

103^D CONGRESS
1ST SESSION

S. 12

To authorize the Secretary of Commerce to make grants to States and local governments for the construction of projects in areas of high unemployment, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JANUARY 21 (legislative day, JANUARY 5), 1993

Mr. BIDEN introduced the following bill; which was read twice and referred to the Committee on Environment and Public Works

A BILL

To authorize the Secretary of Commerce to make grants to States and local governments for the construction of projects in areas of high unemployment, and for other purposes.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Infrastructure Growth
5 and Employment Act of 1993”.

6 **SEC. 2. FINDINGS.**

7 The Congress finds that—

1 (1) the national economy has failed for several
2 years to maintain sufficient levels of economic
3 growth;

4 (2) the current inadequate levels of economic
5 activity and job creation are anticipated to persist
6 into the foreseeable future;

7 (3) this prospect will mean continued high rates
8 of business failures and unemployment, increased
9 Federal spending and reduced revenues, thereby
10 deepening the Federal deficit;

11 (4) recovery of the economy and reduction of
12 the Federal deficit depend on the creation of higher
13 levels of employment and economic activity;

14 (5) in recent years all levels of government have
15 neglected to add to or maintain existing public infra-
16 structure essential to economic efficiency and the fu-
17 ture prosperity of the country; and

18 (6) economic growth rates and the future effi-
19 ciency and competitiveness of the national economy
20 will be substantially enhanced by a program of Fed-
21 eral Government assistance to State and local gov-
22 ernments to construct and rehabilitate the Nation's
23 economic infrastructure.

1 **SEC. 3. DIRECT GRANTS.**

2 (a) CONSTRUCTION.—The Secretary is authorized to
3 make grants to any State or local government for the con-
4 struction (including demolition and other site preparation
5 activities), renovation, repair, or other improvement of
6 local public works projects, including those public works
7 projects of State and local governments for which Federal
8 financial assistance is authorized under provisions of law
9 other than this Act. To the extent appropriate, the Sec-
10 retary may coordinate with other Federal agencies in as-
11 sessing grant request and in providing appropriate levels
12 of support.

13 (b) FEDERAL SHARE.—The Federal share of any
14 project for which a grant is made under this section shall
15 be no more than 80 percent of the cost of the project.

16 (c) TERMINATION OF GRANTS.—No new grants shall
17 be made pursuant to this Act after the expiration of any
18 3-consecutive-month period during which the national un-
19 employment rate remained below 6 percent for each such
20 month, or after September 30, 1994, whichever first
21 occurs.

22 **SEC. 4. ALLOCATION OF FUNDS; PREFERENCES.**

23 (a) ALLOCATION OF FUNDS.—The Secretary shall al-
24 locate funds appropriated pursuant to section 8 of this Act
25 as follows:

1 (1) INDIAN TRIBES.—Three-quarters of one
2 percent of such funds shall be set aside and shall be
3 expended only for grants for public works projects
4 under this Act to Indian tribes and Alaska Native
5 villages. None of the remainder of such funds shall
6 be expended for such grants to such tribes and
7 villages.

8 (2) OTHERS.—After the set-aside required by
9 paragraphs (1), (3) and (4) of this subsection, 60
10 percent of such funds shall be allocated among the
11 States on the basis of the ratio that the number of
12 unemployed persons in each State bears to the total
13 number of unemployed persons in all the States and
14 40 percent of such funds shall be allocated among
15 those States with an average unemployment rate for
16 the preceding 6-month period in excess of 6 percent
17 on the basis of the relative severity of unemployment
18 in each such State, except that no State shall be al-
19 located less than three-quarters of one percent or
20 more than twelve and one-half percent of such funds
21 for local public works projects within such State, ex-
22 cept that in the case of Guam, the Virgin Islands,
23 American Samoa, the Commonwealth of the North-
24 ern Mariana Islands, and the Trust Territory of the
25 Pacific Islands, not less than one-half of one percent

1 in the aggregate shall be granted for such projects
2 in all 4 of such territories.

3 (3) SET-ASIDE.—Not less than 10 percent of
4 each State's allocations shall be set aside and shall
5 be expended only for grants for public work projects
6 under this Act for local units of general government
7 with populations under 10,000.

8 (4) DEVELOPMENT AND ADMINISTRATION.—Up
9 to three-quarters of one percent of the total grant
10 award will be available for project development and
11 preparation, and for ongoing project administration.
12 This allocation will be available for local units of
13 government defined as nonentitlement under the
14 Housing and Urban Development Community Devel-
15 opment Block Grant Program. Such allocation shall
16 not exceed \$15,000 for any single grant award.

17 (b) PREFERENCES.—

18 (1) LOCAL GOVERNMENT PROJECTS.—In mak-
19 ing grants under this Act, the Secretary shall give
20 priority and preference to public works projects of
21 local governments.

