

110TH CONGRESS  
1ST SESSION

# S. 503

To establish the SouthEast Crescent Authority, and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

FEBRUARY 6, 2007

Mrs. DOLE (for herself, Mr. NELSON of Florida, Mr. BURR, Mr. GRAHAM, Mr. CHAMBLISS, Mr. ISAKSON, Mr. LOTT, Mr. COCHRAN, and Mr. MARTINEZ) introduced the following bill; which was read twice and referred to the Committee on Environment and Public Works

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# A BILL

To establish the SouthEast Crescent Authority, 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.**

4        This Act may be cited as the “SouthEast Crescent  
5        Authority Act of 2007”.

6       **SEC. 2. DEFINITIONS.**

7        In this Act, the following definitions apply:

8           (1) AUTHORITY.—The term “Authority” means  
9        the SouthEast Crescent Authority established by  
10       section 3.

## 14 SEC. 3. SOUTHEAST CRESCENT AUTHORITY.

15 (a) ESTABLISHMENT.—

16 (1) IN GENERAL.—There is established the  
17 SouthEast Crescent Authority.

20 (A) a Federal member, to be appointed by  
21 the President, with the advice and consent of  
22 the Senate; and

23 (B) the Governor of each State in the re-  
24 gion that elects to participate in the Authority.

3 (A) the Federal member, who shall serve—  
4 (i) as the Federal cochairperson; and  
5 (ii) as a liaison between the Federal  
6 Government and the Authority; and  
7 (B) a State cochairperson, who—  
8 (i) shall be a Governor of a partici-  
9 pating State in the region; and  
10 (ii) shall be elected by the State mem-  
11 bers for a term of not less than 1 year.

12 (b) ALTERNATE MEMBERS.—

13 (1) STATE ALTERNATES.—

14 (A) APPOINTMENT.—The State member of  
15 a participating State may have a single alter-  
16 nate, who shall be appointed by the Governor of  
17 the State from among the Governor's cabinet or  
18 personal staff.

19 (B) VOTING.—An alternate shall vote in  
20 the event of the absence, death, disability, re-  
21 moval, or resignation of the member for whom  
22 the individual is an alternate.

### 1 (3) QUORUM.—

6 (B) FEDERAL COCHAIRPERSON.—The  
7 Federal cochairperson or the Federal cochair-  
8 person's designee must be present for the estab-  
9 lishment of a quorum of the Authority.

10 (C) STATE ALTERNATES.—A State alter-  
11 nate shall not be counted toward the establish-  
12 ment of a quorum of the Authority.

18 (A) who is not a Authority member; or  
19 (B) who is not entitled to vote in Authority  
20 meetings.

21 (c) DECISIONS.—

1 members, exclusive of members representing States  
2 delinquent under subsection (g)(2)(C).

3 (2) CONSULTATION.—In matters coming before  
4 the Authority, the Federal cochairperson, to the ex-  
5 tent practicable, shall consult with the Federal de-  
6 partments and agencies having an interest in the  
7 subject matter.

8 (3) DECISIONS REQUIRING QUORUM OF STATE  
9 MEMBERS.—The following decisions may not be  
10 made without a quorum of State members:

11 (A) A decision involving Authority policy.  
12 (B) Approval of State, regional, or sub-  
13 regional development plans or strategy state-  
14 ments.

15 (C) Modification or revision of the  
16 Authority's code.

17 (D) Allocation of amounts among the  
18 States.

19 (E) Designation of a distressed county.

20 (4) PROJECT AND GRANT PROPOSALS.—The ap-  
21 proval of project and grant proposals is a responsi-  
22 bility of the Authority and shall be carried out in ac-  
23 cordance with section 10.

24 (d) DUTIES.—The Authority shall—

19 (B) if no local development district exists in an  
20 area in a participating State in the region, foster the  
21 creation of a local development district; and

22 (5) encourage private investment in industrial,  
23 commercial, and other economic development  
24 projects in the region.

