

ECONOMIC DEVELOPMENT ADMINISTRATION
REAUTHORIZATION ACT OF 2003

—————
JULY 25, 2003.—Ordered to be printed
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Mr. YOUNG of Alaska, from the Committee on Transportation and
Infrastructure, submitted the following

R E P O R T

[To accompany H.R. 2535]

[Including cost estimate of the Congressional Budget Office]

The Committee on Transportation and Infrastructure, to whom
was referred the bill (H.R. 2535) to reauthorize and improve the
program authorized by the Public Works and Economic Develop-
ment Act of 1965, having considered the same, report favorably
thereon with an amendment and recommend that the bill as
amended do pass.

The amendment is as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) **SHORT TITLE.**—This Act may be cited as the “Economic Development Admin-
istration Reauthorization Act of 2003”.

(b) **TABLE OF CONTENTS.**—

- Sec. 1. Short title; table of contents.
- Sec. 2. Amendments to Public Works and Economic Development Act of 1965.

TITLE I—GENERAL PROVISIONS

- Sec. 101. Findings and declarations.
- Sec. 102. Definitions.
- Sec. 103. Establishment of economic development partnerships.
- Sec. 104. Coordination.

TITLE II—GRANTS FOR PUBLIC WORKS AND ECONOMIC DEVELOPMENT

- Sec. 201. Grants for planning.
- Sec. 202. Cost sharing.
- Sec. 203. Supplementary grants.
- Sec. 204. Regulations on relative needs and allocations.
- Sec. 205. Grants for training, research, and technical assistance.
- Sec. 206. Prevention of unfair competition.
- Sec. 207. Grants for economic adjustment.
- Sec. 208. Use of funds in projects constructed under projected cost.
- Sec. 209. Special impact areas.
- Sec. 210. Performance awards.
- Sec. 211. Planning performance awards.
- Sec. 212. Subgrants.
- Sec. 213. Brownfields redevelopment.
- Sec. 214. Brightfields demonstration program.

TITLE III—COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGIES

Sec. 301. Comprehensive economic development strategies.

TITLE IV—ECONOMIC DEVELOPMENT DISTRICTS

Sec. 401. Incentives.

Sec. 402. Provision of comprehensive economic development strategies to regional commissions.

TITLE V—ADMINISTRATION

Sec. 501. Economic development information clearinghouse.

Sec. 502. Businesses desiring Federal contracts.

Sec. 503. Performance evaluations of grant recipients.

Sec. 504. Conforming amendments.

TITLE VI—MISCELLANEOUS

Sec. 601. Relationship to assistance under other law.

Sec. 602. Sense of Congress regarding economic development representatives.

TITLE VII—FUNDING

Sec. 701. Authorization of appropriations.

SEC. 2. AMENDMENTS TO PUBLIC WORKS AND ECONOMIC DEVELOPMENT ACT OF 1965.

Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or a repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3121 et seq.).

TITLE I—GENERAL PROVISIONS**SEC. 101. FINDINGS AND DECLARATIONS.**

Section 2 (42 U.S.C. 3121) is amended to read as follows:

“SEC. 2. FINDINGS AND DECLARATIONS.

“(a) FINDINGS.—Congress finds the following:

“(1) There continue to be areas experiencing chronic high unemployment, underemployment, outmigration, and low per capita incomes, as well as areas facing sudden and severe economic dislocations due to structural economic changes, changing trade patterns, certain Federal actions (including environmental requirements that result in the removal of economic activities from a locality), and natural disasters.

“(2) Economic growth in our Nation, States, cities, and rural areas is produced by expanding economic opportunities, expanding free enterprise through trade, developing and strengthening public infrastructure, and creating a climate for job creation and business development.

“(3) The goal of Federal economic development programs is to raise the standard of living for all citizens and increase the wealth and overall rate of growth of the economy by encouraging communities to develop a more competitive and diversified economic base by—

“(A) creating an environment that promotes economic activity by improving and expanding public infrastructure;

“(B) promoting job creation through increased innovation, productivity, and entrepreneurship; and

“(C) empowering local and regional communities experiencing chronic high unemployment and low per capita income to develop private sector business and attract increased private sector capital investment.

“(4) While economic development is an inherently local process, the Federal Government should work in partnership with public and private local, regional, tribal, and State organizations to maximize the impact of existing resources and enable regions, communities, and citizens to participate more fully in the American dream and national prosperity.

“(5) In order to avoid duplication of effort and achieve meaningful, long-lasting results, Federal, State, tribal, and local economic development activities should have a clear focus, improved coordination, a comprehensive approach, and simplified and consistent requirements.

“(6) Federal economic development efforts will be more effective if they are coordinated with, and build upon, the trade, workforce investment, transportation, and technology programs of the United States.

“(b) DECLARATIONS.—In order to promote a strong and growing economy throughout the United States, Congress declares the following:

“(1) Assistance under this Act should be made available to both rural- and urban-distressed communities.

“(2) Local communities should work in partnership with neighboring communities, the States, Indian tribes, and the Federal Government to increase their capacity to develop and implement comprehensive economic development strategies to alleviate economic distress and enhance competitiveness in the global economy.

“(3) Whether suffering from long-term distress or a sudden dislocation, distressed communities should be encouraged to support entrepreneurship to take advantage of the development opportunities afforded by technological innovation and expanding newly opened global markets.”.

SEC. 102. DEFINITIONS.

(a) ELIGIBLE RECIPIENT.—Section 3(4)(A) (42 U.S.C. 3122(4)(A)) is amended—

(1) by striking clause (i) and redesignating clauses (ii) through (vii) as clauses (i) through (vi), respectively; and

(2) in clause (iv) (as so redesignated) by inserting “, including a special purpose unit of a State or local government engaged in economic or infrastructure development activities,” after “State”.

(b) REGIONAL COMMISSIONS.—Section 3 (42 U.S.C. 3122) is amended—

(1) by redesignating paragraphs (8), (9), and (10) as paragraphs (9), (10), and (11), respectively; and

(2) by inserting after paragraph (7) the following:

“(8) REGIONAL COMMISSIONS.—The term ‘Regional Commissions’ means the following entities:

“(A) The Appalachian Regional Commission established under chapter 143 of title 40, United States Code.

“(B) The Delta Regional Authority established under subtitle F of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009aa et seq).

“(C) The Denali Commission established under the Denali Commission Act of 1998 (42 U.S.C. 2131 note; 112 Stat. 2681–637 et seq.).

“(D) The Northern Great Plains Regional Authority established under subtitle F of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009bb et seq.).”.

(c) UNIVERSITY CENTER.—Section 3 (42 U.S.C. 3122) is amended by adding at the end the following:

“(12) UNIVERSITY CENTER.—The term ‘university center’ means an institution of higher education or a consortium of institutions of higher education established as a University Center for Economic Development under section 207(a)(2)(D).”.

SEC. 103. ESTABLISHMENT OF ECONOMIC DEVELOPMENT PARTNERSHIPS.

Section 101 (42 U.S.C. 3131) is amended—

(1) in subsection (b) by striking “and multi-State regional organizations” and inserting “multi-State regional organizations, and nonprofit organizations”; and

(2) in subsection (d)(1) by striking “adjoining” each place it appears.

SEC. 104. COORDINATION.

Section 103 (42 U.S.C. 3132) is amended—

(1) by inserting “(a) IN GENERAL.—” before “The Secretary”;

(2) in subsection (a) (as so designated) by inserting “Indian tribes,” after “districts,”; and

(3) by adding at the end the following:

“(b) MEETINGS.—To carry out the responsibilities in subsection (a), or for any other purpose related to economic development activities, the Secretary may convene meetings with Federal agencies, State and local governments, economic development districts, Indian tribes, and other appropriate planning and development organizations.”.

TITLE II—GRANTS FOR PUBLIC WORKS AND ECONOMIC DEVELOPMENT

SEC. 201. GRANTS FOR PLANNING.

Section 203(d) (42 U.S.C. 3143(d)) is amended—

(1) in paragraph (1) by inserting “, to the maximum extent practicable,” after “developed” the second place it appears;

(2) by striking paragraph (3) and inserting the following:

“(3) COORDINATION.—Before providing assistance for a State plan under this section, the Secretary shall consider the extent to which the State will consider local and economic development district plans.”; and

- (3) in paragraph (4)—
 - (A) by striking “and” at the end of subparagraph (C);
 - (B) by redesignating subparagraph (D) as subparagraph (E); and
 - (C) by adding after subparagraph (C) the following:
 - “(D) assist in carrying out a State’s workforce investment strategy; and”.

SEC. 202. COST SHARING.

(a) **FEDERAL SHARE.**—Section 204(a) (42 U.S.C. 3144(a)) is amended to read as follows:

“(a) **FEDERAL SHARE.**—The Secretary shall issue regulations to establish the Federal share of the cost of projects carried out under this title based on the relative needs of the areas in which the projects will be located. Except as provided in subsection (c), the Federal share of the cost of any project carried out under this title shall not exceed 80 percent.”.

(b) **NON-FEDERAL SHARE.**—Section 204(b) (42 U.S.C. 3144(b)) is amended by inserting “assumptions of debt,” after “equipment,”.

(c) **INCREASE IN FEDERAL SHARE.**—Section 204 (42 U.S.C. 3144) is amended by adding at the end the following:

“(c) **INCREASE IN FEDERAL SHARE.**—

“(1) **INDIAN TRIBES.**—In the case of a grant to an Indian tribe for a project under this title, the Secretary may increase the Federal share above the percentage specified in subsection (a) up to 100 percent of the cost of the project.

“(2) **CERTAIN STATES, POLITICAL SUBDIVISIONS, AND NONPROFIT ORGANIZATIONS.**—In the case of a grant to a State, or a political subdivision of a State, that the Secretary determines has exhausted its effective taxing and borrowing capacity, or in the case of a grant to a nonprofit organization that the Secretary determines has exhausted its effective borrowing capacity, the Secretary may increase the Federal share above the percentage specified in subsection (a) up to 100 percent of the cost of the project.”.

(d) **PLANNING GRANTS.**—Section 204 (42 U.S.C. 3144) is further amended by adding at the end the following:

“(d) **PLANNING GRANTS.**—Notwithstanding subsection (a), the Federal share of the costs of planning activities under section 203 shall be at least 65 percent and not more than 80 percent.”.

SEC. 203. SUPPLEMENTARY GRANTS.

(a) **IN GENERAL.**—Section 205(b) (42 U.S.C. 3145(b)) is amended to read as follows:

“(b) **SUPPLEMENTARY GRANTS.**—Subject to subsection (c), in order to assist eligible recipients in taking advantage of designated Federal grant programs, on the application of an eligible recipient, the Secretary may make a supplementary grant for a project for which the recipient is eligible but for which the recipient cannot provide the required non-Federal share because of the recipient’s economic situation.”.

(b) **REQUIREMENTS APPLICABLE TO SUPPLEMENTARY GRANTS.**—Section 205(c) (42 U.S.C. 3145(c)) is amended—

(1) by striking paragraphs (1) and (2) and inserting the following:

“(1) **AMOUNT OF SUPPLEMENTARY GRANTS.**—The share of the project cost supported by a supplementary grant under this section may not exceed the applicable Federal share under section 204.

“(2) **FORM OF SUPPLEMENTARY GRANTS.**—The Secretary shall make supplementary grants by—

“(A) the payment of funds made available under this Act to the heads of the Federal agencies responsible for carrying out the applicable Federal programs; or

“(B) the award of funds under this Act, which will be combined with funds transferred from other Federal agencies in projects administered by the Secretary.”; and

(2) by striking paragraph (4).

SEC. 204. REGULATIONS ON RELATIVE NEEDS AND ALLOCATIONS.

