

105TH CONGRESS
1ST SESSION

H. R. 1430

To reauthorize and make reforms to programs authorized by the Public Works and Economic Development Act of 1965.

IN THE HOUSE OF REPRESENTATIVES

APRIL 24, 1997

Mr. SHUSTER (for himself, Mr. OBERSTAR, Mr. KIM, and Mr. TRAFICANT) (all by request) introduced the following bill; which was referred to the Committee on Transportation and Infrastructure, and in addition to the Committee on Banking and Financing Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To reauthorize and make reforms to programs authorized by the Public Works and Economic Development Act of 1965.

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

3 **SECTION 1. SHORT TITLE; EFFECTIVE DATE.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Economic Development Partnership Act of 1997”.

6 (b) EFFECTIVE DATE.—Except as otherwise ex-
7 pressly provided, the provisions of this Act and the amend-
8 ments made by this Act shall take effect as determined

1 by the Secretary of Commerce (hereinafter referred to as
2 the Secretary), but not later than three months after the
3 date of the enactment of this Act.

4 **SEC. 2. REAUTHORIZATION OF PUBLIC WORKS AND ECO-**
5 **NOMIC DEVELOPMENT ACT OF 1965.**

6 The Public Works and Economic Development Act of
7 1965 (42 U.S.C. 3131 et seq.) is amended by striking all
8 after the first section and inserting the following:

9 **“SEC. 2. FINDINGS AND DECLARATION.**

10 “(a) FINDINGS.—Congress finds that—

11 “(1) the maintenance of the national economy
12 at a high level is vital to the best interests of the
13 United States, but that some of our regions, coun-
14 ties, and communities are suffering substantial and
15 persistent unemployment and underemployment that
16 cause hardship to many individuals and their fami-
17 lies, and waste invaluable human resources;

18 “(2) to overcome this problem the Federal Gov-
19 ernment, in cooperation with the States, should help
20 areas and regions of substantial and persistent un-
21 employment and underemployment to take effective
22 steps in planning and financing their public works
23 and economic development;

24 “(3) Federal financial assistance, including
25 grants for public works and development facilities to

1 communities, industries, enterprises, and individuals
2 in areas needing development should enable such
3 areas to help themselves achieve lasting improve-
4 ment and enhance the domestic prosperity by the es-
5 tablishment of stable and diversified local economies,
6 sustainable development, and improved local condi-
7 tions, if such assistance is preceded by and consist-
8 ent with sound, long-range economic planning; and

9 “(4) under the provisions of this Act, new em-
10 ployment opportunities should be created by develop-
11 ing and expanding new and existing public works
12 and other facilities and resources rather than by
13 merely transferring jobs from one area of the United
14 States to another, and by supporting firms and in-
15 dustries which add to the growth of the nation’s
16 economy through improved technology, increased ex-
17 ports, and the supply of goods and services to satisfy
18 unmet demand.

19 “(b) DECLARATION.—Congress declares that, in fur-
20 therance of maintaining the national economy at a high
21 level—

22 “(1) the assistance authorized by this Act
23 should be made available to both rural and urban
24 areas;

1 “(2) such assistance should be made available
2 for planning for economic development prior to the
3 actual occurrences of economic distress in order to
4 avoid such condition; and

5 “(3) Such assistance should be sued for long-
6 term economic rehabilitation in areas where long-
7 term economic deterioration has occurred or is tak-
8 ing place.

9 **“TITLE I—ECONOMIC DEVELOP-**
10 **MENT PARTNERSHIPS CO-**
11 **OPERATION AND COORDINA-**
12 **TION**

13 **“SEC. 101. ESTABLISHMENT OF ECONOMIC DEVELOPMENT**
14 **PARTNERSHIPS.**

15 “(a) IN GENERAL.—In providing assistance under
16 this Act, the Secretary shall cooperate with States and
17 other entities to assure that, consistent with national ob-
18 jectives, Federal programs are compatible with and fur-
19 ther the objectives of State, regional and local economic
20 development plans and comprehensive economic develop-
21 ment strategies.

22 “(b) TECHNICAL ASSISTANCE.—The Secretary shall
23 provide such technical assistance to States, local govern-
24 mental subdivisions of States, sub-State regional organiza-
25 tions (including organizations which cross State bound-

aries), and multi-State regional organizations as the Secretary determines may be necessary or desirable to alleviate economic distress, encourage and support public-private partnerships for the formation and improvement of economic development strategies which promote the growth of the national economy, stimulate modernization and technological advances in the generation and commercialization of goods and services, and enhance the effectiveness of American firms in the global economy.

“(c) INTERGOVERNMENTAL REVIEW.—The Secretary shall prescribe regulations which will assure that appropriate State and local governmental authorities have been given a reasonable opportunity to review and comment upon proposed projects which the Secretary determines may have a significant direct impact on the economy of the area.

“(d) COOPERATIVE AGREEMENTS.—The Secretary may enter into a cooperative agreement with any two or more adjoining States, or an organization thereof, in support of effective economic development. Each such agreement shall provide for suitable participation by other governmental and non-governmental parties representative of significant interests in and perspectives on economic development in the area.

1 **“SEC. 102. COOPERATION OF FEDERAL AGENCIES.**

2 “Each Federal department and agency, in accordance
3 with applicable laws and within the limits of available
4 funds, shall exercise its powers, duties and functions, and
5 shall cooperate with the Secretary in such manner as will
6 assist the Secretary in carrying out the objectives of this
7 Act.

8 **“SEC. 103. COORDINATION.**

9 “The Secretary may appoint a National Public Advi-
10 sory Committee on Regional Economic Development which
11 shall consist of twenty-five members and shall be com-
12 posed of representatives of labor, management, agri-
13 culture, State and local governments, Federal agencies,
14 and the public in general. From the members appointed
15 to such Committee the Secretary shall designate a Chair-
16 man. Such Committee, or any duly established subcommit-
17 tee thereof, shall from time to time make recommenda-
18 tions to the Secretary relative to the carrying out of the
19 Secretary’s duties under this Act, including the coordina-
20 tion of activities as provided in section 103. Such Commit-
21 tee shall hold not less than two meetings during each cal-
22 endar year, and shall be governed by the provisions of the
23 Federal Advisory Committee Act.

1 **“TITLE II—GRANTS FOR PUBLIC**
2 **WORKS AND ECONOMIC DE-**
3 **VELOPMENT**

4 **“SEC. 201. PUBLIC WORKS GRANTS.**

5 “(a) Upon the application of any eligible recipient the
6 Secretary may make direct grants for acquisition or devel-
7 opment of land improvements for public works, public
8 service, or development facility usage, and the acquisition,
9 design and engineering, construction, rehabilitation, alter-
10 nation, expansion, or improvement of such facilities, in-
11 cluding related machinery and equipment.

