as a rep-
9 resentative of the Economic Development Administration.
10 Such individual may be the State Economic Development
11 Agency Representative or another qualified individual.

12 “(b) RESPONSIBILITIES.—Individuals appointed as
13 agency representatives under subsection (a) shall provide
14 outreach and technical assistance, to communities ad-
15 versely affected by closures and realignments of military
16 installations, on obtaining assistance from the Economic
17 Development Administration.”.

18 **SEC. 26. TREATMENT OF REVOLVING LOAN FUNDS.**

19 Title IX of the Public Works and Economic Develop-
20 ment Act of 1965 (42 U.S.C. 3241–3245) (as amended
21 by section 25) is further amended by inserting after sec-
22 tion 905 the following new section:

23 **“SEC. 906. TREATMENT OF REVOLVING LOAN FUNDS.**

24 “(a) IN GENERAL.—An amount made available
25 through a grant made under this title that is used by an
26 eligible recipient to establish a revolving loan fund shall

1 not be treated, except as provided by subsection (b), as
2 an amount derived from Federal funds for the purposes
3 of any Federal law after such amount is loaned from the
4 fund to a borrower and repaid to the fund.

5 “(b) EXCEPTIONS.—An amount described in sub-
6 section (a) that is loaned from a revolving loan fund to
7 a borrower and repaid to the fund—

8 “(1) may be used only for a project that is con-
9 sistent with the purposes of this title; and

10 “(2) shall be subject to the financial manage-
11 ment, accounting, reporting, and auditing require-
12 ments that were originally applicable to such amount
13 on the date on which the Secretary made the
14 amount available to the recipient through a grant
15 described in subsection (a).

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

19 “(d) PUBLIC REVIEW AND COMMENT.—Before issu-
20 ing any final guidelines or administrative manuals govern-
21 ing the operation of revolving loan funds established using
22 amounts from grants made under this title, the Secretary
23 shall provide reasonable opportunity for public review of
24 and comment on such guidelines and administrative
25 manuals.”.

1 **SEC. 27. SALE OF FINANCIAL INSTRUMENTS IN REVOLVING**
2 **LOAN FUNDS.**

3 Title IX of the Public Works and Economic Develop-
4 ment Act of 1965 (42 U.S.C. 3241–3245) (as amended
5 by section 26) is further amended by inserting after sec-
6 tion 906 the following new section:

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

9 “Any loan, loan guarantee, or other financial instru-
10 ment in the portfolio of a revolving loan fund described
11 in section 906 may be sold, at the discretion of the grant
12 recipient that established the fund, to a third party. The
13 proceeds of the sale—

14 “(1) shall be deposited in the fund and only
15 used for projects that are consistent with the pur-
16 poses of this title; and

17 “(2) shall be subject to the financial manage-
18 ment, accounting, reporting, and auditing require-
19 ments that were originally applicable to the financial
20 instrument on the date on which the financial in-
21 strument was entered into.”.

22 **SEC. 28. COMPETITIVE COMMUNITIES PILOT PROGRAM.**

23 Title IX of the Public Works and Economic Develop-
24 ment Act of 1965 (42 U.S.C. 3241–3245) (as amended
25 by section 27) is further amended by inserting after sec-
26 tion 907 the following new section:

1 **“SEC. 908. COMPETITIVE COMMUNITIES PILOT PROGRAM.**

2 “(a) DEFINITION.—As used in this section, the term
3 ‘eligible intermediary recipient’ means—

4 “(1) a redevelopment area or an economic de-
5 velopment district established under title IV;

6 “(2) an Indian tribe;

7 “(3) a public-private entity sponsored by a
8 State or other political subdivision of a State, or by
9 a community division of a State;

10 “(4) a community development corporation;

11 “(5) a public or private not-for-profit corpora-
12 tion; and

13 “(6) a consortium of recipients described in any
14 of paragraphs (1) through (5);

15 that demonstrates the financial expertise, ability, and legal
16 authority to provide the investment for a transaction, as
17 well as the ability to develop and implement an overall eco-
18 nomic development plan as provided in section 402.

19 “(b) PROGRAM.—The Secretary may establish a com-
20 petitive communities pilot program and, in carrying out
21 the program, may make grants, loans, or loan guarantees
22 directly to or for the benefit of any eligible recipients (in-
23 cluding eligible intermediary recipients) for the purpose of
24 investing in identified business transactions that will cre-
25 ate opportunities for long-term employment in economi-
26 cally distressed communities.

1 “(c) APPLICATIONS.—To be eligible to receive finan-
2 cial assistance under this section, a person or an entity
3 shall submit an application to the Secretary at such time,
4 in such manner, and containing such information as the
5 Secretary may require.

