

109TH CONGRESS
2D SESSION

S. 26

To establish the Northern Appalachian Economic Development Commission,
and for other purposes.

IN THE SENATE OF THE UNITED STATES

DECEMBER 8, 2006

Ms. SNOWE (for herself and Ms. COLLINS) introduced the following bill; which
was read twice and referred to the Committee on Environment and Public
Works

A BILL

To establish the Northern Appalachian Economic
Development Commission, and for other purposes.

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; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Northern Appalachian Economic Development Commis-
6 sion Act of 2006”.

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

Sec. 1. Short title; table of contents.

Sec. 2. Findings.

Sec. 3. Definitions.

Sec. 4. Northern Appalachian Economic Development Commission.

- Sec. 5. Local development districts; certification and administrative expenses.
- Sec. 6. Regional development strategy.
- Sec. 7. Economic development grants.
- Sec. 8. Program development criteria.
- Sec. 9. Approval of development strategies and projects.
- Sec. 10. Records.
- Sec. 11. Annual report.
- Sec. 12. Consent of state.
- Sec. 13. Private property protection and lack of regulatory effect.
- Sec. 14. Authorization of appropriations.
- Sec. 15. Termination of Commission.

1 **SEC. 2. FINDINGS.**

2 Congress finds that—

3 (1) the Northern Appalachian region in the
 4 States of Maine, New Hampshire, Vermont, and
 5 New York is abundant in natural resources and rich
 6 in potential, but—

7 (A) the economic growth of the Northern
 8 Appalachian region lags behind much of the
 9 United States; and

10 (B) the people of the Northern Appa-
 11 lachian region have not shared in the economic
 12 prosperity of the United States;

13 (2) manufacturing sector losses and outmigra-
 14 tion in the region have contributed greatly to the
 15 difficulties of the region with respect to entrepre-
 16 neurial development and sustainability;

17 (3) the historic reliance of the region on a few
 18 basic industries and agriculture has failed to provide
 19 an adequate base for the protection of the natural

1 resources of, and vigorous self-sustaining growth in,
2 the region;

3 (4) small communities and rural communities
4 across the region continue to face economic shifts,
5 outmigration, and uncertainty;

6 (5) small businesses are fueling the economic
7 growth of the United States by—

8 (A) producing over 50 percent of the Gross
9 Domestic Product; and

10 (B) creating $\frac{3}{4}$ of all new jobs in the
11 United States;

12 (6) economic development of the region is fea-
13 sible, desirable, and urgently needed;

14 (7) entrepreneurship is a critical element in the
15 establishment of self-sustaining communities that
16 create jobs and contribute broadly to economic and
17 community development;

18 (8) the Northern Appalachian region has his-
19 toric significance, recreational values, ecological val-
20 ues, and productive capacity that should be pre-
21 served to help drive development and maintain com-
22 munity well-being in the region;

23 (9) the amount of funding available through ex-
24 isting Federal programs should be increased to ade-

quately address economic, community, and conservation needs in the region;

(10) the qualifying criteria of many Federal programs exclude or underrepresent the unique land ownership patterns and socioeconomic characteristics of the Northern Appalachian region;

(11) State and local governments and the people of the region have made progress in addressing the economic problems of the region while striving to—

(A) conserve the natural resource base;

(B) maintain the working forests;

(C) preserve open space; and

(D) provide opportunities for recreation and tourism;

(12) providing Federal assistance to the region is necessary to—

(A) address the special economic and conservation challenges of the region; and

(B) promote development on a coordinated and concerted regional basis;

(13) economic development of the region is feasible, desirable, and urgently needed;

(14) Federal assistance for the region should preserve the traditional industries of the region, in-

cluding manufacturing, tourism, forestry, natural resources, agriculture, and outdoor recreation; and

(15) in order to provide support and develop economic opportunities in the region, consideration should be given to State and local government and economic development organizations that promote small business and entrepreneurship for purposes of determining how to allocate Federal assistance under this Act in the region.