1       (e) ADMINISTRATION.—In carrying out subsection  
2 (d), the Authority may—

3           (1) hold such hearings, sit and act at such  
4 times and places, take such testimony, receive such  
5 evidence, and print or otherwise reproduce and dis-  
6 tribute a description of the proceedings and reports  
7 on actions by the Authority as the Authority con-  
8 siders appropriate;

9           (2) authorize, through the Federal or State co-  
10 chairperson or any other member of the Authority  
11 designated by the Authority, the administration of  
12 oaths if the Authority determines that testimony  
13 should be taken or evidence received under oath;

14           (3) request from any Federal, State, or local  
15 department or agency such information as may be  
16 available to or procurable by the department or  
17 agency that may be of use to the Authority in car-  
18 rying out duties of the Authority;

19           (4) adopt, amend, and repeal bylaws and rules  
20 governing the conduct of Authority business and the  
21 performance of Authority duties;

22           (5) request the head of any Federal department  
23 or agency to detail to the Authority such personnel  
24 as the Authority requires to carry out duties of the

1       Authority, each such detail to be without loss of se-  
2       niority, pay, or other employee status;

3               (6) request the head of any State department  
4       or agency or local government to detail to the Au-  
5       thority such personnel as the Authority requires to  
6       carry out duties of the Authority, each such detail  
7       to be without loss of seniority, pay, or other em-  
8       ployee status;

9               (7) provide for coverage of Authority employees  
10      in a suitable retirement and employee benefit system  
11      by—

12                       (A) making arrangements or entering into  
13      contracts with any participating State govern-  
14      ment; or

15                       (B) otherwise providing retirement and  
16      other employee benefit coverage;

17               (8) accept, use, and dispose of gifts or dona-  
18      tions of services or real, personal, tangible, or intan-  
19      gible property;

20               (9) enter into and perform such contracts or  
21      other transactions as are necessary to carry out Au-  
22      thority duties;

23               (10) establish and maintain a central office lo-  
24      cated within the Southeast Crescent Authority re-

1 gion and field offices at such locations as the Au-  
2 thority may select; and

3 (11) provide for an appropriate level of rep-  
4 resentation in Washington, D.C.

5 (f) FEDERAL AGENCY COOPERATION.—A Federal  
6 agency shall—

7 (1) cooperate with the Authority; and  
8 (2) provide, on request of the Federal cochair-  
9 person, appropriate assistance in carrying out this  
10 Act, in accordance with applicable Federal laws (in-  
11 cluding regulations).

12 (g) ADMINISTRATIVE EXPENSES.—

13 (1) IN GENERAL.—Administrative expenses of  
14 the Authority (except for the expenses of the Fed-  
15 eral cochairperson, including expenses of the alter-  
16 nate and staff of the Federal cochairperson, which  
17 shall be paid solely by the Federal Government)  
18 shall be paid—

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

22 (B) by the States in the region partici-  
23 pating in the Authority, in an amount equal to  
24 50 percent of the administrative expenses.

25 (2) STATE SHARE.—

5 (B) NO FEDERAL PARTICIPATION.—The  
6 Federal cochairperson shall not participate or  
7 vote in any decision under subparagraph (A).

12 (i) no assistance under this Act shall  
13 be furnished to the State (including assist-  
14 ance to a political subdivision or a resident  
15 of the State); and

16 (ii) no member of the Authority from  
17 the State shall participate or vote in any  
18 action by the Authority.

19 (h) COMPENSATION.—

(2) ALTERNATE FEDERAL COCHAIRPERSON.—

### The alternate Federal cochairperson—

6 (B) when not actively serving as an alter-  
7 nate for the Federal cochairperson, shall per-  
8 form such functions and duties as are delegated  
9 by the Federal cochairperson.

10 (3) STATE MEMBERS AND ALTERNATES.—

11 (A) IN GENERAL.—A State shall com-  
12 pensate each member and alternate rep-  
13 resenting the State on the Authority at the rate  
14 established by law of the State.

15 (B) NO ADDITIONAL COMPENSATION.—No  
16 State member or alternate member shall receive  
17 any salary, or any contribution to or sup-  
18 plementation of salary from any source other  
19 than the State for services provided by the  
20 member or alternate to the Authority.

21 (4) DETAILED EMPLOYEES.—

22 (A) IN GENERAL.—No person detailed to  
23 serve the Authority under subsection (e)(6)  
24 shall receive any salary or any contribution to

1 or supplementation of salary for services pro-  
2 vided to the Authority from—

3 (i) any source other than the State,  
4 local, or intergovernmental department or  
5 agency from which the person was detailed;  
6 or

7 (ii) the Authority.