12 “(b) The Secretary may provide assistance under this
13 section only if the Secretary finds that—

14 “(1) the project for which financial assistance is
15 sought will directly or indirectly—

16 “(A) tend to improve the opportunities, in
17 the area where such project is or will be lo-
18 cated, for the successful establishment or ex-
19 pansion of industrial or commercial plants or
20 facilities;

21 “(B) otherwise assist in the creation of ad-
22 ditional long-term employment opportunities of
23 such area; or

24 “(C) primarily benefit the long-term unem-
25 ployed and members of low-income families; or

1 “(D) in the case of projects within areas
2 described in section 302(a)(8), the project will
3 enhance the economic growth potential of the
4 area or result in additional long-term employ-
5 ment opportunities commensurate with the
6 amount of Federal financial assistance re-
7 quested.

8 “(2) the project for which a grant is requested
9 will fulfill a pressing need of the area, or part there-
10 of, in which it is, or will be, located; and

11 “(3) the area for which a project is to be under-
12 taken has a satisfactory comprehensive economic de-
13 velopment strategy as provided by section 303 and
14 such project is consistent with such strategy.

15 “(c) In the case of an area described in section
16 302(a)(4), the Secretary may provide assistance only if the
17 Secretary finds that the project to be undertaken will pro-
18 vide immediate useful work to unemployed and under-
19 employed persons in that area.

20 “(d) Not more than 15 per centum of the appropria-
21 tions made pursuant to this section may be expended in
22 any one State.

23 **“SEC. 202. CONSTRUCTION COST INCREASES.**

24 “In any case where a grant (including a supplemental
25 grant) has been made by the Secretary under this title

1 or made, before the effective date of the Economic Devel-
2 opment Partnership Act of 1997, under title I of this Act,
3 as in effect before such effective date, for a construction
4 project and after such grant has been made but before
5 completion of the project, the cost of such project based
6 upon the designs and specifications which were the basis
7 of the grant has been increased because of increases in
8 costs, the amount of such grant maybe increased by an
9 amount equal to the percentage increase, as determined
10 by the Secretary, in such costs, but in no event shall the
11 percentage of the Federal share of such project exceed
12 that originally provided for in such grant.

13 **“SEC. 203. PLANNING AND ADMINISTRATIVE EXPENSES**

14 “(a) Upon the application of any eligible recipient the
15 Secretary may make direct grants for economic develop-
16 ment planning and the administrative expenses of organi-
17 zations undertaking such planning.

18 “(b) The planning for cities, other political subdivi-
19 sions, Indian tribes, and sub-State planning and develop-
20 ment organizations (including areas described in section
21 302(a) and economic development districts) assisted under
22 this title shall include systematic efforts to reduce unem-
23 ployment and increase incomes.

24 “(c) The planning shall be a continuous process in-
25 volving public officials and private citizens in analyzing

1 local economies, defining development goals, determining
2 project opportunities and formulating and implementing
3 a development program.

4 “(d) The planning assistance authorized under this
5 title shall be used in conjunction with any other available
6 Federal planning assistance to assure adequate and effec-
7 tive planning and economical use of funds.

8 “(e) Any State plan prepared with assistance under
9 this section shall be prepared cooperatively by the State,
10 its political subdivisions, and the economic development
11 district located in whole or in part within such State, as
12 a comprehensive economic development strategy. Upon
13 completion of any such plan, the State shall (1) certify
14 to the Secretary that in the preparation of the State plan,
15 the local and economic development district plans were
16 considered and, to the fullest extent possible, the State
17 plan is consistent with the local and economic development
18 district plans, and (2) identify any inconsistencies between
19 the State plan and the local and economic development
20 district plans, with the justification for each inconsistency.
21 Any overall State economic development planning shall be
22 a part of a comprehensive planning process that shall con-
23 sider the provisions of public works to stimulate and chan-
24 nel development, economic opportunities and choices for
25 individuals, to support sound land use, to foster effective

1 transportation access, to promote sustainable develop-
2 ment, to enhance and protect the environment including
3 the conservation and preservation of open spaces and envi-
4 ronmental quality, to provide public services, and to bal-
5 ance physical and human resources through the manage-
6 ment and control of physical development. Each State re-
7 ceiving assistance for the preparation of a plan according
8 to the provisions of this subsection shall submit to the Sec-
9 retary an annual report on the planning process assisted
10 under this subsection.

11 **“SEC. 204. COST SHARING.**

12 “Subject to section 205, the amount of any direct
13 grant under this title for any project shall not exceed 50
14 percent of the cost of such project. In determining the
15 amount of the non-Federal share of costs or expenses, the
16 Secretary shall give due consideration to all contributions
17 both in cash and in kind, fairly evaluated, including con-
18 tributions of space, equipment, and services.

19 **“SEC. 205. SUPPLEMENTARY GRANTS.**

20 “(a) IN GENERAL.—Upon the application of any eli-
21 gible recipient, the Secretary may make a supplementary
22 grant for a project for which the applicant is eligible but,
23 because of its economic situation, for which it cannot sup-
24 ply the required matching share. Included therein may be
25 supplementary grants made to enable the States and other

1 entities within areas described in section 302(a) to take
2 maximum advantage of designated Federal grant-in-aid
3 programs (as defined in subsection (b)(4) of this section),
4 direct grants-in-aid authorized under this title, and Fed-
5 eral grant-in-aid programs authorized by the Watershed
6 Protection and Flood Prevention Act (68 Stat. 666), and
7 the 11 watersheds authorized by the Flood Control Act
8 of December 22, 1944 (58 Stat. 887).

9 “(b) REQUIREMENTS APPLICABLE TO SUPPLE-
10 MENTARY GRANTS.—

11 “(1) AMOUNT OF SUPPLEMENTARY GRANTS.—

12 The amount of any supplementary grant under this
13 title for any project shall not exceed the applicable
14 percentage established by regulations promulgated
15 by the Secretary, but in no event shall the non-Fed-
16 eral share of the aggregate cost of any such project
17 (including assumptions of debt) be less than 20 per-
18 cent of such cost, except as provided in subsection
19 (b)(6).

20 “(2) FORM OF SUPPLEMENTARY GRANTS.—

21 Supplementary grants shall be made by the Sec-
22 retary, in accordance with such regulations as the
23 Secretary may prescribe, by increasing the amounts
24 of direct grants authorized under this title or by the
25 payment of funds appropriated under this Act to the

1 heads of the departments, agencies, and instrumen-
2 talities of the Federal Government responsible for
3 the administration of the applicable Federal pro-
4 grams.

5 “(3) FEDERAL SHARE LIMITATIONS SPECIFIED
6 IN OTHER LAWS.—Notwithstanding any requirement
7 as to the amount or sources of non-Federal funds
8 that may otherwise be applicable to the Federal pro-
9 gram involved, funds provided under this subsection
10 may be used for the purpose of increasing the Fed-
11 eral contribution to specific projects in areas de-
12 scribed in section 302(a) under such programs above
13 the fixed maximum portion of the cost of such
14 project otherwise authorized by the applicable law.