Section 206 (42 U.S.C. 3146) is amended—

(1) by striking “and” at the end of paragraph (1)(B);

(2) by striking the period at the end of paragraph (2) and inserting “; and”; and

(3) by adding at the end the following:

“(3) grants made under this title promote job creation and will have a high probability of meeting or exceeding applicable performance requirements established in connection with the grants.”.

SEC. 205. GRANTS FOR TRAINING, RESEARCH, AND TECHNICAL ASSISTANCE.

(a) **IN GENERAL.**—Section 207(a)(2) (42 U.S.C. 3147(a)(2)) is amended—

(1) by striking “and” at the end of subparagraph (F);

(2) by redesignating subparagraph (G) as subparagraph (H); and

(3) by inserting after subparagraph (F) the following:

“(G) studies that evaluate the effectiveness of coordinating projects funded under this Act with projects funded under other Acts; and”.

(b) COOPERATION REQUIREMENT.—Section 207(a) (42 U.S.C. 3147(a)) is amended by adding at the end the following:

“(4) COOPERATION REQUIREMENT.—In the case of a project assisted under this section that is national or regional in scope, the Secretary may waive the provision in section 3(4)(A)(vi) requiring a nonprofit organization or association to act in cooperation with officials of a political subdivision of a State.”.

SEC. 206. PREVENTION OF UNFAIR COMPETITION.

Section 208 (42 U.S.C. 3148), and the item relating to section 208 in the table of contents contained in section 1(b), are repealed.

SEC. 207. GRANTS FOR ECONOMIC ADJUSTMENT.

(a) DIRECT EXPENDITURE OR REDISTRIBUTION BY RECIPIENT.—Section 209(d) (42 U.S.C. 3149(d)) is amended by striking “an eligible recipient” each place it appears and inserting “a recipient”.

(b) SPECIAL PROVISIONS RELATING TO REVOLVING LOAN FUND GRANTS.—Section 209 (42 U.S.C. 3149) is amended by adding at the end the following:

“(e) SPECIAL PROVISIONS RELATING TO REVOLVING LOAN FUND GRANTS.—

“(1) IN GENERAL.—The Secretary shall issue regulations to maintain the proper operation and financial integrity of revolving loan funds established by recipients with assistance under this section.

“(2) EFFICIENT ADMINISTRATION.—The Secretary may—

“(A) at the request of a grantee, amend and consolidate grant agreements governing revolving loan funds to provide flexibility with respect to lending areas and borrower criteria;

“(B) assign or transfer assets of a revolving loan fund to a third party for the purpose of liquidation, and a third party may retain assets of the fund to defray costs related to liquidation; and

“(C) take such actions as are appropriate to enable revolving loan fund operators to sell or securitize loans (except that the actions may not include issuance of a Federal guaranty by the Secretary).

“(3) TREATMENT OF ACTIONS.—An action taken by the Secretary under this subsection with respect to a revolving loan fund shall not constitute a new obligation if all grant funds associated with the original grant award have been disbursed to the recipient.”.

SEC. 208. USE OF FUNDS IN PROJECTS CONSTRUCTED UNDER PROJECTED COST.

Section 211 (42 U.S.C. 3151) is amended to read as follows:

“SEC. 211. USE OF FUNDS IN PROJECTS CONSTRUCTED UNDER PROJECTED COST.

“(a) IN GENERAL.—In the case of a grant to a recipient for a construction project under section 201 or 209, if the Secretary determines, before closeout of the project, that the cost of the project, based on the designs and specifications that were the basis of the grant, has decreased because of decreases in costs, the Secretary may approve, without further appropriations action, the use of the excess funds (or a portion of the excess funds) by the recipient to increase the Federal share of the cost of a project under this title to the maximum percentage allowable under section 204 or to improve the project.

“(b) OTHER USES OF EXCESS FUNDS.—Any amount of excess funds remaining after application of subsection (a) may be used by the Secretary for providing assistance under this Act.

“(c) TRANSFERRED FUNDS.—In the case of excess funds described in subsection (a) in projects utilizing funds transferred from other Federal agencies pursuant to section 604, the Secretary shall—

“(1) utilize the funds in accordance with subsection (a), with the approval of the originating agency; or

“(2) return the funds to the originating agency.”.

SEC. 209. SPECIAL IMPACT AREAS.

(a) IN GENERAL.—Title II (42 U.S.C. 3141 et seq.) is amended by adding at the end the following:

“SEC. 214. SPECIAL IMPACT AREAS.

“(a) IN GENERAL.—On the application of an eligible recipient, the Secretary may determine that the recipient is unable to comply with the requirements of section 302 and designate the area represented by the recipient as a special impact area.

“(b) WAIVERS.—Subject to the requirements of this section, the Secretary may waive, in whole or in part, as appropriate, the requirements of section 302 with respect to a special impact area designated under subsection (a) if the Secretary determines that the waiver will carry out the purposes of the Act.

“(c) NOTIFICATION REQUIREMENT.—At least 30 days before issuing a waiver under this section, the Secretary shall transmit to the Committee on Transportation and Infrastructure of the House of Representatives and the Committee on Environment and Public Works of the Senate a written notice of the waiver, including a justification for the waiver.”

(b) CONFORMING AMENDMENT.—The table of contents contained in section 1(b) is amended by inserting after the item relating to section 213 the following:

“Sec. 214. Special impact areas.”.

SEC. 210. PERFORMANCE AWARDS.

(a) IN GENERAL.—Title II (42 U.S.C. 3141 et seq.) is further amended by adding at the end the following:

“**SEC. 215. PERFORMANCE AWARDS.**

“(a) IN GENERAL.—The Secretary may make a performance award in connection with a grant made, on or after the date of enactment of this section, to an eligible recipient for a project under section 201 or 209.

“(b) PERFORMANCE MEASURES.—

“(1) REGULATIONS.—The Secretary shall issue regulations to establish performance measures for making performance awards under subsection (a).

“(2) CONSIDERATIONS.—In issuing regulations under paragraph (1), the Secretary shall consider including performance measures that assess the following factors:

“(A) Whether the recipient meets or exceeds scheduling goals.

“(B) Whether the recipient meets or exceeds job creation goals.

“(C) Amounts of private sector capital investments leveraged.

“(D) Such other factors as the Secretary determines appropriate.

“(c) AMOUNT OF AWARDS.—

“(1) IN GENERAL.—The Secretary shall base the amount of a performance award made under subsection (a) in connection with a grant on the extent to which a recipient meets or exceeds performance measures established in connection with the grant.

“(2) MAXIMUM AMOUNT.—The amount of a performance award may not exceed 10 percent of the amount of the grant.

“(d) USE OF AWARDS.—A recipient of a performance award under subsection (a) may use the award for any eligible purpose under this Act, in accordance with section 602 and such regulations as the Secretary may prescribe.

“(e) FEDERAL SHARE.—Notwithstanding section 204, the amounts of a performance award may be used for up to 100 percent of the cost of an eligible project or activity.

“(f) TREATMENT IN MEETING NON-FEDERAL SHARE REQUIREMENTS.—For the purposes of meeting the non-Federal share requirements of this Act, or any other Act, the amounts of a performance award shall be treated as funds from a non-Federal source.

“(g) TERMS AND CONDITIONS.— In making performance awards under subsection (a), the Secretary shall establish such terms and conditions as the Secretary considers appropriate.

“(h) FUNDING.—The Secretary shall carry out this section using any amounts made available for economic development assistance programs.

“(i) REPORTING REQUIREMENT.—The Secretary shall include information regarding performance awards made under this section in the annual report required under section 603.

“(j) REVIEW BY COMPTROLLER GENERAL.—

“(1) REVIEW.—The Comptroller General shall review the implementation of this section in each fiscal year.

“(2) ANNUAL REPORT.—Not later than one year after the date of enactment of this section, and annually thereafter, the Comptroller General shall transmit to the Committee on Transportation and Infrastructure of the House of Representatives and the Committee on Environment and Public Works of the Senate a report on the Comptroller’s findings under this subsection.”

(b) CONFORMING AMENDMENT.—The table of contents contained in section 1(b) is amended by inserting after the item relating to section 214 the following:

“Sec. 215. Performance awards.”.

SEC. 211. PLANNING PERFORMANCE AWARDS.

(a) IN GENERAL.—Title II (42 U.S.C. 3141 et seq.) is further amended by adding at the end the following:

“SEC. 216. PLANNING PERFORMANCE AWARDS.

“(a) **IN GENERAL.**—The Secretary may make a planning performance award in connection with a grant made, on or after the date of enactment of this section, to an eligible recipient for a project under this title located in an economic development district.

“(b) **ELIGIBILITY.**—The Secretary may make a planning performance award to an eligible recipient under subsection (a) in connection with a grant for a project if the Secretary determines before closeout of the project that—

“(1) the recipient actively participated in the economic development activities of the economic development district in which the project is located;

“(2) the project is consistent with the comprehensive economic development strategy of the district;

“(3) the recipient worked with Federal, State, and local economic development entities throughout the development of the project; and

“(4) the project was completed in accordance with the comprehensive economic development strategy of the district.

“(c) **MAXIMUM AMOUNT.**—The amount of a planning performance award made under subsection (a) in connection with a grant may not exceed 5 percent of the amount of the grant.

“(d) **USE OF AWARDS.**—A recipient of a planning performance award under subsection (a) shall use the award to increase the Federal share of the cost of a project under this title.

“(e) **FEDERAL SHARE.**—Notwithstanding section 204, the amounts of a planning performance award may be used for up to 100 percent of the cost of a project under this title.

“(f) **FUNDING.**—The Secretary shall carry out this section using any amounts made available for economic development assistance programs.”

(b) **CONFORMING AMENDMENT.**—The table of contents contained in section 1(b) is amended by inserting after the item relating to section 215 the following:

“Sec. 216. Planning performance awards.”.

SEC. 212. SUBGRANTS.

(a) **IN GENERAL.**—Title II (42 U.S.C. 3141 et seq.) is further amended by adding at the end the following:

“SEC. 217. SUBGRANTS.

“(a) **IN GENERAL.**—Subject to subsection (b), a recipient of a grant under section 201, 203, or 207 may directly expend the grant funds or may redistribute the funds in the form of a subgrant to other eligible recipients to fund required components of the scope of work approved for the project.

“(b) **LIMITATION.**—A recipient may not redistribute grant funds received under section 201 or 203 to a for-profit entity.”.

(b) **CONFORMING AMENDMENT.**—The table of contents contained in section 1(b) is amended by inserting after the item relating to section 216 the following:

“Sec. 217. Subgrants.”.

SEC. 213. BROWNFIELDS REDEVELOPMENT.

(a) **IN GENERAL.**—Title II (42 U.S.C. 3141 et seq.) is further amended by adding at the end the following:

“SEC. 218. BROWNFIELDS REDEVELOPMENT.

“(a) **IN GENERAL.**—On the application of a qualified eligible recipient, the Secretary may make grants under sections 201, 203, 207, and 209 for projects to expand, redevelop, or reuse brownfield sites.

“(b) **LIMITATIONS.**—Projects carried out under this section shall be subject to the limitations of section 104(k)(4)(B) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9604(k)(4)(B)).

“(c) **DEFINITIONS.**—In this section, the following definitions apply:

“(1) **BROWNFIELD SITE.**—The term ‘brownfield site’ has the meaning given such term in section 101(39) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601(39)).

“(2) **QUALIFIED ELIGIBLE RECIPIENT.**—The term ‘qualified eligible recipient’ means an eligible recipient that meets the definition of ‘eligible entity’ in section 104(k)(1) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9604(k)(1)); except that for any project undertaken under this section the term may include a nonprofit organization acting in cooperation with officials of a political subdivision of a State.”.

(b) CONFORMING AMENDMENT.—The table of contents contained in section 1(b) is amended by inserting after the item relating to section 217 the following:

“Sec. 218. Brownfields redevelopment.”.

SEC. 214. BRIGHTFIELDS DEMONSTRATION PROGRAM.