SEC. 3. DEFINITIONS.

In this Act:

(1) COMMISSION.—The term “Commission” means the Northern Appalachian Economic Development Commission established by section 4(a).

(2) CONSERVATION.—The term “conservation” means—

(A) the preservation and protection of productive working forests; and

(B) valuing the ecological and recreational uses of productive working forests.

(3) FEDERAL GRANT PROGRAM.—The term “Federal grant program” means a Federal grant program to provide assistance in carrying out economic, community, or conservation development activities.

1 (4) LOCAL DEVELOPMENT DISTRICT.—The
 2 term “local development district” means a local de-
 3 velopment district designated under section 5(a).

4 (5) NONPROFIT ENTITY.—The term “nonprofit
 5 entity” means any entity with tax-exempt or non-
 6 profit status, as defined by the Internal Revenue
 7 Service.

8 (6) REGION.—

9 (A) IN GENERAL.—The term “Region”
 10 means the area in the States of New York,
 11 Vermont, New Hampshire, and Maine that is
 12 comprised of—

13 (i) all counties or political subdivision
 14 or census tracts within counties that
 15 have—

16 (I) a population density of less
 17 than 500 individuals per square mile;
 18 and

19 (II)(aa) a per capita income less
 20 than 75 percent of the national aver-
 21 age;

22 (bb) a poverty level greater than
 23 125 percent of the national average;

1 (cc) an unemployment level
 2 greater than 200 percent of the na-
 3 tional average; or

4 (dd) a decline in population over
 5 the 10-year period ending on the date
 6 of enactment of this Act; or

7 (ii) all counties that are identified by
 8 the Commission as—

9 (I) economically distressed coun-
 10 ties; or

11 (II) economically distressed sub-
 12 regions within counties that do not
 13 qualify as economically distressed
 14 counties.

15 (B) EXCLUSION.—The term “Region”
 16 does not include a county or other political sub-
 17 division that is eligible for assistance from the
 18 Appalachian Regional Commission.

19 **SEC. 4. NORTHERN APPALACHIAN ECONOMIC DEVELOP-**
 20 **MENT COMMISSION.**

21 (a) ESTABLISHMENT.—

22 (1) IN GENERAL.—There is established the
 23 Northern Appalachian Economic Development Com-
 24 mission to provide advisory strategic guidance and
 25 coordination and grant assistance in support of eco-

1 nomic development, community development, and
 2 natural resource conservation in the Region.

3 (2) COMPOSITION.—The Commission shall be
 4 composed of—

5 (A) a Federal member, to be appointed by
 6 the President, with the advice and consent of
 7 the Senate; and

8 (B) the Governor of each State in the Re-
 9 gion that elects to participate in the Commis-
 10 sion.

11 (3) COCHAIRPERSON.—The Commission shall
 12 be headed by—

13 (A) the Federal member, who shall serve—

14 (i) as the Federal cochairperson; and

15 (ii) as a liaison between the Federal
 16 Government and the Commission; and

17 (B) a State cochairperson, who—

18 (i) shall be a Governor of a partici-
 19 pating State in the Region; and

20 (ii) shall be elected by the State mem-
 21 bers for a term of not less than 1 year.

22 (b) STATE ALTERNATES.—

23 (1) APPOINTMENT.—The State member of a
 24 participating State may have a single alternate, who

1 shall be appointed by the Governor of the State from
 2 among the cabinet or personal staff of the Governor.

3 (2) SERVICE.—An alternate appointed under
 4 paragraph (1) shall serve on the Commission in the
 5 event of the absence, death, disability, removal, or
 6 resignation of the member for whom the individual
 7 is an alternate.

8 (c) DECISIONS.—A decision by the Commission shall
 9 require the affirmative vote of—

10 (1) the Federal cochairperson; and

11 (2) a majority of the State members.