15 “(4) DESIGNATED FEDERAL GRANT-IN-AID
16 PROGRAMS DEFINED.—In this section, the term ‘des-
17 ignated Federal grant-in-aid programs’ means such
18 existing or future Federal grant-in-aid programs as-
19 sisting in the construction or equipping of facilities
20 as the Secretary may, in furtherance of the purposes
21 of this Act, designated as eligible for allocation of
22 funds under this section.

23 “(5) CONSIDERATION OF RELATIVE NEED IN
24 DETERMINING AMOUNT.—In determining the
25 amount of any supplementary grant available to any

1 project under this title, the Secretary shall take into
2 consideration the relative needs of the area and the
3 nature of the project to be assisted.

4 “(6) EXCEPTIONS.—In the case of a grant to
5 an Indian tribe, the Secretary may reduce the non-
6 Federal share below the percentage specified in sub-
7 section (b)(1) or may waive the non-Federal share.
8 In the case of a grant to a State or a political sub-
9 division of a State which the Secretary determines
10 has exhausted its effective taxing and borrowing ca-
11 pacity, or of a grant to anon-profit organization
12 which the Secretary determines has exhausted its ef-
13 fective borrowing capacity, the Secretary may reduce
14 the non-Federal share below the percentage specified
15 in subsection (b)(1) or may waive the non-Federal
16 share for (i) a project in an area described in section
17 302(a)(4), or (ii) a project the nature of which the
18 Secretary determines warrants the reduction or
19 waiver of the non-Federal share.

20 **“SEC. 206. REGULATIONS TO ASSURE RELATIVE NEEDS ARE**
21 **MET.**

22 “The Secretary shall prescribe rules, regulations, and
23 procedures to carry out this title which will assure that
24 adequate consideration is given to the relative needs of eli-
25 gible areas. In prescribing such rules, regulations, and

1 procedures for assistance under section 201 the Secretary
2 shall consider among other relevant factors—

3 “(1) the severity of the rates of unemployment
4 in the eligible areas and the duration of such unem-
5 ployment;

6 “(2) the income levels of families and the extent
7 of underemployment in eligible areas; and

8 “(3) the out-migration of population for eligible
9 areas.

10 **“SEC. 207. TRAINING, RESEARCH, AND TECHNICAL ASSIST-**
11 **ANCE.**

12 “(a) Upon the application of any eligible recipient the
13 Secretary may make direct grants for training, research,
14 and technical assistance, including grants for program
15 evaluation and economic impact analyses, which would be
16 useful in alleviating or preventing conditions of excessive
17 unemployment or underemployment. Such assistance may
18 include project planning and feasibility studies, dem-
19 onstrations of innovative activities or strategic economic
20 development investments, management and operational
21 activities or strategic economic development investments,
22 management and operational assistance, establishment of
23 university centers, establishment of business outreach cen-
24 ters, and studies evaluating the needs of, and development
25 potentialities for, economic growth of areas which the Sec-

1 retary finds have substantial need for such assistance. The
2 Secretary may waive the non-Federal share in the case
3 of a project under this section, without regard to the provi-
4 sions of sections 204 or 205.

5 “(b) In carrying out the Secretary’s duties under this
6 Act, the Secretary may provide research and technical as-
7 sistance through members of the Secretary’s staff; the
8 payment of funds authorized for this section to depart-
9 ments or agencies of the Federal Government; the employ-
10 ment of private individuals, partnerships, firms, corpora-
11 tions, or suitable institutions under contracts entered into
12 for such purposes; or the award of grants under this title.

13 **“SEC. 208. RELOCATION OF INDIVIDUALS AND BUSINESSES.**

14 “Grants to eligible recipients shall include such
15 amounts as may be required to provide relocation assist-
16 ance to affected persons, as required by the Uniform Relo-
17 cation Assistance and Real Property Acquisition Act 1970,
18 as amended.

19 **“SEC. 209. ECONOMIC ADJUSTMENT.**

20 “(a) Upon the application of any eligible recipient the
21 Secretary may make direct grants for public facilities,
22 public services, business development (including a revolv-
23 ing loan fund), planning, technical assistance, training,
24 and other assistance which demonstrably furthers the eco-
25 nomic adjustment objectives of this Act, including activi-

1 ties to alleviate long-term economic deterioration, and sud-
2 den and severe economic dislocations.

3 “(b) The Secretary may provide assistance under this
4 section only if the Secretary finds that—

5 “(1) the project will help the area meet a spe-
6 cial need arising from—

7 “(A) actual or threatened sever unemploy-
8 ment arising from economic dislocation, includ-
9 ing unemployment arising from actions of the
10 Federal Government or from compliance with
11 environmental requirements which remove eco-
12 nomic activities from locality; or

13 “(B) economic adjustment problems result-
14 ing from severe changes in economic conditions
15 (including long-term economic deterioration);
16 and

17 “(2) the area for which a project is to be under-
18 taken has a satisfactory comprehensive economic de-
19 velopment strategy as provided by section 303 and
20 such project is consistent with such strategy. This
21 subsection (b)(2) shall not apply to planning
22 projects.

23 “(c) Assistance under this section shall extend to ac-
24 tivities identified by communities impacted by military
25 base closures, defense contractor cutbacks, and Depart-

1 ment of Energy reductions, to help the communities diver-
2 sify their economies. Nothing in this section is intended
3 to replace the efforts of the economic adjustment program
4 of the Department of the Defense.

5 “(d) Assistance under this section shall extend to
6 post-disaster activities in areas affected by natural and
7 other disasters.

8 **“SEC. 210. DIRECT EXPENDITURE OR REDISTRIBUTION BY**
9 **RECIPIENT.**

10 “Amounts from grants under section 209 of this title
11 may be used in direct expenditures by the eligible recipient
12 or through redistribution by the eligible recipient to public
13 and private entities in grants, loans, loan guarantees, pay-
14 ments to reduce interest on loan guarantees, or other ap-
15 propriate assistance, but no grant shall be made by an
16 eligible recipient to a private profit-making entity.

17 **“SEC. 211. CHANGED PROJECT CIRCUMSTANCES.**

18 “In any case where a grant (including a supplemental
19 grant) has been made by the Secretary under this title
20 (or made under this Act, as in effect on the day before
21 the effective date of the Economic Development Partner-
22 ship Act of 1997) for a project, and after such grant has
23 been made but before completion of the project, the pur-
24 pose or scope of such project which were the basis of the
25 grant as changed, the Secretary may approve the use of

1 grant funds on such changed project if the Secretary de-
2 termines that such changed project meets the require-
3 ments of this title and that such changes are necessary
4 to enhance economic development in the area.

