

# Calendar No. 136

110TH CONGRESS  
1ST SESSION

# S. 496

[Report No. 110-63]

To reauthorize and improve the program authorized by the Appalachian Regional Development Act of 1965.

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IN THE SENATE OF THE UNITED STATES

FEBRUARY 6, 2007

Mr. VOINOVICH (for himself, Mrs. CLINTON, Mr. WARNER, Mr. BYRD, Mr. LOTT, Mr. BROWN, Mr. COCHRAN, Mr. SCHUMER, Mr. BURR, Mr. CARDIN, Ms. MIKULSKI, Mrs. DOLE, Mr. ALEXANDER, Mr. SHELBY, Mr. GRAHAM, Mr. ROCKEFELLER, Mr. SESSIONS, Mr. SPECTER, and Mr. MCCONNELL) introduced the following bill; which was read twice and referred to the Committee on Environment and Public Works

MAY 7, 2007

Reported by Mrs. BOXER, with amendments

[Omit the part struck through and insert the part printed in *italic*]

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## A BILL

To reauthorize and improve the program authorized by the Appalachian Regional Development Act of 1965.

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

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Appalachian Regional  
3 Development Act Amendments of 2007”.

4 **SEC. 2. LIMITATION ON AVAILABLE AMOUNTS; MAXIMUM**  
5 **COMMISSION CONTRIBUTION.**

6 (a) GRANTS AND OTHER ASSISTANCE.—Section  
7 14321(a) of title 40, United States Code, is amended—

8 (1) in paragraph (1)(A), by striking clause (i)  
9 and inserting the following:

10 “(i) the amount of the grant shall not  
11 exceed—

12 “(I) 50 percent of administrative  
13 expenses;

14 “(II) at the discretion of the  
15 Commission, if the grant is to a local  
16 development district that has a char-  
17 ter or authority that includes the eco-  
18 nomic development of a county or a  
19 part of a county for which a dis-  
20 tressed county designation is in effect  
21 under section 14526, 75 percent of  
22 administrative expenses; or

23 “(III) at the discretion of the  
24 Commission, if the grant is to a local  
25 development district that has a char-  
26 ter or authority that includes the eco-

1            nomic development of a county or a  
 2            part of a county for which an at-risk  
 3            county designation is in effect under  
 4            section 14526, 70 percent of adminis-  
 5            trative expenses;” and

6            (2) in paragraph (2), by striking subparagraph  
 7            (A) and inserting the following:

8            “(A) IN GENERAL.—Except as provided in  
 9            subparagraph (B), of the cost of any project eli-  
 10            gible for financial assistance under this section,  
 11            not more than—

12            “(i) 50 percent may be provided from  
 13            amounts made available to carry out this  
 14            subtitle;

15            “(ii) in the case of a project to be car-  
 16            ried out in a county for which a distressed  
 17            county designation is in effect under sec-  
 18            tion 14526, 80 percent may be provided  
 19            from amounts made available to carry out  
 20            this subtitle; or

21            “(iii) in the case of a project to be  
 22            carried out in a county for which an at-  
 23            risk county designation is in effect under  
 24            section 14526, 70 percent may be provided

1 from amounts made available to carry out  
2 this subtitle.”.

3 (b) DEMONSTRATION HEALTH PROJECTS.—Section  
4 14502 of title 40, United States Code, is amended—

5 (1) in subsection (d), by striking paragraph (2)  
6 and inserting the following:

7 “(2) LIMITATION ON AVAILABLE AMOUNTS.—  
8 Grants under this section for the operation (includ-  
9 ing initial operating amounts and operating deficits,  
10 which include the cost of attracting, training, and  
11 retaining qualified personnel) of a demonstration  
12 health project, whether or not constructed with  
13 amounts authorized to be appropriated by this sec-  
14 tion, may be provided for up to—

15 “(A) 50 percent of the cost of that oper-  
16 ation;

17 “(B) in the case of a project to be carried  
18 out in a county for which a distressed county  
19 designation is in effect under section 14526, 80  
20 percent of the cost of that operation; or

21 “(C) in the case of a project to be carried  
22 out in a county for which an at-risk county des-  
23 ignation is in effect under section 14526, 70  
24 percent of the cost of that operation.”; and

1           (2) in subsection (f), by adding at the end the  
2 following:

3           “(3) AT-RISK COUNTIES.—The maximum Com-  
4 mission contribution for a project to be carried out  
5 in a county for which an at-risk county designation  
6 is in effect under section 14526 may be increased to  
7 the lesser of—

8                   “(A) 70 percent; or

9                   “(B) the maximum Federal contribution  
10 percentage authorized by this section.”.