12 (C) APPLICABLE LAW.—The Federal co-  
13 chairperson, the alternate Federal cochair-  
14 person, and any Federal officer or employee de-  
15 tailed to duty on the Authority under sub-  
16 section (e)(5) shall not be subject to subpara-  
17 graph (A), but shall remain subject to sections  
18 202 through 209 of title 18, United States  
19 Code.

20 (5) ADDITIONAL PERSONNEL.—

21 (A) COMPENSATION.—

22 (i) IN GENERAL.—The Authority may  
23 appoint and fix the compensation of an ex-  
24 ecutive director and such other personnel

1 as are necessary to enable the Authority to  
2 carry out the duties of the Authority.

3 (ii) EXCEPTION.—Compensation  
4 under clause (i) shall not exceed the maximum  
5 rate for the Senior Executive Service  
6 under section 5382 of title 5, United  
7 States Code, including any applicable locality-based  
8 comparability payment that may  
9 be authorized under section 5304(h)(2)(C)  
10 of that title.

11 (B) EXECUTIVE DIRECTOR.—The executive  
12 director shall be responsible for—

13 (i) the carrying out of the administrative  
14 duties of the Authority;

15 (ii) direction of the Authority staff;  
16 and

17 (iii) such other duties as the Authority  
18 may assign.

19 (C) NO FEDERAL EMPLOYEE STATUS.—No  
20 member, alternate, officer, or employee of the  
21 Authority (except the Federal cochairperson of  
22 the Authority, the alternate and staff for the  
23 Federal cochairperson, and any Federal em-  
24 ployee detailed to the Authority under sub-

1                   section (e)(5)) shall be considered to be a Fed-  
2                   eral employee for any purpose.

3                   (i) CONFLICTS OF INTEREST.—

4                   (1) IN GENERAL.—Except as provided under  
5                   paragraph (2), no State member, alternate, officer,  
6                   or employee of the Authority shall participate per-  
7                   sonally and substantially as a member, alternate, of-  
8                   ficer, or employee of the Authority, through decision,  
9                   approval, disapproval, recommendation, the ren-  
10                   dering of advice, investigation, or otherwise, in any  
11                   proceeding, application, request for a ruling or other  
12                   determination, contract, claim, controversy, or other  
13                   matter in which, to knowledge of the member, alter-  
14                   native, officer, or employee any of the following per-  
15                   sons has a financial interest:

16                   (A) The member, alternate, officer, or em-  
17                   ployee.

18                   (B) The spouse, minor child, or partner of  
19                   the member, alternate, officer, or employee.

20                   (C) Any organization (other than a State  
21                   or political subdivision of the State) in which  
22                   the member, alternate, officer, or employee is  
23                   serving as an officer, director, trustee, partner,  
24                   or employee.

14 (B) makes full disclosure of the financial  
15 interest; and

16 (C) before the proceeding concerning the  
17 matter presenting the conflict of interest, re-  
18 ceives a written determination by the Authority  
19 that the interest is not so substantial as to be  
20 likely to affect the integrity of the services that  
21 the Authority may expect from the State mem-  
22 ber, alternate, officer, or employee.

1       (j) VALIDITY OF CONTRACTS, LOANS, AND  
2 GRANTS.—The Authority may declare void any contract,  
3 loan, or grant of or by the Authority in relation to which  
4 the Authority determines that there has been a violation  
5 of any provision under subsection (h)(4), subsection (i),  
6 or sections 202 through 209 of title 18, United States  
7 Code.

8 **SEC. 4. ECONOMIC AND COMMUNITY DEVELOPMENT**

9                   **GRANTS.**

10       (a) IN GENERAL.—The Authority may approve  
11 grants to States and public and nonprofit entities for  
12 projects, approved in accordance with section 10—

13               (1) to develop the infrastructure of the region  
14 for the purpose of facilitating economic development  
15 in the region (except that grants for this purpose  
16 may only be made to a State or local government);  
17               (2) to assist the region in obtaining job train-  
18 ing, employment-related education, and business de-  
19 velopment;

20               (3) to provide assistance to severely distressed  
21 and underdeveloped areas; and

22               (4) to otherwise achieve the purposes of this  
23 Act.

24       (b) FUNDING.—

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

7 or

8 (C) from any other source.

18 (A) business development;

19 (B) job training or employment-related  
20 education;

21 (C) local planning and leadership develop-  
22 ment;

23 (D) basic public infrastructure, including  
24 high-tech infrastructure, in distressed counties  
25 and isolated areas of distress; and

(E) any other project facilitating economic development in the region.