5 **“SEC. 212. USE OF FUNDS IN PROJECTS CONSTRUCTED**
6 **UNDER PROJECTED COST.**

7 “In any case where a grant (including a supplemental
8 grant) has been made by the Secretary under this title
9 (or made under this Act, as in effect on the day before
10 the effective date of the Economic Development Partner-
11 ship Act of 1997) for a construction project, and after
12 such grant has been made but before completion of the
13 project, the cost of such project based upon the designs
14 and specifications which was the basis of the grant has
15 decreased because of decreases in costs, such underrun
16 funds may be used to improve the project either directly
17 or indirectly as determined by the Secretary.

18 **“SEC. 213. BASE CLOSINGS AND REALIGNMENTS.**

19 “(a) LOCATION OF PROJECTS.—In any case in which
20 the Secretary determines a need for assistance under this
21 title due to the closure or realignment of a military or
22 Department of Energy installation, the Secretary may
23 make such assistance available for projects to be carried
24 out on the installation and for projects to be carried out

1 in communities adversely affected by the closure or re-
2 alignment.

3 “(b) INTEREST IN PROPERTY.—Notwithstanding any
4 other provision of law, the Secretary may provide to an
5 eligible recipient any assistance available under this Act
6 for a project to be carried out on a military or Department
7 of Energy installation that is closed or scheduled for clo-
8 sure or realignment without requiring that the eligible re-
9 cipient have title to the property or a leasehold interest
10 in the property for any specified term.

11 **“SEC. 214. PREVENTION OF UNFAIR COMPETITION.**

12 “No financial assistance under this Act shall be ex-
13 tended to any project when the result would be in increase
14 the production of goods, materials, or commodities, or the
15 availability of services or facilities, when there is not suffi-
16 cient demand for such goods, materials, commodities, serv-
17 ices, or facilities, to employ the efficient capacity of exist-
18 ing competitive commercial or industrial enterprises.

19 **“SEC. 215. REPORTS BY RECIPIENT.**

20 “Reports to the Secretary shall be required of recipi-
21 ents of assistance under this Act. Such reports shall be
22 at such intervals and in such manner as the Secretary
23 shall prescribe by regulation, not to exceed ten years from
24 the time of closeout of the assistance award, and shall con-
25 tain an evaluation of the effectiveness of the economic as-

1 sistance provided under this Act in meeting the need it
2 was designed to alleviate and the purposes of this Act.

3 **“TITLE III—DEFINITIONS, ELIGI-**
4 **BILITY AND COMPREHENSIVE**
5 **ECONOMIC DEVELOPMENT**
6 **STRATEGIES**

7 **“SEC. 301. DEFINITIONS.**

8 “In this Act, unless the context otherwise requires,
9 the following definitions apply:

10 “(a) ECONOMIC DEVELOPMENT DISTRICT.—The term
11 ‘economic development district’ refers to any area within
12 the United States composed of cooperating areas described
13 in section 302(a) and, where appropriate, designated eco-
14 nomic development centers and neighboring counties or
15 communities, which has been designated by the Secretary
16 as an economic development district. Such term included
17 any economic development district designated by the Sec-
18 retary under section 403 of this Act, as in effect on the
19 day before the effective date of the Economic Development
20 Partnership Act of 1997.

21 “(b) ECONOMIC DEVELOPMENT CENTER.—The term
22 ‘economic development center’ refers to any area within
23 the United States which has been identified as an eco-
24 nomic development center in an approved comprehensive
25 economic development strategy and which has been des-

1 ignated by the Secretary as eligible for financial assistance
2 under this Act in accordance with the provisions of this
3 section.

4 “(c) ELIGIBLE RECIPIENT.—The term ‘eligible recipi-
5 ent’ means an area described in Section 302(a), an eco-
6 nomic development district designated under section 401,
7 an Indian tribe, a State, a city or other political subdivi-
8 sion of a State or a consortium of such political subdivi-
9 sions, an institution of higher education or a consortium
10 of such institutions, or a public or private nonprofit orga-
11 nization or association acting in cooperation with officials
12 of such political subdivision. For grants made under sec-
13 tion 207, ‘eligible recipient’ also includes private individ-
14 uals and for-profit organizations.

15 “(d) GRANT.—The term ‘grant’ includes cooperative
16 agreement, as that term is used in the Federal Grant and
17 Cooperative Agreement Act of 1977.

18 “(e) INDIAN TRIBE.—The term ‘Indian tribe’ means
19 an Indian or Alaska Native tribe, band, nation, pueblo,
20 village, or community that the Secretary of the Interior
21 acknowledges to exist as an Indian tribe pursuant to 25
22 U.S.C. section 479a–1.

23 “(f) STATE.—The terms ‘State’, ‘States’, and ‘United
24 States’ include the several States, the District of Colum-
25 bia, the Commonwealth of Puerto Rico, the Virgin Islands,

1 Guam, American Samoa, the Republic of the Marshall Is-
2 lands, the Federated States of Micronesia, the Republic
3 of Palau, and the Commonwealth of the Northern Mariana
4 Islands.

5 **“SEC. 302. AREA ELIGIBILITY.**

6 “(a) CERTIFICATION.—In order to be eligible for as-
7 sistance for activities described under section 201 or 209,
8 an applicant shall certify, as part of an application for
9 such assistance, that the project is located in an area
10 which on the date of submission of such application meets
11 one or more of the following criteria:

12 “(1) The area has a per capita income of 80
13 percent or less of the national average.

14 “(2) The area has an unemployment rate one
15 percent above the national average percentage for
16 the most recent 24-month period for which statistics
17 are available.

18 “(3) The area has experienced or is about to
19 experience a sudden economic dislocation resulting
20 in job loss that is significant both in terms of the
21 number of jobs eliminated and the effect upon the
22 employment rate of the area.

23 “(4) The area is one in which the Secretary de-
24 termines that any activities authorized to be under-
25 taken under section 201 or 209 will provide imme-

1 diate useful work to unemployed and underemployed
2 persons in that area, and the area is a community
3 or neighborhood (defined without regard to political
4 or other subdivisions or boundaries) which the Sec-
5 retary determines has one or more of the following
6 conditions:

7 “(A) A large concentration of low-income
8 persons;

9 “(B) Areas having substantial out-migra-
10 tion; or

11 “(C) Substantial unemployment.

12 “(5) The area has demonstrated long-term eco-
13 nomic deterioration.

14 “(6) The area has an unemployment rate, for
15 the most recent 12 month period for which statistics
16 are available, above a rate established by regulation
17 as an indicator of substantial unemployment during
18 conditions of significantly high national unemploy-
19 ment.

20 “(7) The area is one which the Secretary has
21 determined has experienced, or may reasonably be
22 foreseen to be about to experience, a special need to
23 meet an expected rise in unemployment, or other
24 economic adjustment problems (including those

1 caused by any action or decision of the Federal Gov-
2 ernment).