(a) IN GENERAL.—Title II (42 U.S.C. 3141 et seq.) is further amended by adding at the end the following:

“SEC. 219. BRIGHTFIELDS DEMONSTRATION PROGRAM.

“(a) IN GENERAL.—On the application of a qualified eligible recipient, the Secretary may make a grant for a project for the development of brightfield sites if the Secretary determines that the project will—

“(1) utilize solar energy technologies to develop abandoned or contaminated sites for commercial use; and

“(2) improve the commercial and economic opportunities in the area where the project is located.

“(b) LIMITATIONS.—Projects carried out under this section shall be subject to the limitations of section 104(k)(4)(B) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9604(k)(4)(B)).

“(c) DEFINITIONS.—In this section, the following definitions apply:

“(1) BRIGHTFIELD SITE.—The term ‘brightfield site’ means a brownfield site (as defined in section 217) that is redeveloped through the incorporation of solar energy technologies.

“(2) QUALIFIED ELIGIBLE RECIPIENT.—The term ‘qualified eligible recipient’ has the meaning given such term in section 217; except that for any project undertaken under this section the term may include a nonprofit organization acting in cooperation with officials of a political subdivision of a State.

“(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section \$5,000,000 for each of fiscal years 2004 through 2008. Such sums shall remain available until expended.”.

(b) CONFORMING AMENDMENT.—The table of contents contained in section 1(b) is amended by inserting after the item relating to section 218 the following:

“Sec. 219. Brightfields demonstration program.”.

TITLE III—COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGIES

SEC. 301. COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGIES.

(a) IN GENERAL.—Section 302(a)(3)(A) (42 U.S.C. 3162(a)(3)(A)) is amended by inserting “maximizes effective development and use of the workforce consistent with any applicable State or local workforce investment strategy,” after “access.”.

(b) APPROVAL OF OTHER PLAN.—Section 302(c) (42 U.S.C. 3162(c)) is amended by adding at the end the following: “To the maximum extent practicable, a plan submitted under this paragraph shall be consistent and coordinated with any existing comprehensive economic development strategy for the area.”.

TITLE IV—ECONOMIC DEVELOPMENT DISTRICTS

SEC. 401. INCENTIVES.

Section 403 (42 U.S.C. 3173), and the item relating to section 403 in the table of contents contained in section 1(b), are repealed.

SEC. 402. PROVISION OF COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGIES TO REGIONAL COMMISSIONS.

(a) IN GENERAL.—Section 404 (42 U.S.C. 3174) is amended to read as follows:

“SEC. 404. PROVISION OF COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGIES TO REGIONAL COMMISSIONS.

“If any part of an economic development district is in a region covered by one or more of the Regional Commissions (as defined in section 3), the economic development district shall ensure that a copy of the comprehensive economic development strategy of the district is provided to the affected Regional Commission.”.

(b) CONFORMING AMENDMENT.—The table of contents contained in section 1(b) is amended by striking the item relating to section 404 and inserting the following:

“Sec. 404. Provision of comprehensive economic development strategies to Regional Commissions.”.

TITLE V—ADMINISTRATION

SEC. 501. ECONOMIC DEVELOPMENT INFORMATION CLEARINGHOUSE.

Section 502 (42 U.S.C. 3192) is amended—

(1) by striking paragraph (1) and inserting the following:

“(1) maintain a central information clearinghouse on the Internet with—

“(A) information on economic development, economic adjustment, disaster recovery, defense conversion, and trade adjustment programs and activities of the Federal Government;

“(B) links to State economic development organizations; and

“(C) links to other appropriate economic development resources;”;

(2) by striking paragraph (2) and inserting the following:

“(2) assist potential and actual applicants for economic development, economic adjustment, disaster recovery, defense conversion, and trade adjustment assistance under Federal and State laws in locating and applying for the assistance;”;

(3) by striking the period at the end of paragraph (3) and inserting “; and”;

and

(4) by adding at the end the following:

“(4) obtain appropriate information from other Federal agencies needed to carry out the duties under this Act.”.

SEC. 502. BUSINESSES DESIRING FEDERAL CONTRACTS.

Section 505 (42 U.S.C. 3195), and the item relating to section 505 in the table of contents contained in section 1(b), are repealed.

SEC. 503. PERFORMANCE EVALUATIONS OF GRANT RECIPIENTS.

Section 506(c) (42 U.S.C. 3196(c)) is amended by striking “after the effective date of the Economic Development Administration Reform Act of 1998”.

SEC. 504. CONFORMING AMENDMENTS.

(a) STANDARDS.—Section 602 (42 U.S.C. 3212) is amended—

(1) in the first sentence by striking “in accordance with” and all that follows before the period at the end and inserting “in accordance with subchapter IV of chapter 31 of title 40, United States Code”; and

(2) in the third sentence by striking “section 2 of the Act of June 13, 1934, as amended (40 U.S.C. 276c)” and inserting “section 3145 of title 40, United States Code”.

(b) EVALUATION CRITERIA.—Section 506(d)(2) (42 U.S.C. 3196(d)(2)) is amended by inserting “program performance,” after “applied research,”.

TITLE VI—MISCELLANEOUS

SEC. 601. RELATIONSHIP TO ASSISTANCE UNDER OTHER LAW.

Section 609 (42 U.S.C. 3219) is amended—

(1) by striking subsection (a); and

(2) by striking “(b) ASSISTANCE UNDER OTHER ACTS.—”.

SEC. 602. SENSE OF CONGRESS REGARDING ECONOMIC DEVELOPMENT REPRESENTATIVES.

(a) FINDINGS.—Congress finds the following:

(1) Planning and coordination among Federal agencies, State and local governments, Indian tribes, and economic development districts is vital to the success of an economic development program.

(2) Economic Development Representatives of the Economic Development Administration provide distressed communities with the technical assistance necessary to foster this planning and coordination.

(3) In the past five years, the number of Economic Development Representatives has declined by almost 25 percent.

(b) SENSE OF CONGRESS.—It is the sense of Congress that the Secretary should maintain a sufficient number of Economic Development Representatives to ensure that the Economic Development Administration is able to provide effective assistance to distressed communities and foster economic growth and development among the States.

TITLE VII—FUNDING

SEC. 701. AUTHORIZATION OF APPROPRIATIONS.

Section 701 (42 U.S.C. 3231) is amended to read as follows:

“SEC. 701. GENERAL AUTHORIZATION OF APPROPRIATIONS.

“(a) ECONOMIC DEVELOPMENT ASSISTANCE PROGRAMS.—There are authorized to be appropriated for economic development assistance programs to carry out this Act—

“(1) \$400,000,000 for fiscal year 2004;

“(2) \$425,000,000 for fiscal year 2005;

“(3) \$450,000,000 for fiscal year 2006;

“(4) \$475,000,000 for fiscal year 2007; and

“(5) \$500,000,000 for fiscal year 2008.

Such sums shall remain available until expended.

“(b) SALARIES AND EXPENSES.—There are authorized to be appropriated for salaries and expenses of administering this Act \$33,377,000 for fiscal year 2004 and such sums as may be necessary for each fiscal year thereafter. Such sums shall remain available until expended.”

PURPOSE OF THE LEGISLATION

H.R. 2535 reauthorizes the Economic Development Administration for five years and authorizes \$2.25 billion over five years for program operations. The legislation updates the findings and declarations; revises several definitions; and allows the inclusion of non-profit entities as an eligible economic development entity. The legislation grants the Secretary of Commerce new authority to implement a performance based incentive plan, to issue new regulations relating to the operation of revolving loan funds, to make grants for the redevelopment of brownfield sites and for the development of brightfield sites, to waive planning requirements for isolated areas, to convene meetings to improve coordination between federal agencies, to increase the federal share of grants, to allow for increased retention of funds, and to issue new performance regulations. The legislation also repeals a number of obsolete provisions.

BACKGROUND AND NEED FOR THE LEGISLATION

Established by the Public Works and Economic Development Act of 1965, the Economic Development Administration (EDA) was created to alleviate conditions of substantial and persistent unemployment in economically distressed areas and regions. The mission of EDA today remains much the same as it was when originally founded, “To enhance community success in attracting private capital investment and lucrative job opportunities.” EDA has stated that to fulfill its mission, it must be, “. . . guided by the principle that distressed communities must be empowered to develop and implement their own economic development and revitalization strategies.”

The initial authorization of EDA, which was only for five years, expired in 1970. From 1970 through 1980, EDA continued to operate without a reauthorization, though there were several legislative efforts to reorganize and reorient the Agency. During this time, the agency continued to receive appropriations, including \$6 billion for public works projects in 1976 and 1977. In 1980, EDA’s programs were reauthorized, however, that reauthorization expired in 1982, and until 1998, the Agency went without an authorization, surviving only on year-to-year appropriations.

The Economic Development Administration and Appalachian Regional Development Reform Act of 1998 reauthorized the Agency for a period of five years, and authorized funding levels that progressively declined from an initial amount of \$398 million for FY '99 to \$335 million in FY '03. Additionally, this reauthorization put into place a number of the management and administrative reforms already underway, such as efforts to target the most distressed areas and encourage regional cooperation.

EDA provides assistance for projects through a variety of programs: Planning; Technical Assistance; Public Works; Economic Adjustment; Research and Evaluation; and Trade Adjustment Assistance. Projects are located in areas exhibiting economic distress at the time of application. Projects located outside these areas may be considered if they directly benefit a distressed area. All Public Works and Economic Adjustment projects must be consistent with an EDA-approved Comprehensive Economic Development Strategy (CEDS). EDA may fund up to 50% of project costs, however, certain conditions of high economic distress or an applicant's inability to provide the matching share may permit a higher grant rate.

Planning grants support the design and implementation of effective economic development policies and programs by local organizations. Through the use of these grants, organizations are able to support development of CEDS, implement provisions of this strategy, and provide planning and other technical assistance to communities and local governments.

Grants are made to university centers that provide technical assistance to public bodies, nonprofit organizations, and businesses to plan and implement activities designed to generate jobs and income in distressed areas. The information developed by these centers also assists EDA to support other economic development practitioners across the country. In addition to direct support and assistance for ongoing programs, these centers work to assist in measuring the performance of economic development programs.

Public works grants provide for infrastructure projects that foster the establishment or expansion of industrial and commercial businesses generating employment in communities experiencing high unemployment, underemployment, low per-capita income, or out-migration. The grants provided by this program support locally developed plans and provide limited assistance for specific projects such as the expansion and strengthening of public infrastructure (water, sewer, etc.), construction of business incubators, and skill training facilities.

Economic adjustment investments provide a package of assistance tools, including planning, technical assistance, revolving loan funds and infrastructure development, to help communities counteract either a gradual erosion or a sudden dislocation of their local economic structure as a result of natural disasters, international trade competition, or major plant closings. This assistance also encompasses assistance provided in the event of a military base closure, and grants to support redevelopment of brownfields.

Research evaluation investments support studies about the causes of economic distress and approaches to alleviating and preventing such problems, national demonstrations of innovative economic development techniques, and dissemination of economic development information. These grants may be provided to nonprofit

organizations, universities, private individuals, and other research institutions.

Trade adjustment assistance provides technical assistance, through a national network of 12 Trade Adjustment Assistance Centers (TAAC), to certified U.S. manufacturing firms and industries economically injured as the result of international trade competition.

Each of these programs operates to address a different need within the sphere of economic development activities to communities that meet the definition of distressed, which has been established by regulation. These regulations limit eligibility to communities in distress as well as projects in otherwise ineligible communities that will benefit communities in distress. In general, EDA defines an "economically distressed area" as one that has (for the most recent period for which data is available): unemployment rate one percent greater than the national average; per-capita income 80 percent or less of the national average; or a special need as determined by EDA, such as outmigration, the negative effects of international trade, or loss of a major economic resource. Typically EDA limits assistance to clearly defined political boundaries, however, these restrictions may be waived for isolated pockets of distress in otherwise ineligible communities.