12 (d) AUTHORITY.—The authority of the Commis-
 13 sion—

14 (1) is limited to providing financial support and
 15 advisory coordination for natural resource conserva-
 16 tion and economic development activities in the Re-
 17 gion; and

18 (2) does not include—

19 (A) any power of eminent domain or other
 20 authority to compel the sale of land from an
 21 unwilling seller; or

22 (B) any zoning or other regulatory author-
 23 ity over land use.

24 (e) DUTIES.—The Commission shall—

1 (1) assess the capital assets of the Region
2 based on available research, demonstration projects,
3 assessments, and evaluations of the Region prepared
4 by Federal, State, or local agencies, local develop-
5 ment districts, or other appropriate sources, includ-
6 ing the Northern Forest Economic Adjustment
7 Strategy funded by the Economic Development Ad-
8 ministration;

9 (2) in consultation with private landowner rep-
10 resentatives from each State in the Region, to be ap-
11 pointed by the forest products association of the ap-
12 plicable State, develop advisory strategies for the
13 Region to help coordinate ongoing efforts to advance
14 economic development and natural resource con-
15 servation throughout the Region; and

16 (3) encourage and support industrial, commer-
17 cial, and other economic development projects and
18 natural resource conservation that would foster de-
19 velopment, including through—

20 (A) providing direct grants to support the
21 projects; and

22 (B) facilitating the coordinated application
23 of Federal, State, county, local, and private
24 funding sources.

1 (f) HEARINGS.—In carrying out subsection (e), the
 2 Commission may hold such hearings, meet and act at such
 3 times and places, take such testimony, receive such evi-
 4 dence, and print and distribute a description of such pro-
 5 ceedings and reports of the Commission as the Commis-
 6 sion considers advisable to carry out this Act.

7 (g) FEDERAL AGENCY COOPERATION.—A Federal
 8 agency shall—

9 (1) cooperate with the Commission; and

10 (2) provide, on request of the Federal cochair-
 11 person, appropriate assistance in carrying out this
 12 Act, in accordance with applicable Federal laws (in-
 13 cluding regulations).

14 (h) ADMINISTRATIVE EXPENSES.—

15 (1) IN GENERAL.—Administrative expenses of
 16 the Commission, shall be paid—

17 (A) by the Federal Government, in an
 18 amount equal to 50 percent of the administra-
 19 tive expenses; and

20 (B) by the States in the Region partici-
 21 pating in the Commission, in an amount equal
 22 to 50 percent of the administrative expenses.

23 (2) COMPENSATION.—

24 (A) FEDERAL COCHAIRPERSON.—The Fed-
 25 eral cochairperson shall be compensated at a

1 rate established under Federal law, as deter-
 2 mined by the President.

3 (B) STATE MEMBERS AND ALTERNATES.—

4 Each State member and alternate shall be com-
 5 pensated at a rate established under State law.

6 (C) ADDITIONAL PERSONNEL.—The Com-
 7 mission may appoint and fix the compensation
 8 of an executive director and such other per-
 9 sonnel as are necessary to enable the Commis-
 10 sion to carry out the duties of the Commission.

11 **SEC. 5. LOCAL DEVELOPMENT DISTRICTS; CERTIFICATION**
 12 **AND ADMINISTRATIVE EXPENSES.**

13 (a) DESIGNATION OF LOCAL DEVELOPMENT DIS-
 14 TRICT.—The State may designate local development dis-
 15 tricts to receive assistance under this Act, including—

16 (1) a planning district in existence on the date
 17 of enactment of this Act that is recognized by the
 18 Economic Development Administration of the De-
 19 partment of Commerce; or

20 (2) a developed district recognized by the State;
 21 or

22 (3) an entity designated by the Commission
 23 that satisfies the criteria development by the Eco-
 24 nomic Development Administration for a local devel-
 25 opment district.

