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REPORT
115–749

TREATING BARRIERS TO PROSPERITY ACT OF 2018

JUNE 12, 2018.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. SHUSTER, from the Committee on Transportation and Infrastructure, submitted the following

REPORT

[To accompany H.R. 5294]

[Including cost estimate of the Congressional Budget Office]

The Committee on Transportation and Infrastructure, to whom was referred the bill (H.R. 5294) to amend title 40, United States Code, to address the impact of drug abuse on economic development in Appalachia, and for other purposes, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

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Purpose of Legislation

H.R. 5294, the Treating Barriers to Prosperity Act, amends title 40, United States Code, to address the impact of drug abuse on economic development in Appalachia, and for other purposes.

Background and Need for Legislation

The Appalachian Regional Commission (ARC) was created in the *Appalachian Regional Development Act of 1965* (Public Law 89–4). The primary function of ARC is to provide economic development assistance to a 13-state region. The region includes all of West Virginia and parts of Alabama, Georgia, Kentucky, Maryland, Mississippi, New York, North Carolina, South Carolina, Ohio, Pennsylvania, Tennessee, and Virginia. ARC is a federal-state governmental agency consisting of the governors of the 13 Appalachian states and a federal co-chairman. Project proposals must originate in, and be approved by, a state. The Commission allocates the level of funding to each state.

In 2017, ARC commissioned two reports specifically examining potential health challenges to economic development in Appalachia. In August 2017, ARC issued "Health Disparities in Appalachia" and "Appalachian Diseases of Despair."[1] These reports detail the health disparities in Appalachia and, more specifically, the impact of the opioid crisis in Appalachia. Specifically, the reports noted:

- The household income in Appalachia is 80 percent of the U.S. average, and 17 percent of Appalachians live below the poverty level.[2]
- Nationally, the majority of drug overdose deaths involve opioids and, since 1999, the number of overdose deaths involving opioids has quadrupled.[3]
- Between 1999 and 2014, while the overall mortality rate in non-Appalachian states decreased by 10 percent, the overall mortality rate in Appalachia increased by 5 percent. By 2015, the overall mortality rate in Appalachia was 32 percent higher than in the non-Appalachian regions of the United States.
- In 2015, among 15- to 64-year-olds in Appalachia, there were 5,594 overdose deaths—65 percent higher in Appalachia than to the rest of the Nation. The disparities were greatest among people 25 to 54 years old.
- In 2015, 69 percent of the overdose deaths were caused by opioids.
- In comparing the mortality rates for diseases of despair within states with Appalachian portions and non-Appalachian portions—the differences were stark. For example, in 2015, the mortality rate in Appalachian portions of Maryland were 63 percent higher than in non-Appalachian portions. In Pennsylvania, the difference was 28 percent, and in Kentucky it was 26 percent.

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[1] *See Appalachian Diseases of Despair,* Prepared for the Appalachian Regional Commission, The Walsh Center for Rural Health Analysis, NORC at the University of Chicago (2017); *Health Disparities in Appalachia,* The Cecil G. Sheps Center for Health Services Research, the University of North Carolina at Chapel Hill (2017).

[2] Data Snapshot, Income and Poverty in Appalachia, Appalachian Regional Commission.

[3] *See* Record Overdose Deaths, Opioid Overdose, Centers for Disease Control and Prevention: https://www.cdc.gov/drugoverdose/epidemic/index.html.

The reports highlight that when examining specifically overdose deaths, those individuals who are 25 to 44 years old experienced mortality rates 70 percent higher than the non-Appalachian states. Typically, this group includes those in their prime working years which has created a significant challenge to economic development in the region. For example, the Pennsylvania Chamber of Business and Industry, citing a report released in September 2017, noted that opioids are responsible for 20 percent of the workforce decline for men and 25 percent for women.[4] The Pennsylvania Chamber further noted that addressing the opioid epidemic is an integral component of workforce strategy.[5]

In testimony before the Subcommittee on Economic Development, Public Buildings, and Emergency Management on December 12, 2017, the then-Federal Co-Chair Earl Gohl of the Appalachian Regional Commission detailed the specific impediments to job creation due to opioid and other drug abuse. Mr. Gohl noted the impact of opioid abuse on workers in their prime productive years and how the abuse is stunting economic potential of the region by creating a "doughnut-hole" in the workforce[6]—people in their prime working years (25 to 54 years ago) being impacted the most. He further noted the challenges are compounded by proportionately fewer health professionals in the region.[7]