As of fiscal year 2001, EDA has funded more than 43,000 projects, investing over \$17 billion in more than 8,000 communities nationwide. The Agency estimates that its assistance has directly created or helped to create over 4 million jobs and leveraged more than \$130 billion in private sector investment.

In addition to activities coordinated directly with State and local governments, EDA has a long history of working with other organizations to meet its mission. EDA works with Local Development Districts (LDD's), which are often the recipient of grant assistance, and work on a multi-county level to address economic development needs in areas of distress. In addition, EDA has worked in the past with each of the existing and operational regional development authorities, including the Appalachian Regional Commission (ARC), Delta Regional Authority (DRA) and Denali Commission (Denali) to deliver planning assistance and guidance on regional planning issues.

This work has been achieved through both Memoranda of Understanding (MOU's), as is the case with ARC, and through cooperative work, as is the case with Denali and DRA. In each of these cases however, EDA has worked to achieve a different mission than those established by the regional authorities, which have been established by law to operate independently.

The present reauthorization legislation continues many of the important reforms put into place by the 1998 reauthorization (P.L. 105-393), and builds upon the success of these reforms by providing increased resources and flexible new authorities to the Secretary of Commerce.

SUMMARY OF THE LEGISLATION

Section 1. Section 1 provides that the short title for the legislation is the Economic Development Administration Reauthorization Act of 2003.

Section 2. Section 2 clarifies that the amendments included in the bill are amendments to the Public Works and Economic Development Act of 1965 (42 U.S.C. 3121 et seq.) as amended (PWEDA).

TITLE I—GENERAL PROVISIONS

Section 101. Findings and declarations

Revises the findings to reflect the different economy in 2003 compared to 1998 when the Economic Development Administration (EDA) was last re-authorized. The new findings also provide an emphasis on the need to increase innovation, productivity and entrepreneurship and attract private sector capital investment in order to create jobs and sustained economic growth.

Section 102. Definitions

Section 102 revises the definition of “eligible recipient” in section 3 of PWEDA. This is done since EDA looks to organizational status, such as status as a city, State or Indian tribe, to meet the requirements of paragraph (4)(A) of this section. This section also clarifies that a city or other political subdivision of a State under subparagraph (4)(A)(iv) (as re-designated) includes a special purpose unit of State or local government, engaged in economic or infrastructure development activities.

This section also adds a new paragraph (8) that defines Regional Commissions for purposes of section 403 of the Act. The Regional Commissions are the Appalachian Regional Commission, Delta Regional Authority, the Denali Commission, and the Northern Great Plains Regional Authority. The legislation amends section 403 to require economic development districts to send a copy of their comprehensive economic development strategies to the appropriate Regional Commission as so defined.

A new paragraph (12) is added to include a new definition of “university centers” to rename them as University Centers for Economic Development, and clarifies that these must be institutions of higher learning.

Section 103. Establishment of economic development partnerships

Section 103 amends section 101 of PWEDA (42 U.S.C. § 3131) which sets out EDA’s authority to cooperate with States and other entities in establishing economic development partnerships that might be appropriate to alleviate economic distress or promote investment in infrastructure and technological development. Currently, the Secretary can work with States, political subdivisions of States, sub-State regional organizations and multi-State organizations, but not other non-profit organizations. The legislation amends 101(b) to allow non-profit organizations such as community development corporations to be eligible to receive assistance under this section.

This section also amends subsection (d) of this section, which enables the Secretary to enter into cooperation agreements with two or more adjoining States or organizations of two or more adjoining States. Adjoining is stricken each time it is used since this restriction precludes the EDA from cooperating with two States that may have common problems in connection with a given matter, but do not adjoin.

Section 104. Coordination

This section redesignates the existing Section 103 as paragraph (a) and adds a paragraph (b) that allows the Secretary to better coordinate the delivery of federal assistance by convening meetings with all relevant stakeholders. This section also includes Indian tribes as a stakeholder to be included in the discussions.

TITLE II—GRANTS FOR PUBLIC WORKS AND ECONOMIC DEVELOPMENT

Section 201. Grants for planning

This section clarifies that States need only coordinate with local officials to the maximum extent practicable when preparing their state plan. This change alleviates a significant burden of large states, while at the same time retaining an appropriate level of regional involvement. This section also requires that prior to the Secretary granting assistance under this section, the Secretary must consider the extent to which a State plans to consider the local issues.

A new subparagraph (d)(3)(D) is also added to require that any statewide planning assisted under section 203 be part of a comprehensive planning process that also considers a State workforce investment strategy. Such a process should include consideration of the State plan required under section 112 of the Workforce Investment Act of 1998 (29 U.S.C. § 2822).

It is the Committee's belief that planning is the key to successful economic development programs. Activities under this section have been underfunded for many years, and therefore the Committee supports increased funding for planning activities.

Section 202. Cost sharing

This Section re-works sections 204 and 205 of PWEDA (42 U.S.C. §§ 3144, 3145), which authorizes the Secretary to establish grant rates from 50 percent to 80 percent (and in limited circumstances to 100 percent). EDA currently implements this authority through section 301.4 of its regulations (title 13, Code of Federal Regulations).

This section also establishes in law the cost share for planning activities funded under Section 203 of PWEDA. Under this act, the Federal share of these activities shall be not less than 65 percent and not more than 80 percent. It is the Committee's expectation that the Secretary will issue regulations to determine the criteria that must be met to qualify for different levels of assistance. It is also the Committee's expectation that this authority will not be used to decrease the amount of money currently given to recipients.

Section 203. Supplementary grants

This Section eliminates the two-step process required by Sections 204 and 205 in which EDA may only make a basic grant of 50 percent of project cost and then, depending on the economic distress of the area in which the project is located, supplement that basic grant by 10, 20, or 30 percent, or more in the case of projects of Indian tribes or in certain other limited circumstances such as a natural disaster. This section does not alter the substance of current law; grant rates will continue to depend on the relative level of economic distress as 13 CFR § 301.4 requires, but it eliminates

the two-step process. As revised, supplementary grants will refer to only those projects in which EDA is participating in a multi-agency project and will transfer funds as a supplement to a sister agency's funds.

Section 204. Regulations on relative needs and allocations

This Section adds a new paragraph (3) to section 206 of PWEDA (42 U.S.C. § 3146) to require the Secretary in promulgating rules and procedures for grants under title II to ensure that allocations of assistance promote job creation and will meet or exceed applicable performance requirements.

Section 205. Grants for training, research, and technical assistance

This section amends Section 207 of PWEDA to require that the agency conduct studies to evaluate the effectiveness of its projects in coordination with projects funded under other acts. This requirement applies specifically to those studies funded by the Workforce Investment Act of 1998 (29 U.S.C. § 2801).

This section also clarifies the current requirement under subparagraph 3(4)(A)(vi) (as re-designated) that ensures that recipients of assistance under the Act have cooperated with local officials. EDA is committed to ensuring that its economic development activities in funding projects are consistent with locally developed strategies and have broad community support. However, EDA upon occasion extends technical assistance or conducts research in which the focus is not local, but national or regional. In such cases, there is no appropriate local official with whom to cooperate. Accordingly, this section recommends clarifying the applicability of this requirement for such national or regional technical assistance or research projects.

Grants under this section provide technical assistance to communities across the nation to transition from failing industries to those that can provide good paying jobs well into the future. In order that this may be continued, the Committee strongly encourages EDA to work with Trumbull and Mahoning counties in the State of Ohio to complete a study for the second phase of an economic development project that has the potential to generate nearly 2,000 jobs and over \$9 million in tax revenue for Northeast Ohio.

The Committee strongly encourages EDA to continue to work with the city of Fairfield, Maine to complete work on the Fairfield Biotech Park, an economic development project that has the potential to create jobs in the biotechnology industry and contribute significantly to the diversification of Maine's economy.

The Committee also strongly encourages EDA to work with the Cedar City/Iron County Economic Development Group to complete work on Phase III of the Cedar City Airport Industrial Park, an economic development project that has the potential to create much needed, high wage jobs in southwestern Utah.

Section 206. Prevention of unfair competition

This Section repeals section 208 of PWEDA (42 U.S.C. § 3148) as a matter of administrative convenience. Section 208 requires EDA to make a determination, before approving a public works grant under section 201 of PWEDA or an economic adjustment grant under section 209, that the financial assistance will not increase

the production of goods, materials, or commodities, or the availability of services or facilities, when there is not sufficient demand for such goods, materials, commodities, services, or facilities, to employ the efficient capacity of existing competitive commercial or industrial enterprises. In practice it requires EDA to perform complex studies of the potential economic impact of its investments, even though EDA rarely determines that a potential project implicates such competitive concerns. EDA's criteria and Investment Policy Guidelines provide safeguards against situations section 208 was intended to prevent.

Section 207. Grants for economic adjustment

This Section makes a minor wording change to subsection (d) to section 209 of PWEDA (42 U.S.C. § 3149) to strike "eligible" before "recipient" because in the context of the subsection the provision relates to recipients who have been awarded a grant.

This Section also adds a new subsection (e) to section 209 to improve the administration of economic adjustment grants, which establish revolving loan funds (RLF's). Paragraph (1) of new subsection (e) requires the Secretary to issue regulations to maintain the proper operation and financial integrity of RLF's. While the Committee appreciates and agrees that it is important for EDA to require regular audits of RLF operators to ensure good performance, it also believes that it is important that these audits not become overly burdensome. It is the Committee's expectation that regulations promulgated pursuant to this section will require an audit schedule that reflects, to the greatest extent practicable, the performance of an RLF, and will take into consideration the burden being imposed by requiring these audits on a regular basis.

This Section also gives the Secretary the authority, in accordance with regulations issued for such purposes, and at the request of a grantee, to amend and consolidate grant agreements with respect to lending areas and borrower criteria; transfer RLF assets to third parties when such transfer would assist in the orderly liquidation of an RLF, which EDA is terminating for reasons of poor performance or for the convenience of the parties; and take such actions as are necessary to allow RLF operators to sell their loans to a secondary market.

Section 208. Use of funds in projects constructed under projected cost

This Section amends section 211 of PWEDA (42 U.S.C. § 3151) to provide additional flexibility in connection with the use of excess grant funds in construction projects. Under the current provision, EDA may approve a request by a grantee to expend grant funds to improve a construction project when the cost of the original project is less than originally anticipated. Any funds remaining after the cost of the improvement are returned to the Treasury. This amendment would provide EDA with the authority to use these excess funds to increase the Federal share of a project, improve the project, or make additional economic development investments under EDA program authorities (primarily sections 201 and 209 of PWEDA, 42 U.S.C. §§ 3141, 3149) in keeping with the original intent of the appropriations.

Section 209. Special impact areas

This Section amends PWEDA to add a new section 214 to PWEDA to provide additional programmatic flexibility. On the application of an eligible recipient, EDA may determine that the recipient is unable to comply with the requirements of section 302 and designate the area as a special impact area. Subject to this requirement, the Secretary may waive the requirements of section 302 of PWEDA (42 U.S.C. § 3162). However, prior to using this authority, the Secretary must notify the Committee and provide a justification for the waiver.

Section 210. Performance awards

This Section adds a new section 215 to PWEDA to provide new authority to develop a performance incentive program. The Secretary may make an award if it is determined that a grant recipient has met performance measures promulgated in regulations. The award would take the form of a grant to the recipient in an amount of up to 10 percent of the original project grant amount and may be used for any eligible purpose allowed under the act. EDA would issue new regulations to govern the performance incentive program and would address it specifically as part of the annual report under section 603 of the Act.

Section 211. Planning performance awards

This section adds a new Section 216 to PWEDA and establishes in law a Planning Performance Award. This award replaces the current district incentive that is provided pursuant to Section 403 of PWEDA. The purpose of this change is to emphasize the importance of not only participation in the planning process, but also that the resulting plan is designed to promote strong economic growth and contains a means of measuring such a plan.

