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SENATE

{ REPORT
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APPALACHIAN REGIONAL DEVELOPMENT ACT AMENDMENTS OF 2001

DECEMBER 20 (legislative day, DECEMBER 18), 2001.—Ordered to be printed

Mr. JEFFORDS, from the Committee on Environment and Public Works, submitted the following

REPORT

[to accompany S. 1206]

[Including cost estimate of the Congressional Budget Office]

The Committee on Environment and Public Works, to which was referred a bill (S. 1206), to reauthorize the Appalachian Regional Development Act of 1965, and for other purposes, having considered the same, reports favorably thereon with an amendment and recommends that the bill, as amended, do pass.

BACKGROUND

The Appalachian Regional Development Act of 1965 (ARDA) established the Appalachian Regional Commission. The Appalachian Regional Commission (ARC) is a regional economic development agency representing a unique partnership of Federal, State, and local government. ARC includes all or part of 13 States: Alabama, Georgia, Kentucky, Mississippi, New York, North Carolina, Ohio, Pennsylvania, South Carolina, Tennessee, Virginia, and West Virginia. ARC's primary function is to support development of Appalachia's economy and critical infrastructure to provide a climate for growth in business and industry that will create jobs. ARC administers a variety of programs to aid in the development and advancement of the region including a highway system, education and job training, and water and sewer systems.

ARC administers economic development funds through a series of grant programs. The agency generally allocates funds based on the economic distress of a given locality devoting a significant percent-

age of its resources to economically distressed communities. Over the last 4 years, ARC has dedicated over 30 percent of its non-highway funds to distressed counties. In fiscal year 2000 almost half of the non-highway funds went to distressed counties. But roughly 25 percent of ARC's 406 counties remained distressed. A need still exists to help these areas of greatest distress to share in the quality of life generally enjoyed by citizens throughout the United States. ARC will continue to help meet this immediate need.

Since its creation in 1965, ARC's funding and projects have contributed significantly to improvements in the region. The regional poverty rate has been cut in half. High school graduation rates have doubled, and the percentage of Appalachian students now completing high school is slightly above the national average. The infant mortality rate has been cut by two-thirds, and ARC funds have helped build more than 400 health facilities serving 4 million Appalachians. ARC projects have provided more than 800,000 Appalachians with access to clean water and sanitation facilities.

Even with these tremendous gains, there is still a need for the ARC. The economic prosperity of the 1990's did not reach all of Appalachia. High poverty and unemployment still prevail in many regions of Appalachia. During the 1990's, ARC continued to provide economic assistance to the region through various ARC programs. More recently, with the losses in the region's coal industry, ARC has worked diligently to help the region develop sustainable economically viable projects to replace coal mining and other dying industries.

S. 1206, "Appalachian Regional Development Act Amendments of 2001," allows ARC to continue its economic development activities and to provide additional tools to help improve the quality of life in Appalachia. S. 1621 also establishes two important initiatives telecommunications and technology and entrepreneurship to help Appalachia keep pace in a dynamic 21st Century economy. The 2001 amendments also create regional skills partnerships to improve the job skills of workers in Appalachia.

SECTION-BY-SECTION ANALYSIS

Section 1. Short Title

Appalachian Regional Development Act Amendments of 2001.

Section 2. Purposes

SUMMARY

Section 2 sets out the purposes of the legislation.

DISCUSSION

The purpose of this Act is to reauthorize the Appalachian Regional Development Act of 1965 (ARDA) and to ensure that the people and businesses of Appalachia have the necessary knowledge, skills, and access to telecommunications and technology services to compete in a knowledge-based economy. The purpose of this Act is also to ensure that Appalachians have viable entrepreneurial opportunities and the necessary job skills to compete in the national economy.

The Act also inserts a provision to encourage the Appalachian region to take advantage of eco-industrial development. Eco-industrial development includes communities of businesses cooperating with each other and the local community to efficiently share resources (information, materials, water, energy, infrastructure and natural habitat), leading to economic gains, improved environmental quality, and equitable enhancement of human resources for business and local communities.

Section 3. Functions of the Commission

Section 3 expands the functions of the Commission to include the promotion of eco-industrial development and to coordinate the economic development activities of Federal agencies in the region.

Section 4. Interagency Coordinating Council on Appalachia

SUMMARY

Section 4 creates an Interagency Coordinating Council on Appalachia.

DISCUSSION

While ARC generally administers funds according to State development plans, other Federal agencies may provide assistance not accounted for in these plans. The committee recognizes the need for coordination of Federal agencies promoting economic development in Appalachia. Section 4 addresses this need for coordination by creating an Interagency Coordinating Council on Appalachia. The Federal co-chairman, serving as the chairperson of the Council, and representatives of those Federal agencies administering economic development programs in the region will compose the Council.

Section 5. Telecommunications and Technology Initiative

SUMMARY

Section 5 amends the ARDA by inserting a new section 203 permitting ARC to establish a telecommunications and technology initiative. The section also directs ARC to conduct a broadband study.

DISCUSSION

Section 5 allows ARC to provide technical assistance, to make grants, to enter into contracts, and to otherwise provide funds to persons or entities (excluding for-profit entities) in the region to establish a telecommunications and technology initiative. The initiative will increase affordable access to advanced telecommunications, entrepreneurship, and management technologies and will provide education and training in the use of telecommunications and technology. The initiative would also develop programs to increase the readiness of industry groups and businesses in the region to engage in electronic commerce. Industry groups may include, but are not limited to, chambers of commerce and national, State, and local associations. ARC may provide up to 50 percent (or 80 percent for projects in a distressed county) of the costs of any activity eligible for a grant under this initiative.

Additionally, this section directs ARC to conduct a study to determine the availability of broadband telecommunications service and internet access in Appalachia. ARC will complete the study not later than 18 months after the enactment date of this Act.

Section 6. Entrepreneurship Initiative

SUMMARY

Section 6 amends the ARDA by inserting a new section 204 to establish an entrepreneurship initiative.

DISCUSSION

Section 6 amends the ARDA and establishes an entrepreneurship initiative. The section provides for the establishment of business incubators to provide professional and technical assistance to startup businesses. ARC may provide technical assistance, make grants, and enter into contracts for a variety of entrepreneurial projects. Technical assistance may include, but is not limited to, legal services and consultation on strategic planning, marketing, or advertising.

ARC may provide up to 50 percent (or 80 percent for projects in a distressed county) of the costs of any activity eligible for a grant under this section.

Section 7. Regional Skills Partnerships

SUMMARY

Section 7 amends the ARDA by inserting a new section 205 establishing regional skills partnerships.

DISCUSSION

Entities eligible to enter into regional skills partnerships under the new section 205 include those entities established to serve one or more industries in a specified geographic area and consist of representatives of businesses, labor organizations, State and local governments, or educational institutions. These partnerships will provide training and assistance to members and non-members of the organizations forming the partnerships.

Under these partnerships, ARC may provide technical assistance, make grants, enter into contracts, or otherwise provide funds to eligible entities in a given region for projects to improve worker job skills for a specified industry. The projects may include assessment of training and job skill needs for an industry or development of curricula and training methods.

This Act provides that an eligible entity may not spend more than 10 percent of available funds to administer a project. ARC may provide up to 50 percent (or 80 percent for projects in a distressed county) of the costs of any activity eligible for a grant under this section.

Section 8. Program Development Criteria

SUMMARY

Section 8 amends the ARDA by requiring that at least 50 percent of all non-highway project grant funds go to distressed counties and areas.

DISCUSSION

The committee recognizes that ARC has made significant efforts to help distressed counties. Since ARC's inception over 30 years ago, the number of distressed counties in the Appalachian region has been cut in half. Still, today 118 of ARC's 406 counties remain distressed. The committee also notes that pockets of distress exist in transitional, competitive, and attainment counties. These distressed counties and areas require the special attention of the Commission. While the ARDA requires ARC to address the needs of severely and persistently distressed areas of the Appalachian region, it does not specifically establish spending mandates for distressed counties and areas. S. 1206 addresses this important issue.

To focus economic development funds to the most needy counties and areas, this Act requires ARC to dedicate at least 50 percent of all non-highway funds to distressed counties and areas. In meeting this requirement, the committee expects ARC will include those funds spent not only in distressed counties, but in distressed areas as well. This will require ARC to develop a clear definition of distressed areas. The committee expects ARC to establish a definition of distressed areas within 60 days of the passage of this Act.

Section 9. Grants for Administrative Expenses of Local Development Districts

Section 9 amends the ARDA by providing grants for administrative expenses at 75 percent Federal share for local development districts that include one or more distressed counties. Local development districts not containing a distressed county still remain eligible for administrative grants with a 50 percent Federal cost share.

Section 10. Authorization of Appropriations

SUMMARY

Section 10 authorizes the appropriation of funds under this Act.

DISCUSSION

This Act authorizes \$88 million for fiscal year 2002 through 2004; \$90 million for fiscal year 2005; and \$92 million for fiscal year 2006. Of the authorized amount, ARC may make available \$10 million in fiscal year 2002, \$8 million for fiscal year 2003, and \$5 million for each of fiscal years 2004 through 2006 to facilitate the telecommunications and technology initiative.

Section 11. Studies

SUMMARY

Section 11 directs ARC to complete a study on the regional characteristics of upper New York State and to conduct a study of the impacts of the September 11th attack on the economy of New York.

DISCUSSION

Section 11 amends the completion date of a study in the ARDA on the regional characteristics of upper New York State from June 30, 1970 to September 30, 2002. The study will examine whether economic conditions in upstate New York warrant the addition of upstate counties to the Commission.

The second study will examine the immediate and long-term economic impacts of the September 11th attack on New York City and on other areas of New York State. The study will also identify mechanisms and resources to prevent, reduce, and ameliorate the impacts of the terrorist attack. This Act also authorizes the appropriation of \$300,000 for fiscal year 2002 for the study.

Section 12. Termination

Section 12 authorizes the Appalachian Regional Commission for an additional 5 years until October 1, 2006.

Section 13. Technical and Conforming Amendments

Section 13 makes several technical and conforming amendments.