11       (c) ASSISTANCE FOR PROPOSED LOW- AND MIDDLE-  
12 INCOME HOUSING PROJECTS.—Section 14503 of title 40,  
13 United States Code, is amended—

14           (1) in subsection (d), by striking paragraph (1)  
15 and inserting the following:

16           “(1) LIMITATION ON AVAILABLE AMOUNTS.—A  
17 loan under subsection (b) for the cost of planning  
18 and obtaining financing (including the cost of pre-  
19 liminary surveys and analyses of market needs, pre-  
20 liminary site engineering and architectural fees, site  
21 options, application and mortgage commitment fees,  
22 legal fees, and construction loan fees and discounts)  
23 of a project described in that subsection may be  
24 made for up to—

25                   “(A) 50 percent of that cost;

1           “(B) in the case of a project to be carried  
2 out in a county for which a distressed county  
3 designation is in effect under section 14526, 80  
4 percent of that cost; or

5           “(C) in the case of a project to be carried  
6 out in a county for which an at-risk county des-  
7 ignation is in effect under section 14526, 70  
8 percent of that cost.”; and

9           (2) in subsection (e), by striking paragraph (1)  
10 and inserting the following:

11           “(1) IN GENERAL.—A grant under this section  
12 for expenses incidental to planning and obtaining fi-  
13 nancing for a project under this section that the  
14 Secretary considers to be unrecoverable from the  
15 proceeds of a permanent loan made to finance the  
16 project shall—

17           “(A) not be made to an organization estab-  
18 lished for profit; and

19           “(B) except as provided in paragraph (2),  
20 not exceed—

21           “(i) 50 percent of those expenses;

22           “(ii) in the case of a project to be car-  
23 ried out in a county for which a distressed  
24 county designation is in effect under sec-

1                   tion 14526, 80 percent of those expenses;

2                   or

3                   “(iii) in the case of a project to be  
4                   carried out in a county for which an at-  
5                   risk county designation is in effect under  
6                   section 14526, 70 percent of those ex-  
7                   penses.”.

8           (d) TELECOMMUNICATIONS AND TECHNOLOGY INI-  
9    TIATIVE.—Section 14504 of title 40, United States Code,  
10 is amended by striking subsection (b) and inserting the  
11 following:

12           “(b) LIMITATION ON AVAILABLE AMOUNTS.—Of the  
13 cost of any project eligible for a grant under this section,  
14 not more than—

15                   “(1) 50 percent may be provided from amounts  
16                   made available to carry out this section;

17                   “(2) in the case of a project to be carried out  
18                   in a county for which a distressed county designa-  
19                   tion is in effect under section 14526, 80 percent  
20                   may be provided from amounts made available to  
21                   carry out this section; or

22                   “(3) in the case of a project to be carried out  
23                   in a county for which an at-risk county designation  
24                   is in effect under section 14526, 70 percent may be

1 provided from amounts made available to carry out  
2 this section.”.

3 (e) ENTREPRENEURSHIP INITIATIVE.—Section  
4 14505 of title 40, United States Code, is amended by  
5 striking subsection (e) and inserting the following:

6 “(c) LIMITATION ON AVAILABLE AMOUNTS.—Of the  
7 cost of any project eligible for a grant under this section,  
8 not more than—

9 “(1) 50 percent may be provided from amounts  
10 made available to carry out this section;

11 “(2) in the case of a project to be carried out  
12 in a county for which a distressed county designa-  
13 tion is in effect under section 14526, 80 percent  
14 may be provided from amounts made available to  
15 carry out this section; or

16 “(3) in the case of a project to be carried out  
17 in a county for which an at-risk county designation  
18 is in effect under section 14526, 70 percent may be  
19 provided from amounts made available to carry out  
20 this section.”.