22 (2) LOCALLY ENDORSED PROJECTS.—In mak-
23 ing grants under this Act, the Secretary shall also
24 give priority and preference to any public works
25 project requested by a State or by a special purpose

1 unit of local government which is endorsed by a gen-
2 eral purpose local government within such State.

3 (3) SCHOOL DISTRICT PROJECTS.—A project
4 requested by a school district shall be accorded the
5 full priority and preference to public works projects
6 of local governments provided in this subsection.

7 (4) APPLIED INDUSTRIAL RESEARCH
8 PROJECTS.—A project that creates or adds to an ap-
9 plied research facility at an institution of higher
10 education, and that facility is intended to promote
11 the development of new products and processes, or
12 that the Secretary determines will improve the com-
13 petitiveness of American industry shall be accorded
14 full priority and preference. For projects under this
15 section, matching funds requirements shall be
16 waived if the company or companies and school in-
17 volved commit, in the Secretary's determination, to
18 undertake all future equipment and maintenance
19 expenses.

20 (c) HIGH UNEMPLOYMENT RATES.—

21 (1) PRIORITY.—In making grants under this
22 Act, if for the 12 most recent consecutive months,
23 the average national unemployment rate is equal to
24 or exceeds 6 percent, the Secretary shall (A) expe-
25 dite and give priority to applications submitted by

1 States or local governments having unemployment
2 rates for the 12 most recent consecutive months in
3 excess of the national unemployment rate, and (B)
4 shall give priority thereafter to applications submit-
5 ted by States or local governments having average
6 unemployment rates for the 12 most recent consecu-
7 tive months in excess of 6 percent, but less than the
8 national unemployment rate.

9 (2) INFORMATION REGARDING UNEMPLOYMENT
10 RATES.—Information regarding unemployment rates
11 may be furnished either by the Federal Government,
12 or by States or local governments, provided the Sec-
13 retary (A) determines that the unemployment rates
14 furnished by States or local governments are accu-
15 rate, and (B) shall provide assistance to States or
16 local governments in the calculation of such rates to
17 ensure validity and standardization.

18 (3) LIMITATION ON APPLICABILITY.—Para-
19 graph (1) of this subsection shall not apply to any
20 State which receives a minimum allocation pursuant
21 to paragraph (2) of subsection (a) of this section.

22 (d) STATE AND LOCAL PRIORITIZATION OF APPLICA-
23 TIONS.—Whenever a State or local government submits
24 applications for grants under this Act for 2 or more

1 projects, such State or local government shall submit as
2 part of such applications its priority for each such project.

3 (e) LOCALIZATION OF UNEMPLOYMENT DETERMINA-
4 TIONS.—The unemployment rate of a local government
5 may, for the purposes of this Act, and upon request of
6 the applicant, be based upon the unemployment rate of
7 any community or neighborhood (defined without regard
8 to political or other subdivisions or boundaries) within the
9 jurisdiction of such local government.

10 **SEC. 5. RULES, REGULATIONS, AND PROCEDURES.**

11 (a) IN GENERAL.—The Secretary shall, not later
12 than 30 days after date of enactment of this Act, prescribe
13 those rules, regulations, and procedures (including appli-
14 cation forms) necessary to carry out this Act. Such rules,
15 regulations, and procedures shall assure that adequate
16 consideration is given to the relative needs of various sec-
17 tions of the country. The Secretary shall consider among
18 other factors (1) the severity and duration of unemploy-
19 ment in proposed project areas, (2) the income levels and
20 extent of underemployment in proposed project areas, and
21 (3) the extent to which proposed projects will contribute
22 to the reduction of unemployment and future economic
23 growth.

24 (b) CONSIDERATION OF APPLICATIONS.—The Sec-
25 retary shall make a final determination with respect to

1 each application for a grant submitted to him under this
2 Act not later than the 60th day after the date the Sec-
3 retary receives such application.

4 (c) CONSIDERATION OF CONSTRUCTION INDUSTRY
5 UNEMPLOYMENT.—For purposes of this section, in con-
6 sidering the extent of unemployment or underemployment,
7 the Secretary shall consider the amount of unemployment
8 or underemployment in the construction and construction-
9 related industries.

10 **SEC. 6. GENERAL LIMITATIONS.**

11 (a) ACQUISITION OF LAND.—No part of any grant
12 made under section 3 of this Act shall be used for the
13 acquisition of any interest in real property.

14 (b) MAINTENANCE COSTS.—Nothing in this Act shall
15 be construed to authorize the payment of routine sched-
16 uled maintenance costs in connection with any projects
17 constructed (in whole or in part) with Federal financial
18 assistance under this Act.

19 (c) ON-SITE LABOR.—Grants made by the Secretary
20 under this Act shall be made only for projects for which
21 the applicant gives satisfactory assurances, in such man-
22 ner and form as may be required by the Secretary and
23 in accordance with such terms and conditions as the Sec-
24 retary may prescribe, that, if funds are available, on-site
25 labor work can begin within 90 days of project approval.