LEGISLATIVE HISTORY

Senator George Voinovich introduced S. 1206 on July 19, 2001. No hearings were held on the bill. The full committee considered S. 1206 on September 25, 2001. At that meeting, Senator Jeffords offered an amendment in the nature of a substitute, which, upon adoption, was further amended by an amendment offered by Senator Hillary Rodham Clinton. The committee reported S. 1206, as amended, by voice vote.

ROLLCALL VOTES

The Committee on Environment and Public Works met to consider S. 1206 on September 25, 2001, and reported S. 1206, as amended, by voice vote.

REGULATORY IMPACT STATEMENT

In compliance with section 11(b) of rule XXVI of the Standing Rules of the Senate, the committee makes the following evaluation of the regulatory impact of the reported bill.

The bill does not create any additional regulatory burdens, nor will it cause any adverse impact on the personal privacy of individuals.

MANDATES ASSESSMENT

In compliance with the Unfunded Mandates Reform Act of 1995 (Public Law 104-4), the committee finds that S. 1206 would impose no unfunded mandates on local, State, or tribal governments.

COST OF LEGISLATION

Section 403 of the Congressional Budget and Impoundment control Act requires that a statement of the cost of the reported bill, prepared by the Congressional Budget Office, be included in the report. That statement follows:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, October 2, 2001.

Hon. JAMES JEFFORDS, *Chairman,*
Committee on Environment and Public Works,
U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for S. 1206, the Appalachian Regional Development Act Amendments of 2001.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contacts is Lanette J. Walker, who can be reached at 226-2860.

Sincerely,

DAN L. CRIPPEN

S. 1206, Appalachian Regional Development Act Amendments of 2001, as ordered reported by the Senate Committee on Environment and Public Works on September 25, 2001

Summary

S. 1206 would authorize the appropriation of \$446 million for the Appalachian Regional Commission over the 2002-2006 period. The bill would establish an Interagency Coordinating Council on Appalachia and create a program to provide enhanced access to telecommunications and technology. The bill also would authorize the Appalachian Regional Commission, together with an academic institution located in New York State, to conduct a study of the economic impacts of the terrorist attacks on September 11, 2001.

CBO estimates that implementing S. 1206 would cost \$236 million over the 2002-2006 period, assuming the appropriation of the authorized amounts. Because this bill would not affect direct spending or receipts, pay-as-you-go procedures would not apply.

S. 1206 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA). The bill would authorize new grants, some of which would be available to State and local governments and would require matching funds from those governments. Any costs associated with receiving those grants would be voluntary.

Estimated Cost to the Federal Government

The estimated budgetary impact of S. 1206 is shown in the following table. The costs of this legislation fall within budget function 450 (community and regional development).

By Fiscal Year, in Millions of Dollars

	2001	2002	2003	2004	2005	2006
CHANGES IN SPENDING SUBJECT TO APPROPRIATION						
Spending Under Current Law for the Appalachian Regional Commission.						
Budget Authority ¹	77	0	0	0	0	0
Estimated Outlays	118	92	66	36	18	7
Proposed Changes.						
Authorization Level	0	88	88	88	90	92
Estimated Outlays	0	9	26	53	68	80
Spending Under S. 1206 for the Appalachian Regional Commission.						
Authorization Level ¹	77	88	88	88	90	92
Estimated Outlays	118	101	92	89	86	87

¹The 2001 level is the amount appropriated for that year for the Appalachian Regional Commission, a full-year appropriation for this agency has not yet been enacted for fiscal year 2002.

Basis of Estimate

For this estimate we assume that the authorized amounts will be provided each year and that spending will follow historical patterns. CBO estimates that implementing S. 1206 would cost \$236 million over the next 5 years.

S. 1206 would authorize the appropriation of \$413 million over the 2002–2006 period for the Appalachian Regional Commission to provide grants to State and local governments to support economic and social development within Appalachia. In addition, the bill would create a program to provide enhanced access to telecommunications and technology and authorize the appropriation of \$10 million in fiscal year 2002, \$8 million in fiscal year 2003, and \$5 million in each of fiscal years 2004 through 2006 for this program.

S. 1206 also would authorize the Appalachian Regional Commission, together with an academic institution located in New York State, to conduct a study of the economic impacts of the September 11 terrorist attacks. The study must be completed within 1 year of enactment of the legislation. The bill would authorize the appropriation of \$300,000 in fiscal year 2002 to cover the cost of the study.

Pay-As-You-Go Considerations: None.

Intergovernmental and Private-Sector Impact

S. 1206 contains no intergovernmental or private-sector mandates as defined in UMRA. New authorizations of appropriations totaling \$446 million over the 2002–2006 period would support a variety of grant programs to State and local governments in the Appalachian region. Of the total amount, \$33 million would be earmarked for technological and telecommunications initiatives, and State and local governments receiving those grants would be required to provide a match of between 20 percent and 50 percent. The bill also would authorize business incubator grants for developing and sustaining new technological or legal businesses and regional partnerships for promoting the development of job skills. Grants in those programs would require similar matching requirements. Any costs associated with receiving those grants would be voluntary.

Previous CBO Estimate

On July 26, 2001, CBO transmitted a cost estimate for H.R. 2501, the Appalachian Regional Development Reauthorization Act of 2001, as ordered reported by the House Committee on Transportation and Infrastructure on July 18, 2001. CBO estimates that implementing H.R. 2501 would cost \$10 million more than S. 1206 over the 2002–2006 period because of differences in the authorizations of appropriations. In addition, the Senate bill includes a provision for a study of the economic impacts of the terrorist attacks on September 11, 2001.

Estimate Prepared By: Federal Costs: Lanette J. Walker ; Impact on State, Local, and Tribal Governments: Leo Lex ; Impact on the Private Sector: Cecil McPherson.

Estimate Approved By: Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.

CHANGES IN EXISTING LAW

In compliance with section 12 of rule XXVI of the Standing Rules of the Senate, changes in existing law made by the bill as reported are shown as follows: Existing law proposed to be omitted is enclosed in [black brackets], new matter is printed in *italic*, existing law in which no change is proposed is shown in roman:

APPALACHIAN REGIONAL DEVELOPMENT ACT OF 1965

(40 U.S.C. Appendix)

AN ACT To provide public works and economic development programs and the planning and coordination needed to assist in development of the Appalachian region.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the “Appalachian Regional Development Act of 1965”.

* * * * *

FINDINGS AND STATEMENT OF PURPOSE

SEC. 2. (a) The Congress hereby finds and declares that the Appalachian region of the United States, while abundant in natural resources and rich in potential, lags behind the rest of the Nation in its economic growth and that its people have not shared properly in the Nation’s prosperity. The region’s uneven past development, with its historical reliance on a few basic industries and a marginal agriculture, has failed to provide the economic base that is a vital prerequisite for vigorous, self-sustaining growth. The State and local governments and the people of the region understand their problems and have been working and will continue to work purposefully toward their solution. The Congress recognizes the comprehensive report of the President’s Appalachian Regional Commission documenting these findings and concludes that region-wide development is feasible, desirable, and urgently needed. It is, therefore, the purpose of this Act to assist the region in meeting its special problems, to promote its economic development, and to

establish a framework for joint Federal and State efforts toward providing the basic facilities essential to its growth and attacking its common problems and meeting its common needs on a coordinated and concerted regional basis. The public investments made in the region under this Act shall be concentrated in areas where there is a significant potential for future growth, and where the expected return on public dollars invested will be the greatest. The States will be responsible for recommending local and State projects, within their borders, which will receive assistance under this Act. As the region obtains the needed physical and transportation facilities and develops its human resources, the Congress expects that the region will generate a diversified industry, and that the region will then be able to support itself, through the workings of a strengthened free enterprise economy.

(b) The Congress further finds and declares that while substantial progress has been made toward achieving the foregoing purposes, especially with respect to the provision of essential public facilities, much remains to be accomplished, especially with respect to the provision of essential health, education, and other public services. The Congress recognizes that changes and evolving national purposes in the decade since 1965 affect not only the Appalachian region, but also its relationship to a nation now assigning higher priority to conservation and the quality of life, values long cherished within the region. Appalachia now has the opportunity, in accommodating future growth and development, to demonstrate local leadership and coordinated planning so that housing, public services, transportation and other community facilities will be provided in a way congenial to the traditions and beauty of the region and compatible with conservation values and an enhanced quality of life for the people of the region. The Congress recognizes also that fundamental changes are occurring in national energy requirements and production, which not only risk short-term dislocations but will undoubtedly result in major long-term effects in the region. *Consistent with the goal described in the preceding sentence, the Appalachian region should be able to take advantage of eco-industrial development, which promotes both employment and economic growth and the preservation of natural resources.* It is essential that the opportunities for expanded energy production be used so as to maximize the social and economic benefits and minimize social and environmental costs to the region and its people. It is, therefore, also the purpose of this Act to provide a framework for coordinating Federal, State, and local efforts toward (1) anticipating the effects of alternative energy policies and practices, (2) planning for accompanying growth and change so as to maximize the social and economic benefits and minimize social and environmental costs, and (3) implementing programs and projects carried out in the region by Federal, State, and local governmental agencies so as to better meet the special problems generated in the region by the Nation's energy needs and policies, including problems of transportation, housing, community facilities, and human services.

(c) 1998 FINDINGS AND PURPOSES.—

(1) FINDINGS.—Congress further finds and declares that, while substantial progress has been made in fulfilling many of

the objectives of this Act, rapidly changing national and global economies over the past decade have created new problems and challenges for rural areas throughout the United States and especially for the Appalachian region.

(2) PURPOSES.—In addition to the purposes stated in subsections (a) and (b), it is the purpose of this Act—

(A) to assist the Appalachian region in—

- (i) providing the infrastructure necessary for economic and human resource development;
- (ii) developing the region's industry;
- (iii) building entrepreneurial communities;
- (iv) generating a diversified regional economy; and
- (v) making the region's industrial and commercial resources more competitive in national and world markets;

(B) to provide a framework for coordinating Federal, State, and local initiatives to respond to the economic competitiveness challenges in the Appalachian region through—

- (i) improving the skills of the region's workforce;
- (ii) adapting and applying new technologies for the region's businesses, *including eco-industrial development technologies*; and
- (iii) improving the access of the region's businesses to the technical and financial resources necessary to development of the businesses; and

(C) to address the needs of severely and persistently distressed areas of the Appalachian region and focus special attention on the areas of greatest need so as to provide a fairer opportunity for the people of the region to share the quality of life generally enjoyed by citizens across the United States.