Because the opioid crisis has created challenges to spurring economic development and job creation in already distressed communities, positioning economic development agencies such as ARC to help overcome these barriers is needed. The provisions of the bill ensure funding is specifically focused on impediments to job creation and economic development, ensures states in the Appalachian region can effectively share best practices, and ties in clearer authority to attract health-based businesses, workers and technology to the region. While the ARC's existing authority has provided ARC the ability to support certain efforts to combat the opioid crisis, clarifying and strengthening that role is critical to economic development in the region.

HEARINGS

The Subcommittee on Economic Development, Public Buildings, and Emergency Management held the following hearing on subjects related to matters contained in H.R. 5294:

> *"The Opioid Epidemic in Appalachia: Addressing Hurdles to Economic Development in the Region"* held on December 12, 2017. The purpose of the hearing was to examine the impact of the opioid crisis on efforts in Appalachia to spur economic development and growth in distressed communities, to explore possible solutions to the crisis, and to examine the role of federal economic development

[4] "Where Have All the Workers Gone?" Alan B. Krueger, Princeton University, September 2017.

[5] Gene Barr, President and CEO, Pennsylvania Chamber of Business and Industry testimony Before the Center for Rural Pennsylvania, October 26, 2017.

[6] "Diseases of Despair" typically refers to drug and alcohol abuse, related health concerns, and suicide.

[7] Statement of Earl Gohl, Federal Co-Chair, Appalachian Regional Commission, before the House Subcommittee on Economic Development, Public Buildings and Emergency Management, House Committee on Transportation and Infrastructure, December 12, 2017.

programs, such as the Appalachian Regional Commission (ARC), in addressing this epidemic.

LEGISLATIVE HISTORY AND CONSIDERATION

On March 15, 2018, Representative Lou Barletta (R–PA) introduced H.R. 5294 amending title 40, United States Code, to address the impact of drug abuse on economic development in Appalachia, and for other purposes. The bill was referred solely to the Committee on Transportation and Infrastructure.

On April 12, 2018, the Committee on Transportation and Infrastructure met in open session and ordered the bill reported favorably to the House by voice vote with a quorum present.

COMMITTEE VOTES

Clause 3(b) of rule XIII of the Rules of the House of Representatives requires each committee report to include the total number of votes cast for and against on each record 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 recorded votes taken in connection with consideration of H.R. 5294.

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.

NEW BUDGET AUTHORITY AND TAX EXPENDITURES

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.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

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 enclosed cost estimate for H.R. 5294 from the Director of the Congressional Budget Office:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, May 10, 2018.

Hon. BILL SHUSTER,
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. 5294, the Treating Barriers to Prosperity Act of 2018.

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

Sincerely,

KEITH HALL,
Director.

Enclosure.

H.R. 5294—Treating Barriers to Prosperity Act of 2018

H.R. 5294 would clarify that the Appalachian Regional Commission (ARC) may enter into contracts with and provide grants to people and organizations in Appalachia for projects and other activities aimed at reducing drug abuse and the negative effects of drug abuse, including opioid abuse, in the region. Such projects would include facilitating the sharing of best practices among states for reducing drug abuse; creating programs designed to reduce harm to the workforce from drug abuse; attracting relevant health care services, businesses, and workers to the region; and developing infrastructure to support greater use of telemedicine in Appalachia.

Under current law, $110 million annually through 2020 is authorized to be appropriated to ARC to carry out various provisions in law, including the opioid provisions in H.R. 5294. Because the bill would not increase the amounts authorized to be appropriated for those projects, CBO estimates that implementing H.R. 5294 would have no budgetary effects. In 2018, ARC allocated approximately $3 million of the $155 million provided to ARC to projects addressing the opioid crisis and other drug abuse in Appalachia.

Enacting H.R. 5294 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

CBO estimates that enacting H.R. 5294 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2029.

H.R. 5294 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act.

The CBO staff contact for this estimate is Robert Reese. The estimate was reviewed by H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis.

PERFORMANCE GOALS AND OBJECTIVES

With respect to the requirement of clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, the performance goal and objective of this legislation is to amend title 40, United States Code, to address the impact of drug abuse on economic development in Appalachia, and for other purposes.

