

115TH CONGRESS
1ST SESSION

H. R. 3802

To reform the Appalachian Regional Commission, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 18, 2017

Mr. ROGERS of Kentucky introduced the following bill; which was referred to
the Committee on Transportation and Infrastructure

A BILL

To reform the Appalachian Regional 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.**

4 This Act may be cited as the “Appalachian Regional
5 Commission Reform Act”.

6 **SEC. 2. FINDINGS.**

7 (a) HEADQUARTERS.—Congress finds that—

8 (1) regional commissions, such as the Delta Re-
9 gional Authority, the Denali Commission, and the
10 Northern Border Regional Commission, are each
11 headquartered in their respective region;

1 (2) headquartering regional commissions within
2 the region affected is a sensible approach to ensure
3 that the commissions are housed in more affordable
4 locations than the District of Columbia, thereby re-
5 ducing administrative overhead and making the com-
6 missions closer and more accountable to the people
7 the commissions were designed to serve;

8 (3) the Appalachian Regional Commission (re-
9 ferred to in this Act as the “Commission”) is not
10 headquartered in Appalachia but in Washington,
11 DC; and

12 (4) the headquarters of the Commission should
13 be relocated from the District of Columbia to a more
14 affordable location in the Appalachian region so that
15 it is closer and more accountable to the people the
16 Commission was designed to serve.

17 (b) PERFORMANCE.—Congress finds that—

18 (1) the Commission was created to help foster
19 economic opportunity and close health and edu-
20 cational disparities in a geographic region of the
21 United States beleaguered by persistent poverty and
22 high unemployment;

23 (2) the Commission remains the sole Federal
24 agency focused singularly on economic revitalization
25 in the Appalachian region;

1 (3) in 1998, Congress charged the Commission
2 with “address[ing] the needs of severely and persist-
3 ently distressed areas of the Appalachian region and
4 focus[ing] special attention on the areas of greatest
5 need”;

6 (4) the Commission has long been criticized for
7 its shortcomings in fulfilling this mission, including
8 in—

9 (A) a 1999 study titled “Mountain Money:
10 Federal Tax Dollars Miss the Mark in Core Ap-
11 palachia” by Mark Ferencik and Jill Ripen-
12 hoff for the Columbus Dispatch; and

13 (B) a 2008 book titled “Uneven Ground:
14 Appalachia Since 1945” by Ronald D. Eller;

15 (5) in 2004, the Office of Management and
16 Budget noted the importance of the Commission
17 “[f]ocusing efforts on . . . targeting assistance to
18 areas of distress”;

19 (6) in 2017, Citizens Against Government
20 Waste characterized the programming of the Com-
21 mission as duplicative and called for drastic reduc-
22 tions in the budget of the Commission;

23 (7) in 2017, the Office of Management and
24 Budget, citing a Government Accountability Office
25 study, concluded that the Commission should be

1 abolished, and that conclusion was reflected in the
2 fiscal year 2018 budget request submitted by the
3 President;

4 (8) these recent actions reflect a growing cho-
5 rus that the Commission should be reformed; and

6 (9) therefore, given the long-recognized short-
7 comings of the Commission, the long-standing criti-
8 cism of the Commission, and the need to ensure its
9 optimal performance, the time has arrived for the
10 Commission to be reformed.

11 (c) PERSISTENT POVERTY.—Congress finds that—

12 (1) using 1960 data, the Commission (which
13 was created in 1965) concluded that there were 214
14 distressed counties in the Appalachian region;

15 (2) in 2017, according to the Commission, there
16 are 84 distressed counties in the Appalachian region,
17 reflecting the areas of most persistent poverty in the
18 region; and

19 (3) therefore, the Commission should be re-
20 formed to focus its attention on the areas of most
21 persistent poverty in the region.

22 (d) AREA DEVELOPMENT FUNDING FOR DIS-
23 TRESSED COUNTIES.—Congress finds that—

24 (1) according to the study by the Columbus
25 Dispatch referred to in subsection (b)(4)(A), of the

1 22,169 grants issued by the Commission from fiscal
2 year 1966 through fiscal year 1998, none of the 5
3 counties that received the most Commission funding
4 was considered distressed, and more than $\frac{1}{4}$ of all
5 Commission spending during that period went to
6 States with few, if any, distressed counties;

7 (2) according to author Ronald D. Eller in
8 2014, “[the Commission] policies have concentrated
9 resources in a select few ‘growth centers’ in the [Ap-
10 palachian] region, expanding services to the poor
11 and growing the mountain middle class, but doing
12 little to alter conditions in the most rural distressed
13 counties or to address systemic political or economic
14 inequalities throughout Appalachia”;

