

110TH CONGRESS
2D SESSION

S. 3696

To establish a grant program to encourage retooling of entities in the timber industry in Alaska, and for other purposes.

IN THE SENATE OF THE UNITED STATES

NOVEMBER 19, 2008

Mr. STEVENS (for himself and Ms. MURKOWSKI) introduced the following bill; which was read twice and referred to the Committee on Environment and Public Works

A BILL

To establish a grant program to encourage retooling of entities in the timber industry in Alaska, 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 “Alaska Timber Indus-
5 try Fairness Act”.

6 **SEC. 2. PURPOSE.**

7 The purpose of this Act is to assist entities involved
8 in the timber industry in Alaska—

1 (1) to deal with the adverse impacts of Federal
2 timber policy;

3 (2) to facilitate the economic adjustment of
4 those entities; and

5 (3) to retain jobs and lessen the impact of un-
6 employment in communities where those entities are
7 located.

8 **SEC. 3. FEDERAL TIMBER POLICY DEFINED.**

9 In this Act, the term “Federal timber policy” means
10 any law or regulation of the United States relating to the
11 timber industry, including any policy of the United States
12 Forest Service and any land management plans completed
13 pursuant to National Environmental Policy Act of 1969
14 (42 U.S.C. 4321 et seq.) related to the timber industry.

15 **SEC. 4. GRANTS AUTHORIZED.**

16 The Assistant Secretary for Economic Development
17 of the Department of Commerce (in this Act referred to
18 as the “Assistant Secretary”) may provide grants to eligi-
19 ble entities described in section 5 for retooling projects
20 described in section 6.

21 **SEC. 5. ELIGIBLE ENTITIES DESCRIBED.**

22 An eligible entity described in this section is any enti-
23 ty, including sawmills, logging companies, and road con-
24 struction companies, that—

1 (1) operated in the timber industry in Alaska
2 on January 1, 2008;

3 (2) operated in the timber industry in Alaska
4 for not less than 10 years; and

5 (3) can demonstrate that the entity has been
6 harmed by Federal timber policy.

7 **SEC. 6. RETOOLING PROJECTS DESCRIBED.**

8 (a) **IN GENERAL.**—A retooling project described in
9 this section is a project designed to facilitate the economic
10 adjustment of an eligible entity by allowing the eligible en-
11 tity—

12 (1) to improve or alter the business and prac-
13 tices of the eligible entity to allow the eligible entity
14 to become more competitive within the timber indus-
15 try; or

16 (2) to shift to a type of business that is not re-
17 lated to the timber industry.

18 (b) **ADDITIONAL REQUIREMENT.**—An eligible entity
19 seeking a grant for a retooling project shall commit, to
20 the extent practicable, to continue to employ substantially
21 the same number of employees employed by the eligible
22 entity on January 1, 2008, for a reasonable period after
23 the completion of the retooling project, as determined by
24 the Assistant Secretary.

1 **SEC. 7. APPLICATION PROCESS.**

2 (a) IN GENERAL.—An eligible entity seeking a grant
3 under this Act shall submit an application to the Assistant
4 Secretary in such form and in such manner as the Assist-
5 ant Secretary considers appropriate.

6 (b) CONTENTS.—An application submitted under
7 subsection (a) shall include—

8 (1) a description of the retooling project for
9 which the eligible entity is seeking a grant;

10 (2) a business plan and budget, including start-
11 up costs, for the retooling project; and

12 (3) a demonstration of the likelihood of success
13 of the retooling project.

14 (c) APPROVAL.—Not later than 30 days after the
15 date on which the Assistant Secretary receives an applica-
16 tion under subsection (a) from an eligible entity, the As-
17 sistant Secretary shall determine whether to award a
18 grant to the eligible entity.

19 (d) DENIAL.—If the Assistant Secretary determines
20 not to award a grant to an eligible entity that submitted
21 an application under subsection (a), the Assistant Sec-
22 retary shall afford the eligible entity a reasonable oppor-
23 tunity to address any deficiencies in the application.