This award may be given prior to closeout of a grant project to an eligible recipient in an Economic Development District (EDD). To receive a planning performance award, a recipient of an award must meet four criteria. The recipient must have actively participated in the economic development activities of the EDD, the project must be consistent with the Comprehensive Economic Development Strategy (CEDS), the recipient must have worked with economic development entities throughout the project, and the project must have been completed in accordance with the CEDS.

A Planning Performance Award may be up to five percent of the cost of the project, and may only be used to increase the federal share of the project up to 100 percent. Funding for the award comes from any amounts made available for economic development assistance programs.

Section 212. Subgrants

This Section amends PWEDA (42 U.S.C. § 3141) to clarify that recipients of assistance have the flexibility to spend the funds directly, or if it would be more efficient, to re-distribute grant funds to a subgrantee otherwise eligible under the Act to fund required components of the scope of work approved for the project. This amendment, which affects assistance under Sections 201, 203, and 207, is patterned after similar authority in connection with the economic adjustment program under section 209 of the Act.

Section 213. Brownfields redevelopment

This Section allows the use of EDA grant funds for the redevelopment of Brownfields, as current law defines that term. The language in this Section is consistent with EDA's current practice of funding Brownfield redevelopment. Additionally, this section does not authorize new funding or require a minimum level of funding for the program.

Section 214. Brightfields demonstration program

This Section creates a limited demonstration program for Brightfields development. A Brightfield is defined as a Brownfield redevelopment project that utilizes photovoltaic technologies. This section authorizes \$5 million a year for five years to fund demonstration projects separate and apart from the general authorization in title VII.

It is the Committee's expectation that at least one of the projects funded under this section will be the Union Ship Canal in the City of Buffalo, New York.

TITLE III—COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGIES

Section 301. Comprehensive economic development strategies

This Section clarifies that the Comprehensive Economic Development Strategy (CEDS) developed by this Section should be consistent, to the extent practicable, with applicable State or local workforce strategies.

This Section also requires that another plan approved by the Secretary functioning as a CEDS, be, to the maximum extent practicable, consistent, and coordinated with an existing plan for the area.

TITLE IV—ECONOMIC DEVELOPMENT DISTRICTS

Section 401. Provision of comprehensive economic development strategies to regional commissions

This Section clarifies that in any instance that an Economic Development District (EDD) is in a Regional Commission, that such EDD deliver a copy of their CEDS to the Regional Commission.

TITLE V—ADMINISTRATION

Section 501. Economic development information clearinghouse

This Section makes minor clarifications to section 502 of PWEDA (42 U.S.C. § 3192) regarding the operation of the economic development information clearinghouse. These changes clarify that the clearinghouse will be maintained on the Internet and delete references to links to local laws and information as beyond what is realistically achievable by EDA.

Section 502. Businesses desiring federal contracts

This Section strikes section 505 of PWEDA (42 U.S.C. § 3195), which authorizes the Secretary to provide Federal procurement officials with the names of businesses in economically distressed areas. EDA has never received appropriations to implement this section.

Section 503. Performance evaluations of grant recipients

This Section deletes a portion of Section 506 of PWEDA that makes reference to the effective date of the previous reauthorization in 1998.

Section 506 of PWEDA (as redesignated by the Act) also addresses the criteria to be used when evaluating the performance of grant recipients. This includes an evaluation of University Centers. The Committee believes that University Centers have effectively provided a wide range of technical assistance not only to nonprofit entities, local governments, and communities; but also to other economic development organizations. One of the features of this program is that University Centers design programs to fit the needs of the service areas. In the current economic climate, where many states have been forced to redefine their economic structures and communities have suffered economic downturns with substantial job losses, increased support by University Centers offers the potential to greatly assist in economic development.

The Committee therefore urges the EDA to increase the number of University Centers from the present number of 68 to a number that will allow the maximum number of communities to benefit from their efforts. The Committee believes that EDA should also strive to increase the funding available for each center. Funding for additional university centers comes from amounts made available for economic development under this Act.

Section 505. Conforming amendments

Section 505 corrects two citations in section 602 of PWEDA to reflect changes made by Public Law No. 107–217.

TITLE VI—MISCELLANEOUS

Section 601. Relationship to assistance under other law

Section 601 strikes subsection (a) of section 609 regarding assistance previously authorized under the Act prior to the 1998 amendments. This provision is no longer needed.

TITLE VII—FUNDING

Section 701. Authorization of appropriations

Section 701 amends section 701 of PWEDA (42 U.S.C. § 3231) to authorize appropriations at levels that will allow the agency to fully perform its mission and carry out programs authorized under this Act. The agency is authorized \$400 million for fiscal year 2004; \$425 million for FY 2005; \$450 million for FY 2006; \$475 million for FY 2007; and \$500 million for FY 2008. Additionally, the agency is authorized \$33,377,000 for fiscal year 2004 for salaries and expenses, and such sums as may be necessary thereafter.

LEGISLATIVE HISTORY AND COMMITTEE CONSIDERATION

The Subcommittee on Economic Development, Public Buildings and Emergency Management held a series of hearings in connection with the introduction and consideration of H.R. 2535. These hearings focused on the many different aspects of the Economic Development Administration and its programs. On April 2, the Subcommittee held a hearing to examine local economic development

issues; on April 9, the Subcommittee considered regional economic development issues; and on June 4, the Subcommittee considered the Administration's proposal for reauthorization of EDA.

On June 19, 2003, Mr. LaTourette, Ms. Norton, Mr. Young of Alaska, and Mr. Oberstar introduced H.R. 2535, a bill to reauthorize and improve the program authorized by the Public Works and Economic Development Act of 1965. On June 18, 2003, the Subcommittee met in open session and considered H.R. 2535. A motion by Ms. Norton to order H.R. 2535 favorably reported to the Full Committee was agreed to unanimously, by voice vote with a quorum present. There were no recorded votes taken during Subcommittee consideration of H.R. 2535.

On June 25, 2003, the Full Committee met in open session and considered H.R. 2535. An amendment offered by Mr. LaTourette and Ms. Norton, making several changes to the legislation as introduced, was adopted by voice vote, with a quorum present. A motion by Mr. LaTourette to order H.R. 2535, as amended, favorably reported to the House was agreed to unanimously, by voice vote with a quorum present. There were no recorded votes taken during consideration of H.R. 2535, as amended.

ROLLCALL VOTES

Clause 3(b) of rule XIII of the House of Representatives requires each committee report to include the total number of votes cast for and against on each rollcall vote on a motion to report and on any amendment offered to the measure or matter, and the names of those members voting for and against. There were no rollcall votes taken during consideration of H.R. 2535.

COMMITTEE OVERSIGHT FINDINGS

With respect to the requirements of clause 3(c)(1) of rule XIII of the Rules of the House of Representatives, the Committee's oversight findings and recommendations are reflected in this report.

COST OF LEGISLATION

Clause 3(c)(2) of rule XIII of the Rules of the House of Representatives does not apply where a cost estimate and comparison prepared by the Director of the Congressional Budget Office under section 402 of the Congressional Budget Act of 1974 has been timely submitted prior to the filing of the report and is included in the report. Such a cost estimate is included in this report.

COMPLIANCE WITH HOUSE RULE XIII

1. With respect to the requirement of clause 3(c)(2) of rule XIII of the Rules of the House of Representatives, and 308(a) of the Congressional Budget Act of 1974, the Committee references the report of the Congressional Budget Office included below.

2. With respect to the requirement of clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, the performance goals and objective of this legislation are to reauthorize and improve the program authorized by the Public Works and Economic Development Act of 1965 by promoting administrative flexibility, creating a performance based incentive program, promoting, requiring the

adoption of performance goals, and increasing coordination among participating organizations.

3. With respect to the requirement of clause 3(c)(3) of rule XIII of the Rules of the House of Representatives and section 402 of the Congressional Budget Act of 1974, the Committee has received the following cost estimate for H.R. 2535 from the Director of the Congressional Budget Office.

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, July 15, 2003.

Hon. DON YOUNG,
*Chairman, Committee on Transportation and Infrastructure,
House of Representatives, Washington, DC.*

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 2535, the Economic Development Administration Reauthorization Act of 2003.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Susanne S. Mehlman.

Sincerely,

DOUGLAS HOLTZ-EAKIN,
Director.

Enclosure.

H.R. 2535—Economic Development Administration Reauthorization Act of 2003

Summary: H.R. 2535 would reauthorize the Economic Development Administration (EDA) for an additional five years and provide funding for existing grant programs and new grant programs established under the bill. CBO estimates that implementing this legislation would cost about \$1.3 billion over the 2004–2008 period and an additional \$1.2 billion after 2008, assuming appropriation of the necessary amounts. Enacting H.R. 2535 would not affect direct spending or revenues.

Over the 2004–2008 period, about \$1.1 billion would be used by EDA to provide various types of grants that support activities associated with economic development and assistance for distressed communities, including a new incentive grant program that would reward grant recipients who have met certain performance measures. About \$200 million over the next five years would be used by EDA to fund its salaries and expenses (\$175 million) and to establish a demonstration program (\$25 million) for the redevelopment of brownfield sites using solar energy technologies (such sites are known as brightfield sites).

H.R. 2535 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA). The grants and incentive awards authorized in the bill would provide financial benefits to state, local, and tribal governments that participate in the economic development and planning programs. And additional costs or requirements would be conditions of aid.

Estimated Cost to the Federal Government: CBO estimates that implementing the bill would cost \$1.29 billion over the 2004–2008 period, assuming appropriation of the necessary amounts each year. Those estimated outlays are based on historical patterns for similar activities. The estimated budgetary impact of H.R. 2535 is

shown in the following table. The costs of this legislation fall within budget function 450 (community and regional development).

	By Fiscal Year (millions of dollars)					
	2003	2004	2005	2006	2007	2008
SPENDING SUBJECT TO APPROPRIATION						
Spending under current law:						
Budget authority ¹	319	0	0	0	0	0
Estimated outlays	391	349	270	181	58	9
Proposed changes:						
Economic development assistance programs:						
Authorization level	0	400	425	450	475	500
Estimated outlays	0	20	109	204	328	428
Economic development administration S&E:						
Estimated authorization level ²	0	33	34	35	36	37
Estimated outlays	0	30	34	35	36	37
Brightfields demonstration program:						
Authorization level	0	5	5	5	5	5
Estimated outlays	0	5	5	5	5	5
Total proposed changes:						
Estimated authorization level	0	438	464	490	516	542
Estimated outlays	0	55	148	244	369	469
Spending under H.R. 2535:						
Estimated authorization level	319	438	464	490	516	542
Estimated outlays	391	404	418	425	427	478

¹The 2003 level is the amount appropriated for EDA assistance programs and EDA's salaries and expenses.

²The 2004 amount for administration costs is specified by the bill, amounts over the 2005–2008 period were estimated by adjusting the 2004 level for anticipated inflation.

Intergovernmental and Private-Sector Impact: H.R. 2535 contains no intergovernmental or private-sector mandates as defined in UMRA. State, local, and tribal governments would benefit from additional grant programs for economic development, performance and planning awards, and the changes to the requirements for state and local matches of federal grants. Such changes would provide additional resources for economic development projects. Any costs associated with participating in these grant programs would be conditions of aid and therefore voluntary.

Estimate Prepared by: Federal costs: Susanne S. Mehlman; impact on state, local, and tribal governments: Melissa Merrell; and impact on the private sector: Cecil McPherson.

Estimate Approved by: Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.

CONSTITUTIONAL AUTHORITY STATEMENT

Pursuant to clause (3)(d)(1) of rule XIII of the Rules of the House of Representatives, committee reports on a bill or joint resolution of a public character shall include a statement citing the specific powers granted to the Congress in the Constitution to enact the measure. The Committee on Transportation and Infrastructure finds that Congress has the authority to enact this measure pursuant to its powers granted under article I, section 8 of the Constitution.