## 9 SEC. 5. SUPPLEMENTS TO FEDERAL GRANT PROGRAMS.

(a) FEDERAL GRANT PROGRAM FUNDING.—In accordance with subsection (b), the Federal cochairperson may use amounts made available to carry out this Act, without regard to any limitations on areas eligible for assistance or authorizations for appropriation under any other Act, to fund all or any portion of the basic Federal contribution to a project or activity under a Federal grant program in the region in an amount that is above the fixed maximum portion of the cost of the project otherwise authorized by applicable law, but not to exceed 80 percent of the costs of the project.

21 (b) CERTIFICATION.—

22 (1) IN GENERAL.—In the case of any program  
23 or project for which all or any portion of the basic  
24 Federal contribution to the project under a Federal  
25 grant program is proposed to be made under this

1 section, no Federal contribution shall be made until  
2 the Federal official administering the Federal law  
3 authorizing the contribution certifies that the pro-  
4 gram or project—

5 (A) meets the applicable requirements of  
6 the applicable Federal grant law; and

7 (B) could be approved for Federal con-  
8 tribution under the law if funds were available  
9 under the law for the program or project.

10 (2) CERTIFICATION BY AUTHORITY.—

11 (A) IN GENERAL.—The certifications and  
12 determinations required to be made by the Au-  
13 thority for approval of projects under this Act  
14 in accordance with section 10—

15 (i) shall be controlling; and

16 (ii) shall be accepted by the Federal  
17 agencies.

18 (B) ACCEPTANCE BY FEDERAL COCHAIR-  
19 PERSON.—Any finding, report, certification, or  
20 documentation required to be submitted to the  
21 head of the department, agency, or instrumen-  
22 tality of the Federal Government responsible for  
23 the administration of any Federal grant pro-  
24 gram shall be accepted by the Federal cochair-

1           person with respect to a supplemental grant for  
2           any project under the program.

## 3 SEC. 6. LOCAL DEVELOPMENT DISTRICTS; CERTIFICATION 4 AND ADMINISTRATIVE EXPENSES.

5 (a) DEFINITION OF LOCAL DEVELOPMENT DIS-  
6 TRICT.—In this section, the term “local development dis-  
7 trict” means an entity designated by the State that—

8 (1) is—

21 (2) has not, as certified by the Federal cochair-  
22 person—

23 (A) inappropriately used Federal grant  
24 funds from any Federal source; or

5 (b) GRANTS TO LOCAL DEVELOPMENT DISTRICTS.—

9 (2) CONDITIONS FOR GRANTS.—

10 (A) MAXIMUM AMOUNT.—The amount of  
11 any grant awarded under paragraph (1) shall  
12 not exceed 80 percent of the administrative ex-  
13 penses of the local development district receiv-  
14 ing the grant.

15 (B) LOCAL SHARE.—The contributions of  
16 a local development district for administrative  
17 expenses may be in cash or in kind, fairly eval-  
18 uated, including space, equipment, and services.

19 (c) DUTIES OF LOCAL DEVELOPMENT DISTRICTS.—

20 A local development district shall—

21 (1) operate as a lead organization serving  
22 multicounty areas in the region at the local level;  
23 and

24 (2) serve as a liaison between State and local  
25 governments, nonprofit organizations (including

1       community-based groups and educational institu-  
2       tions), the business community, and citizens that—  
3                   (A) are involved in multijurisdictional plan-  
4                   ning;  
5                   (B) provide technical assistance to local ju-  
6                   risdictions and potential grantees; and  
7                   (C) provide leadership and civic develop-  
8                   ment assistance.

9 **SEC. 7. DISTRESSED COUNTIES AND AREAS AND NONDIS-  
10                   TRESSED COUNTIES.**

11       Not later than 90 days after the date of enactment  
12       of this Act, and annually thereafter, the Authority, in ac-  
13       cordance with such criteria as the Authority establishes,  
14       may designate—

15                   (1) as distressed counties, counties in the re-  
16                   gion that are the most severely and persistently dis-  
17                   tressed and underdeveloped and have high rates of  
18                   poverty, low per capita income, or high rates of un-  
19                   employment; and

20                   (2) as isolated areas of distress, areas located  
21                   in nondistressed counties in the region that are se-  
22                   verely and persistently distressed as documented by  
23                   comparable statistical measures.