ADVISORY OF EARMARKS

Pursuant to clause 9 of rule XXI of the Rules of the House of Representatives, the Committee is required to include a list of congressional earmarks, limited tax benefits, or limited tariff benefits as defined in clause 9(e), 9(f), and 9(g) of rule XXI of the Rules of the House of Representatives. No provision in the bill includes an earmark, limited tax benefit, or limited tariff benefit under clause 9(e), 9(f), or 9(g) of rule XXI.

Duplication of Federal Programs

Pursuant to clause 3(c)(5) of rule XIII of the Rules of the House of Representatives, the Committee finds that no provision of H.R. 5294 establishes or reauthorizes a program of the federal government known to be duplicative of another federal program, a program that was included in any report from the Government Accountability Office to Congress pursuant to section 21 of Public Law 111–139, or a program related to a program identified in the most recent Catalog of Federal Domestic Assistance.

Disclosure of Directed Rule Makings

Pursuant to section 3(i) of H. Res. 5, 115th Cong. (2017), the Committee finds that enacting H.R. 5294 does not direct the completion of a specific rulemaking within the meaning of section 551 of title 5, United States Code.

Federal Mandate 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 1974 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. 5294 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 of 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).

Section-by-Section Analysis of Legislation

Section 1. Short title

Section 1 provides that the Act may be cited as the “Treating Barriers to Prosperity Act of 2018.”

Section 2. Drug abuse mitigation initiative

Section 2 amends Chapter 145 of title 40, United States Code, by inserting a new section at the end that authorizes the Appalachian Regional Commission to provide technical assistance to, make grants to, enter into contracts with, or otherwise provide amounts to individuals or entities in Appalachia for projects and activities to address drug abuse, including opioid abuse, in the region.

The section also clarifies that the projects and activities may include facilitating the sharing of best practices; initiating or expanding programs designed to eliminate or reduce the harm to the workforce and economic growth of the region that results from such abuse; attracting and retaining relevant health care services, businesses, and workers; and developing relevant infrastructure, including broadband infrastructure, that support the use of telemedicine.

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):

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 (new matter is printed in italic and existing law in which no change is proposed is shown in roman):

TITLE 40, UNITED STATES CODE

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SUBTITLE IV—APPALACHIAN REGIONAL DEVELOPMENT

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CHAPTER 145—SPECIAL APPALACHIAN PROGRAMS

SUBCHAPTER I—PROGRAMS

SUBCHAPTER I—PROGRAMS

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§ 14510. Drug abuse mitigation initiative

(a) IN GENERAL.—The Appalachian Regional Commission may provide technical assistance to, make grants to, enter into contracts with, or otherwise provide amounts to individuals or entities in the Appalachian region for projects and activities to address drug abuse, including opioid abuse, in the region, including projects and activities—

(1) to facilitate the sharing of best practices among States, counties, and other experts in the region with respect to reducing such abuse;

(2) to initiate or expand programs designed to eliminate or reduce the harm to the workforce and economic growth of the region that results from such abuse;

(3) to attract and retain relevant health care services, businesses, and workers; and

(4) to develop relevant infrastructure, including broadband infrastructure that supports the use of telemedicine.

(b) LIMITATION ON AVAILABLE AMOUNTS.—Of the cost of any activity eligible for a grant under this section—

(1) not more than 50 percent may be provided from amounts appropriated to carry out this section; and

(2) notwithstanding paragraph (1)—

(A) in the case of a project to be carried out in a county for which a distressed county designation is in effect under section 14526, not more than 80 percent may be provided from amounts appropriated to carry out this section; and

(B) in the case of a project to be carried out in a county for which an at-risk designation is in effect under section 14526, not more than 70 percent may be provided from amounts appropriated to carry out this section.

(c) SOURCES OF ASSISTANCE.—Subject to subsection (b), a grant provided under this section may be provided from amounts made available to carry out this section in combination with amounts made available—

(1) under any other Federal program (subject to the availability of subsequent appropriations); or

(2) from any other source.

(d) FEDERAL SHARE.—Notwithstanding any provision of law limiting the Federal share under any other Federal program, amounts made available to carry out this section may be used to increase that Federal share, as the Appalachian Regional Commission determines to be appropriate.

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