1 (b) ADMINISTRATIVE GRANTS TO LOCAL DEVELOP-
2 MENT DISTRICTS.—

3 (1) IN GENERAL.—The Commission may pro-
4 vide a grant to a local development district for use
5 in paying administrative expenses of the local devel-
6 opment district.

7 (2) CONDITIONS FOR GRANTS.—

8 (A) MAXIMUM AMOUNT.—The amount of a
9 grant under paragraph (1) shall not exceed 80
10 percent of the administrative expenses of the
11 local development district receiving the grant.

12 (B) LOCAL SHARE.—The contributions of
13 a local development district for administrative
14 expenses may be in cash or in kind, fairly evalu-
15 ated, including space, equipment, and services.

16 (c) DUTIES OF LOCAL DEVELOPMENT DISTRICTS.—
17 A local development district shall—

18 (1) operate as a lead organization serving
19 multicounty areas in the Region at the local level;
20 and

21 (2) serve as a liaison between State and local
22 governments, nonprofit organizations (including
23 community-based groups and educational institu-
24 tions), the business community, and citizens that—

1 (A) are involved in multijurisdictional plan-
 2 ning; and

3 (B) provide technical assistance to poten-
 4 tial grantees.

5 **SEC. 6. REGIONAL DEVELOPMENT STRATEGY.**

6 (a) IN GENERAL.—Not later than 1 year after the
 7 date of enactment of this Act, the Commission shall de-
 8 velop an integrated development strategy for the Region
 9 (including 5-year regional outcome targets), taking into
 10 consideration the Northern Forest Economic Adjustment
 11 Strategy funded by the Economic Development Adminis-
 12 tration.

13 (b) STATE DEVELOPMENT STRATEGY.—

14 (1) IN GENERAL.—In accordance with policies
 15 established by the Commission, each State member
 16 shall submit to the Commission a development strat-
 17 egy for the area of the Region represented by the
 18 State member.

19 (2) CONTENTS.—A State development strategy
 20 submitted under paragraph (1) shall—

21 (A) reflect the goals, objectives, and prior-
 22 ities identified in the development strategy for
 23 the Region developed under subsection (a); and

24 (B) be consistent with State wildlife and
 25 open space planning efforts.

1 (3) CONSULTATION.—In developing a develop-
2 ment strategy, a State shall—

3 (A) consult with—

4 (i) local development districts;

5 (ii) units of local government;

6 (iii) institutions of higher education;

7 and

8 (iv) nongovernmental entities; and

9 (B) take into consideration the goals, ob-
10 jectives, priorities, and recommendations of the
11 entities described in subparagraph (A).

12 (c) PUBLIC PARTICIPATION.—The Commission and
13 applicable State and local development districts shall en-
14 courage and assist, to the maximum extent practicable,
15 public participation in the development, revision, and im-
16 plementation of all development strategies and programs
17 under this Act.

18 (d) LIMITATIONS.—A development strategy developed
19 by the Commission or a State under subsection (a) or (b),
20 respectively—

21 (1) shall be advisory only; and

22 (2) shall not supercede any other plan, strategy,
23 or policy prepared by—

24 (A) a Federal, State, or local agency;

25 (B) a local development district; or

1 (C) any other appropriate entity.

2 **SEC. 7. ECONOMIC DEVELOPMENT GRANTS.**

3 (a) IN GENERAL.—The Commission may approve
4 grants to States, local development districts, and public
5 and nonprofit entities for projects—

6 (1) to develop the infrastructure of the Region
7 for the purpose of facilitating development (except
8 that grants for this purpose may only be made to a
9 State or local government);

10 (2) to assist the Region in obtaining job train-
11 ing, employment-related education, and business de-
12 velopment;

13 (3) to assist the Region in community develop-
14 ment;

15 (4) to provide assistance to severely distressed
16 and underdeveloped areas;

17 (5) to conserve the resource base of the Region
18 to—

19 (A) maintain working forests;

20 (B) enhance habitat and open space; or

21 (C) maintain the ecological integrity of the
22 Region; and

23 (6) to otherwise achieve the purposes of this
24 Act.