TITLE I—THE APPALACHIAN REGIONAL COMMISSION

MEMBERSHIP AND VOTING

SEC. 101. (a) IN GENERAL.—

(1) ESTABLISHMENT.—There is hereby established an Appalachian Regional Commission (hereinafter referred to as the "Commission") which shall be composed of one Federal member, hereinafter referred to as the "Federal Cochairman," appointed by the President by and with the advice and consent of the Senate, and one member from each participating State in the Appalachian region. The Federal Cochairman shall be one of the two Cochairmen of the Commission. Each State member shall be the Governor. The State members of the Commission shall elect a Cochairman of the Commission from among their number for a term of not less than one year.

(2) MEETINGS.—

(A) IN GENERAL.—The Commission shall conduct at least 1 meeting each year with the Federal Cochairman and at least a majority of the State members present.

(B) ADDITIONAL MEETINGS.—The Commission may conduct such additional meetings by electronic means as the

Commission considers advisable, including meetings to decide matters requiring an affirmative vote.

(b) Except as provided in section 105, decisions by the Commission shall require the affirmative vote of the Federal Cochairman and of a majority of the State members (exclusive of members representing States delinquent under section 105). In matters coming before the Commission, the Federal Cochairman shall, to the extent practicable, consult with the Federal departments and agencies having an interest in the subject matter. A decision involving Commission policy, approval of any State, regional, or subregional development plan or **implementing investment program** *strategy statement*, any modification or revision of the Appalachian Regional Commission Code, any allocation of funds among the States, or any designation of a distressed county or an economically strong county shall not be made without a quorum of the State members. The approval of project and grant proposals shall be a responsibility of the Commission and exercised in accordance with section 303 of this Act.

(c) Each State member may have a single alternate, appointed by the Governor from among the members of the Governor's cabinet or the Governor's personal staff. The President, by and with the advice and consent of the Senate, shall appoint an alternate for the Federal Cochairman. An alternate shall vote in the event of the absence, death, disability, removal, or resignation of the State or Federal representative for which he is an alternate. A State alternate shall not be counted toward the establishment of a quorum of the Commission in any instance in which a quorum of the State members is required. No Commission powers or responsibilities specified in the last two sentences of subsection (b) of this section, nor the vote of any Commission member, may be delegated to any person not a Commission member or who is not entitled to vote in Commission meetings.

(d) The Federal Cochairman shall be compensated by the Federal Government at level III of the Executive Schedule in subchapter II of chapter 53 of the title V, United States Code. His alternate shall be compensated by the Federal Government at level V of such Executive Schedule, and when not actively serving as an alternate for the Federal Cochairman, shall perform such functions and duties as are delegated to him by the Federal Cochairman. Each State member and his alternate shall be compensated by the State which they represent at the rate established by law of such State.

FUNCTIONS OF THE COMMISSION

SEC. 102. (a) In carrying out the purposes of this Act, the Commission shall—

(1) develop, on a continuing basis, comprehensive and coordinated plans and programs and establish priorities thereunder, giving due consideration to other Federal, State, and local planning in the region;

(2) conduct and sponsor investigations, research, and studies, including an inventory and analysis of the resources of the region, and, in cooperation with Federal, State, and local agen-

cies, sponsor demonstration projects designed to foster regional productivity and growth;

(3) review and study, in cooperation with the agency involved, Federal, State, and local public and private programs and, where appropriate, recommend modifications or additions which will increase their effectiveness in the region;

(4) formulate and recommend, where appropriate, interstate compacts and other forms of interstate cooperation, and work with State and local agencies in developing appropriate model legislation;

(5) encourage the formation of , *and support*, local development districts;

(6) encourage private investment in industrial, commercial, and recreational projects;

(7) serve as a focal point and coordinating unit for Appalachian programs; **[and]**

(8) provide a forum for consideration of problems of the region and proposed solutions and establish and utilize, as appropriate, citizens and special advisory councils and public conferences**].**

(9) *encourage the use of eco-industrial development technologies and approaches; and*

(10) *seek to coordinate the economic development activities of, and the use of economic development resources by, Federal agencies in the region.*

(b) In carrying out its functions under this section, the Commission shall identify the characteristics of, and may distinguish between the needs and goals of appropriate subregional areas, including central, northern, and southern Appalachia.

RECOMMENDATIONS

SEC. 103. The Commission may, from time to time, make recommendations to the President and to the State Governors and appropriate local officials with respect to—

(1) the expenditure of funds by Federal, State, and local departments and agencies in the region in the fields of natural resources, agriculture, education, training, health and welfare, and other fields related to the purposes of this Act; and

(2) such additional Federal, State, and local legislation or administrative actions as the Commission deems necessary to further the purposes of this Act.

LIAISON BETWEEN FEDERAL GOVERNMENT AND THE COMMISSION

SEC. 104. **[The President]** (a) *IN GENERAL.*—*The President shall provide effective and continuing liaison between the Federal Government and the Commission and a coordinated review within the Federal Government of the plans and recommendations submitted by the Commission pursuant to sections 102 and 103.*

(b) *INTERAGENCY COORDINATING COUNCIL ON APPALACHIA.*—

(1) *ESTABLISHMENT.*—*In carrying out subsection (a), the President shall establish an interagency council to be known as the "Interagency Coordinating Council on Appalachia".*

(2) *MEMBERSHIP.*—*The Council shall be composed of—*

- (A) *the Federal Cochairman, who shall serve as Chairperson of the Council; and*
- (B) *representatives of Federal agencies that carry out economic development programs in the region.*

ADMINISTRATIVE EXPENSES OF THE COMMISSION

SEC. 105. Administrative expenses of the Commission shall be paid 50 per centum by the Federal Government and 50 per centum by the States in the region, except that the expenses of the Federal Cochairman, his alternate, and his staff shall be paid solely by the Federal Government. The share to be paid by each State shall be determined by the Commission. The Federal Cochairman shall not participate or vote in such determination. No assistance authorized by this Act shall be furnished to any State or to any political subdivision or any resident of any State, nor shall the State member of the Commission participate or vote in any determination by the Commission while such State is delinquent in payment of its share of such expenses.

ADMINISTRATIVE POWERS OF COMMISSION

SEC. 106. To carry out its duties under this Act, the Commission is authorized to—

(1) adopt, amend, and repeal bylaws, rules, and regulations governing the conduct of its business and the performance of its functions.

(2) appoint and fix the compensation of an executive director and such other personnel as may be necessary to enable the Commission to carry out its functions, except that such compensation shall not exceed the maximum rate of basic pay for the Senior Executive Service under section 5382 of title 5, United States Code, including any applicable locality-based comparability payment that may be authorized under section 5304(h)(2)(C) of that title. The executive director shall be responsible for carrying out the administrative functions of the Commission, for direction of the Commission staff, and for such other duties as the Commission may assign. No member, alternate, officer, or employee of the Commission, other than the Federal Cochairman on the Commission, his staff, and his alternate and Federal employees detailed to the Commission under paragraph (3) shall be deemed a Federal employee for any purpose.

(3) request the head of any Federal department or agency (who is hereby so authorized) to detail to temporary duty with the Commission such personnel within his administrative jurisdiction as the Commission may need for carrying out its functions, each such detail to be without loss of seniority, pay, or other employee status.

(4) arrange for the services of personnel from any State or local government or any subdivision or agency thereof, or any intergovernmental agency.

(5) make arrangements, including contracts, with any participating State government for inclusion in a suitable retirement and employee benefits system of such of its personnel as may not be eligible for, or continue in, another governmental

retirement or employee benefit system, or otherwise provide for such coverage of its personnel. The Civil Service Commission of the United States is authorized to contract with the Commission for continued coverage of Commission employees, who at date of Commission employment are Federal employees, in the retirement program and other employee benefit programs of the Federal Government.

(6) accept, use, and dispose of gifts or donations of services or property, real, personal, or mixed, tangible or intangible.

(7) enter into and perform such contracts, leases (including notwithstanding any other provision of law, the lease of office space for any term [expiring no later than September 30, 2001]), cooperative agreements, or other transactions as may be necessary in carrying out its functions and on such terms as it may deem appropriate, with any department, agency, or instrumentality of the United States (which is hereby so authorized to the extent not otherwise prohibited by law) or with any State, or any political subdivision, agency, or instrumentality thereof, or with any person, firm, association, or corporation.

(8) maintain a temporary office in the District of Columbia and establish a permanent office at such a central and appropriate location as it may select and field offices as such other places as it may deem appropriate.

(9) take such other actions and incur such other expenses as may be necessary or appropriate.

INFORMATION

SEC. 107. (a) In order to obtain information needed to carry out its duties, the Commission shall—

(1) hold such hearings, sit and act at such time and places, take such testimony, receive such evidence, and print or otherwise reproduce and distribute so much of its proceedings and reports thereon as it may deem advisable, a Cochairman of the Commission, or any member of the Commission designated by the Commission for the purpose, being hereby authorized to administer oaths when it is determined by the Commission that testimony shall be taken or evidence received under oath;

(2) arrange for the head of any Federal, State, or local department or agency (who is hereby so authorized to the extent not otherwise prohibited by law) to furnish to the Commission such information as may be available to or procurable by such department or agency; and

(3) keep accurate and complete records of its doings and transactions which shall be made available for public inspection, and for the purposes of audit and examination by the Comptroller General or his duly authorized representatives.

(b) Public participation in the development, revision, and implementation of all plans and programs under this Act by the Commission, any State or any local development district shall be provided for, encouraged, and assisted. The Commission shall develop and publish regulations specifying minimum guidelines for such public participation, including public hearings.