3 “(8) The area contains a population of 250,000
4 or less and is identified in a comprehensive economic
5 development strategy as having growth potential and
6 the ability to alleviate distress within an economic
7 development district.

8 “(9) The area is experiencing severe out migra-
9 tion.

10 “(b) DOCUMENTATION.—A certification made under
11 subsection (a) shall be supported by Federal data, when
12 available or, in the absence of recent Federal data, by data
13 available through the State government. Such documenta-
14 tion shall be accepted by the Secretary unless the Sec-
15 retary determines the documentation to be inaccurate. The
16 most recent statistics available shall be used.

17 “(c) SPECIAL RULE.—An area which the Secretary
18 determines is eligible for assistance because it meets 1 or
19 more of the criteria of subsection (a)(4)—

20 “(1) shall not be subject to the requirements of
21 sections 201(b) or 303; and

22 “(2) shall not be eligible to meet the require-
23 ments of section 401(a)(1)(B).

24 “(d) PRIOR DESIGNATIONS.—Any designation of a
25 redevelopment area made before the effective date of the

1 Economic Development Partnership Act of 1997 shall not
2 be effective after such effective date.

3 **“SEC. 303. COMPREHENSIVE ECONOMIC DEVELOPMENT**
4 **STRATEGY.**

5 “(a) IN GENERAL.—The Secretary may provide as-
6 sistance under section 201 or 209 (except for section 209
7 planning) to an applicant for a project only if the appli-
8 cant submits to the Secretary, as part of an application
9 for such assistance, evidence which—

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

12 “(2) identifies past, present, and projected fu-
13 ture economic development investments in the area
14 receiving such assistance and public and private par-
15 ticipants and sources of funding for such invest-
16 ments; and

17 “(3) sets forth a strategy for addressing the
18 economic problems identified pursuant to paragraph
19 (a) and describes how the strategy will solve such
20 problems.

21 “(b) OTHER PLAN.—The Secretary may accept as a
22 comprehensive economic development strategy a satisfac-
23 tory plan prepared under another Federally supported
24 program.

1 **“TITLE IV—ECONOMIC**
2 **DEVELOPMENT DISTRICTS**

3 **“SEC. 401. DESIGNATION OF ECONOMIC DEVELOPMENT**
4 **DISTRICTS AND ECONOMIC DEVELOPMENT**
5 **CENTERS.**

6 “(a) IN GENERAL.—In order that economic develop-
7 ment projects of broader geographic significance may be
8 planned and carried out, the Secretary may—

9 “(1) designate appropriate ‘economic develop-
10 ment districts’ within the United States with the
11 concurrence of the States in which such districts will
12 be wholly or partially located, if—

13 “(A) the proposed district is of sufficient
14 size or population, and contains sufficient re-
15 sources, to foster economic development on a
16 scale involving more than a single area de-
17 scribed in section 302(a);

18 “(B) the proposed district contains at least
19 1 area described in section 302(a);

20 “(C) the proposed district contains 1 or
21 more areas described in section 302(a) or eco-
22 nomic development centers identified in an ap-
23 proved district comprehensive economic develop-
24 ment strategy as having sufficient size and po-
25 tential to foster the economic growth activities

1 necessary to alleviate the distress of the areas
2 described in section 302(a) within the district;
3 and

4 “(D) the proposed district has a district
5 comprehensive economic development strategy
6 which includes sustainable development, ade-
7 quate land use and transportation planning and
8 contains a specific program for district coopera-
9 tion, self-help, and public investment and is ap-
10 proved by the State or States affected and by
11 the Secretary.

12 “(2) designate as ‘economic development cen-
13 ters’, in accordance with such regulations as the
14 Secretary shall prescribe, such areas as the Sec-
15 retary may deem appropriate, if—

16 “(A) the proposed center has been identi-
17 fied and included in an approved district com-
18 prehensive economic development strategy and
19 recommended by the State or States affected
20 for such special designation;

21 “(B) the proposed center is geographically
22 and economically so related to the district that
23 its economic growth may reasonably be expected
24 to contribute significantly to the alleviation of

1 distress in the areas described in section 302(a)
2 of the district; and

3 “(C) the proposed center does not have a
4 population in excess of 250,000 according to
5 the most recent Federal census.

6 “(3) provide financial assistance in accordance
7 with the criteria of this Act, except as may be herein
8 otherwise provided, for projects in economic develop-
9 ment centers designated under subsection (a)(2),
10 if—

11 “(A) the project will further the objectives
12 of the comprehensive economic development
13 strategy of the district in which it is to be lo-
14 cated;

15 “(B) the project will enhance the economic
16 growth potential of the district or result in ad-
17 ditional long-term employment opportunities
18 commensurate with the amount of Federal fi-
19 nancial assistance requested; and

20 “(C) the amount of Federal financial as-
21 sistance requested is reasonably related to the
22 size, population, and economic needs of the dis-
23 trict.

24 “(b) AUTHORITIES.—The Secretary may, under reg-
25 ulations prescribed by the Secretary—

1 “(1) invite the several States to draw up pro-
2 posed economic development district boundaries and
3 to identify potential economic development centers;

4 “(2) cooperate with the several States—

5 “(A) in sponsoring and assisting district
6 economic planning and development groups;
7 and

8 “(B) in assisting such district groups to
9 formulate district comprehensive economic de-
10 velopment strategies; and

11 “(3) encourage participation by appropriate
12 local governmental authorities in such economic de-
13 velopment districts.

14 **“SEC. 402. TERMINATION OR MODIFICATION.**

15 “The Secretary shall by regulation prescribe stand-
16 ards for the termination or modification of economic devel-
17 opment districts and economic development centers des-
18 ignated under the authority of section 401.

19 **“SEC. 403. BONUS.**

20 “Subject to the 20 per centum non-Federal share re-
21 quired for any project by subsection 205(b)(1) of this Act,
22 the Secretary is authorized to increase the amount of grant
23 assistance authorized by sections 204 and 205 for projects
24 within designated economic development districts by an
25 amount not to exceed 10 per centum of the aggregate cost

1 of such project, in accordance with such regulations as the
2 Secretary shall prescribe if—

3 (1) the project applicant is actively participat-
4 ing in the economic development activities of the dis-
5 trict; and

6 (2) the project is consistent with an approved
7 district comprehensive economic development strat-
8 egy.

9 **“SEC 404. STRATEGY PROVIDED TO APPALACHIAN RE-**
10 **GIONAL COMMISSION.**

11 “Each economic development district designated by
12 the Secretary under this title shall provide that a copy
13 of the district comprehensive economic development strat-
14 egy be furnished to the Appalachian Commission estab-
15 lished under the Appalachian Regional Development Act
16 of 1965 if any part of such district is within the Appalach-
17 ian region.

