

105TH CONGRESS  
2D SESSION

# S. 2379

To establish a program to establish and sustain viable rural and remote communities.

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IN THE SENATE OF THE UNITED STATES

JULY 30, 1998

Mr. MURKOWSKI (for himself and Mr. DASCHLE) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

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## A BILL

To establish a program to establish and sustain viable rural and remote communities.

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

3 **TITLE I—SHORT TITLE**

4 This Act may be cited as the “Rural and Remote  
5 Community Fairness Act of 1998”.

1 **TITLE II—RURAL AND REMOTE**  
2 **COMMUNITY DEVELOPMENT**  
3 **BLOCK GRANTS**

4 The Housing and Community Development Act of  
5 1974 (Public Law 93–383) is amended by inserting at the  
6 end the following new title:

7 **“TITLE IX—RURAL AND REMOTE**  
8 **COMMUNITY DEVELOPMENT**  
9 **BLOCK GRANTS**

10 “FINDINGS AND PURPOSE

11 “SEC. 901. (a) FINDINGS.—The Congress finds and  
12 declares that—

13 “(1) a modern infrastructure, including efficient  
14 housing, electricity, bulk fuel, waste water and water  
15 service, is a necessary ingredient of a modern society  
16 and development of a prosperous economy with mini-  
17 mal environmental impacts;

18 “(2) the Nation’s rural and remote communities  
19 face critical social, economic and environmental  
20 problems, arising in significant measure from the  
21 high cost of infrastructure development in sparsely  
22 populated and remote areas, that are not adequately  
23 addressed by existing Federal assistance programs;

24 “(3) in the past, Federal assistance has been  
25 instrumental in establishing electric and other utility

1 service in many developing regions of the Nation,  
2 and that Federal assistance continues to be appro-  
3 priate to ensure that electric and other utility sys-  
4 tems in rural areas conform with modern standards  
5 of safety, reliability, efficiency and environmental  
6 protection; and

7 “(4) the future welfare of the Nation and the  
8 well-being of its citizens depend on the establishment  
9 and maintenance of viable rural and remote commu-  
10 nities as social, economic and political entities.

11 “(b) PURPOSE.—The purpose of this title is the de-  
12 velopment and maintenance of viable rural and remote  
13 communities through the provision of efficient housing,  
14 and reasonably priced and environmentally sound energy,  
15 water, waste water, and bulk fuel and utility services to  
16 those communities that do not have those services or who  
17 currently bear costs for those services that are signifi-  
18 cantly above the national average.

19 “DEFINITIONS

20 “SEC. 902. As used in this title:

21 “(1) The term ‘unit of general local govern-  
22 ment’ means any city, county, town, township, par-  
23 ish, village, borough (organized or unorganized) or  
24 other general purpose political subdivision of a  
25 State, Guam, the Commonwealth of the Northern  
26 Mariana Islands, Puerto Rico, the Republic of the

1 Marshall Islands, the Federated States of Microne-  
2 sia, the Republic of Palau, the Virgin Islands, and  
3 American Samoa; a combination of such political  
4 subdivisions that is recognized by the Secretary; and  
5 the District of Columbia; or any other appropriate  
6 organization of citizens of a rural and remote com-  
7 munity that the Secretary may identify.

8 “(2) The term ‘population’ means total resident  
9 population based on data compiled by the United  
10 States Bureau of the Census and referable to the  
11 same point or period in time.

12 “(3) The term ‘Indian tribe’ means any Indian  
13 tribe, band group, and nation, including Alaska Indi-  
14 ans, Aleuts, and Eskimos, and any Alaskan Native  
15 Village, of the United States, which is considered an  
16 eligible recipient under the Indian Self Determina-  
17 tion and Education Assistance Act (Public Law 93–  
18 638) or was considered an eligible recipient under  
19 chapter 67 of title 31, United States Code, prior to  
20 the repeal of such chapter.

21 “(4) The term ‘Secretary’ means the Secretary  
22 of Housing and Urban Development.