PERSONAL FINANCIAL INTERESTS

SEC. 108. (a) Except as permitted by subsection (b) hereof, no State member or alternate and no officer or employee of the Commission shall participate personally and substantially as member, alternate, officer, or employee, through decision, approval, disapproval, recommendation, the rendering of advice, investigation, or otherwise, in any proceeding, application, request for a ruling or other determination, contract, claim, controversy, or other particular matter in which, to his knowledge, he, his spouse, minor child, partner, organization (other than a State or political subdivision thereof) in which he is serving as officer, director, trustee, partner, or employee, or any person or organization with whom he is serving as officer, director, trustee, partner, or employee, or any person or organization with whom he is negotiating or has any arrangement concerning prospective employment, has a financial interest. Any person who shall violate the provisions of this subsection shall be fined not more than \$10,000, or imprisoned not more than two years, or both.

(b) Subsection (a) hereof shall not apply if the State member, alternate, officer, or employee first advises the Commission of the nature and circumstances of the proceeding, application, request for a ruling or other determination, contract, claim, controversy, or other particular matter and makes full disclosure of the financial interest and receives in advance a written determination made by the Commission that the interest is not so substantial as to be deemed likely to affect the integrity of the services which the Commission may expect from such State member, alternate, officer, or employee.

(c) No State member or alternate shall receive any salary, or any contribution to or supplementation of salary for his services on the Commission from any source other than his State. No person detailed to serve the Commission under authority of paragraph (4) of section 106 shall receive any salary or any contribution to or supplementation of salary for his services on the Commission from any source other than the State, local, or intergovernmental department or agency from which he was detailed or from the Commission. Any person who shall violate the provisions of this subsection shall be fined not more than \$5,000, or imprisoned not more than one year, or both.

(d) Notwithstanding any other subsection of this section, the Federal Cochairman or his alternate on the Commission and any Federal officers or employees detailed to duty with it pursuant to paragraph (3) of section 106 shall not be subject to any such subsections but shall remain subject to section 202 through 209 of title 18, United States Code.

(e) The Commission may, in its discretion, declare void and rescind any contract, loan, or grant of or by the Commission in relation to which it finds that there has been a violation of subsection (a) or (c) of this section, or any of the provisions of sections 202 through 209, title 18, United States Code.

COMMISSION EMPLOYEE PROTECTIONS

SEC. 109. Section 5334(a) of title 5, United States Code, is amended by adding at the end thereof the following new sentence: "For the purpose of this subsection, an individual employed by the Appalachian Regional Commission under section 106(a) of the Appalachian Regional Development Act of 1965, or by a regional commission established pursuant to section 502 of the Public Works and Economic Development Act of 1965, under section 506(2) of such Act, who was a Federal employee immediately prior to such employment by a commission and within six months after separation from such employment is employed in a position to which this subchapter applies, shall be treated as if transferred from a position in the executive branch to which this subchapter does not apply."

TITLE II—SPECIAL APPALACHIAN PROGRAMS

PART A—NEW PROGRAMS

APPALACHIAN DEVELOPMENT HIGHWAY SYSTEM

SEC. 201. (a) In order to provide a highway system which, in conjunction with the Interstate System and other Federal-aid highways in the Appalachian region, will open up an area or areas with a developmental potential where commerce and communication have been inhibited by lack of adequate access, the Secretary of Transportation (hereinafter in this section referred to as the "Secretary") is authorized to assist in the construction of an Appalachian development highway system and local access roads serving the Appalachian region. The provisions of section 106(a) and 118 of title 23, United States Code, relating to the obligation, period of availability, and expenditure of Federal-aid highway funds, shall apply to the development highway system and the local access roads, and all other provisions of such title 23 that are applicable to the construction and maintenance of Federal-aid primary and secondary highways and which the Secretary determines are not inconsistent with this Act shall apply, respectively, to such system and roads. Construction on the development highway system shall not exceed three thousand and twenty-five miles.¹ Construction of local access roads shall not exceed one thousand four hundred miles that will serve specific recreational, residential, educational, commercial, industrial, or other like facilities or will facilitate a school consolidation program.

(b) The Commission shall transmit to the Secretary its designations of (1) the general corridor location and termini of the development highways, (2) local access roads to be constructed, (3) priorities for the construction of segments of the development highways, and (4) other criteria for the program authorized by this section. Before any State member participates in or votes on such designations, he shall have obtained the recommendations of the State transportation department of the State which he represents.

¹ The mileage of the highway system was increased from 2,900 to 3,025 miles by section 138(b) of the Surface Transportation Assistance Act of 1978 (P.L. 95-599 approved November 6, 1978).

(c) In no event shall the Secretary assist in any construction (including right-of-way acquisition) which would require for its completion the expenditure of Federal funds (other than funds available under title 23, United States Code) in excess of the appropriations authorization in subsection (g). On its completion each development highway not already on the Federal-aid primary system shall be added to such system and each development highway and local access road shall be required to be maintained by the State as provided for Federal-aid highways in title 23, United States Code.

(d) In the construction of highways and roads authorized under this section, the States may give special preference to the use of materials and products indigenous to the Appalachian region.

(e) For the purposes of research and development in the use of coal and coal products in highway construction and maintenance, the Secretary is authorized to require each, participating State, to the maximum extent possible, to use coal derivatives in the construction of not to exceed 10 per centum of the roads authorized under this Act.

(f) Federal assistance to any construction project under this section shall not exceed 80 per centum of the costs of such project.¹

(g) To carry out this section there is hereby authorized to be appropriated to the President, to be available until expended, \$175,000,000 for the fiscal year ending June 30, 1971; \$175,000,000 for the fiscal year ending June 30, 1972; \$180,000,000 for the fiscal year ending June 30, 1973; \$180,000,000 for the fiscal year ending June 30, 1974; \$185,000,000 for the fiscal year ending June 30, 1975; \$185,000,000 for the fiscal year ending June 30, 1976; \$185,000,000 for the fiscal year ending June 30, 1977; \$250,000,000 for the fiscal year 1978; \$300,000,000 for the fiscal year 1979; \$300,000,000 for the fiscal year 1980; and \$215,000,000 for fiscal year 1981, and \$65,000,000 for fiscal year 1982.

(h)(1) When a participating State proceeds to construct a segment of a development highway without the aid of Federal funds, in accordance with all procedures and requirements applicable to the construction of segments of Appalachian development highways with such funds, except insofar as such procedures and requirements limit a State to the construction of projects for which Federal funds have previously been appropriated, the Secretary, upon application by the State and with the approval of the Commission, is authorized to pay to the State the Federal share not to exceed 80 per centum of the costs of the construction of such segment, from any sums appropriated and allocated to such State to carry out this section.

(2) This subsection shall not be construed as a commitment or obligation on the part of the United States to provide funds for segments of development highways constructed under this subsection, and shall not increase the limitation on construction in subsection (c).

¹Subsection (f) of Section 201 was amended to permit Federal assistance from 50 percent to 80 percent by section 138(a) of the Surface Transportation Assistance Act of 1978 (P.L. 95-599 approved November 6, 1978).

DEMONSTRATION HEALTH PROJECTS

SEC. 202. (a) In order to demonstrate the value of adequate health facilities and services to the economic development of the region, the Secretary of Health and Human Services is authorized to make grants for the planning, construction, equipment, and operation of multicounty demonstration health, nutrition, and child care projects, including hospitals, regional health diagnostic and treatment centers and other facilities and services necessary for the purposes of this section. Grants for such construction (including the acquisition of privately owned facilities not operated for profit, or previously operated for profit where the acquisition of such facilities is the most cost-effective means for providing increased health services if the Commission finds that but for the acquisition of such facility such health services would not be otherwise provided in the area served by such facility, and initial equipment) shall be made in accordance with section 223 of this Act and shall not be incompatible with the applicable provisions of [title VI of the Public Health Service Act (42 U.S.C. 291–291o), the Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963 (77 Stat. 282)] *title VI of the Public Health Service Act (42 U.S.C. 291 et seq.), the Developmental Disabilities Assistance and Bill of Rights Act of 2000 (42 U.S.C. 15001 et seq.)*, and other laws authorizing grants for the construction of health-related facilities, without regard to any provisions therein relating to appropriation authorization ceilings or to allotments among the States. Grants under this section shall be made solely out of funds specifically appropriated for the purpose of carrying out this Act and shall not be taken into account in the computation of the allotments among the States made pursuant to any other provision of law.

(b) No grant for the construction or equipment of any component of a demonstration health project shall exceed 80 per centum of such costs. The Federal contribution may be provided entirely from funds authorized under this section or in combination with funds provided under other Federal [grant-in-aid programs] *grant programs* for the construction or equipment of health-related facilities. Notwithstanding any provision of law limiting the Federal share in such other programs, funds authorized under this section may be used to increase Federal grants for component facilities of a demonstration health project to a maximum of 80 per centum of the costs of such facilities.

(c) Grants under this section for operation (including initial operating funds and operating deficits comprising among other items the costs of attracting, training, and retaining qualified personnel) of a demonstration health project, whether or not constructed with funds authorized by this section, may be made for up to 50 percent of the costs of that operation (or 80 percent of those costs in the case of a project to be carried out in a county for which a distressed county designation is in effect under section 226). The Federal contribution may be provided entirely from funds appropriated to carry out this section or in combination with funds provided under other Federal [grant-in-aid programs] *grant programs* for the operation of health related facilities and the provision of health and

child development services, including title IV, parts A and B, and title XX of the Social Security Act. Notwithstanding any provision of the Social Security Act requiring assistance or services on a statewide basis, if a State provides assistance or services under such a program in any area of the region approved by the Commission, such State shall be considered as meeting such requirement. Notwithstanding any provision of law limiting the Federal share in such other programs, funds appropriated to carry out this section may be used to increase Federal grants for operating components of a demonstration health project to the maximum percentage cost thereof authorized by this subsection. No grant for operation of a demonstration health project shall be made unless the facility is publicly owned, or owned by a public or private nonprofit organization, and is not operated for profit. No grant for operation of a demonstration health project shall be made after five years following the commencement of the initial grant for operation of the project, that child development demonstrations assisted under this section during fiscal year 1979 may, upon State request, be approved under section 303 of this Act for continued support beyond that period if the Commission finds that no Federal, State, or local funds are available to continue such demonstrations. No such grants shall be made unless the Secretary of Health and Human Services is satisfied that the operation of the project will be conducted under efficient management practices designed to obviate operating deficits.