18 **“SEC. 405. PARTS NOT WITHIN AREAS DESCRIBED IN SEC-**
19 **TION 302(a).**

20 “The Secretary is authorized to provide the financial
21 assistance which is available to an area described in sec-
22 tion 302(a) under this Act to those parts of an economic
23 development district which are not within an area de-
24 scribed in section 302(a), when such assistance will be of
25 a substantial direct benefit to an area described in section

1 302(a) within such district. Such financial assistance shall
2 be provided in the same manner and to the same extent
3 as is provided in this Act for an area described in section
4 302(a).

5 **“TITLE V—ADMINISTRATION**

6 **“SEC. 501. ASSISTANCE SECRETARY FOR ECONOMIC DEVEL-** 7 **OPMENT.**

8 “The Secretary will administer this Act with assist-
9 ance of an Assistant Secretary of Commerce for Economic
10 Development to be appointed by the President by and with
11 the advice and consent of the Senate. The Assistant Sec-
12 retary of Commerce for Economic Development will per-
13 form such functions as the Secretary may prescribe and
14 will serve as the administrator of the Economic Develop-
15 ment Administration within the Department of Commerce.

16 **“SEC. 502. ECONOMIC DEVELOPMENT INFORMATION** 17 **CLEARINGHOUSE.**

18 “It shall be a duty that the Secretary in administer-
19 ing this Act—

20 “(a) to serve as a central information clearing-
21 house on matters relating to economic development,
22 economic, adjustment, disaster recovery, and defense
23 conversion programs and activities of the Federal
24 and State governments, including political subdivi-
25 sions of the States;

1 “(b) to help potential and actual applicants for
2 economic development, economic adjustment, disas-
3 ter recovery, and defense conversion assistance
4 under Federal, State, and local laws in locating and
5 applying for such assistance, including financial and
6 technical assistance; and

7 “(c) to aid areas described in section 302(a)
8 and other areas by furnishing to interested individ-
9 uals, communities, industries, and enterprises within
10 such areas any technical information, market re-
11 search, or other forms of assistance, information, or
12 advice which would be useful in alleviating or pre-
13 venting conditions of excessive unemployment or
14 underemployment within such areas.

15 **“SEC. 503. CONSULTATION WITH OTHER PERSONS AND**
16 **AGENCIES.**

17 “(a) CONSULTATION ON PROBLEMS RELATING TO
18 EMPLOYMENT.—The Secretary is authorized from time to
19 time to call together and confer with any persons, includ-
20 ing representatives of labor, management, agriculture, and
21 government, who can assist in meeting the problems of
22 area and regional unemployment.

23 “(b) CONSULTATION ON ADMINISTRATION OF ACT.—
24 The Secretary may make provisions for such consultation
25 with interested departments and agencies as the Secretary

1 may deem appropriate in the performance of the functions
2 vested in the Secretary by this Act.

3 **“SEC. 504. ADMINISTRATION, OPERATION, AND MAINTENANCE.**
4

5 “No Federal assistance shall be approved under this
6 Act unless the Secretary is satisfied that the project for
7 which Federal assistance is granted will be properly and
8 efficiently administered, operated, and maintained.

9 **“SEC. 505. FIRMS DESIRING FEDERAL CONTRACTS.**

10 “The Secretary may furnish the procurement divi-
11 sions of the various departments, agencies, and other in-
12 strumentalities of the Federal Government with a list con-
13 taining the names and addresses of business firms which
14 are located in areas of high economic distress and which
15 are desirous of obtaining Government contracts for the
16 furnishing of supplies or services, and designating the sup-
17 plies and services such firms are engaged in providing.

18 **“SEC. 506. AMENDMENT TO TITLE 5, U.S.C.**

19 “Section 5316 of title 5, United States Code, is
20 amended by striking ‘Administrator for Economic Devel-
21 opment.’.

22 **“TITLE VI—MISCELLANEOUS**

23 **“SEC. 601. POWERS OF SECRETARY.**

24 “(a) IN GENERAL.—In performing the Secretary’s
25 duties under this Act, the Secretary is authorized to—

1 “(1) adopt, alter, and use a seal, which shall be
2 judicially noticed;

3 “(2) subject to the civil-service and classifica-
4 tion laws, select, employ, appoint, and fix the com-
5 pensation of such personnel as may be necessary to
6 carry out the provisions of this Act;

7 “(3) hold such hearings, sit and act at such
8 times and places, and take such testimony, as the
9 Secretary may deem advisable;

10 “(4) request directly from any executive depart-
11 ment, bureau, agency, board, commission, office,
12 independent establishment, or instrumentality infor-
13 mation, suggestions, estimates, and statistics needed
14 to carry out the purposes of this Act; and each de-
15 partment, bureau, agency, board, commission, office,
16 establishment, or instrumentality is authorized to
17 furnish such information, suggestions, estimates,
18 and statistics directly to the Secretary;

19 “(5) consistent with the Debt Collection Im-
20 provement Act of 1995, under regulations prescribed
21 by the Secretary, assign or sell at public or private
22 sale, or otherwise dispose of for cash or credit, in
23 the Secretary’s discretion and upon such terms and
24 conditions and for such consideration as the Sec-
25 retary determines to be reasonable, any evidence of

1 debt, contract, claim, personal property or security
2 assigned to or held by the Secretary in connection
3 with assistance extended under the Act, and collect
4 or compromise all obligations assigned to or held by
5 the Secretary in connection with such assistance
6 until such time as such obligations may be referred
7 to the Attorney General for suit or collection;

8 “(6) deal with, complete, renovate, improve,
9 modernize, insure, rent, or sell for cash or credit,
10 upon such terms and conditions and for such consid-
11 eration as the Secretary determines to be reasonable,
12 any real or personal property conveyed to or other-
13 wise acquired by the Secretary in connection with
14 assistance extended under this Act;

15 “(7) consistent with the Debt Collection Im-
16 provement Act of 1996, pursue to final collection, by
17 way of compromise or other administrative action,
18 prior to reference to the Attorney General, all claims
19 against third parties assigned to the Secretary in
20 connection with assistance extended under this Act;

21 “(8) acquire, in any lawful manner, any prop-
22 erty (real, personal, or mixed, tangible or intangi-
23 ble), whenever necessary or appropriate in connec-
24 tion with assistance extended under this Act;

1 “(9) in addition to any powers, functions, privi-
2 leges, and immunities otherwise vested in the Sec-
3 retary, take any action, including the procurement of
4 the services of attorneys by contract, determined by
5 the Secretary to be necessary or desirable in making,
6 purchasing, servicing, compromising, modifying, liq-
7 uidating, or otherwise administratively dealing with
8 assets held in connection with financial assistance
9 extended under this Act;

10 “(10) employ experts and consultants or organi-
11 zations as authorized by section 3109 of title 5,
12 United States Code, compensate individuals so em-
13 ployed, including travel time, and allow them, while
14 away from their homes or regular places of business,
15 travel expenses (including per diem in lieu of sub-
16 sistence) as authorized by section 5703 of title 5,
17 United States Code, for persons in the Government
18 service employed intermittently, while so employed,
19 except that contracts for such employment may be
20 renewed annually;