FEDERAL MANDATES STATEMENT

The Committee adopts as its own the estimate of federal mandates prepared by the Director of the Congressional Budget Office pursuant to section 423 of the Unfunded Mandates Reform Act. (Public Law 104–4).

PREEMPTION CLARIFICATION

Section 423 of the Congressional Budget Act of 1994 requires the report of any Committee on a bill or joint resolution to include a statement on the extent to which the bill or joint resolution is intended to preempt state, local, or tribal law. The Committee states that H.R. 2535 does not preempt any state, local, or tribal law.

ADVISORY COMMITTEE STATEMENT

No advisory committees within the meaning of section 5(b) of the Federal Advisory Committee Act are created by this legislation.

APPLICABILITY TO THE LEGISLATIVE BRANCH

The Committee finds that the legislation does not relate to the terms and conditions of employment or access to public services or accommodations within the meaning of section 102(b)(3) of the Congressional Accountability Act (Public Law 104-1).

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

PUBLIC WORKS AND ECONOMIC DEVELOPMENT ACT OF 1965

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) * * *

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

Sec. 1. Short title; table of contents.

* * * * *

TITLE II—GRANTS FOR PUBLIC WORKS AND ECONOMIC DEVELOPMENT

Sec. 201. Grants for public works and economic development.

* * * * *

[Sec. 208. Prevention of unfair competition.]

* * * * *

Sec. 214. Special impact areas.

Sec. 215. Performance awards.

Sec. 216. Planning performance awards.

Sec. 217. Subgrants.

Sec. 218. Brownfields redevelopment.

Sec. 219. Brightfields demonstration program.

* * * * *

TITLE IV—ECONOMIC DEVELOPMENT DISTRICTS

Sec. 401. Designation of economic development districts.

* * * * *

[Sec. 403. Incentives.

[Sec. 404. Provision of comprehensive economic development strategies to Appalachian Regional Commission.]

Sec. 404. Provision of comprehensive economic development strategies to Regional Commissions.

* * * * *

TITLE V—ADMINISTRATION

Sec. 501. Assistant Secretary for Economic Development.

* * * * *

【Sec. 505. Businesses desiring Federal contracts.】

* * * * *

【SEC. 2. FINDINGS AND DECLARATIONS.

【(a) FINDINGS.—Congress finds that—

【(1) while the economy of the United States is undergoing a sustained period of economic growth resulting in low unemployment and increasing incomes, there continue to be areas suffering economic distress in the form of high unemployment, low incomes, underemployment, and outmigration as well as areas facing sudden economic dislocations due to industrial restructuring and relocation, defense base closures and procurement cutbacks, certain Federal actions (including environmental requirements that result in the removal of economic activities from a locality), and natural disasters;

【(2) as the economy of the United States continues to grow, those distressed areas contain significant human and infrastructure resources that are underused;

【(3) expanding international trade and the increasing pace of technological innovation offer both a challenge and an opportunity to the distressed communities of the United States;

【(4) while economic development is an inherently local process, the Federal Government should work in partnership with public and private local, regional, and State organizations to ensure that existing resources are not wasted and all Americans have an opportunity to participate in the economic growth of the United States;

【(5) in order to avoid wasteful duplication of effort and to limit the burden on distressed communities, Federal, State, and local economic development activities should be better planned and coordinated and Federal program requirements should be simplified and made more consistent;

【(6) the goal of Federal economic development activities should be to work in partnership with local, regional, and State public and private organizations to support the development of private sector businesses and jobs in distressed communities;

【(7) Federal economic development efforts will be more effective if they are coordinated with, and build upon, the trade and technology programs of the United States; and

【(8) under this Act, new employment opportunities should be created by developing and expanding new and existing public works and other facilities and resources rather than by merely transferring jobs from one area of the United States to another.

【(b) DECLARATIONS.—Congress declares that, in order to promote a strong and growing economy throughout the United States—

【(1) assistance under this Act should be made available to both rural and urban distressed communities;

【(2) local communities should work in partnership with neighboring communities, the States, and the Federal Government to increase their capacity to develop and implement com-

prehensive economic development strategies to address existing, or deter impending, economic distress; and

【(3) whether suffering from long-term distress or a sudden dislocation, distressed communities should be encouraged to take advantage of the development opportunities afforded by technological innovation and expanding and newly opened global markets.】

SEC. 2. FINDINGS AND DECLARATIONS.

(a) *FINDINGS.*—Congress finds the following:

(1) *There continue to be areas experiencing chronic high unemployment, underemployment, outmigration, and low per capita incomes, as well as areas facing sudden and severe economic dislocations due to structural economic changes, changing trade patterns, certain Federal actions (including environmental requirements that result in the removal of economic activities from a locality), and natural disasters.*

(2) *Economic growth in our Nation, States, cities, and rural areas is produced by expanding economic opportunities, expanding free enterprise through trade, developing and strengthening public infrastructure, and creating a climate for job creation and business development.*

(3) *The goal of Federal economic development programs is to raise the standard of living for all citizens and increase the wealth and overall rate of growth of the economy by encouraging communities to develop a more competitive and diversified economic base by—*

(A) *creating an environment that promotes economic activity by improving and expanding public infrastructure;*

(B) *promoting job creation through increased innovation, productivity, and entrepreneurship; and*

(C) *empowering local and regional communities experiencing chronic high unemployment and low per capita income to develop private sector business and attract increased private sector capital investment.*

(4) *While economic development is an inherently local process, the Federal Government should work in partnership with public and private local, regional, tribal, and State organizations to maximize the impact of existing resources and enable regions, communities, and citizens to participate more fully in the American dream and national prosperity.*

(5) *In order to avoid duplication of effort and achieve meaningful, long-lasting results, Federal, State, tribal, and local economic development activities should have a clear focus, improved coordination, a comprehensive approach, and simplified and consistent requirements.*

(6) *Federal economic development efforts will be more effective if they are coordinated with, and build upon, the trade, workforce investment, transportation, and technology programs of the United States.*

(b) *DECLARATIONS.*—In order to promote a strong and growing economy throughout the United States, Congress declares the following:

(1) *Assistance under this Act should be made available to both rural- and urban-distressed communities.*

(2) *Local communities should work in partnership with neighboring communities, the States, Indian tribes, and the Federal Government to increase their capacity to develop and implement comprehensive economic development strategies to alleviate economic distress and enhance competitiveness in the global economy.*

(3) *Whether suffering from long-term distress or a sudden dislocation, distressed communities should be encouraged to support entrepreneurship to take advantage of the development opportunities afforded by technological innovation and expanding newly opened global markets.*

SEC. 3. DEFINITIONS.

In this Act:

(1) * * *

* * * * *

(4) **ELIGIBLE RECIPIENT.**—

(A) **IN GENERAL.**—The term “eligible recipient” means—

[(i) an area described in section 301(a);]

[(ii)] (i) an economic development district;

[(iii)] (ii) an Indian tribe;

[(iv)] (iii) a State;

[(v)] (iv) a city or other political subdivision of a State, including a special purpose unit of a State or local government engaged in economic or infrastructure development activities, or a consortium of political subdivisions;

[(vi)] (v) an institution of higher education or a consortium of institutions of higher education; or

[(vii)] (vi) a public or private nonprofit organization or association acting in cooperation with officials of a political subdivision of a State.

* * * * *

(8) **REGIONAL COMMISSIONS.**—The term “Regional Commissions” means the following entities:

(A) *The Appalachian Regional Commission established under chapter 143 of title 40, United States Code.*

(B) *The Delta Regional Authority established under subtitle F of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009aa et seq.).*

(C) *The Denali Commission established under the Denali Commission Act of 1998 (42 U.S.C. 2131 note; 112 Stat. 2681–637 et seq.).*

(D) *The Northern Great Plains Regional Authority established under subtitle F of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009bb et seq.).*

[(8)] (9) **SECRETARY.**—The term “Secretary” means the Secretary of Commerce.

[(9)] (10) **STATE.**—The term “State” means a State, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau.

[(10)] (11) UNITED STATES.—The term “United States” means all of the States.

(12) UNIVERSITY CENTER.—The term “university center” means an institution of higher education or a consortium of institutions of higher education established as a University Center for Economic Development under section 207(a)(2)(D).

TITLE I—ECONOMIC DEVELOPMENT PARTNERSHIPS COOPERATION AND COORDINATION

SEC. 101. ESTABLISHMENT OF ECONOMIC DEVELOPMENT PARTNERSHIPS.

(a) * * *

(b) TECHNICAL ASSISTANCE.—The Secretary may provide such technical assistance to States, political subdivisions of States, sub-State regional organizations (including organizations that cross State boundaries), [and multi-State regional organizations] *multi-State regional organizations, and nonprofit organizations* as the Secretary determines is appropriate to—

(1) * * *

* * * * *

(d) COOPERATION AGREEMENTS.—

(1) IN GENERAL.—The Secretary may enter into a cooperation agreement with any 2 or more [adjoining] States, or an organization of any 2 or more [adjoining] States, in support of effective economic development.

* * * * *

SEC. 103. COORDINATION.

(a) IN GENERAL.—The Secretary shall coordinate activities relating to the preparation and implementation of comprehensive economic development strategies under this Act with Federal agencies carrying out other Federal programs, States, economic development districts, *Indian tribes*, and other appropriate planning and development organizations.

(b) MEETINGS.—*To carry out the responsibilities in subsection (a), or for any other purpose related to economic development activities, the Secretary may convene meetings with Federal agencies, State and local governments, economic development districts, Indian tribes, and other appropriate planning and development organizations.*

TITLE II—GRANTS FOR PUBLIC WORKS AND ECONOMIC DEVELOPMENT

* * * * *

SEC. 203. GRANTS FOR PLANNING AND GRANTS FOR ADMINISTRATIVE EXPENSES.

(a) * * *

* * * * *

(d) STATE PLANS.—

(1) DEVELOPMENT.—Any State plan developed with assistance under this section shall be developed, *to the maximum extent practicable*, cooperatively by the State, political subdivisions of the State, and the economic development districts located wholly or partially in the State.

* * * * *

[(3) CERTIFICATION TO THE SECRETARY.—On completion of a State plan developed with assistance under this section, the State shall—

[(A) certify to the Secretary that, in the development of the State plan, local and economic development district plans were considered and, to the maximum extent practicable, the State plan is consistent with the local and economic development district plans; and

[(B) identify any inconsistencies between the State plan and the local and economic development district plans and provide a justification for each inconsistency.]

(3) COORDINATION.—*Before providing assistance for a State plan under this section, the Secretary shall consider the extent to which the State will consider local and economic development district plans.*

(4) COMPREHENSIVE PLANNING PROCESS.—Any overall State economic development planning assisted under this section shall be a part of a comprehensive planning process that shall consider the provision of public works to—

(A) * * *

* * * * *

(C) enhance and protect the environment; [and]

(D) assist in carrying out a State's workforce investment strategy; and

[(D)] (E) balance resources through the sound management of physical development.

* * * * *

SEC. 204. COST SHARING.

[(a) FEDERAL SHARE.—Subject to section 205, the amount of a grant for a project under this title shall not exceed 50 percent of the cost of the project.]

(a) FEDERAL SHARE.—*The Secretary shall issue regulations to establish the Federal share of the cost of projects carried out under this title based on the relative needs of the areas in which the projects will be located. Except as provided in subsection (c), the Federal share of the cost of any project carried out under this title shall not exceed 80 percent.*

(b) NON-FEDERAL SHARE.—In determining the amount of the non-Federal share of the cost of a project, the Secretary may provide credit toward the non-Federal share for all contributions both in cash and in-kind, fairly evaluated, including contributions of space, equipment, *assumptions of debt*, and services.