(d) The Secretary of Health and Human Services is authorized to provide funds to the Commission for the support of its Health Advisory Committee and to make grants for expenses of planning necessary for the development and operation of demonstration health projects for the region. The amount of any such grant shall not exceed 75 per centum of such expenses. The Federal contribution to such expenses of planning may be provided entirely from funds authorized under this section or in combination with funds provided under other Federal or Federal **[grant-in-aid programs]** *grant programs*. Notwithstanding any provision of law limiting the Federal share in any such other program, funds appropriated to carry out this section may be used to increase such Federal share to the maximum percentage cost thereof authorized by this subsection.

(e) In order to provide for the further development of the Appalachian region's human resources, grants under this section shall give special emphasis to programs and research for the early detection, diagnosis, and treatment of occupational diseases arising from coal mining, such as black lung.

(f) **MAXIMUM COMMISSION CONTRIBUTION AFTER SEPTEMBER 30, 1998.—**

(1) **IN GENERAL.—**Subject to paragraph (2), after September 30, 1998, a Commission contribution of not more than 50 percent of any project cost eligible for financial assistance under this section may be provided from funds appropriated to carry out this Act.

(2) **DISTRESSED COUNTIES.—**In the case of a project to be carried out in a county for which a distressed county designation is in effect under section 226, the maximum Commission

contribution under paragraph (1) may be increased to the lesser of—

- (A) 80 percent; or
- (B) the maximum Federal contribution percentage authorized by this section.

[Secs. 203–206 repealed by P.L. 105–393 (112 Stat. 3620).]

SEC. 203. TELECOMMUNICATIONS AND TECHNOLOGY INITIATIVE.

(a) *IN GENERAL.*—The Commission may provide technical assistance, make grants, enter into contracts, or otherwise provide funds to persons or entities in the region for projects—

- (1) to increase affordable access to advanced telecommunications, entrepreneurship, and management technologies or applications in the region;
- (2) to provide education and training in the use of telecommunications and technology;
- (3) to develop programs to increase the readiness of industry groups and businesses in the region to engage in electronic commerce; or
- (4) to support entrepreneurial opportunities for businesses in the information technology sector.

(b) *SOURCE OF FUNDING.*—

(1) *IN GENERAL.*—Assistance under this section may be provided—

- (A) exclusively from amounts made available to carry out this section; or
- (B) from amounts made available to carry out this section in combination with amounts made available under any other Federal program or from any other source.

(2) *FEDERAL SHARE REQUIREMENTS SPECIFIED IN OTHER LAWS.*—Notwithstanding any provision of law limiting the Federal share under any other Federal program, amounts made available to carry out this section may be used to increase that Federal share, as the Commission determines to be appropriate.

(c) *COST SHARING FOR GRANTS.*—Not more than 50 percent (or 80 percent in the case of a project to be carried out in a county for which a distressed county designation is in effect under section 226) of the costs of any activity eligible for a grant under this section may be provided from funds appropriated to carry out this section.

(d) *BROADBAND STUDY.*—

(1) *IN GENERAL.*—The Commission shall make a grant, enter into an agreement, or otherwise provide funds for the conduct of a study on—

- (A) the availability of broadband telecommunications services and access to the Internet through such services in rural and other remote areas;
- (B) the impacts of the availability of those services on those areas; and
- (C) the means that are available for enhancing or facilitating the availability of those services in those areas.

(2) *COMPLETION OF STUDY.*—The study under paragraph (1) shall be completed not later than 18 months after the date of enactment of the Appalachian Regional Development Act Amendments of 2001.

SEC. 204. ENTREPRENEURSHIP INITIATIVE.

(a) **DEFINITION OF BUSINESS INCUBATOR SERVICE.**—*In this section, the term “business incubator service” means a professional or technical service necessary for the initiation and initial sustainment of the operations of a newly established business, including a service such as—*

(1) *a legal service, including aid in preparing a corporate charter, partnership agreement, or basic contract;*

(2) *a service in support of the protection of intellectual property through a patent, a trademark, or any other means;*

(3) *a service in support of the acquisition and use of advanced technology, including the use of Internet services and Web-based services; and*

(4) *consultation on strategic planning, marketing, or advertising.*

(b) **PROJECTS TO BE ASSISTED.**—*The Commission may provide technical assistance, make grants, enter into contracts, or otherwise provide funds to persons or entities in the region for projects—*

(1) *to support the advancement of, and provide, high-quality entrepreneurial training and education for youths, students, and businesspersons;*

(2) *to improve access to debt and equity capital, including the establishment of development venture capital funds;*

(3) *to aid communities in identifying, developing, and implementing development strategies for various sectors of the economy; and*

(4)(A) *to develop a working network of business incubators; and*

(B) *to support entities that provide business incubator services.*

(c) **SOURCE OF FUNDING.**—

(1) **IN GENERAL.**—*Assistance under this section may be provided—*

(A) *exclusively from amounts made available to carry out this section; or*

(B) *from amounts made available to carry out this section in combination with amounts made available under any other Federal program or from any other source.*

(2) **FEDERAL SHARE REQUIREMENTS SPECIFIED IN OTHER LAWS.**—*Notwithstanding any provision of law limiting the Federal share under any other Federal program, amounts made available to carry out this section may be used to increase that Federal share, as the Commission determines to be appropriate.*

(d) **COST SHARING FOR GRANTS.**—*Not more than 50 percent (or 80 percent in the case of a project to be carried out in a county for which a distressed county designation is in effect under section 226) of the costs of any activity eligible for a grant under this section may be provided from funds appropriated to carry out this section.*

SEC. 205. REGIONAL SKILLS PARTNERSHIPS.

(a) **DEFINITION OF ELIGIBLE ENTITY.**—*In this section, the term “eligible entity” means a consortium that—*

(1) *is established to serve 1 or more industries in a specified geographic area; and*

(2) *consists of representatives of—*

- (A) *businesses (or a nonprofit organization that represents businesses);*
- (B) *labor organizations;*
- (C) *State and local governments; or*
- (D) *educational institutions.*

(b) *PROJECTS TO BE ASSISTED.—The Commission may provide technical assistance, make grants, enter into contracts, or otherwise provide funds to eligible entities in the region for projects to improve the job skills of workers in a specified industry, including projects for—*

- (1) *the assessment of training and job skill needs for the industry;*
- (2) *the development of curricula and training methods, including, in appropriate cases, electronic learning or technology-based training;*
- (3) *the purchase, lease, or receipt of donations of training equipment;*
- (4)(A) *the identification of training providers; and*
- (B) *the development of partnerships between the industry and educational institutions, including community colleges;*
- (5) *the development of apprenticeship programs;*
- (6) *the development of training programs for workers, including dislocated workers; and*
- (7) *the development of training plans for businesses.*

(c) *ADMINISTRATIVE COSTS.—An eligible entity may use not more than 10 percent of the funds made available to the eligible entity under subsection (b) to pay administrative costs associated with the projects described in subsection (b).*

(d) *SOURCE OF FUNDING.—*

(1) *IN GENERAL.—Assistance under this section may be provided—*

- (A) *exclusively from amounts made available to carry out this section; or*
- (B) *from amounts made available to carry out this section in combination with amounts made available under any other Federal program or from any other source.*

(2) *FEDERAL SHARE REQUIREMENTS SPECIFIED IN OTHER LAWS.—Notwithstanding any provision of law limiting the Federal share under any other Federal program, amounts made available to carry out this section may be used to increase that Federal share, as the Commission determines to be appropriate.*

(e) *COST SHARING FOR GRANTS.—Not more than 50 percent (or 80 percent in the case of a project to be carried out in a county for which a distressed county designation is in effect under section 226) of the costs of any activity eligible for a grant under this section may be provided from funds appropriated to carry out this section.*

ASSISTANCE FOR PLANNING AND OTHER PRELIMINARY EXPENSES OF
PROPOSED LOW- AND MODERATE-INCOME HOUSING PROJECTS

SEC. 207. (a) In order to encourage and facilitate the construction of rehabilitation of housing to meet the needs of low- and moderate-income families and individuals, the Secretary of Housing and Urban Development (hereafter in this section referred to as the “Secretary”) is authorized to make grants and loans from the Appa-

lachian Housing Fund established by this section, under such terms and conditions as he may prescribe, to nonprofit, limited dividend, or cooperative organizations, and public bodies, for planning and obtaining federally insured mortgage financing or other financial assistance for housing construction or rehabilitation projects for low- and moderate-income families and individuals, under [section 221 of the National Housing Act, section 8 of the United States Housing Act of 1937, section 515 of the Housing Act of 1949] *section 221 of the National Housing Act (12 U.S.C. 1715l), section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f), section 515 of the Housing Act of 1949 (42 U.S.C. 1485), or any other law of similar purpose administered by the Secretary or any other department, agency, or instrumentality of the Federal or State government in any area of the Appalachian region determined by the Commission.*

(b) No loan under subsection (a) of this section shall exceed 50 percent (or 80 percent in the case of a project to be carried out in a county for which a distressed county designation is in effect under section 226) of the cost of planning and obtaining financing for a project, including, but not limited to, preliminary surveys and analyses of market needs, preliminary site engineering and architectural fees, site options, applications and mortgage commitment fees, legal fees, and construction loan fees and discounts. Such loans shall be made without interest, except that any loan made to an organization established for profit shall bear interest at the prevailing market rate authorized for an insured or guaranteed loan for such project. The Secretary shall require payments of loans made under this section, under such terms and conditions as he may require, upon completion of the project or sooner, and except in the case of a loan to an organization established for profit, may cancel any part or all of such a loan, if he determines that a permanent loan to finance such project cannot be obtained in an amount adequate for repayment of such loan under this section.

(c)(1) Except as provided in paragraph (2) of this subsection, no grant under this section shall exceed 50 percent (or 80 percent in the case of a project to be carried out in a county for which a distressed county designation is in effect under section 226) of those expenses, incident to planning and obtaining financing for a project, which the Secretary considers not to be recoverable from the proceeds of any permanent loan made to finance such project, and no such grant shall, be made to an organization established for profit.

