

107TH CONGRESS
2^D SESSION

S. 1206

AN ACT

To reauthorize the Appalachian Regional Development Act
of 1965, 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 “Appalachian Regional
5 Development Act Amendments of 2002”.

1 **SEC. 2. PURPOSES.**

2 (a) THIS ACT.—The purposes of this Act are—

3 (1) to reauthorize the Appalachian Regional
4 Development Act of 1965 (40 U.S.C. App.); and

5 (2) to ensure that the people and businesses of
6 the Appalachian region have the knowledge, skills,
7 and access to telecommunication and technology
8 services necessary to compete in the knowledge-
9 based economy of the United States.

10 (b) APPALACHIAN REGIONAL DEVELOPMENT ACT OF
11 1965.—Section 2 of the Appalachian Regional Develop-
12 ment Act of 1965 (40 U.S.C. App.) is amended—

13 (1) in subsection (b), by inserting after the
14 third sentence the following: “Consistent with the
15 goal described in the preceding sentence, the Appa-
16 lachian region should be able to take advantage of
17 eco-industrial development, which promotes both em-
18 ployment and economic growth and the preservation
19 of natural resources.”; and

20 (2) in subsection (c)(2)(B)(ii), by inserting “,
21 including eco-industrial development technologies”
22 before the semicolon.

23 **SEC. 3. FUNCTIONS OF THE COMMISSION.**

24 Section 102(a) of the Appalachian Regional Develop-
25 ment Act of 1965 (40 U.S.C. App.) is amended—

1 (1) in paragraph (5), by inserting “, and sup-
2 port,” after “formation of”;

3 (2) in paragraph (7), by striking “and” at the
4 end;

5 (3) in paragraph (8), by striking the period at
6 the end and inserting a semicolon; and

7 (4) by adding at the end the following:

8 “(9) encourage the use of eco-industrial devel-
9 opment technologies and approaches; and

10 “(10) seek to coordinate the economic develop-
11 ment activities of, and the use of economic develop-
12 ment resources by, Federal agencies in the region.”.

13 **SEC. 4. INTERAGENCY COORDINATING COUNCIL ON APPA-**
14 **LACHIA.**

15 Section 104 of the Appalachian Regional Develop-
16 ment Act of 1965 (40 U.S.C. App.) is amended—

17 (1) by striking “The President” and inserting
18 “(a) IN GENERAL.—The President”; and

19 (2) by adding at the end the following:

20 “(b) INTERAGENCY COORDINATING COUNCIL ON AP-
21 PALACHIA.—

22 “(1) ESTABLISHMENT.—In carrying out sub-
23 section (a), the President shall establish an inter-
24 agency council to be known as the ‘Interagency Co-
25 ordinating Council on Appalachia’.

1 “(2) MEMBERSHIP.—The Council shall be com-
2 posed of—

3 “(A) the Federal Cochairman, who shall
4 serve as Chairperson of the Council; and

5 “(B) representatives of Federal agencies
6 that carry out economic development programs
7 in the region.”.

8 **SEC. 5. TELECOMMUNICATIONS AND TECHNOLOGY INITIA-**
9 **TIVE.**

10 Title II of the Appalachian Regional Development
11 Act of 1965 (40 U.S.C. App.) is amended by inserting
12 after section 202 the following:

13 **“SEC. 203. TELECOMMUNICATIONS AND TECHNOLOGY INI-**
14 **TIATIVE.**

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

19 “(1) to increase affordable access to advanced
20 telecommunications, entrepreneurship, and manage-
21 ment technologies or applications in the region;

22 “(2) to provide education and training in the
23 use of telecommunications and technology;

1 “(3) to develop programs to increase the readi-
2 ness of industry groups and businesses in the region
3 to engage in electronic commerce; or

4 “(4) to support entrepreneurial opportunities
5 for businesses in the information technology sector.

6 “(b) SOURCE OF FUNDING.—

7 “(1) IN GENERAL.—Assistance under this sec-
8 tion may be provided—

9 “(A) exclusively from amounts made avail-
10 able to carry out this section; or

11 “(B) from amounts made available to
12 carry out this section in combination with
13 amounts made available under any other Fed-
14 eral program or from any other source.

15 “(2) FEDERAL SHARE REQUIREMENTS SPECI-
16 FIED IN OTHER LAWS.—Notwithstanding any provi-
17 sion of law limiting the Federal share under any
18 other Federal program, amounts made available to
19 carry out this section may be used to increase that
20 Federal share, as the Commission determines to be
21 appropriate.