(c) INCREASE IN FEDERAL SHARE.—

(1) INDIAN TRIBES.—*In the case of a grant to an Indian tribe for a project under this title, the Secretary may increase the Federal share above the percentage specified in subsection (a) up to 100 percent of the cost of the project.*

(2) *CERTAIN STATES, POLITICAL SUBDIVISIONS, AND NONPROFIT ORGANIZATIONS.*—*In the case of a grant to a State, or a political subdivision of a State, that the Secretary determines has exhausted its effective taxing and borrowing capacity, or in the case of a grant to a nonprofit organization that the Secretary determines has exhausted its effective borrowing capacity, the Secretary may increase the Federal share above the percentage specified in subsection (a) up to 100 percent of the cost of the project.*

(d) *PLANNING GRANTS.*—*Notwithstanding subsection (a), the Federal share of the costs of planning activities under section 203 shall be at least 65 percent and not more than 80 percent.*

SEC. 205. SUPPLEMENTARY GRANTS.

(a) * * *

[(b) **SUPPLEMENTARY GRANTS.**—

[(1) **IN GENERAL.**—On the application of an eligible recipient, the Secretary may make a supplementary grant for a project for which the eligible recipient is eligible but, because of the eligible recipient's economic situation, for which the eligible recipient cannot provide the required non-Federal share.

[(2) **PURPOSES OF GRANTS.**—Supplementary grants under paragraph (1) may be made for purposes that shall include enabling eligible recipients to use—

[(A) designated Federal grant programs; and

[(B) direct grants authorized under this title.]

(b) *SUPPLEMENTARY GRANTS.*—*Subject to subsection (c), in order to assist eligible recipients in taking advantage of designated Federal grant programs, on the application of an eligible recipient, the Secretary may make a supplementary grant for a project for which the recipient is eligible but for which the recipient cannot provide the required non-Federal share because of the recipient's economic situation.*

(c) **REQUIREMENTS APPLICABLE TO SUPPLEMENTARY GRANTS.**—

[(1) **AMOUNT OF SUPPLEMENTARY GRANTS.**—Subject to paragraph (4), the amount of a supplementary grant under this title for a project shall not exceed the applicable percentage of the cost of the project established by regulations promulgated by the Secretary, except that the non-Federal share of the cost of a project (including assumptions of debt) shall not be less than 20 percent.

[(2) **FORM OF SUPPLEMENTARY GRANTS.**—In accordance with such regulations as the Secretary may promulgate, the Secretary shall make supplementary grants by increasing the amounts of grants authorized under this title or by the payment of funds made available under this Act to the heads of the Federal agencies responsible for carrying out the applicable Federal programs.]

(1) *AMOUNT OF SUPPLEMENTARY GRANTS.*—*The share of the project cost supported by a supplementary grant under this section may not exceed the applicable Federal share under section 204.*

(2) *FORM OF SUPPLEMENTARY GRANTS.*—*The Secretary shall make supplementary grants by—*

(A) the payment of funds made available under this Act to the heads of the Federal agencies responsible for carrying out the applicable Federal programs; or

(B) the award of funds under this Act, which will be combined with funds transferred from other Federal agencies in projects administered by the Secretary.

* * * * *

[(4) LOWER NON-FEDERAL SHARE.—

[(A) INDIAN TRIBES.—In the case of a grant to an Indian tribe, the Secretary may reduce the non-Federal share below the percentage specified in paragraph (1) or may waive the non-Federal share.

[(B) CERTAIN STATES, POLITICAL SUBDIVISIONS, AND NON-PROFIT ORGANIZATIONS.—In the case of a grant to a State, or a political subdivision of a State, that the Secretary determines has exhausted its effective taxing and borrowing capacity, or in the case of a grant to a nonprofit organization that the Secretary determines has exhausted its effective borrowing capacity, the Secretary may reduce the non-Federal share below the percentage specified in paragraph (1).**]**

SEC. 206. REGULATIONS ON RELATIVE NEEDS AND ALLOCATIONS.

In promulgating rules, regulations, and procedures for assistance under this title, the Secretary shall ensure that—

(1) the relative needs of eligible areas are given adequate consideration by the Secretary, as determined based on, among other relevant factors—

(A) * * *

(B) the income levels and the extent of underemployment in eligible areas; **[and]**

* * * * *

(2) allocations of assistance under this title are prioritized to ensure that the level of economic distress of an area, rather than a preference for a geographic area or a specific type of economic distress, is the primary factor in allocating the assistance**].**; *and*

(3) grants made under this title promote job creation and will have a high probability of meeting or exceeding applicable performance requirements established in connection with the grants.

SEC. 207. GRANTS FOR TRAINING, RESEARCH, AND TECHNICAL ASSISTANCE.

(a) **IN GENERAL.—**

(1) * * *

(2) **TYPES OF ASSISTANCE.—**Grants under paragraph (1) may be used for—

(A) * * *

* * * * *

(F) studies evaluating the needs of, and development potential for, economic growth of areas that the Secretary determines have substantial need for the assistance; **[and]**

(G) studies that evaluate the effectiveness of coordinating projects funded under this Act with projects funded under other Acts; and

[(G)] (H) other activities determined by the Secretary to be appropriate.

* * * * *

(4) COOPERATION REQUIREMENT.—*In the case of a project assisted under this section that is national or regional in scope, the Secretary may waive the provision in section 3(4)(A)(vi) requiring a nonprofit organization or association to act in cooperation with officials of a political subdivision of a State.*

* * * * *

[SEC. 208. PREVENTION OF UNFAIR COMPETITION.

[No financial assistance under this Act shall be extended to any project when the result would be to increase the production of goods, materials, or commodities, or the availability of services or facilities, when there is not sufficient demand for such goods, materials, commodities, services, or facilities, to employ the efficient capacity of existing competitive commercial or industrial enterprises.]

SEC. 209. GRANTS FOR ECONOMIC ADJUSTMENT.

(a) * * *

* * * * *

(d) DIRECT EXPENDITURE OR REDISTRIBUTION BY RECIPIENT.—

(1) IN GENERAL.—Subject to paragraph (2), [an eligible recipient] *a recipient* of a grant under this section may directly expend the grant funds or may redistribute the funds to public and private entities in the form of a grant, loan, loan guarantee, payment to reduce interest on a loan guarantee, or other appropriate assistance.

(2) LIMITATION.—Under paragraph (1), [an eligible recipient] *a recipient* may not provide any grant to a private for-profit entity.

(e) SPECIAL PROVISIONS RELATING TO REVOLVING LOAN FUND GRANTS.—

(1) IN GENERAL.—*The Secretary shall issue regulations to maintain the proper operation and financial integrity of revolving loan funds established by recipients with assistance under this section.*

(2) EFFICIENT ADMINISTRATION.—*The Secretary may—*

(A) *at the request of a grantee, amend and consolidate grant agreements governing revolving loan funds to provide flexibility with respect to lending areas and borrower criteria;*

(B) *assign or transfer assets of a revolving loan fund to a third party for the purpose of liquidation, and a third party may retain assets of the fund to defray costs related to liquidation; and*

(C) *take such actions as are appropriate to enable revolving loan fund operators to sell or securitize loans (except that the actions may not include issuance of a Federal guaranty by the Secretary).*

(3) *TREATMENT OF ACTIONS.*—An action taken by the Secretary under this subsection with respect to a revolving loan fund shall not constitute a new obligation if all grant funds associated with the original grant award have been disbursed to the recipient.

* * * * *

ISEC. 211. USE OF FUNDS IN PROJECTS CONSTRUCTED UNDER PROJECTED COST.

[In any case in which a grant (including a supplementary grant described in section 205) has been made by the Secretary under this title (or made under this Act, as in effect on the day before the effective date of the Economic Development Administration Reform Act of 1998) for a construction project, and, after the grant has been made but before completion of the project, the cost of the project based on the designs and specifications that was the basis of the grant has decreased because of decreases in costs—

[(1) the Secretary may approve, subject to the availability of appropriations, the use of the excess funds or a portion of the funds to improve the project; and

[(2) any amount of excess funds remaining after application of paragraph (1) shall be deposited in the general fund of the Treasury.]

SEC. 211. USE OF FUNDS IN PROJECTS CONSTRUCTED UNDER PROJECTED COST.

(a) *IN GENERAL.*—In the case of a grant to a recipient for a construction project under section 201 or 209, if the Secretary determines, before closeout of the project, that the cost of the project, based on the designs and specifications that were the basis of the grant, has decreased because of decreases in costs, the Secretary may approve, without further appropriations action, the use of the excess funds (or a portion of the excess funds) by the recipient to increase the Federal share of the cost of a project under this title to the maximum percentage allowable under section 204 or to improve the project.

(b) *OTHER USES OF EXCESS FUNDS.*—Any amount of excess funds remaining after application of subsection (a) may be used by the Secretary for providing assistance under this Act.

(c) *TRANSFERRED FUNDS.*—In the case of excess funds described in subsection (a) in projects utilizing funds transferred from other Federal agencies pursuant to section 604, the Secretary shall—

- (1) utilize the funds in accordance with subsection (a), with the approval of the originating agency; or
- (2) return the funds to the originating agency.

* * * * *

SEC. 214. SPECIAL IMPACT AREAS.

(a) *IN GENERAL.*—On the application of an eligible recipient, the Secretary may determine that the recipient is unable to comply with the requirements of section 302 and designate the area represented by the recipient as a special impact area.

(b) *WAIVERS.*—Subject to the requirements of this section, the Secretary may waive, in whole or in part, as appropriate, the requirements of section 302 with respect to a special impact area des-

ignated under subsection (a) if the Secretary determines that the waiver will carry out the purposes of the Act.

(c) **NOTIFICATION REQUIREMENT.**—At least 30 days before issuing a waiver under this section, the Secretary shall transmit to the Committee on Transportation and Infrastructure of the House of Representatives and the Committee on Environment and Public Works of the Senate a written notice of the waiver, including a justification for the waiver.

SEC. 215. PERFORMANCE AWARDS.

(a) **IN GENERAL.**—The Secretary may make a performance award in connection with a grant made, on or after the date of enactment of this section, to an eligible recipient for a project under section 201 or 209.

(b) **PERFORMANCE MEASURES.**—

(1) **REGULATIONS.**—The Secretary shall issue regulations to establish performance measures for making performance awards under subsection (a).

(2) **CONSIDERATIONS.**—In issuing regulations under paragraph (1), the Secretary shall consider including performance measures that assess the following factors:

(A) Whether the recipient meets or exceeds scheduling goals.

(B) Whether the recipient meets or exceeds job creation goals.

(C) Amounts of private sector capital investments leveraged.

(D) Such other factors as the Secretary determines appropriate.

(c) **AMOUNT OF AWARDS.**—

(1) **IN GENERAL.**—The Secretary shall base the amount of a performance award made under subsection (a) in connection with a grant on the extent to which a recipient meets or exceeds performance measures established in connection with the grant.

(2) **MAXIMUM AMOUNT.**—The amount of a performance award shall not exceed 10 percent of the amount of the grant.

(d) **USE OF AWARDS.**—A recipient of a performance award under subsection (a) may use the award for any eligible purpose under this Act, in accordance with section 602 and such regulations as the Secretary may prescribe.

(e) **FEDERAL SHARE.**—Notwithstanding section 204, the amounts of a performance award may be used for up to 100 percent of the cost of an eligible project or activity.

(f) **TREATMENT IN MEETING NON-FEDERAL SHARE REQUIREMENTS.**—For the purposes of meeting the non-Federal share requirements of this Act, or any other Act, the amounts of a performance award shall be treated as funds from a non-Federal source.

(g) **TERMS AND CONDITIONS.**—In making performance awards under subsection (a), the Secretary shall establish such terms and conditions as the Secretary considers appropriate.

(h) **FUNDING.**—The Secretary shall carry out this section using any amounts made available for economic development assistance programs.