21 “(11) establish performance measures for
22 grants and other assistance provided under this Act,
23 and use such performance measures to evaluate the
24 economic impact of economic development assistance
25 programs; the establishment and use of such per-

1 formance measures to be provided by the Secretary
2 through members of his staff, through the employ-
3 ment of appropriate parties under contracts entered
4 into for such purposes, or through grants to such
5 parties for such purposes, using any funds made
6 available by appropriations to carry out this Act;

7 “(12) sue and be sued in any court of record
8 of a State having general jurisdiction or in any
9 United States district court, and jurisdiction is con-
10 ferred upon such district court to determine such
11 controversies without regard to the amount in con-
12 troversy; but not attachment, injunction, garnish-
13 ment, or other similar process, mesne or final, shall
14 be issued against the Secretary or the Secretary’s
15 property;

16 “(13) establish such rules, regulations, and pro-
17 cedures as the Secretary considers appropriate in
18 carrying out the provisions of this Act.

19 “(b) DEFICIENCY JUDGMENTS.—The authority
20 under subsection (a)(7) to pursue claims shall include the
21 authority to obtain deficiency judgments or otherwise in
22 the case of mortgages assigned to the Secretary.

23 “(c) INAPPLICABILITY OF CERTAIN OTHER RE-
24 QUIREMENTS.—Section 3709 of the Revised Statutes of
25 the United States shall not apply to any contract of haz-

1 and insurance or to any purchase or contract for services
2 or supplies on account of property obtained by the Sec-
3 retary as a result of assistance extended under this Act
4 if the premium for the insurance or the amount of the
5 insurance does not exceed \$1,000.

6 “(d) PROPERTY INTERESTS.—The powers of the Sec-
7 retary, pursuant to this section, in relation to property ac-
8 quired by the Secretary in connection with assistance ex-
9 tended under this Act, shall extend to property interests
10 of the Secretary in relation to projects approved under the
11 Public Works and Economic Development Act of 1965,
12 title I of the Public Works Employment Act of 1976, title
13 II of the Trade Act of 1974, and the Community Emer-
14 gency Drought Relief Act of 1977. Property interests in
15 connection with grants may be released, whole or in part,
16 in the Secretary’s discretion, after 20 years from the date
17 of grant disbursement.

18 “(e) POWERS OF CONVEYANCE AND EXECUTION.—
19 The power to convey and to execute, in the name of the
20 Secretary, deeds of conveyance, deeds of release, assign-
21 ments and satisfactions of mortgages, and any other writ-
22 ten instrument relating to real or personal property or any
23 interest therein acquired by the Secretary pursuant to the
24 provisions of this Act may be exercised by the Secretary,
25 or by any officer or agent appointed by the Secretary for

1 such purpose, without the execution of any express delega-
2 tion of power or power of attorney.

3 **“SEC. 602. MAINTENANCE OF STANDARDS.**

4 “The Secretary shall continue to implement and en-
5 force the provisions of section 712 of this Act, as in effect
6 on the day before the effective date of the Economic Devel-
7 opment Partnership Act of 1997.

8 **“SEC. 603. ANNUAL REPORT TO CONGRESS.**

9 “The Secretary shall transmit a comprehensive and
10 detailed annual report to Congress of the Secretary’s ac-
11 tivities under this Act for each fiscal year beginning with
12 the fiscal year ending September 30, 1998, Such report
13 shall be printed and shall be transmitted to Congress not
14 later than July 1 of the year following the fiscal year with
15 respect to which such report is made.

16 **“SEC. 604. USE OF OTHER FACILITIES.**

17 “(a) DELEGATION OF FUNCTIONS TO OTHER FED-
18 ERAL DEPARTMENTS AND AGENCIES.—The Secretary
19 may delegate to the heads of other departments and agen-
20 cies of the Federal Government any of the Secretary’s
21 functions, powers, and duties under this Act as the Sec-
22 retary may deem appropriate, and authorize the redelega-
23 tion of such functions, powers, and duties by the heads
24 of such departments and agencies.

1 “(b) TRANSFER BETWEEN DEPARTMENTS.—Funds
2 authorized to be appropriated under this Act may be
3 transferred between departments and agencies of the Gov-
4 ernment, if such funds are used for the purposes for which
5 they are specifically authorized and appropriated.

6 “(c) FUNDS TRANSFERRED FROM OTHER DEPART-
7 MENTS AND AGENCIES.—In order to carry out the objec-
8 tives of this Act, the Secretary may accept transfers of
9 funds from other departments and agencies of the Federal
10 Government in the funds are used for the purposes for
11 which (and in accordance with the terms under which) the
12 funds are specifically authorized and appropriated. Such
13 transferred funds shall remain available until expended,
14 and may be transferred to and merged with the appropria-
15 tions under the heading ‘salaries and expenses’ by the Sec-
16 retary to the extent necessary to administer the program.

17 **“SEC. 605. PENALTIES.**

18 “(a) FALSE STATEMENTS, SECURITY OVER-
19 VALUATION.—Whoever makes any statement knowing it
20 to be false, or whoever willfully overvalues any security,
21 for the purpose of obtaining for such person or for any
22 applicant any financial assistance under this Act or any
23 extension of such assistance by renewal, deferment or ac-
24 tion, or otherwise, or the acceptance, release, or substi-
25 tution of security for such assistance, or for the purpose

1 of influencing in any way the action of the Secretary or
2 for the purpose of obtaining money, property, or anything
3 of value, under this Act, shall be fined under title 18,
4 United States Code, imprisoned for not more than 5 years,
5 or both.

6 “(b) EMBEZZLEMENT AND FRAUD-RELATED
7 CRIMES.—Whoever, being connected in any capacity with
8 the Secretary in the administration of this Act—

9 “(1) embezzles, abstracts, purloins, or willfully
10 misapplies any moneys, funds, securities, or other
11 things of value, whether belonging to such person or
12 pledged or otherwise entrusted to such person;

13 “(2) with intent to defraud the Secretary or
14 any other politic or corporate, or any individual, or
15 to deceive any officer, auditor, or examiner, makes
16 any false entry in any book, report, or statement of
17 or to the Secretary or without being duly authorized
18 draws any orders or issues, puts forth, or assigns
19 any note, debenture, bond, or other obligation, or
20 draft, bill of exchange, mortgage, judgment, or de-
21 cree thereof;

22 “(3) with intent to defraud, participates or shares in
23 or receives directly or indirectly any money, profit, prop-
24 erty, or benefit through any transaction, loan, grant, com-
25 mission, contract, or any other act of the Secretary; or

1 “(4) gives any unauthorized information concerning
2 any future action or plan of the Secretary which might
3 affect the value of securities, or having such knowledge
4 invests or speculates, directly or indirectly, in the securi-
5 ties or property of any company or corporation receiving
6 loans, grants, or other assistance from the Secretary, shall
7 be fined under title 18, United States Code, imprisoned
8 for not more than 5 years, or both.