1 (b) FUNDING.—Funds for grants under subsection
2 (a) may be provided—

3 (1) entirely from appropriations to carry out
4 this section;

5 (2) in combination with funds available under
6 another Federal or State grant program; or

7 (3) from any other source.

8 (c) ELIGIBLE PROJECTS.—The Commission may pro-
9 vide assistance, make grants, enter into contracts, and
10 otherwise provide funds to eligible entities in the Region
11 for projects that promote—

12 (1) job training or employment-related edu-
13 cation;

14 (2) local planning and leadership development;

15 (3) basic public infrastructure, including high-
16 tech infrastructure and productive natural resource
17 conservation;

18 (4) technical assistance for the modernization
19 and diversification of the forest products industry to
20 support value-added forest products enterprises;

21 (5) forest and land-related cultural, nature-
22 based, and heritage tourism;

23 (6) entrepenurship, including projects that—

24 (A) support business development;

1 (B) support the advancement of, and pro-
 2 vide entrepreneurship training and education
 3 to, aspiring entrepreneurs, existing businesses,
 4 and students;

5 (C) provide access to capital, including by
 6 facilitating the establishment of small business
 7 venture capital funds;

8 (D) develop and support business innova-
 9 tion;

10 (E) support existing entrepreneur and
 11 small business development programs and
 12 projects; and

13 (F) support projects for small business in-
 14 novation research; and

15 (7) any other project facilitating development in
 16 the Region.

17 (d) FEDERAL SHARE.—Notwithstanding any provi-
 18 sion of law limiting the Federal share under any grant
 19 program, funds made available to carry out this section
 20 may be used to increase the Federal share under a grant
 21 program, as the Commission determines appropriate.

22 **SEC. 8. PROGRAM DEVELOPMENT CRITERIA.**

23 (a) IN GENERAL.—In considering projects to be pro-
 24 vided assistance under this Act and in establishing a pri-
 25 ority ranking of the requests for assistance provided by

1 the Commission, the Commission shall follow procedures
2 that ensure, to the maximum extent practicable, consider-
3 ation of—

4 (1) the relationship of a project to overall re-
5 gional development in the State and the Region;

6 (2) the per capita income and poverty and un-
7 employment rates and other socioeconomic indicators
8 in an area, including outmigration;

9 (3) the financial resources available to the ap-
10 plicants for assistance seeking to carry out the
11 project, with emphasis on ensuring that projects are
12 adequately financed to maximize the probability of
13 successful development;

14 (4) the importance of the project in relation to
15 other projects that may be in competition for the
16 same funds;

17 (5) the prospects that the project for which as-
18 sistance is sought will improve, on a continuing rath-
19 er than a temporary basis, the opportunities for em-
20 ployment, the average level of income, economic de-
21 velopment, or natural resource integrity of the area
22 served by the project; and

23 (6) the extent to which the project design pro-
24 vides for detailed outcome measurements by which

1 grant expenditures and the results of the expendi-
2 tures may be evaluated.

3 (b) NO RELOCATION ASSISTANCE.—No financial as-
4 sistance authorized by this Act shall be used to assist an
5 establishment in relocating from 1 area to another.

6 (c) REDUCTION OF FUNDS.—Funds may be provided
7 for a project in a State under this Act only if the Commis-
8 sion determines that the level of Federal or State financial
9 assistance provided under a law other than this Act, for
10 the same type of program or project in the same area of
11 the State within the Region, will not be reduced as a result
12 of funds made available by this Act.

13 **SEC. 9. APPROVAL OF DEVELOPMENT STRATEGIES AND**
14 **PROJECTS.**

15 (a) IN GENERAL.—The Commission shall review any
16 State or regional development strategy or any multistate
17 subregional strategy that is proposed for development
18 under this Act.