23 “(5) The term ‘rural and remote community’  
24 means a unit of local general government or Indian  
25 tribe which represents or contains a population not

1 in excess of 10,000 permanent inhabitants, and that  
2 has an average cost per kilowatt hour of electricity  
3 that is equal to or greater than 150 percent of the  
4 average retail price per kilowatt hour for all consum-  
5 ers in the United States, as determined by data pro-  
6 vided by the Department of Energy's Energy Infor-  
7 mation Administration.

8 “(6) Alternative energy sources include non-tra-  
9 ditional means of providing electrical energy, includ-  
10 ing, but not limited to, wind, solar, biomass, geo-  
11 thermal and tidal power.

12 “AUTHORIZATIONS

13 “SEC. 903. The Secretary is authorized to make  
14 grants to rural and remote communities to carry out ac-  
15 tivities in accordance with the provisions of this title. For  
16 purposes of assistance under section 906, there are au-  
17 thorized to be appropriated \$100,000,000 for each of fis-  
18 cal years 1999 through 2005.

19 “STATEMENT OF ACTIVITIES AND REVIEW

20 “SEC. 904. (a) Prior to the receipt in any fiscal year  
21 of a grant under section 906 by any rural and remote com-  
22 munity, the grantee shall have prepared and submitted to  
23 the Secretary a final statement of rural and remote com-  
24 munity development objectives and projected use of funds.

25 “(b) In order to permit public examination and ap-  
26 praisal of such statements, to enhance the public account-

1 ability of grantees, and to facilitate coordination of activi-  
2 ties with different levels of government, the grantee shall  
3 in a timely manner—

4           “(1) furnish citizens information concerning the  
5 amount of funds available for rural and remote com-  
6 munity development activities and the range of ac-  
7 tivities that may be undertaken;

8           “(2) publish a proposed statement in such man-  
9 ner to afford affected citizens an opportunity to ex-  
10 amine its content and to submit comments on the  
11 proposed statement and on the community develop-  
12 ment performance of the grantee;

13           “(3) provide citizens with reasonable access to  
14 records regarding the past use of funds received  
15 under section 906 by the grantee; and

16           “(4) provide citizens with reasonable notice of,  
17 and opportunity to comment on, any substantial  
18 change proposed to be made in the use of funds re-  
19 ceived under section 906 from one eligible activity to  
20 another.

21 The final statement shall be made available to the public,  
22 and a copy shall be furnished to the Secretary. Any final  
23 statement of activities may be modified or amended from  
24 time to time by the grantee in accordance with the same

1 procedures required in this paragraph for the preparation  
2 and submission of such statement.

3       “(c) Each grantee shall submit to the Secretary, at  
4 a time determined by the Secretary, a performance and  
5 evaluation report, concerning the use of funds made avail-  
6 able under section 906, together with an assessment by  
7 the grantee of the relationship of such use to the objectives  
8 identified in the grantee’s statement under subsection (a)  
9 and to the requirements of subsection (b). The grantee’s  
10 report shall indicate its programmatic accomplishments,  
11 the nature of and reasons for any changes in the grantee’s  
12 program objectives, and indications of how the grantee  
13 would change its programs as a result of its experiences.

14       “(d) Any rural and remote community may retain  
15 any program income that is realized from any grant made  
16 by the Secretary under section 906 if (1) such income was  
17 realized after the initial disbursement of the funds re-  
18 ceived by such unit of general local government under such  
19 section; and (2) such unit of general local government has  
20 agreed that it will utilize the program income for eligible  
21 rural and remote community development activities in ac-  
22 cordance with the provisions of this title; except that the  
23 Secretary may, by regulation, exclude from consideration  
24 as program income any amounts determined to be so small  
25 that compliance with this subsection creates an unreason-

1 able administrative burden on the rural and remote com-  
2 munity.