15 (3) until 1995, the Commission allocated up to
16 20 percent of its area development grants for use in
17 distressed counties;

18 (4) following instructions given to the Commis-
19 sion by the Committees on Appropriations of the
20 Senate and the House of Representatives in 1995,
21 this allocation was increased by the Commission to
22 30 percent;

23 (5) section 7.5(c) of the Code of the Commis-
24 sion (as in effect on the date of enactment of this
25 Act) reflects this 1995 policy change and states that

1 the Commission “will allocate up to 30 percent of
2 Commission area development funds for use in dis-
3 tressed counties”, even though, according to the
4 Commission’s public representations, economic con-
5 ditions in distressed areas of the Appalachian region
6 have not greatly improved since the 1960s;

7 (6) given the persistent levels of poverty in the
8 distressed counties in the Appalachian region, more
9 area development funding and emphasis should be
10 devoted to those counties; and

11 (7) therefore, the allocation described in para-
12 graph (3) should be increased to 60 percent.

13 (e) GRANT EXPENDITURES.—Congress finds that—

14 (1) section 14524(d) of title 40, United States
15 Code, provides that “not less than 50 percent of the
16 amount of grant expenditures the Commission ap-
17 proves shall support activities or projects that ben-
18 efit severely and persistently distressed counties and
19 areas”;

20 (2) given the persistent levels of poverty in the
21 distressed counties in the Appalachian region, more
22 grant expenditures and emphasis should be devoted
23 to those counties; and

1 (3) therefore, the 50 percent threshold in sec-
2 tion 14524(d) of title 40, United States Code,
3 should be increased to 60 percent.

4 **SEC. 3. MISSION OF THE APPALACHIAN REGIONAL COM-**
5 **MISSION.**

6 Section 14301 of title 40, United States Code, is
7 amended by striking subsection (a) and inserting the fol-
8 lowing:

9 “(a) ESTABLISHMENT AND MISSION.—

10 “(1) ESTABLISHMENT.—There is an Appa-
11 lachian Regional Commission (referred to in this
12 chapter as the ‘Commission’).

13 “(2) MISSION.—The mission of the Commission
14 shall be to focus primarily on poverty reduction and
15 economic development in areas in the Appalachian
16 region with the most persistent poverty.”.

17 **SEC. 4. HEADQUARTERS OF THE APPALACHIAN REGIONAL**
18 **COMMISSION.**

19 (a) IN GENERAL.—Section 14301 of title 40, United
20 States Code, is amended by adding at the end the fol-
21 lowing:

22 “(g) HEADQUARTERS.—The headquarters of the
23 Commission shall be located in the Appalachian region.”.

24 (b) IMPLEMENTATION.—The Federal Cochairman of
25 the Commission shall take such actions as may be nec-

1 essary to carry out the amendment made by subsection
2 (a).

3 **SEC. 5. GRANT EXPENDITURES.**

4 Section 14524(d) of title 40, United States Code, is
5 amended by striking “50 percent” and inserting “60 per-
6 cent”.

7 **SEC. 6. AREA DEVELOPMENT FUNDS FOR DISTRESSED**
8 **COUNTIES.**

9 Section 14526(b) of title 40, United States Code, is
10 amended—

11 (1) by striking “In program and” and inserting
12 the following:

13 “(1) IN GENERAL.—In program and”; and

14 (2) by adding at the end the following:

15 “(2) AREA DEVELOPMENT FUNDS.—

16 “(A) IN GENERAL.—Of the funds made
17 available for each fiscal year for the Area De-
18 velopment Program of the Commission, the
19 Commission shall allocate not less than 60 per-
20 cent for projects in counties for which a dis-
21 tressed county designation is in effect under
22 this section.

23 “(B) METHODOLOGY.—The methodology
24 for determining whether a county is designated
25 as a distressed county under subsection

1 (a)(1)(A) shall be the methodology in effect on
2 the day before the date of enactment of the Ap-
3 palachian Regional Commission Reform Act.

4 “(3) REPORT.—The Commission shall submit
5 an annual report that describes the allocation of
6 funds, in dollar amounts and percentage of total ap-
7 propriations, for the Area Development Program to
8 counties described in paragraph (2) to—

9 “(A) the Speaker of the House of Rep-
10 resentatives;

11 “(B) the minority leader of the House of
12 Representatives;

13 “(C) the majority leader of the Senate;

14 “(D) the minority leader of the Senate;

15 “(E) the Committee on Appropriations of
16 the House of Representatives;

17 “(F) the Committee on Appropriations of
18 the Senate;

19 “(G) the Committee on Transportation
20 and Infrastructure of the House of Representa-
21 tives; and

22 “(H) the Committee on Environment and
23 Public Works of the Senate.”.

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