22 “(c) COST SHARING FOR GRANTS.—Not more than
23 50 percent (or 80 percent in the case of a project to be
24 carried out in a county for which a distressed county des-
25 ignation is in effect under section 226) of the costs of any

1 activity eligible for a grant under this section may be pro-
 2 vided from funds appropriated to carry out this section.”.

3 **SEC. 6. ENTREPRENEURSHIP INITIATIVE.**

4 Title II of the Appalachian Regional Development
 5 Act of 1965 (40 U.S.C. App.) is amended by inserting
 6 after section 203 (as added by section 5) the following:

7 **“SEC. 204. ENTREPRENEURSHIP INITIATIVE.**

8 “(a) DEFINITION OF BUSINESS INCUBATOR SERV-
 9 ICE.—In this section, the term ‘business incubator service’
 10 means a professional or technical service necessary for the
 11 initiation and initial sustainment of the operations of a
 12 newly established business, including a service such as—

13 “(1) a legal service, including aid in preparing
 14 a corporate charter, partnership agreement, or basic
 15 contract;

16 “(2) a service in support of the protection of in-
 17 tellectual property through a patent, a trademark, or
 18 any other means;

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

22 “(4) consultation on strategic planning, mar-
 23 keting, or advertising.

24 “(b) PROJECTS TO BE ASSISTED.—The Commission
 25 may provide technical assistance, make grants, enter into

1 contracts, or otherwise provide funds to persons or entities
2 in the region for projects—

3 “(1) to support the advancement of, and pro-
4 vide, entrepreneurial training and education for
5 youths, students, and businesspersons;

6 “(2) to improve access to debt and equity cap-
7 ital by such means as facilitating the establishment
8 of development venture capital funds;

9 “(3) to aid communities in identifying, devel-
10 oping, and implementing development strategies for
11 various sectors of the economy; and

12 “(4)(A) to develop a working network of busi-
13 ness incubators; and

14 “(B) to support entities that provide business
15 incubator services.

16 “(c) SOURCE OF FUNDING.—

17 “(1) IN GENERAL.—Assistance under this sec-
18 tion may be provided—

19 “(A) exclusively from amounts made avail-
20 able to carry out this section; or

21 “(B) from amounts made available to
22 carry out this section in combination with
23 amounts made available under any other Fed-
24 eral program or from any other source.

1 “(2) FEDERAL SHARE REQUIREMENTS SPECI-
 2 FIED IN OTHER LAWS.—Notwithstanding any provi-
 3 sion of law limiting the Federal share under any
 4 other Federal program, amounts made available to
 5 carry out this section may be used to increase that
 6 Federal share, as the Commission determines to be
 7 appropriate.

8 “(d) COST SHARING FOR GRANTS.—Not more than
 9 50 percent (or 80 percent in the case of a project to be
 10 carried out in a county for which a distressed county des-
 11 ignation is in effect under section 226) of the costs of any
 12 activity eligible for a grant under this section may be pro-
 13 vided from funds appropriated to carry out this section.”.

14 **SEC. 7. REGIONAL SKILLS PARTNERSHIPS.**

15 Title II of the Appalachian Regional Development
 16 Act of 1965 (40 U.S.C. App.) is amended by inserting
 17 after section 204 (as added by section 6) the following:

18 **“SEC. 205. REGIONAL SKILLS PARTNERSHIPS.**

19 “(a) DEFINITION OF ELIGIBLE ENTITY.—In this sec-
 20 tion, the term ‘eligible entity’ means a consortium that—

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

23 “(2) consists of representatives of—

24 “(A) businesses (or a nonprofit organiza-
 25 tion that represents businesses);

1 “(B) labor organizations;

2 “(C) State and local governments; or

3 “(D) educational institutions.

4 “(b) PROJECTS TO BE ASSISTED.—The Commission
5 may provide technical assistance, make grants, enter into
6 contracts, or otherwise provide funds to eligible entities
7 in the region for projects to improve the job skills of work-
8 ers for a specified industry, including projects for—

9 “(1) the assessment of training and job skill
10 needs for the industry;

11 “(2) the development of curricula and training
12 methods, including, in appropriate cases, electronic
13 learning or technology-based training;

14 “(3)(A) the identification of training providers;
15 and

16 “(B) the development of partnerships between
17 the industry and educational institutions, including
18 community colleges;

19 “(4) the development of apprenticeship pro-
20 grams;

21 “(5) the development of training programs for
22 workers, including dislocated workers; and

23 “(6) the development of training plans for busi-
24 nesses.

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

6 “(d) SOURCE OF FUNDING.—

7 “(1) IN GENERAL.—Assistance under this sec-
8 tion may be provided—

9 “(A) exclusively from amounts made avail-
10 able to carry out this section; or

11 “(B) from amounts made available to
12 carry out this section in combination with
13 amounts made available under any other Fed-
14 eral program or from any other source.

