

(i) The project is intended to address problems arising from actual or threatened high unemployment, low per capita income, or a special need that qualifies an area for eligibility under §301.2(b) of this chapter,

(ii) The project is in significant part devoted to activities addressing the needs of the most economically distressed parts of the total area served by the applicant,

(iii) The applicant is uniquely qualified to address the major causes of actual or threatened economic distress in the area served by the applicant, and

(iv) The applicant cannot provide the non-Federal share otherwise required because in the overall economic situation there is a lack of available non-Federal share due, for instance, to the pressing demand for its use elsewhere.

(4) A project receiving a supplemental grant increasing the Federal share under paragraph (b)(3) of this section is not eligible for additional Federal grant assistance under §301.4(d) of this chapter, i.e., the 10 percent incentive increase for certain projects in districts.

(c) As a condition of the receipt of assistance by a State under this part 306:

(1) The State must have or develop a CEDS;

(2) Any State plan developed with such assistance must be developed cooperatively by the State, political subdivisions of the State, and the economic development districts located wholly or partially within the State;

(3) Any overall State economic development planning assisted under this section shall be a part of a comprehensive planning process that shall consider the provision of public works to:

(i) Promote economic development and opportunity,

(ii) Foster effective transportation access,

(iii) Enhance and protect the environment, and

(iv) Balance resources through the sound management of physical development;

(4) Upon completion of the State plan, the State must,

(i) Certify to EDA that, in the development of the State plan, local and economic development district plans

were considered and, to the maximum extent practicable, the State plan is consistent with the local and economic development district plans; and

(ii) Identify any inconsistencies between the State plan and the local and economic development district plans and provide a justification for each inconsistency; and

(5) The State must submit to EDA an annual report on the planning process so assisted.

[64 FR 5427, Feb. 3, 1999, as amended at 64 FR 69877, Dec. 14, 1999]

#### §306.4 Post-approval requirements.

Financial, performance and progress reports, and project products will be as specified in the Special Award Conditions of the grant.

[64 FR 5427, Feb. 3, 1999]

### PART 307—LOCAL TECHNICAL ASSISTANCE, UNIVERSITY CENTER TECHNICAL ASSISTANCE, NATIONAL TECHNICAL ASSISTANCE, TRAINING, RESEARCH, AND EVALUATION

#### Subpart A—Local Technical Assistance

Sec.

307.1 Purpose and scope.

307.2 Application evaluation criteria.

307.3 Award and grant rate requirements.

#### Subpart B—University Center Program

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307.6 Application evaluation criteria.

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#### Subpart C—National Technical Assistance, Training, Research, and Evaluation

307.9 Purpose and scope.

307.10 Application evaluation criteria.

307.11 Award and grant rate requirements.

307.12 Post-approval requirements.

AUTHORITY: 42 U.S.C. 3211; Department of Commerce Organization Order 10-4.

SOURCE: 64 FR 5427, Feb. 3, 1999, unless otherwise noted.

**Subpart A—Local Technical Assistance**

**§ 307.1 Purpose and scope.**

Local Technical Assistance projects are intended to:

- (a) Determine the causes of excessive unemployment, underemployment, low per capita income, or high poverty rates in areas and regions of the Nation;
- (b) Assist in formulating and implementing new economic development tools, models, and innovative techniques that will raise employment and income levels; and
- (c) Assist distressed communities in formulating and implementing new economic development programs to increase the technology and human capacity of the communities. Local Technical Assistance funds may not be used to start or expand a private business.

**§ 307.2 Application evaluation criteria.**

EDA selects local technical assistance projects for grant awards according to the general application evaluation criteria set forth in part 304 of this chapter and the extent, as appropriate, the project:

- (a) Strengthen the local capacity to undertake and promote effective economic development programs targeted to people and areas of distress;
- (b) Benefits distressed areas;
- (c) Helps to diversify distressed economies;
- (d) Demonstrates innovative approaches to stimulating economic development in distressed areas; and
- (e) Is consistent with the CEDS or other strategy accepted by EDA for the area in which the project is located.

[64 FR 5427, Feb. 3, 1999, as amended at 64 FR 69878, Dec. 14, 1999]

**§ 307.3 Award and grant rate requirements.**

- (a) EDA will provide assistance for the period of time required to complete the project scope of work, generally not to exceed twelve months.
- (b) If the project is regional in scope, EDA may determine that the requirement that public or private nonprofit organizations must act in cooperation with officials of a political subdivision

of a State is satisfied by the nature of the project;

(c) Grant rate:

- (1) The maximum Federal grant rate for a project under this subpart is:
  - (i) 50 percent, except as supplemented as provided in § 301.4(b); or
  - (ii) Up to and including 100 percent, if the project is not feasible without, and merits, a reduction or waiver of the non-Federal share required under the rate provided in § 301.4(b).
- (2) A project is eligible for a supplemental grant increasing the Federal share up to and including 100 percent when the applicant is able to demonstrate that,
  - (i) It cannot provide the non-Federal share otherwise required because in the overall economic situation there is a lack of available non-Federal share due, for instance, to the pressing demand for its use elsewhere;
  - (ii) The project is addressing major causes of distress in the service area and requires the unique characteristics of the applicant, which will not participate in the program if it must provide all or part of a 50 percent non-Federal share; or
  - (iii) The project is for the benefit of local, State, regional, or national economic development efforts, and will be of no or only incidental benefit to the recipient.