24 **SEC. 8. AMOUNT OF GRANT.**

25 (a) IN GENERAL.—Not later than 30 days after the
26 date on which the Assistant Secretary determines to

1 award a grant to an eligible entity, the Assistant Secretary
2 shall—

3 (1) approve the business plan and the budget
4 for the retooling project of the eligible entity; and

5 (2) determine the amount of the grant to award
6 the eligible entity.

7 (b) DETERMINATION.—In determining the amount of
8 the grant to award to an eligible entity, the Assistant Sec-
9 retary shall consider the budget for the retooling plan ap-
10 proved under subsection (a)(1). The amount of the
11 grant—

12 (1) shall cover 75 percent of the cost of the
13 budget, not including any debt reimbursement costs;
14 and

15 (2) may cover up to 100 percent of the cost of
16 the budget if the Assistant Secretary determines ap-
17 propriate based on—

18 (A) the severity of the harm to the eligible
19 entity related to Federal timber policy; and

20 (B) the extent of unemployment in the
21 community in which the retooling project will be
22 based.

23 **SEC. 9. USE OF GRANT FUNDS.**

24 (a) IN GENERAL.—An eligible entity receiving a
25 grant under this Act—

1 (1) may use the grant—

2 (A) to pay for start-up costs necessary for
3 the retooling project, including equipment,
4 worker training, facility acquisition, technical
5 assistance, and raw materials; and

6 (B) to reimburse the eligible entity for the
7 unamortized portion of debt described in sub-
8 section (b); and

9 (2) may not use the grant for the ongoing oper-
10 ational and maintenance costs of the eligible entity.

11 (b) REIMBURSEMENT OF DEBT.—

12 (1) IN GENERAL.—An eligible entity may use a
13 grant under this Act for the reimbursement of debt
14 under subsection (a)(1)(B), without regard to
15 whether the debt is held by Federal or private lend-
16 ers, if—

17 (A) the eligible entity demonstrates that
18 the debt was incurred—

19 (i) to acquire or improve infrastruc-
20 ture or equipment related to the timber in-
21 dustry, including sawmills, logging equip-
22 ment, and road construction equipment, as
23 a result of Federal timber policy; and

24 (ii) on or after January 1, 1998, and
25 before January 1, 2008; and

1 (B) the lender certifies and notarizes the
2 amount of unamortized debt.

3 (2) REDUCTION.—The amount of a grant to be
4 used for the reimbursement of debt under subsection
5 (a)(1)(B) shall be reduced by the amount of any
6 proceeds from the sale by the eligible entity of any
7 infrastructure or equipment described in paragraph
8 (1)(A).

9 **SEC. 10. DURATION OF GRANT PROGRAM.**

10 The grant program under this Act shall be carried
11 out during the 2-year period beginning on the date on
12 which the Assistant Secretary prescribes the regulations
13 under section 12.

14 **SEC. 11. TREATMENT AS A MINORITY SMALL BUSINESS**
15 **CONCERN UNDER THE SMALL BUSINESS ACT.**

16 Notwithstanding any other provision of law, an eligi-
17 ble entity receiving a grant under this Act shall be treated
18 as a small business concern owned or controlled by socially
19 and economically disadvantaged individuals (as that term
20 is defined in section 8(d)(3)(C) of the Small Business Act
21 (15 U.S.C. 637(d)(3)(C)) for purposes of the Small Busi-
22 ness Act (15 U.S.C. 631 et seq.) for 3 years after the
23 date on which the Assistant Secretary approves the appli-
24 cation of the eligible entity for a grant under section 7.

1 **SEC. 12. REGULATIONS.**

2 Not later than 120 days after the date of the enact-
3 ment of this Act, the Assistant Secretary shall prescribe
4 regulations to carry out the grant program under this Act.

5 **SEC. 13. AUTHORIZATION OF APPROPRIATIONS.**

6 There are authorized to be appropriated to the Sec-
7 retary of Commerce \$40,000,000 to carry out the grant
8 program under this Act for fiscal years 2009 and 2010.

○