15 “(2) FEDERAL SHARE REQUIREMENTS SPECI-
16 FIED IN OTHER LAWS.—Notwithstanding any provi-
17 sion of law limiting the Federal share under any
18 other Federal program, amounts made available to
19 carry out this section may be used to increase that
20 Federal share, as the Commission determines to be
21 appropriate.

22 “(e) COST SHARING FOR GRANTS.—Not more than
23 50 percent (or 80 percent in the case of a project to be
24 carried out in a county for which a distressed county des-
25 ignation is in effect under section 226) of the costs of any

1 activity eligible for a grant under this section may be pro-
 2 vided from funds appropriated to carry out this section.”.

3 **SEC. 8. PROGRAM DEVELOPMENT CRITERIA.**

4 (a) **ELIMINATION OF GROWTH CENTER CRITERIA.**—
 5 Section 224(a)(1) of the Appalachian Regional Develop-
 6 ment Act of 1965 (40 U.S.C. App.) is amended by striking
 7 “in an area determined by the State have a significant
 8 potential for growth or”.

9 (b) **ASSISTANCE TO DISTRESSED COUNTIES AND**
 10 **AREAS.**—Section 224 of the Appalachian Regional Devel-
 11 opment Act of 1965 (40 U.S.C. App.) is amended by add-
 12 ing at the end the following:

13 “(d) **ASSISTANCE TO DISTRESSED COUNTIES AND**
 14 **AREAS.**—For fiscal year 2003 and each fiscal year there-
 15 after, not less than 50 percent of the amount of grant
 16 expenditures approved by the Commission shall support
 17 activities or projects that benefit severely and persistently
 18 distressed counties and areas.”.

19 **SEC. 9. GRANTS FOR ADMINISTRATIVE EXPENSES OF**
 20 **LOCAL DEVELOPMENT DISTRICTS.**

21 Section 302(a)(1)(A)(i) of the Appalachian Regional
 22 Development Act of 1965 (40 U.S.C. App.) is amended
 23 by inserting “(or, at the discretion of the Commission, 75
 24 percent of such expenses in the case of a local development
 25 district that has a charter or authority that includes the

1 economic development of a county or part of a county for
2 which a distressed county designation is in effect under
3 section 226)” after “such expenses”.

4 **SEC. 10. AUTHORIZATION OF APPROPRIATIONS.**

5 Section 401 of the Appalachian Regional Develop-
6 ment Act of 1965 (40 U.S.C. App.) is amended to read
7 as follows:

8 **“SEC. 401. AUTHORIZATION OF APPROPRIATIONS.**

9 “(a) IN GENERAL.—In addition to amounts author-
10 ized by section 201 and other amounts made available for
11 the Appalachian development highway system program,
12 there are authorized to be appropriated to the Commission
13 to carry out this Act—

14 “(1) \$88,000,000 for each of fiscal years 2002
15 through 2004;

16 “(2) \$90,000,000 for fiscal year 2005; and

17 “(3) \$92,000,000 for fiscal year 2006.

18 “(b) TELECOMMUNICATIONS AND TECHNOLOGY INI-
19 TIATIVE.—Of the amounts made available under sub-
20 section (a), the following amounts may be made available
21 to carry out section 203:

22 “(1) \$10,000,000 for fiscal year 2002.

23 “(2) \$8,000,000 for fiscal year 2003.

24 “(3) \$5,000,000 for each of fiscal years 2004
25 through 2006.

1 **SEC. 13. TECHNICAL AND CONFORMING AMENDMENTS.**

2 (a) Section 101(b) of the Appalachian Regional De-
3 velopment Act of 1965 (40 U.S.C. App.) is amended in
4 the third sentence by striking “implementing investment
5 program” and inserting “strategy statement”.

6 (b) Section 106(7) of the Appalachian Regional De-
7 velopment Act of 1965 (40 U.S.C. App.) is amended by
8 striking “expiring no later than September 30, 2001”.

9 (c) Sections 202, 214, and 302(a)(1)(C) of the Appa-
10 lachian Regional Development Act of 1965 (40 U.S.C.
11 App.) are amended by striking “grant-in-aid programs”
12 each place it appears and inserting “grant programs”.

13 (d) Section 202(a) of the Appalachian Regional De-
14 velopment Act of 1965 (40 U.S.C. App.) is amended in
15 the second sentence by striking “title VI of the Public
16 Health Service Act (42 U.S.C. 291–291o), the Mental Re-
17 tardation Facilities and Community Mental Health Cen-
18 ters Construction Act of 1963 (77 Stat. 282),” and insert-
19 ing “title VI of the Public Health Service Act (42 U.S.C.
20 291 et seq.), the Developmental Disabilities Assistance
21 and Bill of Rights Act of 2000 (42 U.S.C. 15001 et
22 seq.),”.