9 **“SEC. 606. EMPLOYMENT OF EXPEDITERS AND ADMINIS-**
10 **TRATIVE EMPLOYEES.**

11 “No financial assistance shall be extended by the Sec-
12 retary under this Act to any business enterprise unless
13 the owners, partners, or officers of such business enter-
14 prise—

15 “(1) certify to the Secretary the names of any
16 attorneys, agents, and other persons engaged by or
17 on behalf of such business enterprise for the purpose
18 of expediting applications made to the Secretary for
19 assistance of any sort, under this Act, and the fees
20 paid or to be paid to any such person; and

21 “(2) execute an agreement binding such busi-
22 ness enterprise, for a period of 2 years after such
23 assistance is rendered by the Secretary to such busi-
24 ness enterprise, to refrain from employing, tendering
25 any office or employment to, or retaining for profes-

1 sional services, any person who, on the date such as-
2 sistance or any part thereof was rendered, or within
3 the 1-year period ending on such date, shall have
4 served as an officer, attorney, agent, or employee,
5 occupying a position or engaging in activities which
6 the Secretary determines involves discretion with re-
7 spect to the granting of assistance under this Act.

8 **“SEC. 607. MAINTENANCE OF RECORDS OF APPROVED AP-**
9 **PLICATIONS FOR FINANCIAL ASSISTANCE;**
10 **PUBLIC INSPECTION.**

11 “(a) MAINTENANCE OF RECORD REQUIRES.—The
12 Secretary shall maintain as a permanent part of the
13 records of the Department of Commerce a list of applica-
14 tions approved for financial assistance under this Act,
15 which shall be kept available for public Inspection during
16 the regular business hours of the Department of Com-
17 merce.

18 “(b) POSTING TO LIST.—The following information
19 shall be posted in such list as soon as each application
20 is approved:

21 “(1) The name of the applicant and, in the case
22 of corporate applications, the names of the officers
23 and directors thereof.

24 “(2) The amount and duration of the financial
25 assistance for which application is made.

1 “(3) The purposes for which the proceeds of the
2 financial assistance are to be used.

3 **“SEC. 608. RECORDS AND AUDIT.**

4 “(a) RECORDKEEPING AND DISCLOSURE REQUIRE-
5 MENTS.—Each recipient of assistance under this Act shall
6 keep such records as the Secretary shall prescribe, includ-
7 ing records which fully disclose the amount and the dis-
8 position by such recipient of the proceeds of such assist-
9 ance, the total cost of the project or undertaking in con-
10 nection with which such assistance is given or used, and
11 the amount and nature of that portion of the cost of the
12 project or undertaking supplied by other sources, and such
13 other records as will facilitate and effective audit.

14 “(b) ACCESS TO BOOKS FOR EXAMINATION AND
15 AUDIT.—The Secretary, the Inspector General of the De-
16 partment of Commerce, and the Comptroller General of
17 the United States, or any of their duly authorized rep-
18 resentatives, shall have access for the purpose of audit and
19 examination to any books, documents, papers, and records
20 of the recipient that are pertinent to assistance received
21 under this Act.

1 **“SEC. 609. PROHIBITION AGAINST A STATUTORY CON-**
2 **STRUCTION WHICH MIGHT CAUSE DIMINU-**
3 **TION IN OTHER FEDERAL ASSISTANCE.**

4 “All financial and technical assistance authorized
5 under this Act shall be in addition to any Federal assist-
6 ance previously authorized, and no provision of this Act
7 shall be construed as authorizing or permitting any reduc-
8 tion or diminution in the proportional amount of Federal
9 assistance which any State or other entity eligible under
10 this Act would otherwise be entitled to receive under the
11 provisions of any other Act.

12 **“SEC. 610. ACCEPTANCE OF APPLICANTS’ CERTIFICATIONS.**

13 “The Secretary may accept, when deemed appro-
14 priate, the applicants’ certifications to meet the require-
15 ments of this Act.

16 **“TITLE VII—FUNDING**

17 **“SEC. 701. AUTHORIZATION OF APPROPRIATIONS**

18 “There is authorized to be appropriated to carry out
19 this Act \$343,028,000 for fiscal year 1998 and such sums
20 as may be necessary for each fiscal years 1999 through
21 2002, such sums to remain available until expended.

22 **“SEC. 702. DEFENSE CONVERSION ACTIVITIES.**

23 “In addition to the appropriations authorized by sec-
24 tion 701, there are authorized to be appropriated to carry
25 out this Act such sums as may be necessary to provide
26 assistance for defense conversion activities. Such funding

1 may include pilot projects for privatization and economic
2 development activities for closed or realigned military or
3 Department of Energy installations. Such sums shall re-
4 main available until expended.

5 **“SEC. 703. DISASTER ECONOMIC RECOVERY ACTIVITIES.**

6 “In addition to the appropriations authorized by sec-
7 tion 701, there are authorized to be appropriated to carry
8 out this Act such sums as may be necessary to provide
9 assistance for disaster economic recovery activities. Such
10 sums shall remain available until expended.”.

11 **SEC. 3. SAVINGS PROVISIONS.**

12 (a) EXISTING RIGHTS, DUTIES, AND OBLIGATIONS
13 NOT AFFECTED.—This Act shall not be construed as af-
14 fecting the validity of any right, duty, or obligation of the
15 United States or any other person arising or pursuant to
16 any contract, loan, or other instrument or agreement
17 which was in effect on the day before the effective date
18 of this Act.

19 (b) CONTINUATION OF SUITS.—No action or other
20 proceeding commenced by or against any officer or em-
21 ployee of the Economic Development Administration shall
22 abate by reason of the enactment of this Act.

23 (c) LIQUIDATING ACCOUNT.—The Economic Devel-
24 opment Revolving Fund hitherto established under section
25 203 of the Public Works and Economic Development Act

1 of 1965 shall continue to be available to the Secretary as
2 a liquidating account as defined under section 502 of the
3 Federal Credit Reform Act of 1990 for payment of obliga-
4 tions and expenses in connection with financial assistance
5 extended under this Act, said Act of 1965, the Area Rede-
6 velopment Act, and the Trade Act of 1974.

7 (d) ADMINISTRATION.—The Secretary shall take
8 such actions as authorized before the effective date of this
9 Act as necessary or appropriate to administer and liq-
10 uidate existing grants, contracts, agreements, loans, obli-
11 gations, debentures, or guarantees heretofore made by the
12 Secretary or the Secretary's delegatee pursuant to provi-
13 sions in effect immediately prior to the effective date of
14 this Act.

○