1 (d) CONTRACTING.—

2 (1) CONTRACTING OUT REQUIRED.—No part of
3 the construction (including demolition and other site
4 preparation activities), renovation, repair, or other
5 improvement of any public works project for which
6 a grant is made under this Act shall be performed
7 directly by any department, agency, or instrumental-
8 ity of any State or local government.

9 (2) COMPETITIVE BIDDING.—Construction of
10 each project for which a grant is made under this
11 Act shall be performed by contract awarded by com-
12 petitive bidding, unless the Secretary shall affirma-
13 tively find that, under the circumstances relating to
14 such project, an alternative method is in the public
15 interest.

16 (3) LOWEST RESPONSIVE BID.—Contracts for
17 the construction of each project for which a grant is
18 made under this Act shall be awarded only on the
19 basis of the lowest responsive bid submitted by a
20 bidder meeting established criteria of responsibility.

21 (4) ADVERTISING.—No requirement or obliga-
22 tion shall be imposed as a condition precedent to the
23 award of a contract to a bidder for a project for
24 which a grant is made under this Act, or to the Sec-
25 retary's concurrence in the award of a contract to

1 such bidder, unless such requirement or obligation is
2 otherwise lawful and is specifically set forth in the
3 advertised specifications.

4 (e) ENVIRONMENTAL SAFEGUARDS.—All local public
5 works projects carried out with Federal financial assist-
6 ance under this Act shall comply with all relevant Federal,
7 State, and local environmental laws and regulations.

8 (f) BUY AMERICAN.—If a local public works project
9 carried out with Federal financial assistance under this
10 Act would be eligible for Federal financial assistance
11 under provisions of law other than this Act and, under
12 such other provisions of law, would be subject to title III
13 of the Act of March 3, 1933, popularly known as the Buy
14 American Act, or similar requirements, such project shall
15 be subject to such title of such Act of March 3, 1933,
16 or such similar requirements under this Act in the same
17 manner and to the same extent as such project would be
18 subject to such title of such Act of March 3, 1933, or such
19 similar requirements under such other provisions of law.

20 (g) MINORITY PARTICIPATION.—If a local public
21 works project carried out with Federal financial assistance
22 under this Act would be eligible for Federal financial as-
23 sistance under provisions of law other than this Act and,
24 under such other provisions of law, would be subject to
25 any minority participation requirement, such project shall

1 be subject to such requirement under this Act in the same
2 manner and to the same extent as such project would be
3 subject to such requirement under such other provisions
4 of law.

5 (h) APPLICABILITY OF LAWS REGARDING INDIVID-
6 UALS WITH DISABILITIES.—Sections 504 and 505 of the
7 Rehabilitation Act of 1973 and the Americans With Dis-
8 abilities Act of 1990 shall apply to local public works
9 projects carried out under this Act.

10 **SEC. 7. PREVAILING RATE OF WAGES.**

11 If a local public works project carried out with Fed-
12 eral financial assistance under this Act would be eligible
13 for Federal financial assistance under provisions of law
14 other than this Act and, under such other provisions of
15 law, would be subject to the Act of March 3, 1931, known
16 as the Davis-Bacon Act (40 U.S.C. 276a–276a–5), or
17 similar requirements, such project shall be subject to such
18 Act of March 3, 1931, or such similar requirements under
19 this Act in the same manner and to the same extent as
20 such project would be subject to such Act of March 3,
21 1931, or such similar requirements under such other pro-
22 visions of law.

23 **SEC. 8. FUNDING.**

24 There is authorized to be appropriated
25 \$20,000,000,000 to carry out this Act. Moneys appro-

1 priated pursuant to this authorization shall remain avail-
2 able until expended. Any amounts made available under
3 this Act for fiscal year 1992 shall be deemed to be emer-
4 gency spending under section 251(b)(2)(D) of the Bal-
5 anced Budget and Emergency Deficit Control Act of 1985.

6 **SEC. 9. DEFINITIONS.**

7 As used in this Act, the following definitions apply:

8 (1) SECRETARY.—The term “Secretary” means
9 the Secretary of Commerce, acting through the Eco-
10 nomic Development Administration.

11 (2) LOCAL GOVERNMENT.—The term “local
12 government” means any city, county, town, parish,
13 or other political subdivision of a State, and any
14 Indian tribe.

15 (3) PUBLIC WORKS.—The term “public works”
16 includes water and sewer lines, streets and roads,
17 water and sewage treatment plants, port facilities,
18 police and fire stations, detention centers, schools,
19 health facilities, and industrial research or develop-
20 ment parks, research facilities at institutions of
21 higher education, and other projects the Secretary
22 determines to be appropriate.

23 (4) STATE.—The term “State” includes the
24 several States, the District of Columbia, the Com-
25 monwealth of Puerto Rico, the Virgin Islands,

- 1 Guam, American Samoa, the Commonwealth of the
- 2 Northern Mariana Islands, and the Trust Territory
- 3 of the Pacific Islands.