3 “ELIGIBLE ACTIVITIES

4 “SEC. 905. (a) Eligible activities assisted under this  
5 title may include only—

6 “(1) the provision of assistance, including loans,  
7 grants, and services, for low-cost weatherization and  
8 other cost-effective energy-related repair of homes  
9 and other buildings;

10 “(2) the acquisition, construction, repair, recon-  
11 struction, or installation of reliable and cost-efficient  
12 facilities for the generation, transmission or distribu-  
13 tion of electricity for consumption in a rural and re-  
14 mote community or communities;

15 “(3) the acquisition, construction, repair, recon-  
16 struction, remediation or installation of facilities for  
17 the safe storage and efficient management of bulk  
18 fuel by rural and remote communities, and facilities  
19 for the distribution of such fuel to consumers in a  
20 rural and remote community or communities;

21 “(4) facilities and training to reduce costs of  
22 maintaining and operating generation, distribution  
23 or transmission systems to a rural and remote com-  
24 munity or communities;

25 “(5) the institution of professional management  
26 and maintenance services for electricity generation,

1 transmission or distribution to a rural and remote  
2 community or communities;

3 “(6) the investigation of the feasibility of alter-  
4 nate energy sources for a rural and remote commu-  
5 nity or communities;

6 “(7) acquisition, construction, repair, recon-  
7 struction, operation, maintenance, or installation of  
8 facilities for water or waste water service;

9 “(8) the acquisition or disposition of real prop-  
10 erty (including air rights, water rights, and other in-  
11 terests therein) for eligible rural and remote commu-  
12 nity development activities; and

13 “(9) activities necessary to develop and imple-  
14 ment a comprehensive rural and remote development  
15 plan, including payment of reasonable administrative  
16 costs related to planning and execution of rural and  
17 remote community development activities.

18 “(b) Eligible activities may be undertaken either di-  
19 rectly by the rural and remote community, or by the rural  
20 and remote community through local electric utilities.

21 “ALLOCATION AND DISTRIBUTION OF FUNDS

22 “SEC. 906. For each fiscal year, of the amount ap-  
23 proved in an appropriation Act under section 903 for  
24 grants in any year, the Secretary shall distribute to each  
25 rural and remote community which has filed a final state-  
26 ment of rural and remote community development objec-

1 tives and projected use of funds under section 904, an  
 2 amount which shall be allocated among the rural and re-  
 3 mote communities that filed a final statement of rural and  
 4 remote community development objectives and projected  
 5 use of funds under section 904 proportionate to the per-  
 6 centage that the average retail price per kilowatt hour of  
 7 electricity for all classes of consumers in the rural and  
 8 remote community exceeds the national average retail  
 9 price per kilowatt hour for electricity for all consumers  
 10 in the United States, as determined by data provided by  
 11 the Department of Energy's Energy Information Adminis-  
 12 tration. In allocating funds under this section, the Sec-  
 13 retary shall give special consideration to those rural and  
 14 remote communities that increase economies of scale  
 15 through consolidation of services, affiliation and regional-  
 16 ization of eligible activities under this title.

17 "REMEDIES FOR NONCOMPLIANCE

18 "SEC. 907. The provisions of section 111 of the  
 19 Housing and Community Development Act of 1974 shall  
 20 apply to assistance distributed under this title."

21 **TITLE III—RURAL AND REMOTE**  
 22 **COMMUNITY ELECTRIFICA-**  
 23 **TION GRANTS**

24 After section 313(b) of the Rural Electrification Act  
 25 of 1936, add the following new subsection:

1       “(c) RURAL AND REMOTE COMMUNITY ELEC-  
2 TRIFICATION GRANTS.—The Secretary is authorized to  
3 provide grants to eligible borrowers under this Act for the  
4 purpose of increasing energy efficiency, lowering or sta-  
5 bilizing electric rates to end users, or providing or mod-  
6 ernizing electric facilities in rural and remote communities  
7 that have an average cost per kilowatt hour of electricity  
8 that is equal to or greater than 150% of the average retail  
9 price per kilowatt hour for all consumers in the United  
10 States, as determined by data provided by the Department  
11 of Energy’s Energy Information Administration.

12       “(d) For purposes of subsection (c), there is author-  
13 ized to be appropriated \$20,000,000 for each of fiscal  
14 years 1999–2005.”.

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