(i) **REPORTING REQUIREMENT.**—The Secretary shall include information regarding performance awards made under this section in the annual report required under section 603.

(j) REVIEW BY COMPTROLLER GENERAL.—

(1) REVIEW.—The Comptroller General shall review the implementation of this section in each fiscal year.

(2) ANNUAL REPORT.—Not later than one year after the date of enactment of this section, and annually thereafter, the Comptroller General shall transmit to the Committee on Transportation and Infrastructure of the House of Representatives and the Committee on Environment and Public Works of the Senate a report on the Comptroller's findings under this subsection.

SEC. 216. PLANNING PERFORMANCE AWARDS.

(a) IN GENERAL.—The Secretary may make a planning performance award in connection with a grant made, on or after the date of enactment of this section, to an eligible recipient for a project under this title located in an economic development district.

(b) ELIGIBILITY.—The Secretary may make a planning performance award to an eligible recipient under subsection (a) in connection with a grant for a project if the Secretary determines before closeout of the project that—

(1) the recipient actively participated in the economic development activities of the economic development district in which the project is located;

(2) the project is consistent with the comprehensive economic development strategy of the district;

(3) the recipient worked with Federal, State, and local economic development entities throughout the development of the project; and

(4) the project was completed in accordance with the comprehensive economic development strategy of the district.

(c) MAXIMUM AMOUNT.—The amount of a planning performance award made under subsection (a) in connection with a grant may not exceed 5 percent of the amount of the grant.

(d) USE OF AWARDS.—A recipient of a planning performance award under subsection (a) shall use the award to increase the Federal share of the cost of a project under this title.

(e) FEDERAL SHARE.—Notwithstanding section 204, the amounts of a planning performance award may be used for up to 100 percent of the cost of a project under this title.

(f) FUNDING.—The Secretary shall carry out this section using any amounts made available for economic development assistance programs.

SEC. 217. SUBGRANTS.

(a) IN GENERAL.—Subject to subsection (b), a recipient of a grant under section 201, 203, or 207 may directly expend the grant funds or may redistribute the funds in the form of a subgrant to other eligible recipients to fund required components of the scope of work approved for the project.

(b) LIMITATION.—A recipient may not redistribute grant funds received under section 201 or 203 to a for-profit entity.

SEC. 218. BROWNFIELDS REDEVELOPMENT.

(a) IN GENERAL.—On the application of a qualified eligible recipient, the Secretary may make grants under sections 201, 203, 207, and 209 for projects to expand, redevelop, or reuse brownfield sites.

(b) LIMITATIONS.—Projects carried out under this section shall be subject to the limitations of section 104(k)(4)(B) of the Comprehen-

sive *Environmental Response, Compensation, and Liability Act of 1980* (42 U.S.C. 9604(k)(4)(B)).

(c) **DEFINITIONS.**—*In this section, the following definitions apply:*

(1) **BROWNFIELD SITE.**—*The term “brownfield site” has the meaning given such term in section 101(39) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601(39)).*

(2) **QUALIFIED ELIGIBLE RECIPIENT.**—*The term “qualified eligible recipient” means an eligible recipient that meets the definition of “eligible entity” in section 104(k)(1) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9604(k)(1)); except that for any project undertaken under this section the term may include a nonprofit organization acting in cooperation with officials of a political subdivision of a State.*

SEC. 219. BRIGHTFIELDS DEMONSTRATION PROGRAM.

(a) **IN GENERAL.**—*On the application of a qualified eligible recipient, the Secretary may make a grant for a project for the development of brightfield sites if the Secretary determines that the project will—*

(1) *utilize solar energy technologies to develop abandoned or contaminated sites for commercial use; and*

(2) *improve the commercial and economic opportunities in the area where the project is located.*

(b) **LIMITATIONS.**—*Projects carried out under this section shall be subject to the limitations of section 104(k)(4)(B) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9604(k)(4)(B)).*

(c) **DEFINITIONS.**—*In this section, the following definitions apply:*

(1) **BRIGHTFIELD SITE.**—*The term “brightfield site” means a brownfield site (as defined in section 217) that is redeveloped through the incorporation of solar energy technologies.*

(2) **QUALIFIED ELIGIBLE RECIPIENT.**—*The term “qualified eligible recipient” has the meaning given such term in section 217; except that for any project undertaken under this section the term may include a nonprofit organization acting in cooperation with officials of a political subdivision of a State.*

(d) **AUTHORIZATION OF APPROPRIATIONS.**—*There is authorized to be appropriated to carry out this section \$5,000,000 for each of fiscal years 2004 through 2008. Such sums shall remain available until expended.*

TITLE III—ELIGIBILITY; COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGIES

* * * * *

SEC. 302. COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGIES.

(a) **IN GENERAL.**—*The Secretary may provide assistance under section 201 or 209 (except for planning assistance under section 209) to an eligible recipient for a project only if the eligible recipient submits to the Secretary, as part of an application for the assistance—*

(1) * * *

(3)(A) a comprehensive economic development strategy for addressing the economic problems identified under paragraph (1) in a manner that promotes economic development and opportunity, fosters effective transportation access, *maximizes effective development and use of the workforce consistent with any applicable State or local workforce investment strategy*, enhances and protects the environment, and balances resources through sound management of development; and

* * * * *

(c) APPROVAL OF OTHER PLAN.—The Secretary may accept as a comprehensive economic development strategy a satisfactory plan developed under another federally supported program. *To the maximum extent practicable, a plan submitted under this paragraph shall be consistent and coordinated with any existing comprehensive economic development strategy for the area.*

TITLE IV—ECONOMIC DEVELOPMENT DISTRICTS

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SEC. 403. INCENTIVES.

[(a) IN GENERAL.—Subject to the non-Federal share requirement under section 205(c)(1), the Secretary may increase the amount of grant assistance for a project in an economic development district by an amount that does not exceed 10 percent of the cost of the project, in accordance with such regulations as the Secretary shall promulgate, if—

[(1) the project applicant is actively participating in the economic development activities of the district; and

[(2) the project is consistent with the comprehensive economic development strategy of the district.

[(b) REVIEW OF INCENTIVE SYSTEM.—In promulgating regulations under subsection (a), the Secretary shall review the current incentive system to ensure that the system is administered in the most direct and effective manner to achieve active participation by project applicants in the economic development activities of economic development districts.

SEC. 404. PROVISION OF COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGIES TO APPALACHIAN REGIONAL COMMISSION.

[(If any part of an economic development district is in the Appalachian region (as defined in section 403 of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.)), the economic development district shall ensure that a copy of the comprehensive economic development strategy of the district is provided to the Appalachian Regional Commission established under that Act.)]

SEC. 404. PROVISION OF COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGIES TO REGIONAL COMMISSIONS.

If any part of an economic development district is in a region covered by one or more of the Regional Commissions (as defined in section 3), the economic development district shall ensure that a copy

of the comprehensive economic development strategy of the district is provided to the affected Regional Commission.

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TITLE V—ADMINISTRATION

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SEC. 502. ECONOMIC DEVELOPMENT INFORMATION CLEARINGHOUSE.

In carrying out this Act, the Secretary shall—

[(1) maintain a central information clearinghouse on matters relating to economic development, economic adjustment, disaster recovery, defense conversion, and trade adjustment programs and activities of the Federal and State governments, including political subdivisions of States;

[(2) assist potential and actual applicants for economic development, economic adjustment, disaster recovery, defense conversion, and trade adjustment assistance under Federal, State, and local laws in locating and applying for the assistance; and]

(1) maintain a central information clearinghouse on the Internet with—

(A) information on economic development, economic adjustment, disaster recovery, defense conversion, and trade adjustment programs and activities of the Federal Government;

(B) links to State economic development organizations; and

(C) links to other appropriate economic development resources;

(2) assist potential and actual applicants for economic development, economic adjustment, disaster recovery, defense conversion, and trade adjustment assistance under Federal and State laws in locating and applying for the assistance;

(3) assist areas described in section 301(a) and other areas by providing to interested persons, communities, industries, and businesses in the areas any technical information, market research, or other forms of assistance, information, or advice that would be useful in alleviating or preventing conditions of excessive unemployment or underemployment in the areas[.]; and

(4) obtain appropriate information from other Federal agencies needed to carry out the duties under this Act.

* * * * *

[SEC. 505. BUSINESSES DESIRING FEDERAL CONTRACTS.

[The Secretary may provide the procurement divisions of Federal agencies with a list consisting of—

[(1) the names and addresses of businesses that are located in areas described in section 301(a) and that wish to obtain Federal Government contracts for the provision of supplies or services; and

[(2) the supplies and services that each business provides.]

SEC. 506. PERFORMANCE EVALUATIONS OF GRANT RECIPIENTS.

(a) * * *

* * * * *

(c) **TIMING OF EVALUATIONS.**—Evaluations under subsection (a) shall be conducted on a continuing basis so that each grantee is evaluated within 3 years after the first award of assistance to the grantee [after the effective date of the Economic Development Administration Reform Act of 1998], and at least once every 3 years thereafter, so long as the grantee receives the assistance.

(d) **EVALUATION CRITERIA.**—

(1) * * *

(2) **EVALUATION CRITERIA FOR UNIVERSITY CENTERS.**—The criteria for evaluation of a university center shall, at a minimum, provide for an assessment of the center's contribution to providing technical assistance, conducting applied research, *program performance*, and disseminating results of the activities of the center.

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TITLE VI—MISCELLANEOUS

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SEC. 602. MAINTENANCE OF STANDARDS.

All laborers and mechanics employed by contractors or subcontractors on projects assisted by the Secretary under this Act shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor [in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a–276a–5)] *in accordance with subchapter IV of chapter 31 of title 40, United States Code*. The Secretary shall not extend any financial assistance under this Act, for such project without first obtaining adequate assurance that these labor standards will be maintained upon the construction work. The Secretary of Labor shall have, with respect to the labor standards specified in this provision, the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 64 Stat. 1267; 5 U.S.C. 133z–15), and [section 2 of the Act of June 13, 1934, as amended (40 U.S.C. 276c)] *section 3145 of title 40, United States Code*.

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SEC. 609. RELATIONSHIP TO ASSISTANCE UNDER OTHER LAW.

[(a) **PREVIOUSLY AUTHORIZED ASSISTANCE.**—Except as otherwise provided in this Act, all financial and technical assistance authorized under this Act shall be in addition to any Federal assistance authorized before the effective date of the Economic Development Administration Reform Act of 1998.]

[(b) **ASSISTANCE UNDER OTHER ACTS.**—]Nothing in this Act authorizes or permits any reduction in the amount of Federal assistance that any State or other entity eligible under this Act is entitled to receive under any other Act.

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TITLE VII—FUNDING

[SEC. 701. GENERAL AUTHORIZATION OF APPROPRIATIONS.

【There are authorized to be appropriated to carry out this Act \$397,969,000 for fiscal year 1999, \$368,000,000 for fiscal year 2000, \$335,000,000 for fiscal year 2001, \$335,000,000 for fiscal year 2002, and \$335,000,000 for fiscal year 2003, to remain available until expended.】

SEC. 701. GENERAL AUTHORIZATION OF APPROPRIATIONS.

(a) ECONOMIC DEVELOPMENT ASSISTANCE PROGRAMS.—There are authorized to be appropriated for economic development assistance programs to carry out this Act—

- (1) \$400,000,000 for fiscal year 2004;*
- (2) \$425,000,000 for fiscal year 2005;*
- (3) \$450,000,000 for fiscal year 2006;*
- (4) \$475,000,000 for fiscal year 2007; and*
- (5) \$500,000,000 for fiscal year 2008.*

Such sums shall remain available until expended.

(b) SALARIES AND EXPENSES.—There are authorized to be appropriated for salaries and expenses of administering this Act \$33,377,000 for fiscal year 2004 and such sums as may be necessary for each fiscal year thereafter. Such sums shall remain available until expended.

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