21 (f) REGIONAL SKILLS PARTNERSHIPS.—Section  
22 14506 of title 40, United States Code, is amended by  
23 striking subsection (d) and inserting the following:

1       “(d) LIMITATION ON AVAILABLE AMOUNTS.—Of the  
2 cost of any project eligible for a grant under this section,  
3 not more than—

4           “(1) 50 percent may be provided from amounts  
5 made available to carry out this section;

6           “(2) in the case of a project to be carried out  
7 in a county for which a distressed county designa-  
8 tion is in effect under section 14526, 80 percent  
9 may be provided from amounts made available to  
10 carry out this section; or

11          “(3) in the case of a project to be carried out  
12 in a county for which an at-risk county designation  
13 is in effect under section 14526, 70 percent may be  
14 provided from amounts made available to carry out  
15 this section.”.

16       (g) SUPPLEMENTS TO FEDERAL GRANT PRO-  
17 GRAMS.—Section 14507(g) of title 40, United States  
18 Code, is amended—

19           (1) in paragraph (1), by striking “paragraph  
20 (2)” and inserting “paragraphs (2) and (3)”; and

21           (2) by adding at the end the following:

22           “(3) AT-RISK COUNTIES.—The maximum Com-  
23 mission contribution for a project to be carried out  
24 in a county for which an at-risk county designation

1 is in effect under section 14526 may be increased to  
2 70 percent.”.

3 **SEC. 3. ECONOMIC AND ENERGY DEVELOPMENT INITIA-**  
4 **TIVE.**

5 (a) IN GENERAL.—Subchapter I of chapter 145 of  
6 subtitle IV of title 40, United States Code, is amended  
7 by adding at the end the following:

8 **“§ 14508. Economic and energy development initia-**  
9 **tive**

10 “(a) PROJECTS TO BE ASSISTED.—The Appalachian  
11 Regional Commission may provide technical assistance,  
12 provide grants, enter into contracts, or otherwise provide  
13 amounts to individuals or entities in the Appalachian re-  
14 gion for use in carrying out projects and activities—

15 “(1) to promote energy efficiency in the Appa-  
16 lachian region to enhance the economic competitive-  
17 ness of the Appalachian region; *and*

18 “(2) to increase the use of renewable energy re-  
19 sources, particularly biomass, in the Appalachian re-  
20 gion to produce alternative transportation fuels, elec-  
21 tricity, and heat. ; ~~and~~

22 ~~“(3) to support the development of conventional~~  
23 ~~energy resources, particularly advanced clean coal, in~~  
24 ~~the Appalachian region to produce alternative trans-~~  
25 ~~portation fuels, electricity, and heat.~~

1       “(b) LIMITATION ON AVAILABLE AMOUNTS.—Of the  
2 cost of any project eligible to be funded by a grant under  
3 this section, not more than—

4           “(1) 50 percent may be provided from amounts  
5 made available to carry out this section;

6           “(2) in the case of a project to be carried out  
7 in a county for which a distressed county designa-  
8 tion is in effect under section 14526, 80 percent  
9 may be provided from amounts made available to  
10 carry out this section; and

11           “(3) in the case of a project to be carried out  
12 in a county for which an at-risk county designation  
13 is in effect under section 14526, 70 percent may be  
14 provided from amounts made available to carry out  
15 this section.

16       “(c) SOURCES OF ASSISTANCE.—Subject to sub-  
17 section (b), grants provided under this section may be pro-  
18 vided—

19           “(1) entirely from amounts made available to  
20 carry out this section; or

21           “(2) from amounts made available to carry out  
22 this section, in combination with amounts made  
23 available under other Federal programs or from any  
24 other source.

1       “(d) FEDERAL SHARE.—Notwithstanding any other  
 2 provision of law limiting a Federal share of the cost of  
 3 a project under any other Federal program, amounts  
 4 made available to carry out this section may be used to  
 5 increase that Federal share, as the Commission deter-  
 6 mines to be appropriate.”.