(3) A project receiving a supplemental grant increasing the Federal share under paragraph (c)(2) of this section is not eligible for additional Federal grant assistance under § 301.4(d) of this chapter, *i.e.*, the 10 percent incentive increase for certain projects in districts.

(4) A local technical assistance project is eligible for a Federal grant rate of more than 75 percent, up to 100 percent, only if approved by the Assistant Secretary.

[64 FR 5427, Feb. 3, 1999, as amended at 64 FR 69878, Dec. 14, 1999]

**Subpart B—University Center Program**

**§ 307.4 Post-approval requirements.**

Financial reports, progress reports, and project products will be specified

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in the Special Award Conditions of the grant or cooperative agreement.

[64 FR 69878, Dec. 14, 1999]

### § 307.5 Purpose and scope.

The University Center technical assistance program is designed to help improve the economies of distressed areas. It helps institutions of higher education (or other applicants) use their own and other resources to address the economic development problems and opportunities of areas serviced.

[64 FR 5427, Feb. 3, 1999. Redesignated at 64 FR 69878, Dec. 14, 1999]

### § 307.6 Application evaluation criteria.

EDA selects University Center projects for grant awards according to the general application evaluation criteria set forth in part 304 of this chapter and the extent, as appropriate, the project:

- (a) Has the commitment of the highest management levels of the sponsoring institution;
- (b) Provides evidence of adequate non-Federal financial support, either from the sponsoring institution or other sources;
- (c) Outlines activities consistent with the expertise of the proposed staff, the academic programs, and other resources available within the sponsoring institution;
- (d) Documents past experience of the sponsoring institution in operating technical assistance programs; and
- (e) Balances the geographic distribution of University Centers across the country. Only the Assistant Secretary has the authority to approve the selection for grant assistance of a University Center that has not received University Center assistance for the previous year.

[64 FR 5427, Feb. 3, 1999. Redesignated and amended at 64 FR 69878, Dec. 14, 1999]

### § 307.7 Award and grant rate requirements.

- (a) EDA will provide assistance for the period of time required to complete the project scope of work, generally not to exceed twelve months.
- (b) If the project is regional in scope, EDA may determine that the require-

ment that public or private nonprofit organizations must act in cooperation with officials of a political subdivision of a State is satisfied by the nature of the project;

(c) Grant rate:

(1) The maximum Federal grant rate for a project under this subpart is:

- (i) 50 percent, or
- (ii) 75 percent, if the project is not feasible without, and merits, a reduction or waiver of the non-Federal share.

(2) A project is eligible for a supplemental grant increasing the Federal share up to and including 75 percent when the applicant is able to demonstrate that:

- (i) It cannot provide the non-Federal share otherwise required because in the overall economic situation there is a lack of available non-Federal share due, for instance, to the pressing demand for its use elsewhere;
- (ii) The project is addressing major causes of distress in the area serviced and requires the unique characteristics of the applicant, which will not participate in the program if it must provide all or part of a 50 percent non-Federal share; or
- (iii) The project is for the benefit of local, State, regional, or national economic development efforts, and will be of no or only incidental benefit to the recipient.

(3) A project awarded under this subpart is not eligible for additional Federal grant assistance under the table in § 301.4(b) or the provisions of § 301.4(d) of this chapter, i.e., the 10 percent incentive increase for certain projects in districts.

(d) Direct costs: At least 80 percent of EDA funding must be allocated to direct costs of program delivery.

[64 FR 5427, Feb. 3, 1999. Redesignated and amended at 64 FR 69878, Dec. 14, 1999; 65 FR 71025, Nov. 28, 2000]

### § 307.8 Post-approval requirements.

Financial reports, progress reports, and project products will be specified in the special award conditions of the grant or cooperative agreement.

[64 FR 69878, Dec. 14, 1999]

**Subpart C—National Technical Assistance, Training, Research, and Evaluation**

**§ 307.9 Purpose and scope.**

(a) The purposes of National Technical Assistance, Training, Research, and Evaluation projects are:

(1) To determine the causes of excessive unemployment, underemployment, outmigration or other problems indicating economic distress in areas and regions of the Nation;

(2) To assist in formulating and implementing new economic development tools and national, State, and local programs that will raise employment and income levels and otherwise produce solutions to problems resulting from the above conditions;

(3) To evaluate the effectiveness and economic impact of programs, projects, and techniques used to alleviate economic distress and promote economic development, and

(4) To assist in disseminating information about effective programs, projects and techniques that alleviate economic distress and promote economic development.