19 (b) EVALUATION BY STATE MEMBER.—An applica-
20 tion for a grant or any other assistance for a project under
21 this Act shall be made through, and evaluated for approval
22 by, the State member of the Commission representing the
23 applicant.

24 (c) CERTIFICATION.—An application for a grant or
25 other assistance for a project shall be approved only on

1 certification by the State member and Federal cochair-
2 person that the application for the project—

3 (1) describes ways in which the project complies
4 with any applicable State development strategy;

5 (2) meets applicable criteria;

6 (3) provides adequate assurance that the pro-
7 posed project will be properly administered, oper-
8 ated, and maintained; and

9 (4) otherwise meets the requirements of this
10 Act.

11 (d) VOTES FOR DECISIONS.—On certification of an
12 application for a grant or other assistance for a specific
13 project under this section, an affirmative vote of the Com-
14 mission under section 4(c) shall be required for approval
15 of the application.

16 **SEC. 10. RECORDS.**

17 (a) RECORDS OF THE COMMISSION.—

18 (1) IN GENERAL.—The Commission shall main-
19 tain accurate and complete records of all trans-
20 actions and activities of the Commission.

21 (2) AVAILABILITY.—All records of the Commis-
22 sion shall be available for audit and examination by
23 the Comptroller General of the United States (in-
24 cluding authorized representatives of the Comp-

1 troller General) and Governors of participating
2 States.

3 (b) RECORDS OF RECIPIENTS OF FEDERAL ASSIST-
4 ANCE.—

5 (1) IN GENERAL.—A recipient of Federal funds
6 under this Act shall, as required by the Commission,
7 maintain accurate and complete records of trans-
8 actions and activities financed with Federal funds
9 and report on the transactions and activities to the
10 Commission.

11 (2) AVAILABILITY.—All records required under
12 paragraph (1) shall be available for audit by the
13 Comptroller General of the United States, and the
14 Commission (including authorized representatives of
15 the Comptroller General and the Commission).

16 **SEC. 11. ANNUAL REPORT.**

17 Not later than 180 days after the end of each fiscal
18 year, the Commission shall submit to the President and
19 to Congress a report describing the activities carried out
20 under this Act.

21 **SEC. 12. CONSENT OF STATE.**

22 Nothing in this Act requires any State to engage in
23 or accept any program under this Act without the consent
24 of the State.

1 **SEC. 13. PRIVATE PROPERTY PROTECTION AND LACK OF**
2 **REGULATORY EFFECT.**

3 (a) ACCESS TO PRIVATE PROPERTY.—Nothing in
4 this Act—

5 (1) requires a private property owner to permit
6 public access (including access by the Federal Gov-
7 ernment or State or local governments) to private
8 property; or

9 (2) modifies any provision of Federal, State, or
10 local law with respect to public access to, or use of,
11 private property.

12 (b) LIABILITY.—Nothing in this Act creates any li-
13 ability, or has any effect on liability under any other law,
14 of a private property owner with respect to any persons
15 injured on the private property.

16 (c) RECOGNITION OF AUTHORITY TO CONTROL
17 LAND USE.—Nothing in this Act modifies any authority
18 of the Federal Government or State or local governments
19 to regulate land use.

20 **SEC. 14. AUTHORIZATION OF APPROPRIATIONS.**

21 (a) IN GENERAL.—There is authorized to be appro-
22 priated to the Commission to carry out this Act
23 \$40,000,000 for each of fiscal years 2008 through 2012,
24 to remain available until expended.

25 (b) ADMINISTRATIVE EXPENSES.—Not more than 5
26 percent of the amounts made available under subsection

1 (a) for a fiscal year may be used for administrative ex-
2 penses of the Commission.

3 **SEC. 15. TERMINATION OF COMMISSION.**

4 The Commission shall terminate on October 1, 2010.

○