(2) The Secretary is authorized to make grants and commitments for grants, and may advance funds under such terms and conditions as he may require, to nonprofit, limited dividend, or cooperative organizations and public bodies for reasonable site development costs and necessary offsite improvements, such as sewer and water line extensions, whenever such a grant, commitment, or advance is essential to the economic feasibility of any housing construction or rehabilitation project for low- and moderate-income families and individuals which otherwise meets the requirements for assistance under this section, except that no such grant for the construction of housing, shall exceed 10 per centum of the cost of such project, and no such grant for the rehabilitation of housing

shall exceed 10 per centum of the reasonable value of such rehabilitation housing, as determined by the Secretary.

(d) All funds allocated to the Secretary for the purposes of this section shall be deposited in a fund which shall be known as the Appalachian Housing Funds and shall be used as a revolving fund by the Secretary for carrying out such purposes. General expenses of administration of this section may be charged to the fund. Moneys in the fund not needed for current operation may be invested in bonds or other obligations guaranteed as to principal and interest by the United States.

(e) The Secretary or the Commission may provide, or contract with public or private organizations to provide, information, advice, and technical assistance with respect to the construction, rehabilitation, and operation by nonprofit organizations of housing for low or moderate income families in such areas of the region and may provide funds to the State for making grants and loans to nonprofit, limited dividend, or cooperative organizations and public bodies for the purposes for which the Secretary is authorized to provide funds under this section.

(f) Programs and projects assisted under this section shall be subject to the provisions cited in section 402 of the Act, notwithstanding such section, to the extent provided in the laws authorizing assistance for low- and moderate-income housing.

[Sec. 208 repealed by P.L. 105-393 (112 Stat. 3621).]

PART B—SUPPLEMENTATIONS AND MODIFICATIONS OF EXISTING PROGRAMS

[Sec. 211¹ repealed by P.L. 105-220 (112 Stat. 1059).]

[Sec. 212-213 repealed by P.L. 105-393 (112 Stat. 3621-3622).]

SUPPLEMENTS TO FEDERAL **[GRANT-IN-AID]** GRANT PROGRAMS

SEC. 214. (a) In order to enable the people, States, and local communities of the region, including local development districts, to take maximum advantage of Federal **[grant-in-aid programs]** *grant programs* (as hereinafter defined) for which they are eligible but for which, because of their economic situation, they cannot supply the required matching share, or for which there are insufficient funds available under the Federal **[grant-in-aid Act]** *Act* authorizing such programs to meet pressing needs of the region, the Federal Cochairman may use amounts made available to carry out this section for all or any portion of the basic Federal contribution to projects or activities (hereinafter referred to as projects) under such Federal **[grant-in-aid programs]** *grant programs* authorized by Federal **[grant-in-aid Acts]** *Acts*, and for the purpose of increasing the Federal contribution to projects under such programs, as hereafter defined, above the fixed maximum portion of the cost of such projects otherwise authorized by the applicable law. In the case of any program or project for which all or any portion of the basic Federal contribution to the project under a Federal **[grant-in-aid**

¹ Amendments made to this section by section 214 of P.L. 105-393 could not be executed because of the earlier repeal of this section by P.L. 105-220.

program] *grant program* is proposed to be made under this subsection, no such Federal contribution shall be made until the responsible Federal official administering the Federal [grant-in-aid Act] *Act* authorizing such contribution certifies that such program or project meets the applicable requirements of such Federal [grant-in-aid Act] *Act* and could be approved for Federal contribution under such Act if funds were available under such Act for such program or project. [Funds may be provided for programs and projects in a State under this subsection only if the Commission determines that the level of Federal and State financial assistance under Acts other than this Act, for the same type of programs or projects in that portion of the State within the region, will not be diminished in order to substitute funds authorized by this subsection.] Funds provided pursuant to this Act shall be available without regard to any limitations on areas eligible for assistance or authorizations for appropriation in any other Act. Any findings, report, certification, or documentation required to be submitted to the head of the department, agency, or instrumentality of the Federal Government responsible for the administration of any Federal [grant-in-aid program] *grant program* shall be accepted by the Federal Cochairman with respect to a supplemental grant for any project under such program.

(b) COST SHARING.—

(1) IN GENERAL.—The Federal portion of such costs shall not be increased in excess of the percentage established by the Commission, and shall in no event exceed 80 per centum thereof.

(2) MAXIMUM COMMISSION CONTRIBUTION AFTER SEPTEMBER 30, 1998.—

(A) IN GENERAL.—Subject to subparagraph (B), after September 30, 1998, a Commission contribution of not more than 50 percent of any project cost eligible for financial assistance under this section may be provided from funds appropriated to carry out this Act.

(B) DISTRESSED COUNTIES.—In the case of a project to be carried out in a county for which a distressed county designation is in effect under section 226, the maximum Commission contribution under subparagraph (A) may be increased to 80 percent.

[(c) The term “Federal grant-in-aid programs” as used in this section means those Federal grant-in-aid programs authorized by this Act and Acts other than this Act for the acquisition or development of land, the construction or equipment of facilities, or other community or economic development or economic adjustment activities, including but not limited to grant-in-aid programs authorized by the following Acts: Federal Water Pollution Control Act; Watershed Protection and Flood Prevention Act; titles VI and XVI of the Public Health Services Act; Vocational Education Act of 1963¹; Federal Airport Act; Airport and Airway Development Act of 1970; part IV of title III of the Communications Act of 1934; title VI (part A) and VII of the Higher Education Act of 1965; Land and

¹Probably should be “Carl D. Perkins Vocational and Technical Education Act of 1998”. See section 3(g) of Public Law 105–332, which could not be executed because of an error made by section 4(e)(2) of Public Law 98–524.

Water Conservation Fund Act of 1965; National Defense Education Act of 1958; Consolidated Farm and Rural Development Act; sections 201 and 209 of the Public Works and Economic Development Act of 1965;² the housing repair program for homeowners authorized by section 1319 of title 42, United States Code; grants under the Indian Health Service Act (42 Stat. 208); and title I of the Housing and Community Development Act of 1974. The term shall not include (A) the program for the construction of the development highway system authorized by section 201 of this Act or any program relating to highway or road construction authorized by title 23, United States Code or (B) any other program for which loans or other Federal financial assistance, except a [grant-in-aid program] *grant program*, is authorized by this or any other Act. For the purpose of this section, any sewage treatment works constructed pursuant to section 8(c) of the Federal Water Pollution Control Act without Federal grant-in-aid assistance under such section shall be regarded as if constructed with such assistance.】

(c) *DEFINITION OF FEDERAL GRANT PROGRAM.*—

(1) *IN GENERAL.*—*In this section, the term “Federal grant program” means any Federal grant program authorized by this Act or any other Act that provides assistance for—*

(A) *the acquisition or development of land;*

(B) *the construction or equipment of facilities; or*

(C) *any other community or economic development or economic adjustment activity.*

(2) *INCLUSIONS.*—*In this section, the term “Federal grant program” includes a Federal grant program such as a Federal grant program authorized by—*

(A) *the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.);*

(B) *the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 4601–4 et seq.);*

(C) *the Watershed Protection and Flood Prevention Act (16 U.S.C. 1001 et seq.);*

(D) *the Carl D. Perkins Vocational and Technical Education Act of 1998 (20 U.S.C. 2301 et seq.);*

(E) *the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.);*

(F) *title VI of the Public Health Service Act (42 U.S.C. 291 et seq.);*

(G) *sections 201 and 209 of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3141, 3149);*

(H) *title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 et seq.); or*

(I) *part IV of title III of the Communications Act of 1934 (47 U.S.C. 390 et seq.).*

(3) *EXCLUSIONS.*—*In this section, the term “Federal grant program” does not include—*

(A) *the program for construction of the Appalachian development highway system authorized by section 201;*

²The amendment made by section 217(c)(2) of P.L. 105–393 struck out “Titles I and IX of the Public Works and Economic Development Act of 1965”. The amendment should have struck “titles . . .”. This was executed to reflect the probable intent of Congress.

(B) any program relating to highway or road construction authorized by title 23, United States Code; or

(C) any other program under this Act or any other Act to the extent that a form of financial assistance other than a grant is authorized.

[(d) Not to exceed \$97,000,000 of the funds authorized in section 401 of this Act for the two-fiscal-year period ending June 30, 1969, shall be available to carry out this section.]

PART C—GENERAL PROVISIONS

MAINTENANCE OF EFFORT

SEC. 221. No State and no political subdivision of such State shall be eligible to receive benefits under this Act unless the aggregate expenditures of State funds, exclusive of expenditures for participation in the National System of Interstate and Defense Highways, and exclusive of local funds and Federal funds, for the benefit of the area within the State located in the region are maintained at a level which does not fall below the average level of the last two years of when it finds that a State's average level of such expenditures for its last two full fiscal years preceding the date of enactment of this Act. In computing the average level of expenditure for its last two fiscal years, a State's past expenditure for participation in the National System of Interstate and Defense Highways and expenditures of local funds and Federal funds shall not be included. The Commission shall recommend to the President or such Federal officer or officers as the President may designate, a lesser requirement when it finds that a substantial population decrease in that portion of a State which lies within the region would not justify a State expenditure equal to the average level of expenditure, within an individual program, has been disproportionate to the present need for that portion of the State which lies within the region.

CONSENT OF STATES

SEC. 222. Nothing contained in this Act shall be interpreted as requiring any State to engage in or accept any program under this Act without its consent.

PROGRAM IMPLEMENTATION

SEC. 223. No program or project authorized under any section of this title shall be implemented until (1) applications and plans relating to the program or project have been determined by the responsible Federal official to be not incompatible with the provisions and objectives of Federal laws which he administers that are not inconsistent with this Act, and (2) the Commission has approved such program or project and has determined that it meets the applicable criteria under section 224 of this Act and the requirements of the development planning process under section 225, and will contribute to the development of the region, which determination shall be controlling and which shall be accepted by the Federal agencies.