(b) EDA may during the course of the year, identify specific national technical assistance, training, research or evaluation projects it wishes to have conducted. Ordinarily, EDA specifies these projects in a NOFA, which also provides the appropriate point of contact and address.

(c) National technical assistance, research, training, and evaluation funds may not be used to start or expand a private business.

[64 FR 5427, Feb. 3, 1999. Redesignated at 64 FR 69878, Dec. 14, 1999]

**§ 307.10 Application evaluation criteria.**

EDA selects projects for national technical assistance, training, research or evaluation grant awards according to the general application evaluation criteria set forth in part 304 of this chapter and the extent, as appropriate, the project:

(a) Does not depend upon further EDA or other Federal funding assistance to achieve results;

(b) Strengthens the capability of local, State, or national organizations and institutions, including nonprofit economic development groups, to undertake and promote effective economic development programs targeted to people and areas of distress;

(c) Benefits severely distressed areas;

(d) Helps to diversify distressed economies; and

(e) Demonstrates innovative approaches to stimulating economic development in distressed areas.

[64 FR 5427, Feb. 3, 1999. Redesignated at 64 FR 69878, Dec. 14, 1999]

**§ 307.11 Award and grant rate requirements.**

(a) EDA will provide assistance for the period of time required to complete the project scope of work. Normally, this does not exceed twelve months.

(b) If the project is regional or national in scope, EDA may determine that the requirement that public or private nonprofit organizations must act in cooperation with officials of a political subdivision of a State is satisfied by the nature of the project;

(c) Grant rate:

(1) The maximum Federal grant rate for a project under this subpart is:

(i) 50 percent, except as supplemented as provided in § 301.4(b); or

(ii) Up to and including 100 percent, if the project is not feasible without, and merits, a reduction or waiver of the non-Federal share required under the rate provided in § 301.4(b) of this chapter.

(2) A project is eligible for a supplemental grant increasing the Federal share up to and including 100 percent when the applicant is able to demonstrate that:

(i) The project is addressing major causes of distress in the area serviced and requires the unique characteristics of the applicant, which will not participate in the program if it must provide all or part of a 50 percent non-Federal share; or

(ii) The project is for the benefit of local, State, regional, or national economic development efforts, and will be of no or only incidental benefit to the recipient.

[64 FR 5427, Feb. 3, 1999. Redesignated and amended at 64 FR 69878, Dec. 14, 1999]

**§ 307.12 Post-approval requirements.**

Financial reports, progress reports, and project products will be specified in the Special Award Conditions of the grant or cooperative agreement.

[64 FR 69879, Dec. 14, 1999]

## PART 308—REQUIREMENTS FOR ECONOMIC ADJUSTMENT GRANTS

Sec.

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- 308.2 Criteria.
- 308.3 Use of Economic Adjustment grants.
- 308.4 Selection and evaluation factors.
- 308.5 Applicant requirements.
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- 308.7 Revolving Loan Funds established for business lending.
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- 308.14 Revolving Loan Fund semi-annual and annual reports.
- 308.15 Prudent management of Revolving Loan Funds.
- 308.16 Disbursement of funds to Revolving Loan Funds.
- 308.17 Effective utilization of Revolving Loan Funds.
- 308.18 Uses of capital.
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AUTHORITY: 42 U.S.C. 3211; Department of Commerce Organization Order 10-4.

SOURCE: 64 FR 5429, Feb. 3, 1999, unless otherwise noted.

### Subpart A—General

**§ 308.1 Purpose and scope.**

(a) The purpose of economic adjustment grants is to address the needs of communities experiencing adverse economic changes that may occur suddenly or over time, including but not limited to those caused by:

- (1) Military base closures or realignments, defense contractor reductions

in force, or Department of Energy defense-related funding reductions,

(2) Disasters or emergencies, in areas with respect to which a major disaster or emergency has been declared under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 *et seq.*),

(3) International trade,

(4) Fishery failures, in areas with respect to which a determination that there is a commercial fishery failure has been made under sec. 312(a) of the Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C. 1861a(a)),

(5) Long-term economic deterioration, or

(6) Loss of a major community employer.

(b) Economic Adjustment grants are intended to enhance a distressed community's ability to compete economically by stimulating private investment in targeted economic sectors through use of tools that:

(1) Help organize and carry out a CEDS;

(2) Expand the capacity of public officials and economic development organizations to work effectively with businesses;

(3) Assist in overcoming major obstacles identified in the strategy;

(4) Enable communities to plan and coordinate: The use of Federal and other resources available to support economic recovery, development of regional economies, or recovery from natural or other disasters; and

(5) Encourage the development of innovative public/private approaches to economic restructuring and revitalization.

[64 FR 5429, Feb. 3, 1999, as amended at 64 FR 69879, Dec. 14, 1999]

**§ 308.2 Criteria.**

(a) A grant may be made under this part only when the project will help the area to meet a special need arising from actual or threatened severe unemployment or economic adjustment problems resulting from severe changes in economic conditions; and the area for which a project is to be carried out has a strategy and the project is consistent with the strategy, except that