

113TH CONGRESS
2D SESSION

H. R. 4339

To establish State revolving loan funds to repair or replace natural gas distribution pipelines.

IN THE HOUSE OF REPRESENTATIVES

MARCH 27, 2014

Mr. RANGEL (for himself and Ms. NORTON) introduced the following bill; which was referred to the Committee on Transportation and Infrastructure, and in addition to the Committee on Energy and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To establish State revolving loan funds to repair or replace natural gas distribution pipelines.

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.**

4 This Act may be cited as the “Pipeline Revolving
5 Fund and Job Creation Act”.

6 **SEC. 2. DEFINITIONS.**

7 In this Act:

1 (1) ADMINISTRATOR.—The term “Adminis-
2 trator” means the Administrator of the Pipeline and
3 Hazardous Materials Safety Administration.

4 (2) STATE.—The term “State” means—

5 (A) a State; and

6 (B) the District of Columbia.

7 (3) STATE LOAN FUND.—The term “State loan
8 fund” means a pipeline replacement revolving loan
9 fund established by a State under section
10 3(a)(2)(B).

11 **SEC. 3. STATE REVOLVING LOAN FUNDS.**

12 (a) GRANTS TO STATES TO ESTABLISH LOAN
13 FUNDS.—

14 (1) IN GENERAL.—The Administrator shall
15 offer to enter into agreements with eligible States to
16 make capitalization grants, including letters of cred-
17 it, to the States under this subsection to repair or
18 replace natural gas distribution pipelines.

19 (2) ELIGIBILITY.—To be eligible to receive a
20 capitalization grant under this section, a State
21 shall—

22 (A) enter into a capitalization agreement
23 with the Administrator under paragraph (1);
24 and

1 (B) establish a pipeline replacement revolv-
2 ing loan fund.

3 (3) DEPOSIT.—Funds granted to a State under
4 this section shall be deposited in the State loan fund
5 established by the State.

6 (4) PERIOD.—The funds granted to a State
7 shall be available to the State for obligation during
8 the fiscal year for which the funds are authorized
9 and during the following fiscal year.

10 (5) ALLOTMENT.—Funds made available to
11 carry out this section shall be allotted to States in
12 at the discretion of the Administrator.

13 (6) REALLOTMENT.—Any funds not obligated
14 by a State by the last day of the period for which
15 the grants are available shall be reallocated in accord-
16 ance with paragraph (5).

17 (b) USE OF FUNDS.—

18 (1) IN GENERAL.—Amounts deposited in a
19 State loan fund, including loan repayments and in-
20 terest earned on the amounts, shall be used only for
21 providing loans or loan guarantees or as a source of
22 reserve and security for leveraged loans.

23 (2) LIMITATIONS.—

24 (A) IN GENERAL.—Loans or loan guaran-
25 tees made by a State under paragraph (1)—

1 (i) may be used only for expenditures
2 of a type or category that the Adminis-
3 trator has determined, through guidance,
4 will—

5 (I) facilitate compliance with a
6 plan submitted under subsection (c);
7 or

8 (II) otherwise significantly fur-
9 ther the replacement or repair of nat-
10 ural gas distribution pipelines that
11 have been identified as leak-prone;
12 and

13 (ii) may not be used for the acquisi-
14 tion of real property or an interest in real
15 property, unless the acquisition is—

16 (I) integral to a plan submitted
17 under subsection (c); and

18 (II) from a willing seller.

19 (B) BUYING AMERICAN.—

20 (i) IN GENERAL.—The Administrator
21 shall ensure, through guidance, that, to the
22 maximum extent practicable, none of the
23 funds from a loan or loan guarantee made
24 by a State under paragraph (1) are used
25 to repair or replace natural gas distribu-

1 tion pipelines unless all of the iron, steel,
2 plastic, and manufactured goods used in
3 the repair or replacement are produced in
4 the United States.

5 (ii) WAIVER.—Clause (i) shall not
6 apply in any case or category of cases in
7 which the Administrator finds that—

8 (I) applying that clause would be
9 inconsistent with the public interest;

10 (II) iron, steel, plastic, or the ap-
11 plicable manufactured goods are not
12 produced in the United States in suf-
13 ficient and reasonably available quan-
14 tities and of a satisfactory quality; or

15 (III) inclusion of iron, steel, plas-
16 tic, and manufactured goods produced
17 in the United States will increase the
18 cost of the overall repair or replace-
19 ment by more than 25 percent.

20 (iii) PUBLICATION.—If the Adminis-
21 trator determines that it is necessary to
22 waive the application of clause (i) based on
23 a finding under clause (ii), the Adminis-
24 trator shall publish in the Federal Register

1 a detailed written justification as to why
2 the provision is being waived.