6 “(d) PANEL OF EXPERTS.—The Secretary shall es-
7 tablish a panel of experts to review applications submitted
8 to the Secretary under subsection (c). The panel shall con-
9 sist of 7 members as follows:

10 “(1) The Secretary (or the designee of the Sec-
11 retary).

12 “(2) The Assistant Secretary for Economic De-
13 velopment.

14 “(3) 1 Regional Director of the Economic De-
15 velopment Administration, appointed by the Sec-
16 retary.

17 “(4) 1 State Economic Development Represent-
18 ative, appointed by the Secretary.

19 “(5) 3 private citizens with economic develop-
20 ment and business expertise, appointed by the Sec-
21 retary.

22 “(e) CRITERIA FOR SELECTION.—The Secretary
23 shall select recipients to receive financial assistance under
24 this section, based on the quality of the applications sub-
25 mitted and the extent to which the applications describe

1 activities to encompass investment initiatives that promote
2 public and private sector partnerships to advance the com-
3 petitiveness of the economy of local communities through
4 the creation of long-term sustainable employment opportu-
5 nities.

6 “(f) DEADLINES.—

7 “(1) ACTION ON APPLICATIONS.—In the case of
8 each application submitted under subsection (c) that
9 is received by a deadline established and published
10 in the Federal Register, the Secretary shall approve
11 or disapprove the application on or before the 60th
12 day after the deadline.

13 “(2) USE OF ASSISTANCE.—Any agreement re-
14 lating to an amount of financial assistance under
15 this section that is entered into by the Secretary and
16 an eligible recipient under the program shall require
17 that the eligible recipient provide assistance to busi-
18 nesses using the amount on or before the 90th day
19 after the date of receipt of such amount or shall re-
20 turn any remaining portion of such amount to the
21 Secretary for subsequent awards under the pro-
22 gram.”.

1 **SEC. 29. SPECIAL ECONOMIC DEVELOPMENT AND ADJUST-**
2 **MENT ASSISTANCE.**

3 Section 909 of the Public Works and Economic De-
4 velopment Act of 1965 (42 U.S.C. 3245) (as redesignated
5 by section 25(1)) is amended to read as follows:

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

7 “(a) IN GENERAL.—There are authorized to be ap-
8 propriated to carry out this title \$50,000,000 for each of
9 fiscal years 1995 through 1997. Such sums shall remain
10 available until expended.

11 “(b) ADDITIONAL AMOUNTS.—In addition to the ap-
12 propriations authorized by subsection (a), there are au-
13 thorized to be appropriated to carry out this title
14 \$120,000,000 for fiscal year 1995, and such sums as may
15 be necessary for each of fiscal years 1996 and 1997, to
16 provide assistance for activities related to closures and
17 realignments of military installations and for defense con-
18 version activities and to provide assistance in the case of
19 a natural disaster. Such sums shall remain available until
20 expended.

21 “(c) SET-ASIDE FOR COMPETITIVE COMMUNITIES
22 PILOT PROGRAM.—Of the amounts appropriated under
23 subsections (a) and (b), not more than \$40,000,000 shall
24 be available for fiscal year 1995 to carry out section 908,
25 of which not more than \$15,000,000 shall be available
26 from amounts appropriated under subsection (a) and not

1 more than \$25,000,000 shall be available from amounts
2 appropriated under subsection (b).”.

3 **SEC. 30. COMPLIANCE WITH BUY AMERICAN ACT.**

4 None of the funds made available under this title, or
5 any amendment made by this title, may be expended to
6 acquire articles, materials, or supplies, or to procure serv-
7 ices, in violation of the applicable provisions of sections
8 2 through 4 of title III of the Act of March 3, 1933 (com-
9 monly known as the “Buy American Act”) (41 U.S.C.
10 10a– 10b–1).

11 **SEC. 31. REGULATORY RELIEF.**

12 The Assistant Secretary for Economic Development,
13 acting on a petition from an entity impacted adversely by
14 a Federal regulation on a matter of economic development
15 described in the Public Works and Economic Development
16 Act of 1965 (42 U.S.C. 3121 et seq.), shall notify the offi-
17 cer who is the head of the department or agency that is-
18 sued and administers the regulation and suggest that the
19 officer waive regulations that interfere with economic de-
20 velopment. Nothing in this section shall be construed to
21 preempt the authority of the head of a department or
22 agency to waive regulations. Nothing in this section shall
23 be construed to affect the ability of the Assistant Sec-

- 1 retary for Economic Development to carry out the duties
- 2 of the Assistant Secretary, as otherwise provided by law.

Passed the House of Representatives October 7,
1994.

Attest:

Clerk.

103^D CONGRESS
2^D SESSION

H. R. 5243

AN ACT

To amend the Public Works and Economic Development Act of 1965 to reauthorize economic development programs, and for other purposes.