23 (e) Section 207(a) of the Appalachian Regional De-
24 velopment Act of 1965 (40 U.S.C. App.) is amended by
25 striking “section 221 of the National Housing Act, section
26 8 of the United States Housing Act of 1937, section 515

1 of the Housing Act of 1949,” and inserting “section 221
2 of the National Housing Act (12 U.S.C. 1715*l*), section
3 8 of the United States Housing Act of 1937 (42 U.S.C.
4 1437f), section 515 of the Housing Act of 1949 (42
5 U.S.C. 1485),”.

6 (f) Section 214 of the Appalachian Regional Develop-
7 ment Act of 1965 (40 U.S.C. App.) is amended—

8 (1) in the section heading, by striking “GRANT-
9 IN-AID” and inserting “GRANT”;

10 (2) in subsection (a)—

11 (A) by striking “grant-in-aid Act” each
12 place it appears and inserting “Act”;

13 (B) in the first sentence, by striking
14 “grant-in-aid Acts” and inserting “Acts”;

15 (C) by striking “grant-in-aid program”
16 each place it appears and inserting “grant pro-
17 gram”; and

18 (D) by striking the third sentence;

19 (3) by striking subsection (c) and inserting the
20 following:

21 “(c) DEFINITION OF FEDERAL GRANT PROGRAM.—

22 “(1) IN GENERAL.—In this section, the term
23 ‘Federal grant program’ means any Federal grant
24 program authorized by this Act or any other Act
25 that provides assistance for—

1 “(A) the acquisition or development of
2 land;

3 “(B) the construction or equipment of fa-
4 cilities; or

5 “(C) any other community or economic de-
6 velopment or economic adjustment activity.

7 “(2) INCLUSIONS.—In this section, the term
8 ‘Federal grant program’ includes a Federal grant
9 program such as a Federal grant program author-
10 ized by—

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

13 “(B) the Land and Water Conservation
14 Fund Act of 1965 (16 U.S.C. 460l–4 et seq.);

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

17 “(D) the Carl D. Perkins Vocational and
18 Technical Education Act of 1998 (20 U.S.C.
19 2301 et seq.);

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

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

1 “(G) sections 201 and 209 of the Public
2 Works and Economic Development Act of 1965
3 (42 U.S.C. 3141, 3149);

4 “(H) title I of the Housing and Commu-
5 nity Development Act of 1974 (42 U.S.C. 5301
6 et seq.); or

7 “(I) part IV of title III of the Communica-
8 tions Act of 1934 (47 U.S.C. 390 et seq.).

9 “(3) EXCLUSIONS.—In this section, the term
10 ‘Federal grant program’ does not include—

11 “(A) the program for construction of the
12 Appalachian development highway system au-
13 thorized by section 201;

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

17 “(C) any other program under this Act or
18 any other Act to the extent that a form of fi-
19 nancial assistance other than a grant is author-
20 ized.”; and

21 (4) by striking subsection (d).

22 (g) Section 224(a)(2) of the Appalachian Regional
23 Development Act of 1965 (40 U.S.C. App.) is amended
24 by striking “relative per capita income” and inserting “per
25 capita market income”.

1 (h) Section 225 of the Appalachian Regional Develop-
2 ment Act of 1965 (40 U.S.C. App.)—

3 (1) in subsection (a)(3), by striking “develop-
4 ment program” and inserting “development strate-
5 gies”; and

6 (2) in subsection (c)(2), by striking “develop-
7 ment programs” and inserting “development strate-
8 gies”.

9 (i) Section 303 of the Appalachian Regional Develop-
10 ment Act of 1965 (40 U.S.C. App.) is amended—

11 (1) in the section heading, by striking “INVEST-
12 MENT PROGRAMS” and inserting “STRATEGY STATE-
13 MENTS”;

14 (2) in the first sentence, by striking “imple-
15 menting investments programs” and inserting
16 “strategy statements”; and

17 (3) by striking “implementing investment pro-
18 gram” each place it appears and inserting “strategy
19 statement”.

20 (j) Section 403 of the Appalachian Regional Develop-
21 ment Act of 1965 (40 U.S.C. App.) is amended in the
22 next-to-last undesignated paragraph by striking “Com-

1 mittee on Public Works and Transportation” and insert-
2 ing “Committee on Transportation and Infrastructure”.

Passed the Senate February 8, 2002.

Attest:

Secretary.

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Development Act of 1965, and for other purposes.