3 (iv) APPLICABILITY.—This section
4 shall be applied in a manner consistent
5 with United States obligations under inter-
6 national agreements.

7 (c) INTENDED USE PLANS.—

8 (1) IN GENERAL.—After providing for public
9 review and comment, each State that has entered
10 into a capitalization agreement pursuant to this sec-
11 tion shall annually prepare a plan that identifies the
12 intended uses of the amounts available from the
13 State loan fund of the State.

14 (2) CONTENTS.—An intended use plan shall in-
15 clude—

16 (A) a list of the projects to be carried out
17 by entities receiving the loans in the first fiscal
18 year that begins after the date of the plan, in-
19 cluding a description of the project;

20 (B) the criteria and methods established
21 for the use of funds; and

22 (C) a description of the financial status of
23 the State loan fund and the short- and long-
24 term goals of the State loan fund.

1 (3) LIST OF PROJECTS.—Each State shall,
2 after notice and opportunity for public comment,
3 publish and periodically update a list of projects in
4 the State that are eligible for assistance under this
5 section, including the priority assigned to each
6 project and, to the maximum extent practicable, the
7 expected funding schedule for each project and, if
8 possible, an estimate of expected reductions in
9 greenhouse gas emissions for the project.

10 (d) FUND MANAGEMENT.—

11 (1) IN GENERAL.—Each State loan fund under
12 this section shall be established, maintained, and
13 credited with repayments and interest and the fund
14 corpus shall be available in perpetuity in accordance
15 with this section.

16 (2) INVESTMENT AUTHORIZED.—To the extent
17 amounts in the fund are not required for current ob-
18 ligation or expenditure, the amounts shall be in-
19 vested in interest bearing obligations.

20 (e) STATE CONTRIBUTIONS.—Each capitalization
21 agreement entered into pursuant to this section shall re-
22 quire that the State deposit in the State loan fund from
23 State moneys an amount equal to not less than 20 percent
24 of the total amount of the grant to be made to the State

1 on or before the date on which the grant payment is made
2 to the State.

3 (f) ADMINISTRATION OF STATE LOAN FUND.—

4 (1) IN GENERAL.—Each State may annually
5 use not greater than 4 percent of the funds allotted
6 to the State under this section to cover the reason-
7 able costs of administration of the programs under
8 this section, including the recovery of reasonable
9 costs expended to establish a State loan fund that
10 are incurred after the date of enactment of this Act.

11 (2) GUIDANCE AND REGULATIONS.—The Ad-
12 ministrators shall issue guidance and promulgate reg-
13 ulations as are necessary to carry out this section,
14 including guidance and regulations—

15 (A) to ensure that each State commits and
16 expends funds allotted to the State under this
17 section as efficiently as practicable in accord-
18 ance with this section and applicable State law;

19 (B) to prevent waste, fraud, and abuse;
20 and

21 (C) to ensure that the States receiving
22 grants under this section use accounting, audit,
23 and fiscal procedures that conform to generally
24 accepted accounting standards.

1 (3) STATE REPORT.—Each State administering
2 a State loan fund under this section shall submit to
3 the Administrator a report every 2 years on the ac-
4 tivities carried out under this section, including the
5 findings of the most recent audit of the fund and the
6 entire State allotment.

7 (4) AUDITS.—The Administrator shall periodi-
8 cally audit all State loan funds established by, and
9 all other amounts allotted to, the States pursuant to
10 this section in accordance with procedures estab-
11 lished by the Comptroller General of the United
12 States.

13 (g) APPLICABILITY OF FEDERAL LAW.—

14 (1) IN GENERAL.—The Administrator shall en-
15 sure that all laborers and mechanics employed on
16 projects funded directly, or assisted in whole or in
17 part, by this Act and contributed to a State loan
18 fund established by this Act shall be paid wages at
19 rates not less than those prevailing on projects of a
20 character similar in the locality as determined by the
21 Secretary of Labor in accordance with subchapter
22 IV of chapter 31 of part A of subtitle II of title 40,
23 United States Code.

24 (2) AUTHORITY.—With respect to the labor
25 standards specified in paragraph (1), the Secretary

1 of Labor shall have the authority and functions set
2 forth in Reorganization Plan Numbered 14 of 1950
3 (64 Stat. 1267; 5 U.S.C. App.) and section 3145 of
4 title 40, United States Code.

5 **SEC. 4. AUTHORIZATION OF APPROPRIATIONS.**

6 (a) IN GENERAL.—There are authorized to be appro-
7 priated to carry out this Act such sums as are necessary
8 for each of fiscal years 2014 through 2024.

9 (b) LIMITATION.—Only sums appropriated pursuant
10 to subsection (a) may be used to carry out this Act.

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