PROGRAM DEVELOPMENT CRITERIA

SEC. 224. (a) In considering programs and projects to be given assistance under this Act, and in establishing a priority ranking of the requests for assistance presented to the Commission, the Commission shall follow procedures that will insure consideration of the following factors:

(1) the relationship of the project or class of projects to overall regional development including its location [in an area determined by the State have a significant potential for growth or] in a severely and persistently distressed county or area;

(2) the population and area to be served by the project or class of projects including the [relative per capita income] *per capita market income* and the unemployment rates in the area;

(3) the relative financial resources available to the State or political subdivision or instrumentalities thereof which seek to undertake the project;

(4) the importance of the project or class of projects in relation to other projects or classes of projects which may be competition for the same funds;

(5) the prospects that the project for which assistance is sought will improve, on a continuing rather than a temporary basis, the opportunities for employment, the average level of income, or the economic and social development of the area served by the project; and

(6) the extent to which the project design provides for detailed outcome measurements by which grant expenditures may be evaluated.

(b) LIMITATION.—Financial assistance made available under this Act shall not be used to assist establishments relocating from one area to another.

(c) Funds may be provided for programs and projects in a State under this Act only if the Commission determines that the level of Federal and State financial assistance under Acts other than this Act for the same type of programs or projects in that portion of the State within the region, will not be diminished in order to substitute funds authorized by this Act.

(d) ASSISTANCE TO DISTRESSED COUNTIES AND AREAS.—For each fiscal year, not less than 50 percent of the amount of grant expenditures approved by the Commission shall support activities or projects that benefit severely and persistently distressed counties and areas.

APPALACHIAN STATE DEVELOPMENT PLANNING PROCESS

SEC. 225. (a) Pursuant to policies established by the Commission, each State member shall submit on such schedule as the Commission shall prescribe a development plan for the area of the State within the region. The State development plan shall reflect the goals, objectives, and priorities identified in the regional development plan and in any subregional development plan which may be approved for the subregion of which such State is a part. Such State development plan shall (1) describe the State organization and continuous process for Appalachian development planning, including the procedures established by the State for the participa-

tion of local development districts in such process, the means by which such process is related to overall statewide planning and budgeting processes, and the method of coordinating planning and projects in the region under this Act, the Public Works and Economic Development Act of 1965, and other Federal, State, and local programs; (2) set forth the goals, objectives, and priorities of the State for the region, as determined by the Governor, and identify the needs on which such goals, objectives, and priorities are based; and (3) describe the [development program] *development strategies* for achieving such goals, objectives, and priorities, including funding sources, and recommendations for specific projects to receive assistance under this Act.

(b)(1) Local development districts certified by the State under section 301 of this Act provide the linkage between State and substate planning and development. In carrying out the development planning process, including the selection of programs and projects for assistance, States shall consult with local development districts, local units of government, and citizen groups and take into consideration the goals, objectives, priorities, and recommendations of such bodies. The districts shall assist the States in the coordination of areawide programs and projects, and may prepare and adopt areawide plans or action programs.

(2) The Commission shall encourage the preparation and execution of areawide action programs which specify interrelated projects and schedules of action together with the necessary agency fundings and other commitments to implement such programs. Such programs shall make appropriate use of existing plans affecting the area.

(c) To the maximum extent practicable, Federal departments, agencies, and instrumentalities undertaking or providing financial assistance for programs or projects in the region shall (1) take into account the policies, goals, and objectives established by the Commission and its member States pursuant to this Act; (2) recognize Appalachian State [development programs] *development strategies* approved by the Commission as satisfying requirements for overall economic development planning under such programs or projects; and (3) accept the boundaries and organization of any local development district certified under this Act which the Governor may designate as the areawide agency required under any such program undertaken or assisted by such Federal departments, agencies, and instrumentalities.

SEC. 226. DISTRESSED AND ECONOMICALLY STRONG COUNTIES.

(a) DESIGNATIONS.—

(1) IN GENERAL.—Not later than 90 days after the date of enactment of this section, and annually thereafter, the Commission, in accordance with such criteria as the Commission may establish, shall—

(A) designate as “distressed counties” those counties in the region that are the most severely and persistently distressed; and

(B) designate 2 categories of economically strong counties, consisting of—

(i) “competitive counties”, which shall be those counties in the region that are approaching economic parity with the rest of the United States; and

(ii) ‘attainment counties’, which shall be those counties in the region that have attained or exceeded economic parity with the rest of the United States.

(2) ANNUAL REVIEW OF DESIGNATIONS.—The Commission shall—

(A) conduct an annual review of each designation of a county under paragraph (1) to determine if the county still meets the criteria for the designation; and

(B) renew the designation for another 1-year period only if the county still meets the criteria.

(b) DISTRESSED COUNTIES.—In program and project development and implementation and in the allocation of appropriations made available to carry out this Act, the Commission shall give special consideration to the needs of those counties for which a distressed county designation is in effect under this section.

(c) ECONOMICALLY STRONG COUNTIES.—

(1) COMPETITIVE COUNTIES.—Except as provided in paragraphs (3) and (4), in the case of a project that is carried out in a county for which a competitive county designation is in effect under this section, assistance under this Act shall be limited to not more than 30 percent of the project cost.

(2) ATTAINMENT COUNTIES.—Except as provided in paragraphs (3) and (4), no funds may be provided under this Act for a project that is carried out in a county for which an attainment county designation is in effect under this section.

(3) EXCEPTIONS.—The requirements of paragraphs (1) and (2) shall not apply to—

(A) any project on the Appalachian development highway system authorized by section 201;

(B) any local development district administrative project assisted under section 302(a)(1); or

(C) any multicounty project that is carried out in 2 or more counties designated under this section if—

(i) at least 1 of the participating counties is designated as a distressed county under this section; and

(ii) the project will be of substantial direct benefit to 1 or more distressed counties.

(4) WAIVER.—

(A) IN GENERAL.—The Commission may waive the requirements of paragraphs (1) and (2) for a project upon a showing by the recipient of assistance for the project of 1 or more of the following:

(i) The existence of a significant pocket of distress in the part of the county in which the project is carried out.

(ii) The existence of a significant potential benefit from the project in 1 or more areas of the region outside the designated county.

(B) REPORTS TO CONGRESS.—The Commission shall submit to the Committee on Environment and Public Works of the Senate and the Committee on Transportation

and Infrastructure of the House of Representatives an annual report describing each waiver granted under subparagraph (A) during the period covered by the report.

TITLE III—ADMINISTRATION

LOCAL DEVELOPMENT DISTRICTS—CERTIFICATION

SEC. 301. For the purposes of this Act, a “local development district” shall be an entity certified to the Commission either by the Governor of the State or States in which such entity is located, or by the State officer designated by the appropriate State Law to make such certification, as having a charter or authority that includes the economic development of counties or parts of counties or other political subdivisions within the region. No entity shall be certified as a local development district for the purposes of this Act unless it is one of the following:

- (1) a nonprofit incorporated body organized or chartered under the law of the State in which it is located;
- (2) a nonprofit agency or instrumentality of a State or local government;
- (3) a nonprofit agency or instrumentality created through an interstate compact; or
- (4) a nonprofit association or combination of such bodies, agencies, and instrumentalities.

GRANTS FOR ADMINISTRATION EXPENSES OF LOCAL DEVELOPMENT DISTRICTS AND FOR RESEARCH AND DEMONSTRATION PROJECTS

SEC. 302. (a) AUTHORIZATION TO MAKE GRANTS.—

(1) IN GENERAL.—The Commission is authorized—

(A) to make grants for administrative expenses, including the development of areawide plans or action programs and technical assistance activities, of local development districts, but (i) the amount of any such grant shall not exceed 50 percent of such expenses (*or, at the discretion of the Commission, 75 percent of such expenses in the case of a local development district that has a charter or authority that includes the economic development of a county or part of a county for which a distressed county designation is in effect under section 226*), (ii) no grants for administrative expenses shall be made for a State agency certified as a local development district for a period in excess of three years beginning on the date the initial grant is made for such development district, and (iii) the local development district contributions for administrative expenses may be in cash or in kind, fairly evaluated, including but not limited to space, equipment, and services;

(B) to make grants for assistance to States for a period not in excess of two years to strengthen the State development planning process for the region and the coordination of State planning under this Act, the Public Works and Economic Development Act of 1965, as amended, and other Federal and State programs; and

(C) to make grants for investigation, research, studies, evaluations, and assessments of needs, potentials, or at-

tainment of the people of the region, technical assistance, training programs, demonstrations, and the construction of necessary facilities incident to such activities, which will further the purposes of this Act. Grant funds may be provided entirely from appropriations to carry out this section or in combination with funds available under other Federal or Federal [grant-in-aid programs] *grant programs* or from any other source. Notwithstanding any provision of law limiting the Federal share in any such other program, funds appropriated to carry out this section may be used to increase such Federal share, as the Commission determines appropriate.

(2) COST SHARING AFTER SEPTEMBER 30, 1998.—

(A) IN GENERAL.—Except as provided in subparagraph (B), after September 30, 1998, not more than 50 percent (or 80 percent in the case of a project to be carried out in a county for which a distressed county designation is in effect under section 226) of the costs of any activity eligible for financial assistance under this section may be provided from funds appropriated to carry out this Act.

(B) DISCRETIONARY GRANTS.—

(i) IN GENERAL.—Discretionary grants made by the Commission to implement significant regional initiatives, to take advantage of special development opportunities, or to respond to emergency economic distress in the region may be made without regard to the percentage limitations specified in subparagraph (A).

(ii) LIMITATION ON AGGREGATE AMOUNT.—For each fiscal year, the aggregate amount of discretionary grants referred to in clause (i) shall not exceed 10 percent of the amounts appropriated under section 401 for the fiscal year.^h

(b)(1) The Commission may provide assistance under this section for demonstrations of enterprise development, including site acquisition or development where necessary for the feasibility of the project, in connection with the development of the region's energy resources and the development and stimulation of indigenous arts and crafts of the region. No more than \$3,000,000 shall be obligated for such energy resource related demonstrations in any fiscal year, and no more than \$2,500,000 shall be obligated for such indigenous arts and crafts demonstrations.