1 **SEC. 8. DEVELOPMENT PLANNING PROCESS.**

2 (a) STATE DEVELOPMENT PLAN.—In accordance  
3 with policies established by the Authority, each State  
4 member shall submit a development plan for the area of  
5 the region represented by the State member.

6 (b) CONTENT OF PLAN.—A State development plan  
7 submitted under subsection (a) shall reflect the goals, ob-  
8 jectives, and priorities identified in the regional develop-  
9 ment plan developed under section 3(d)(2).

10 (c) CONSULTATION.—In carrying out the develop-  
11 ment planning process, a State shall—

12 (1) consult with—  
13 (A) local development districts;  
14 (B) local units of government; and  
15 (C) institutions of higher learning; and

16 (2) take into consideration the goals, objectives,  
17 priorities, and recommendations of the entities de-  
18 scribed in paragraph (1).

19 (d) PUBLIC PARTICIPATION.—The Authority and ap-  
20 plicable State and local development districts shall encour-  
21 age and assist, to the maximum extent practicable, public  
22 participation in the development, revision, and implemen-  
23 tation of all plans and programs under this Act.

24 **SEC. 9. PROGRAM DEVELOPMENT CRITERIA.**

25 (a) IN GENERAL.—In considering programs and  
26 projects to be provided assistance under this Act, and in

1 establishing a priority ranking of the requests for assist-  
2 ance provided by the Authority, the Authority shall follow  
3 procedures that ensure, to the maximum extent prac-  
4 ticable, consideration of—

5 (1) the relationship of the project to overall re-  
6 gional development;

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

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

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

18 (5) the prospects that the project for which as-  
19 sistance is sought will improve, on a continuing rath-  
20 er than a temporary basis, the opportunities for em-  
21 ployment, the average level of income, or the eco-  
22 nomic development of the area served by the project;  
23 and

24 (6) the extent to which the project design pro-  
25 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 program or project in a State under this Act only  
8 if the Authority determines that the level of Federal or  
9 State financial assistance provided under a law other than  
10 this Act, for the same type of program or project in the  
11 same area of the State within the region, will not be re-  
12 duced as a result of funds made available by this Act.

13 **SEC. 10. APPROVAL OF DEVELOPMENT PLANS AND**  
14 **PROJECTS.**

15 (a) IN GENERAL.—A State or regional development  
16 plan or any multistate subregional plan that is proposed  
17 for development under this Act shall be reviewed by the  
18 Authority.

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 Authority 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 plan;
  - 5 (2) meets applicable criteria under section 9;
  - 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.—Upon certification of an  
12 application for a grant or other assistance for a specific  
13 project under this section, an affirmative vote of the Au-  
14 thority under section 3(c) shall be required for approval  
15 of the application.

## 16 SEC. 11. CONSENT OF STATES.

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

## 20 SEC. 12. RECORDS.

21 (a) RECORDS OF THE AUTHORITY.—

22 (1) IN GENERAL.—The Authority shall main-  
23 tain accurate and complete records of all trans-  
24 actions and activities of the Authority.

6 (b) RECORDS OF RECIPIENTS OF FEDERAL ASSIST-  
7 ANCE.—

## 19 SEC. 13. ANNUAL REPORT.

20 Not later than 180 days after the end of each fiscal  
21 year, the Authority shall submit to the President and to  
22 Congress a report describing the activities carried out  
23 under this Act.

1 **SEC. 14. AUTHORIZATION OF APPROPRIATIONS.**

2 (a) IN GENERAL.—There is authorized to be appropriated to the Authority to carry out this Act \$40,000,000  
3 for each of fiscal years 2008 through 2012, to remain  
4 available until expended.

5 (b) ADMINISTRATIVE EXPENSES.—Not more than 5  
6 percent of the amount appropriated under subsection (a)  
7 for a fiscal year shall be used for administrative expenses  
8 of the Authority.

9 **SEC. 15. TERMINATION OF AUTHORITY.**

10 This Act shall have no force or effect on or after Oc-  
11 tober 1, 2012.

12 **SEC. 16. AREA COVERED BY SOUTHEAST CRESCENT AU-  
13 THORITY.**

14 SouthEast Crescent Authority region shall include all  
15 parts of the States of Virginia, North Carolina, South  
16 Carolina, Georgia, Alabama, Mississippi, and Florida that  
17 are not eligible for assistance from the Appalachian Re-  
18 gional Commission or the Delta Regional Authority.

○