7       (b) CONFORMING AMENDMENT.—The analysis for  
 8 chapter 145 of title 40, United States Code, is amended  
 9 by inserting after the item relating to section 14507 the  
 10 following:

“14508. Economic and energy development initiative.”.

11 **SEC. 4. DISTRESSED, AT-RISK, AND ECONOMICALLY**  
 12 **STRONG COUNTIES.**

13       (a) DESIGNATION OF AT-RISK COUNTIES.—Section  
 14 14526 of title 40, United States Code, is amended—

15           (1) in the section heading, by inserting “, **at-**  
 16 **risk,**” after “**Distressed**”; and

17           (2) in subsection (a)(1)—

18               (A) by redesignating subparagraph (B) as  
 19 subparagraph (C);

20               (B) in subparagraph (A), by striking  
 21 “and” at the end; and

22               (C) by inserting after subparagraph (A)  
 23 the following:

24                   “(B) designate as ‘at-risk counties’ those  
 25 counties in the Appalachian region that are

1           most at risk of becoming economically dis-  
2           tressed; and”.

3           (b) CONFORMING AMENDMENT.—The analysis for  
4 chapter 145 of title 40, United States Code, is amended  
5 by striking the item relating to section 14526 and insert-  
6 ing the following:

“14526. Distressed, at-risk, and economically strong counties.”.

7 **SEC. 5. AUTHORIZATION OF APPROPRIATIONS.**

8           (a) IN GENERAL.—Section 14703 of title 40, United  
9 States Code, is amended to read as follows:

10 **“§ 14703. Authorization of appropriations**

11           “(a) IN GENERAL.—In addition to the amounts made  
12 available under section 14501, there are authorized to be  
13 appropriated to the Appalachian Regional Commission to  
14 carry out this subtitle—

15                   “(1) \$95,200,000 for fiscal year 2007;

16                   “(2) \$98,600,000 for fiscal year 2008;

17                   “(3) \$102,000,000 for fiscal year 2009;

18                   “(4) \$105,700,000 for fiscal year 2010; and

19                   “(5) \$109,400,000 for fiscal year 2011.

20           “(b) TELECOMMUNICATIONS AND TECHNOLOGY INI-  
21 TIATIVE.—Of the amounts made available under sub-  
22 section (a), the following amounts may be used to carry  
23 out section 14504:

24                   “(1) \$10,000,000 for fiscal year 2007.

25                   “(2) \$8,000,000 for fiscal year 2008.

1           “(3) \$5,000,000 for each of fiscal years 2009  
2 through 2011.

3           “(c) ECONOMIC AND ENERGY INITIATIVE.—Of the  
4 amounts made available under subsection (a), the fol-  
5 lowing amounts may be used to carry out section 14508:

6           “(1) \$12,000,000 for fiscal year 2007.

7           “(2) \$12,400,000 for fiscal year 2008.

8           “(3) \$12,900,000 for fiscal year 2009.

9           “(4) \$13,300,000 for fiscal year 2010.

10           “(5) \$13,800,000 for fiscal year 2011.

11           “(d) AVAILABILITY.—Amounts made available under  
12 subsection (a) shall remain available until expended.

13           “(e) ALLOCATION OF FUNDS.—Funds approved by  
14 the Appalachian Regional Commission for a project in an  
15 Appalachian State pursuant to a congressional directive  
16 shall be derived from the total amount allocated to the  
17 State by the Appalachian Regional Commission from  
18 amounts made available to carry out this subtitle.”.

19 **SEC. 6. TERMINATION.**

20           Section 14704 of title 40, United States Code, is  
21 amended by striking “~~2006~~ 2007” and inserting “2011”.

22 **SEC. 7. EFFECTIVE DATE.**

23           The amendments made by this Act take effect on Oc-  
24 tober 1, 2006.



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110<sup>TH</sup> CONGRESS  
1<sup>ST</sup> Session

**S. 496**

[Report No. 110-63]

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**A BILL**

To reauthorize and improve the program authorized by the Appalachian Regional Development Act of 1965.

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MAY 7, 2007

Reported with amendments