(2) In carrying out the purpose of this Act, including section 2(b), and in implementing this section, the Secretary of Energy, the Environmental Protection Agency, and other Federal agencies shall cooperate with the Commission and shall provide such assistance as the Federal Cochairman may request.

(c)(1) The Commission shall, as required by the President, maintain accurate and complete records of transactions and activities financed with Federal funds and report thereon to the President. The records of the Commission shall be available for audit with respect to such grants by the President and the Comptroller General or their duly authorized representatives.

(2) Recipients of Federal assistance under the provisions of this section shall, as required by the Commission, maintain accurate

and complete records of transactions and activities financed with Federal funds and reports thereon to the Commission. Such records shall be available for audit by the President, Comptroller General, and the Commission or their duly authorized representatives.

APPROVAL OF DEVELOPMENT PLANS, **[INVESTMENT PROGRAMS]**
STRATEGY STATEMENTS, AND PROJECTS

SEC. 303. State and Regional Development Plans and **[implementing investments programs]** *strategy statements*, and any multistate subregional plans which may be developed, shall be annually reviewed and approved by the Commission in accordance with section 101(b) of this Act. An application for a grant or for any other assistance for a specific project under this Act shall be made through the State member of the Commission representing such applicant, and such State member shall evaluate the application for approval. Only applications for grants or other assistance for specific projects shall be approved which are certified by the State member and determined by the Federal Cochairman to implement the Commission-approved State development plan; to be included in the Commission-approved **[implementing investment program]** *strategy statement*; to have adequate assurance that the project will be properly administered, operated, and maintained; and to otherwise meet the requirements for assistance under this Act. After the approval of the appropriate State development plan and **[implementing investment program]** *strategy statement*, certification by a State member of an application for a grant or other assistance for a specific project pursuant to this section shall, when joined by an affirmative vote of the Federal Cochairman for such project, be deemed to satisfy the requirements for affirmative votes for decisions under section 101(b) of this Act.

ANNUAL REPORT

SEC. 304. Not later than six months after the close of each fiscal year, the Commission shall prepare and submit to the Governor of each State in the region and to the President, for transmittal to the Congress, a report on the activities carried out under this Act during such year.

TITLE IV—APPROPRIATIONS AND MISCELLANEOUS
 PROVISIONS

[SEC. 401. AUTHORIZATION OF APPROPRIATIONS.

[(a) IN GENERAL.—In addition to amounts authorized by section 201 and other amounts made available for the Appalachian development highway system program, there are authorized to be appropriated to the Commission to carry out this Act—

- [(1) \$68,000,000 for fiscal year 1999;**
- [(2) \$69,000,000 for fiscal year 2000; and**
- [(3) \$70,000,000 for fiscal year 2001.**

[(b) AVAILABILITY.—Sums made available under subsection (a) shall remain available until expended.]

SEC. 401. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—In addition to amounts authorized by section 201 and other amounts made available for the Appalachian devel-

opment highway system program, there are authorized to be appropriated to the Commission to carry out this Act—

- (1) \$88,000,000 for each of fiscal years 2002 through 2004;
- (2) \$90,000,000 for fiscal year 2005; and
- (3) \$92,000,000 for fiscal year 2006.

(b) *TELECOMMUNICATIONS AND TECHNOLOGY INITIATIVE.*—Of the amounts made available under subsection (a), the following amounts may be made available to carry out section 203:

- (1) \$10,000,000 for fiscal year 2002.
- (2) \$8,000,000 for fiscal year 2003.
- (3) \$5,000,000 for each of fiscal years 2004 through 2006.

(c) *AVAILABILITY.*—Sums made available under subsection (a) shall remain available until expended.

APPLICABLE LABOR STANDARDS

SEC. 402. All laborers and mechanics employed by contractors or subcontractors in the construction, alteration, or repair, including painting and decorating, of projects, buildings and works which are financially assisted through the Federal funds authorized under this Act, shall be paid wages at rates not less than those prevailing or similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a—276a-5). The Secretary of Labor shall have with respect to such labor standards, the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176, 64 Stat. 1267, 5 U.S.C. 133—133z-15), and section 2 of the Act of June 13, 1934, as amended (48 Stat. 948, as amended; 40 U.S.C. 276(c)).

DEFINITION OF APPALACHIAN REGION

SEC. 403. As used in this Act, the term “Appalachian region” or “the region” means that area of the eastern United States consisting of the following counties (including any political subdivision located within such area):

In Alabama, the counties of Bibb, Blount, Calhoun, Chambers, Cherokee, Chilton, Clay, Cleburne, Colbert, Coosa, Cullman, De Kalb, Elmore, Etowah, Fayette, Franklin, Hale, Jackson, Jefferson, Lamar, Lauderdale, Lawrence, Limestone, Macon, Madison, Marion, Marshall, Morgan, Pickens, Randolph, Saint Clair, Shelby, Talladega, Tallapoosa, Tuscaloosa, Walker, and Winston;

In Georgia, the counties of Banks, Barrow, Bartow, Carroll, Catoosa, Chattooga, Cherokee, Dade, Dawson, Douglas, Elbert, Fannin, Floyd, Forsyth, Franklin, Gilmer, Gordon, Gwinnett, Habersham, Hall, Haralson, Hart, Heard, Jackson, Lumpkin, Madison, Murray, Paulding, Pickens, Polk, Rabun, Stephens, Towns, Union, Walker, White, and Whitfield;

In Kentucky, the counties of Adair, Bath, Bell, Boyd, Breathitt, Carter, Casey, Clark, Clay, Clinton, Cumberland, Elliott, Estill, Fleming, Floyd, Garrard, Green, Greenup, Harlan, Jackson, Johnson, Knott, Knox, Laurel, Lawrence, Lee, Leslie, Letcher, Lewis, Lincoln, McCreary, Madison, Magoffin, Martin, Menifee, Monroe, Montgomery, Morgan, Owsley, Perry, Pike,

Powell, Pulaski, Rockcastle, Rowan, Russell, Wayne, Whitley, and Wolfe;

In Maryland, the counties of Allegany, Garrett, and Washington;

In Mississippi the counties of Alcorn, Benton, Calhoun, Chickasaw, Choctaw, Clay, Itawamba, Kemper, Lee, Lowndes, Marshall, Monroe, Noxubee, Oktibbeha, Pontotoc, Prentiss, Tippah, Tishomingo, Union, Webster, Winston, and Yalobusha;

In New York, the counties of Allegany, Broome, Cattaraugus, Chautauqua, Chemung, Chenango, Cortland, Delaware, Otsego, Schoharie, Schuyler, Steuben, Tioga, and Tompkins;

In North Carolina, the counties of Alexander, Alleghany, Ashe, Avery, Buncombe, Burke, Caldwell, Cherokee, Clay, Davie, Forsyth, Graham, Haywood, Henderson, Jackson, McDowell, Macon, Madison, Mitchell, Polk, Rutherford, Stokes, Surry, Swain, Transylvania, Watauga, Wilkes, Yadkin, and Yancey;

In Ohio, the counties of Adams, Athens, Belmont, Brown, Carroll, Clermont, Columbiana, Coshocton, Gallia, Guernsey, Harrison, Highland, Hocking, Holmes, Jackson, Jefferson, Lawrence, Meigs, Monroe, Morgan, Muskingum, Noble, Perry, Pike, Ross, Scioto, Tuscarawas, Vinton, and Washington;

In Pennsylvania, the counties of Allegheny, Armstrong, Beaver, Bedford, Blair, Bradford, Butler, Cambria, Cameron, Carbon, Centre, Clarion, Clearfield, Clinton, Columbia, Crawford, Elk, Erie, Fayette, Forest, Fulton, Greene, Huntingdon, Indiana, Jefferson, Juniata, Lackawana, Lawrence, Luzerne, Lycoming, McKean, Mercer, Mifflin, Monroe, Montour, Northumberland, Perry, Pike, Potter, Schuylkill, Snyder, Somerset, Sullivan, Susquehanna, Tioga, Union, Venango, Warren, Washington, Wayne, Westmoreland, and Wyoming;

In South Carolina, the counties of Anderson, Cherokee, Greenville, Oconee, Pickens, and Spartanburg;

In Tennessee, the counties of Anderson, Bledsoe, Blount, Bradley, Campbell, Cannon, Carter, Claiborne, Clay, Cocke, Coffee, Cumberland, De Kalb, Fentress, Franklin, Grainger, Greene, Grundy, Hamblen, Hamilton, Hancock, Hawkins, Jackson, Jefferson, Johnson, Knox, Loudon, McMinn, Macon, Marion, Meigs, Monroe, Morgan, Overton, Pickett, Polk, Putnam, Rhea, Roane, Scott, Sequatchie, Sevier, Smith, Sullivan, Unicoi, Union, Van Buren, Warren, Washington, and White;

In Virginia, the counties of Alleghany, Bath, Bland, Botetourt, Buchanan, Carroll, Craig, Dickenson, Floyd, Giles, Grayson, Highland, Lee, Montgomery, Pulaski, Rockbridge, Russell, Scott, Smyth, Tazewell, Washington, Wise, and Wythe;

All counties of West Virginia.

No recommendation for any change in the definition of the Appalachian region as set forth in this section shall be proposed or considered by the Commission without a prior resolution by the Committee on Environment and Public Works of the Senate or the [Committee on Public Works and Transportation] *Committee on*

Transportation and Infrastructure of the House of Representatives, directing a study of such change.

The President is authorized and directed to make a study of the extent to which portions of upper New York State which are geographically part of the New England region or the Appalachian region and share the social and economic characteristics thereof should be included in either of such regions. He shall submit the results of such study together with his recommendations to Congress not later than **June 30, 1970** *September 30, 2002*.

SEVERABILITY

SEC. 404. If any provision of this Act, or the applicability thereof to any person or circumstance, is held invalid, the remainder of this Act, and the application of such provision to other persons or circumstances, shall not be affected thereby.

TERMINATION

SEC. 405. This Act, other than sections 201 and 403, shall cease to be in effect on October 1, **2001** *2006*.

